

United Nations Development Programme

Country Office Yemen



Project Document

## Peace Support Facility (PSF)

Phase 2 (2023 – 2024)



**Project Title: Peace Support Facility for Yemen – Phase 2**

Project Number: 00118265

Implementing Partner: UNDP

Start Date: 1 March 2023

End Date: 28 February 2025<sup>1</sup>

LPAC Meeting date: 13 February 2023

**Brief Description**

Over the last eight years, Yemen has experienced one of the world's worst protracted political, humanitarian and development crises. The crisis has left 24 million people in need of humanitarian assistance. UNDP's Peace Support Facility (PSF) for Yemen was established in 2019, following the 2018 Stockholm Agreement. Its aim was to support the national peace process with a flexible financial instrument that offers the resources to implement agreements reached by the parties during negotiations led by the UN Secretary-General's Special Envoy to Yemen, starting from implementation of the Stockholm Agreement and beyond, in line with the developments of the peace negotiation process. Building on the results of its first iteration, the PSF Phase 2 will continue to support the Special Envoy of the Secretary General for Yemen and the UN Resident Coordinator to Yemen in their attempts to reinstate Yemen's peace process with fast, flexible, innovative, and catalytic initiatives that can deliver tangible, rapid, and lasting improvements in the daily lives of people while reinforcing and building public support for the political process.

The project was initially designed as a 3-year programme, but due to current financial constraints the project has been shortened by one year till December 2024. However, to fulfill the PSF's mandate and mission of supporting the national peace process additional fundraising is carried out continuously. The ambition is still to ensure PSF's operationality for 3 years and if the required resources are committed, the project will be extended till December 2025.

The facility is structured in three result areas:

**Result Area 1** supports the Special Envoy and Resident Coordinator's peace and stability processes through confidence building interventions and mechanisms. Eligible initiatives will promote continuous or renewed constructive engagement of the parties in the peace process.

**Result Area 2** supports new – and brings to scale existing – subnational peace initiatives to incentivize and lay the foundations for a more inclusive peace process. Eligible initiatives will create momentum and demand for peace at local (sub-national) levels.

**Result Area 3** will accommodate additional special initiatives, which are complementary to Result Areas 1 and 2, and that will promote broader, more coherent, and inclusive support of the international community to the peace process, and to a peace agreement once concluded.

Contributing to **UNSDCF Outcome 3**: By 2024, people in Yemen, especially women, adolescents, girls, and those at risk of being left behind, become more resilient to economic shocks by increasing their income security and access to decent work.

**Contributing to CPD Outputs:**

**3.1.** Critical infrastructure/facility and restored to facilitate implementation of peace agreements and increase citizens' confidence in the peace processes.

**3.2.** Capacities of communities, local institutions and civil societies enhanced to manage local conflicts and promote social cohesion

**3.4.** Capacity of women-led local non-governmental and community-based organizations enhanced to promote and mainstream gender equality and the Women, Peace, and Security agenda.

*Indicative Output(s) with gender marker: GEN2/GEN3*

<b>Total required</b>	<b>US\$ 12,637,773</b>
Resources allocated:	US\$ 8,637,995
UNDP:	N/A
Donors:	
Germany:	US\$4,136,505
European Union:	US\$ 3,312,600
NorCap:	US\$ 205,000
Carry-over balance from Phase I:	US\$ 983,890
<b>Unfunded:</b>	<b>US\$ 3,999,778.36</b>

<sup>1</sup> This is a multi-donor project and the implementation period indicated above represents its overall duration. The contribution of the European Union to this Action will be valid over the implementation period specified in article 2 of the Special Conditions to the EU-UNDP Agreement.

# Contents

Contents .....	i
Figures, Tables and Textboxes .....	ii
Abbreviations .....	iii
<b>1 Development Challenge .....</b>	<b>1</b>
<b>2 Strategy.....</b>	<b>2</b>
2.1 Key lessons learned .....	3
2.2 Guiding Principles.....	4
2.3 Theory of Change.....	5
<b>3 Results and Implementation Arrangements.....</b>	<b>7</b>
3.1 Overview of Result Areas .....	7
<i>Result area 1 – National peace and stability processes .....</i>	<i>7</i>
<i>Result area 2 – Foundations for a more inclusive peace process .....</i>	<i>8</i>
<i>Result Area 3 – Special initiatives with separate management arrangements and funding .....</i>	<i>8</i>
3.2 Implementation Arrangements.....	9
<i>Annual budgeting and planning process.....</i>	<i>9</i>
<i>Funding for urgent activities outside the regular planning process .....</i>	<i>9</i>
<i>Selection of project initiatives.....</i>	<i>9</i>
<i>Project duration and flexibility for adaptation .....</i>	<i>12</i>
<i>Project monitoring and reporting arrangements .....</i>	<i>12</i>
<i>Small grants mechanism under result area 2 .....</i>	<i>12</i>
<b>4 Partnerships.....</b>	<b>13</b>
<b>5 Adaptive Management and Risk Mitigation .....</b>	<b>13</b>
5.1 Key risks and mitigation measures .....	14
5.2 Dynamic risk management.....	15
<b>6 PSF Governance and Management.....</b>	<b>15</b>
6.1 PSF Governance .....	15
<i>The PSF Steering Committee: .....</i>	<i>16</i>
<i>PSF Technical Committee.....</i>	<i>17</i>
<i>The UN Tripartite Team .....</i>	<i>18</i>
6.2 PSF Management .....	18
<i>The PSF Team .....</i>	<i>20</i>
<b>7 Funding.....</b>	<b>22</b>
7.1 Resource Requirements .....	22
7.2 Funding arrangement.....	23
<b>8 Monitoring and Evaluation .....</b>	<b>26</b>
8.1 PSF Monitoring Plan.....	27
8.2 PSF Evaluation Plan .....	28

9	Multi-Year Work Plan .....	29
10	Legal Context .....	31
11	Risk Management .....	31

## Figures, Tables and Textboxes

Figure 1: PSF Results and Intervention Logic .....	Error! Bookmark not defined.
Figure 2: Overview of the PSF 2.0 Governance and Management Structure.....	17
Figure 3: Overview of PSF Team Functions.....	Error! Bookmark not defined.
Figure 4: Overview of the PSF 2.0 Core and Extended Staffing Structure.....	Error! Bookmark not defined.
Table 1: Overview of Roles of PSF Implementation Stakeholders.....	24
Textbox 1: PSF 2.0 Theory of Change.....	6
Textbox 2: Pre-qualification of Implementing Partners .....	11
Textbox 3: Selection and Approval of Result area 1 & 2 Projects .....	11
Textbox 4: Lessons from Risk Management in Complex Environments.....	14



## Abbreviations

AI	Artificial Intelligence
CBO	Community-based Organizations
CO	Country Office
CPD	Country Programme Document
CSO	Civil Society Organization
DDR	Disarmament, Demobilization, and Reintegration
DIM	Direct Implementation Modality
EU	European Union
FCDO	The Foreign, Commonwealth & Development Office
GCC	Gulf Cooperation Council
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
HACT	Harmonized Approach to Cash Transfers
IDPs	Internally displaced persons
iNGO	International Non-Governmental Organization
IP	Implementing Partner
IRG	Internationally Recognized Government
I-UNV	International United Nations Volunteer
LPAC	Local Project Appraisal Committee
M&E	Monitoring and Evaluation
MTE	Mid-Term Evaluation
NGO	Non-Governmental Organization
NPSA	National Personnel Service Agreement
N-UNV	National United Nations Volunteer
NY	New York
OAI	Office of Audit and Investigations
OSESGY	Office of the Special Envoy of the Secretary General for Yemen
OST	Oversight and Support Team
PCAT	Partner Capacity Assessment Tool
PRR	Prosecution, Rehabilitation and Reintegration
PSF	Peace Support Facility
PSF-SC	Peace Support Facility Steering Committee
PSF-TC	Peace Support Facility Technical Committee
PVE	Preventing Violent Extremism
QA	Quality Assurance
RC	Resident Coordinator
RCO	Resident Coordinator's Office
RfA	Rationale for Adaptation
RFA	Risk and Feasibility Assessment
RfP	Request for Proposals
RP	Responsible Party
SBAA	Standard Basic Assistance Agreement
SE	Special envoy
SEA	Sexual exploitation and abuse
SES	Social and Environmental Screening
SGM	Small Grants Mechanism
SH	Sexual harassment
SSR	Security Sector Reform
SSOP	Safer Salvage Operation Project



POS	Peace Operation Support
TBD	To Be Determined
ToC	Theory of Change
ToRs	Terms of Reference
UN TT	United Nations Tripartite Team
UNDP	United Nations Development Programme
UNDP CPU	United Nations Development Programme Central Procurement Unit
UNDP RR	United Nations Development Programme Resident Representative
UNMHA	UN Mission to support the Hudaydah Agreement
UNSDCF	United Nations Sustainable Development Cooperation Framework
UNSMS	United Nations Security Management System



# 1 Development Challenge

Even before the outbreak of violent conflict in 2015, Yemen was a developing country, with ill-managed natural resources, locked in a poverty-conflict trap for decades, suffering from the impact of climate change, regional security issues, and, more recently, the COVID-19 pandemic. A political transition set in motion in 2011 was designed to produce a new constitution and wide-ranging reforms but was not completed before the outbreak of the conflict.

Since the beginning of the conflict, the social, economic, and political situation in Yemen have deteriorated significantly. As the state becomes increasingly fragile, the conflict becomes more complex and fragmented. In 2019, as outlined in UNDP Yemen's *Impact of War* report series, the **Human Development Index** was set back by 21 years due to the conflict. If the conflict persists through 2030, that setback grows to nearly four decades. Not only will most Yemenis live in poverty, but the level of poverty will be the worst in the world, with most of the population being malnourished and with a high prevalence of stunting, along with the associated impacts on health, education, and productivity. The economy will be fundamentally altered, with GDP per capita ranking among the lowest globally. Severe inequality will tear at the social fabric, making Yemen more vulnerable to an ongoing and vicious cycle of conflict, regional instability, and suffering. Inaction by the international community, by ignoring opportunities for peace or inadequate support, will significantly worsen the Yemeni crisis.

Today, Yemen is facing the world's worst humanitarian crisis. More than 80 per cent of Yemenis live below the World Bank-defined poverty line of \$2.15 per person per day. About 24 million Yemenis – 80 per cent of the total population – need **humanitarian assistance** and the needs of 12.1 million Yemenis are rated as acute by the 2022 humanitarian needs overview. Over 2.25 million children under the age of five and more than a million pregnant and breastfeeding women were projected to suffer from acute malnutrition in 2021. International support helped avert famine and further disaster in 2019 and 2020. Yet the underlying drivers of the crisis persist, and what little gains were made have withered, leaving a less resilient population.

In 2020 alone, 172,000 people were displaced in Yemen, bringing the current total number of internally displaced persons (IDPs) to 4 million – the fourth highest level of internal displacement globally. Many are in a situation of protracted and multiple **displacement**, straining their resources and exacerbating vulnerabilities. Moreover, the influx of large numbers of IDPs puts an additional burden on resources and infrastructure in host communities – many of which are conflict-affected with significant humanitarian needs.

Since the conflict begun, the **economy** has shrunk by more than half, the Yemeni Rial has depreciated massively and food supply chains have been affected by the conflict, all leading to soaring food prices, as up to 90% of the country relies on imports for its basic food and energy needs. In addition, the country is suffering from an increasingly acute climate and environmental crisis. Two-thirds of the country is classified as hyper-arid. Yemen is one of the most water-stressed countries in the world. Extreme weather events, such as droughts and floods, combined with rising temperatures put more pressure on the already struggling population, both in the rural areas, where the livelihood of many depend on natural resources and subsistence farming, and in the urban areas, which suffer from increasing pressure on basic services, housing, and access to basic resources. The ongoing conflict has destroyed infrastructure, eroded social cohesion and community stability, and damaged livelihoods and employment opportunities.

The conflict and the underlying challenges the country has been confronted with are disproportionately affecting **women, children, and youth** and their role and participation in society. The 2021 Humanitarian Response Plan reports that women and children comprise more than 70 per cent of IDPs, who live in inadequate shelters, where overcrowding is commonplace, protection risks are severe and basic services are limited. Sites often lack sex-segregated facilities, putting women and girls at particular risk of gender-based violence. In 2021, Yemen ranks 155 of 156 countries analyzed in the World Economic Forum's Gender Gap Index and last of 170 countries in UNDP's Gender Equality Index. Politically, women are marginally involved, if at all, in national and sub-national decision making. While women actively participated in the protests during the 2011 uprising and contributed over 25 per cent of participants to the National Dialogue



Conference, the ongoing conflict has essentially reversed this progress. Today, women are barely represented in the national peace process, although there have been some examples of successful women-led negotiations at the subnational level.

With limited access to education during wartime and in the absence of meaningful employment and means of self-reliance, **young men** become vulnerable to manipulation and recruitment by armed criminal or violent extremist groups. 70 per cent of Yemen's population is youth. The country's 2.1 per cent population growth rate is among the highest globally, and the population is projected to double by 2035.

Politically, the conflict has resulted in fragmentation and tensions between **central and subnational authorities** over who has can regulate society and control economic activity, as the Internationally Recognised Government (IRG) struggles to maintain sub-national governance in several regions. The breaking up of the nation-state and its institutions has led to the development of both ad-hoc and more permanent, formal and informal, arrangements at the subnational level, with an increasing number of resources being diverted from central purview. At the same time, regional inequalities are significant and growing – another impediment for future peace. Since 2014, most local councils' political legitimacy, and human and financial resources, at governorate and district levels have shrunk dramatically as the conflict has penetrated subnational government structures. Central government transfers, including salaries and investment capital to local councils, stopped or are irregular. For the peace negotiations to have any lasting impact, the meaningful involvement of subnational actors in the peace process grows in importance.

Following the outbreak of the conflict, the United Nations Security Council mandated the Secretary-General to establish a **Special Political Mission for Yemen**: The Office of the Special Envoy of the Secretary General for Yemen (OSESGY). OSESGY's work focuses on enabling the resumption of a peaceful, inclusive, orderly, and Yemeni-led political transition process. OSESGY's mediation approach encompasses three tracks - political, security, and economic. The Special Envoy's engagements include both the direct engagement of parties (through Track I negotiations) as well as various societal groups, including civil society organisations, women's organisations, political groups, youth movements, religious groups, professional organisations, and trade unions (Track I.5 and Track II dialogue).

The December 2018 Stockholm negotiations under OSESGY auspices represented a first breakthrough in the peace negotiations process, since the Kuwait Talks in 2016, generating enthusiasm among the international donor community. The international donor partners were ready to offer more resources to the Special Envoy, capitalizing on the momentum generated by the Stockholm Agreement. More recent developments, including the six-month Truce brokered by the UN Special Envoy, the continuation of military de-escalation and Truce elements beyond the Truce's expiration in October 2022, changes on the Yemeni political scene, as well as increased regional efforts, have provided hope that movement toward a more peaceful future for Yemen is possible.,

**The Peace Support Facility (PSF)** was created in 2019 as an operational tool to support the OSESGY-led peace process with quickly deployable funds to implement agreements reached during the negotiations and incentivise the warring parties to engage in the peace process. The 2021 Mid Term Evaluation of the PSF and consultations with donors recommended that the PSF should be continued with a second phase to serve as a key platform that brings together the UN and international partners to discuss, design and implement a harmonised and coordinated response supporting the broader peace process. While the PSF itself cannot guarantee progress in the peace process, it can serve as a versatile tool that facilitates the emergence of – and capitalises on – opportunities to make progress towards peace and that can deliver peace dividends in the form of tangible improvements in the lives of people affected by the conflict.

## 2 Strategy

Building up on the results and lessons learned of phase 1, the new three year phase of the PSF will continue to support the UN Special Envoy and the UN Resident Coordinator in their attempts to resume Yemen's political process, providing an efficient and agile mechanism that facilitates the quick implementation of initiatives with short-term impact, as well as longer-term initiatives delivering tangible, lasting improvements to the lives of Yemeni men and women while reinforcing and building public support for peace. The



continuation of the PSF is particularly opportune now, as recent political developments including the truce represent opportunities to build on military de-escalation and move toward a political settlement of the conflict. At the same time, the second phase of the PSF, or PSF 2.0, is designed in such a way that it can adapt to changing circumstances as required and thus continuously support the international peace efforts.

To that end, the PSF will support initiatives of the three mediation tracks – political, military/security, and economic – covering short and longer-term priorities emanating from international mediation efforts between the parties to the conflict with the potential of supporting and sustaining peace. The issues addressed need to be pertinent for the conflict parties to be addressed and/or support the transitional process. As such, the PSF can also support UN Resident Coordinator's Office (RCO)-driven economic, peacebuilding and conflict resolution initiatives, including the UN Economic Framework.

Due to current funding commitments, the proposed project document spans two years, ending in December 2024. To fulfill the PSF's mandate and mission of supporting the national peace process with an agile and flexible tool for implementation along the three result areas, the project was designed as a 3-year programme. While current funding does not allow for a viable 3-year programme, the ambition is to raise further funding ensuring that the PSF successfully fulfills its mandate. A resource mobilization is currently being formulated focusing on collective responsibility between the three UN entities and current donors to the PSF. The ambition is still to ensure PSF's operationality for 3 years and if the required resources are committed, the project will be extended till December 2025.

## 2.1 Key lessons learned

At the request of the PSF Steering Committee, the UNDP PSF team commissioned an independent Mid Term Evaluation (MTE) in 2021, to take stock of the initial results of the facility and make recommendations for its subsequent improvement. The PSF Phase 2 Strategic Framework and the present project document are informed by key lessons and recommendations of this evaluation as well as in-depth discussion with all PSF stakeholders.

**A comprehensive vision and strategy for the PSF Phase 2.** The first phase of the PSF did not have a sufficiently clear vision and strategy, partly since the PSF was created as a quick response aiming to capitalize on the momentum of the Stockholm Agreement. The logic of the PSF and its design evolved significantly during phase 1, adapting to the realities on the ground and learning from early experiences. PSF Phase 2 comes with a strong strategic backbone and a clear albeit flexible design. Its intervention logic creates complementarity between the different types of initiatives it will support the next three years. Moreover, while the difficulties and risks of operating in a volatile environment are acknowledged, the results framework described below, and the related measurements of success will allow for the monitoring of attributions to local and national peace processes.

**Mitigation of PSF dependency on future political stability.** Phase 1 “focused too narrowly on supporting the outcome of higher-level political interactions” that may evolve in a slower and less predictable manner, and embodied, in effect, a top-down process. The second phase of the PSF allows for a combined top-down and bottom-up approach towards the OSESGY-led peace process. On the one hand, the facility will support Track I high-level initiatives that are key for advancing the national peace process. On the other hand, the facility is designed to build momentum for peace at the local and sub-national level through delivery of peace dividends and quick wins that come out of Track II and local-level dialogues and that improve the lives of people affected by the conflict.

**Strengthened collaboration amongst stakeholders.** The MTE highlights that “in order to add value to its role, the relationship of the facility to the OSESGY needs to be more collaborative and allow the facility more flexibility to focus to a greater extent on local confidence building and conflict prevention opportunities”. To address this concern, the PSF 2.0 comes with a revised governance structure, including a formalised engagement of the UN Tripartite Team with a well-defined mandate and role for each UN partner (OSESGY, RCO, UNDP), as well as a Technical Committee which includes the UN Tripartite Team members and donor representatives.

**Better gender inclusion.** The MTE also highlighted that “the PSF falls short in addressing gender equality” and recommends that the PSF should “seek opportunities to support local-level social networks and movements



aimed at advancing women's rights and gender inclusivity". PSF 2.0 includes a capacity dedicated to implement the PSF gender strategy across projects supported by the facility and to train Implementing Partners and Responsible Parties (IP/RPs) for strengthened gender-responsive project design and day-to-day implementation. Moreover, a distinctive project output is dedicated to the meaningful inclusion of women and youth in local and national level peace efforts.

**Continuous strategic engagement with donors.** In phase 2, PSF donors will be more involved in strategic conversations with the PSF team and UN partners including annual priority setting, necessary adaptations, and results progress. The governance structure of the new facility establishes formal and informal joint advisory and decision-making opportunities, providing interested and available donors with additional opportunities to shape the PSF's implementation. Also, the staffing structure of the new PSF will include dedicated communication resources, enabling production of dedicated communication material.

## 2.2 Guiding Principles

In collaboration with PSF donors and implementing partners as well as in consultation with PSF Phase 1 beneficiaries, the following principles have been defined to adapt the PSF theory of change, capacities, and management arrangements for its phase 2.

First, a more **strategic focus** implies prioritizing fewer thematic areas of intervention and deepening and scaling interventions in these areas. Given the wide range of potential interventions supporting local peace-building and national peace processes, the PSF will prioritise interventions that incentivise, are relevant to, and lay the foundations for the national-level political process.

Second, the PSF 2.0 strategy allows for parallel and cross-cutting interventions supporting the **three tracks at national and sub-national levels**. As such, it will:

- Support initiatives linked to the three mediation tracks and UN RC initiatives.
- Support subnational level conflict resolution initiatives that can incentivise and lay the foundations for the national peace process.
- Build momentum on the ground for the peace process with local-level, small wins, that contribute to the implementation of national-level agreements and development of the peace process.
- Prevent further fragmentation of the political and security situation at the subnational level.

Third, the facility aims to flexibly support the Yemeni peace process through all available avenues. To that end, the PSF will strive to:

- Develop peacebuilding capacity of national and subnational Yemeni actors and institutions, such as universities, civil society organisations, women and youth networks as well as public institutions where appropriate.
- Promote implementation of peacebuilding initiatives by Yemeni institutions, where needed, supported by national and international organisations.

Fourth, phase 2 supported interventions will integrate support to **local-level social networks and movements aimed at advancing women's rights and gender inclusivity** and facilitate participation of women and youth in the peace process, including through gender 'stand-alone' projects. As part of the new phase, the PSF team will develop a dedicated Youth strategy to drive youth participation in national and subnational dialogues and support initiatives that reduce the risk of youth becoming active in armed conflict. The PSF Youth strategy will be streamlined across result area 2 initiatives. Also, it will inform the interventions of the Small Grants Mechanism, described below under section 3.

Fifth, PSF support will strive to create an equitable balance between various priorities of regions and parties and apply a **conflict-sensitive approach** considering political nuances of local-level capacity building and ensuring that authorities are kept informed about project activities. It is, however, equally essential to:

- Boost programming in areas where the peace process can progress.
- Support stabilisation in areas recently coming out of armed conflict.
- Work in areas to prevent the intensification or spill-over of conflict.

All projects will be accompanied by (a) an analysis of the main internal and external conflict drivers, conflict dynamics, and positions of the parties (stakeholders) to the conflict and the impact of these factors on women and (b) a risk register, including monitoring and mitigating mechanisms that build on the gender-sensitive conflict analysis.

Sixth, PSF 2.0 will be implemented based on an **adaptive management approach** that enables and ensures regular review of relevance in view of contextual changes, progress against its objectives and lessons learned, and that will accommodate adaptations as needed.

## 2.3 Theory of Change

The project is designed in recognition of the criticality of peace for the sustainability of recovery, peacebuilding, and longer-term development interventions. Given that the peace negotiation process led by the Special Envoy of the Secretary General is the main international vehicle to pursue peace in Yemen, the PSF is overall designed to promote negotiation leverage of OSESGY, and to catalyze peace through working with conflict-affected communities and the provision of peace dividends directly benefitting conflict-affected communities.

Accordingly, the PSF Theory of Change has the following three **key objectives**:

- Continuous or renewed, constructive engagement of the parties in the peace process will be promoted.
- Momentum and demand for peace created at local and subnational levels will be created.
- International support to the peace process is broadened and more coherent and inclusive.

It suggests that these objectives can be achieved through the following set of **interventions**:

- Peace dividends and confidence-building measures with national impact are funded and successfully implemented.
- Participation in local peace processes is increased and tangible improvements in the lives of communities affected by the conflict are achieved.
- Capacity of women-led NGOs and community-based organizations enhanced to participate in local peace processes and promote gender equality / the Women, Peace and Security agenda.
- Critical special initiatives complementing the peace process and – once relevant – supporting the implementation of a national peace agreement are addressed.

The ToC is based on several **assumptions** and relies on a nuanced and continuously updated understanding of contextual changes and political dynamics on the ground. Importantly, the Theory of Change assumes that projects and initiatives delivered by the PSF will (1) incentivise continuous engagement of parties in the peace process, (2) generate additional demand for peace positively impacting the peace process and (3) will lead to tangible improvement in the lives of affected communities. This assumption needs to be monitored and the PSF approach continuously fine-tuned based on lessons learned.

Accordingly, the PSF Phase 2 will be equipped with a more robust monitoring capacity, including a roving local monitoring and data collection capacity. Qualitative perception indicators will be used to assess the extent to which PSF initiatives have positively contributed to the engagement of parties in the peace process and have created trust and the demand for peace among the Yemeni people.

The PSF success will also require efficient and continuous communication between UN and donor partners. It will be critical to maintain a common understanding of the objectives of the facility in the highly volatile context. Adaptability based on lessons learned and context changes as well as effective risks management and continuous situation monitoring constitute further critical preconditions.

The complete PSF theory of change is captured in the below textbox.



## TEXTBOX 1: PSF 2.0 THEORY OF CHANGE

**Knowing that:**

- The continuation and a further escalation of the conflict in Yemen would lead to the continuation and possible aggravation of the world's worst humanitarian and development crisis today and that *achieving peace* is a prerequisite for sustainable development.

**Assuming that:**

- The parties to the conflict will remain engaged in the peace process led by the UN Special Envoy.
- Opportunities for peace at the national and sub-national level arise, within the framework of the negotiation process led by the OSESGY.
- The security situation will allow for the continuous implementation of projects.
- The delivery of tangible initiatives and stabilization activities will generate trust among parties, and local-level demand for peace.
- Peace dividends will be used constructively by the parties involved in the conflict.
- The peace process under the auspices of the OSESGY, benefits from a reliable, adequately funded, quick instrument that delivers tangible initiatives/projects at the national and local level, which produces rapid improvements for the people affected by the conflict, in direct support of peace priorities.
- Resources and a flexible project development and implementation mechanism are put in place that deliver tangible peacebuilding and stabilisation initiatives in areas recently coming out of armed conflict as well as conflict prevention and mitigation initiatives.

**If:**

- Peace dividends and confidence-building measures with national impact are funded and successfully implemented.
- Participation in local peace processes increased and tangible improvements in the lives of communities affected by the conflict are achieved.
- Capacity of women-led NGOs and community-based organizations enhanced to participate in local peace processes and promote gender equality / the Women, Peace and Security agenda.
- Critical special initiatives complementing the peace process and – once relevant – supporting the implementation of a national peace agreement are addressed.

**Then:**

1. Continuous or renewed, constructive engagement of the parties in the peace process will be promoted.
2. Momentum and demand for peace created at local and subnational levels will be created.
3. International support to the peace support is broadened and more inclusive.

In the long term, the PSF will contribute to a more integrated and more stable peace process and will lay the foundation for sustainable reconstruction and recovery in Yemen.

**What will success look like?**

In view of the above proposed theory of change and its underlying assumptions, which will be subject to adaptations as needed, the facility will be considered successful if:

- 1) Timely support and efficient implementation of selected initiatives under the three result areas is ensured.
- 2) The initiatives implemented in the three result areas are relevant for the peace process, i.e., aligned with the priorities and support the mandate of OSESGY and substantively support the peace process at local, sub-national or national levels.
- 3) Projects under result area 2 respond to local dynamics and enhance the capacity of local actors to engage in peace processes.
- 4) There is continuous or renewed engagement of the parties in the peace process, acknowledging that other factors dramatically impact this outcome.
- 5) Existing or re-emerging local conflicts are settled, and escalations minimized in target communities.

- 6) The meaningful participation in the peace process of targeted beneficiaries, especially women and youth through their organisations and networks, has increased.
- 7) Tangible improvements in the lives of people, especially women and youth with conflict-carrying capacity affected by conflict in target areas are achieved.

### 3 Results and Implementation Arrangements

The PSF contributes to **UNSDCF outcome 3**: “By 2024, people in Yemen, especially women, adolescents, girls and those at risk of being left behind, become more resilient to economic shocks by increasing their income security and access to decent work.”

It directly supports the following outputs of the **UNDP Country Programme 2023/24**:

- 3.1. Critical infrastructure/facility are restored to facilitate implementation of peace agreements and increase citizens’ confidence in the peace processes.
- 3.2. Capacities of communities, local institutions and civil societies enhanced to manage local conflicts and promote social cohesion
- 3.4. Capacity of women-led organizations, local non-governmental organizations and community-based organizations enhanced to promote and mainstream gender equality and the Women, Peace and Security agenda.

Interventions of the facility will be structured and managed in three result areas, replacing the windows of phase 1

#### 3.1 Overview of Result Areas

##### **Result area 1 – National peace and stability processes**

Initiatives and projects implemented under result area 1 will support the Special Envoy and Resident Coordinator’s efforts for peace through confidence building interventions and peace dividends. They will offer more leverage to OSESGY and contributing UN actors and will directly contribute to the continuity and success of peace negotiations. As such, they will emanate from direct interaction with the conflict parties and respond as required and in equitable fashion to key interests of the parties.

Projects under results area 1 will deliver confidence-building measures and peace dividends to the conflict parties and the Yemeni population at significant scale. They will have high political impact and will be closely aligned with the goals and outcomes from the peace process as it moves forward, including infrastructure projects that critically improve the lives of Yemenis affected by the conflict.

Due to the centrality to the peace process of the result area 1 initiatives, potential bottlenecks along with roles and responsibilities of the three UN agencies will be determined prior to the implementation of the initiatives to avoid delays and preempt potential political obstacles.

Examples of initiatives eligible under result area 1 include:

- Support for ceasefire and road opening monitoring initiatives.
- Support to prisoners’ exchange initiatives that fall under the Stockholm Agreement: Prisoners and Detainees Exchange Agreement framework or as proposed by the Special Envoy.
- Support capacity building for security personnel to pave the way for demobilization in the event of a peace agreement.
- Capacity development and infrastructure rehabilitation to boost economic activity and spur support for the peace process such as support for the Special Envoy’s recent efforts to re-open Sana’a international Airport to commercial airlines.
- Reinsurance Fund to reduce shipping insurance premiums.
- Fuel revenue and public salary management that are funded through ports and fuel revenue.



## Result area 2 – Foundations for a more inclusive peace process

Complementing result area 1 activities and Track I negotiations led by OSESGY, result area 2 is based on a bottom-up approach that capitalizes on opportunities for peace at the community level. Interventions in this area can be maintained and / or scaled in case of delays and gridlocks at national level and ensure continuous bottom-up support to the peace process. Result area 2 projects will build momentum and demand for peace at subnational and local level, aim to reduce tensions, offer credible alternatives for combatants, and prevent conflict escalation and violent extremism (PVE). Interventions will add credibility to Track II and III dialogues.

Projects implemented under result area 2 will support new – and bring to scale existing – subnational and local peace initiatives to incentivise and lay the foundations for an inclusive peace process. They will deliver tangible and rapid improvements to the lives of Yemenis affected by the conflict, including dedicated activities benefiting women and youth with conflict-carrying capacity. Activities aim to build increasing demand for peace, and therefore positively influence the high-level peace process. A particular emphasis of result area 2 initiatives will be to engage youth with conflict-carrying capacities and to promote the participation of women and women's organisations in sub-national and national peace processes. Overall, the initiatives will lead to increasing trust within and between communities, lead to positive perception changes of the population, and reduce the level of tensions in targeted areas. They will also contribute to gradually rebuild Yemeni civil society as a critical vehicle to organise and channel interests of the population, and especially the demand for peace.

Result area 2 activities will also contribute as needed to address causes of conflict with entry points to the national political process, building constituencies for peace, re-orienting parties, and reconstituting peace building mechanisms. Improved local capacities for mediation and monitoring of peace agreements will enhance peace readiness and expand openness and dialogue about possible futures, while shared responsibilities for community infrastructure might contribute to further conflict mitigation.

Accordingly, result area 2 supports the implementation of activities emerging from recommendations and findings of track II, track III, and other relevant subnational inclusive dialogues and processes, while also building the capacity of organisations and representatives to contribute to a more inclusive, fair, and sustainable peace process.

Examples of initiatives eligible under result area 2 include:

1. Initiatives that emerge as a direct result of Track II & III dialogues and processes.
2. Initiatives by national civil society organisations selected competitively through the Small Grants Mechanism.
3. Initiatives identified through the area-based approach under Pillar 2 of the UN Economic Framework.

## Result Area 3 – Special initiatives with separate management arrangements and funding

Projects implemented under result area 3 will support opportunities for complementary, strategic activities that support peace processes and require broader international support. In this result area, PSF partners or any donor not included otherwise in the PSF, will be able to contribute additional resources to specific initiatives governed through separate management arrangements and defined in a dedicated project document.

Initiatives will be complementary to result areas 1 and 2 projects and characterised by several of the following criteria:

- High risk and require risk-sharing among donor partners.
- Require a harmonized international response.
- Too sensitive for donor partners to fund directly.
- Have the potential to serve as confidence building mechanisms.
- Addresses immediate needs during negotiations and immediate post-political settlement.
- Support broad-based, inclusive dialogue activities at the national and subnational levels.
- Support capacities of OSESGY and / or partners to facilitate activities critical to peace processes.



An example of an endorsed special initiative is the Safer Salvage Operation Project (SSOP) that aims to prevent a decaying tanker moored off Yemen's coastline from causing a major environmental disaster, which would have significant repercussions for ongoing peacebuilding and stabilization efforts. The SSOP was initially located under result area 3 but currently functions as a separate project, including staff solely dedicated to the project.

Should a national peace agreement be reached, result area 3 will also include projects that will address immediate peace agreement implementation needs, such as transitional governance arrangements, constitution drafting, rule of law, Disarmament, Demobilisation, and Reintegration (DDR), Prosecution, Rehabilitation and Reintegration (PRR), and Security Sector Reform (SSR).

## 3.2 Implementation Arrangements

### Annual budgeting and planning process

Starting in the third quarter of each calendar year, the PSF Team will conduct a mapping of potential national and local level initiatives considered for PSF funding, based on the overall PSF strategy described in this document and possibly amended and confirmed by the PSF Steering Committee. The mapping exercise which will be informed through engagements with communities throughout Yemen will be followed by a strategic prioritization prepared by the UN Tripartite Team and jointly conducted with the PSF Technical Committee, which will inform the facility's annual budgeting, planning process, and resource mobilization efforts. Prioritisation efforts will consider inter alia (1) the criticality of each initiative for the peace process as defined by respective result areas, and (2) the impact that the initiatives can have on creating a subnational demand for peace through the immediate protection and improvement of livelihoods for conflict-affected Yemenis, and (3) the implementation/ anticipated expenditure pace of each initiative; and follow the selection process described in the next section.

### Funding for urgent activities outside the regular planning process

It is understood that priorities, plans and budgets will likely be adjusted during the year, and the PSF needs to maintain its ability to support urgent initiatives within the scope of the three result areas at any moment in time. Therefore, UNDP will dedicate a portion of available funding for unplanned critical initiatives under result area 1 or 2. The exact amount will be determined in view of known priorities and available funding during the annual planning process.

### Selection of project initiatives

Specific arrangements apply to each of the three result areas, which will be documented in more detail in a PSF Standard Operating Procedures (SOP) document.

Under **result area 1**, initiatives can be proposed by the Special Envoy or the Resident Coordinator or proposed by the parties to the conflict if supported by the UN Leadership. Initiatives should have a clear contribution to the national peacebuilding and stabilisation processes.

Initiatives will be proposed through the submission of Terms of Reference (ToRs) that outline how the proposed initiative supports the high-level peace process and define objectives, key activities, beneficiaries, and estimated budget requirements. The UN Tripartite Team, facilitated by the PSF team, will support the development of ToRs as needed. Additional sectoral or geographical expertise may be consulted to strengthen ToRs. Such capabilities can be drawn as adequate from (1) UNDP Yemen Country Office or Regional Hub, (2) the UNDP stand-by pool of experts, (3) other UN Agencies, or (4) Donor Partner capacities with the required technical expertise.

The PSF Technical Committee will review the ToR and confirm proposed initiatives in accordance with defined PSF priorities. It will also help to identify possible duplications and / or synergies with existing projects. RCO supports the identification of possible overlaps with the work of other UN agencies, using for example, the UN Cooperation Framework in Yemen and its Joint Work Plan (currently under development).



Under **result area 2**, initiatives linked to Track II & III dialogues, other sub-national peace processes or local social disputes over access to resources and basic services can be proposed by OSESGY, the RCO, UNDP or members of the Steering Committee in close consultation with the PSF Tripartite. Eligible initiatives must have a strong focus on inclusive conflict resolution and address the causes and impacts of conflicts at sub-national levels. To ensure a strategic approach that recognizes differences between DFA and IRG controlled areas, successful proposals should as much as possible:

- Enhance the participation of population in sub-national consultations and peace processes.
- Enhance the capacities of women-led NGOs and networks and support the meaningful participation of women, youth, and minorities in subnational peace processes.
- Support accountability of security actors in respect to the population.
- Tackle the drivers of subnational conflicts such as the water and energy sectors, which may be possible in combination with a peace dividend that rehabilitates essential infrastructure.
- Support the implementation of agreements reached in subnational conflict mediation processes, such as – and not limited to – the rehabilitation of critical community infrastructure.

Like result area 1, initiatives will be proposed through the submission of ToR, the development of which will be supported by the UN Tripartite Team and additional technical capacities as needed.

Proposals will be submitted to the PSF Technical Committee for review and endorsement, except for initiatives with an estimated budget above \$1 million, which will be endorsed by the PSF Steering Committee.

In line with the PSF Gender Strategy, all projects under result area 2 need to dedicate at least 10% (ideal target: 15%) of the programmable budget to activities supporting women and youth, either in the form of specific peace dividends, the strengthening of women and youth peace networks and the participation of these population groups in peace processes at sub-national and local levels.

Given the diverse humanitarian, political and development support ecosystem in Yemen, the risk of duplication is particularly high for result area 2. To reduce this risk and/or create synergies between complementary existing initiatives, the RCO will gradually establish and update a database of ongoing initiatives with inputs from OSESGY, UNDP, and donor partners, making use of existing mapping instruments and thematic coordination groups. This database will be interlinked with the Yemen Information Dashboard currently under development.

Several partners have created instruments to provide funding and support to local level organisations and networks. The result area 2 is designed to act in complementarity with these instruments. As such, result area 2 projects must have a clear contribution to the peace process. Proposals that do not bear significant impact on the peace process such as projects exclusively focusing on livelihoods and basic services delivery are not eligible.

In **result area 3**, initiatives can be identified and proposed by any PSF partner, the negotiating parties through OSESGY or the RCO, or an external national or international partner. Subject to positive consideration of UN Leadership, OSESGY or RCO will develop a project document outlining objectives, activities, and financial requirements. The drafting of the project document can be supported as needed by the PSF team and / or the PSF pool of technical expertise. This result area may also include initiatives in support of the implementation of a national peace agreement, once concluded, as well as capacity support to OSESGY and RCO in the conduit of peace negotiations.

Each special initiative will be implemented as a standalone project with a separate Project Board. The Special Envoy and/or the Resident Coordinator can potentially co-chair the Project Board, convened when needed, while the team dedicated to the standalone project will provide regular updates to partners. The Project Board will have financially contributing partners as members. A project team dedicated to the special initiative will report to the Project Board, with secretariat-support by the PSF team.

## TEXTBOX 2: PRE-QUALIFICATION OF IMPLEMENTING PARTNERS AND RESPONSIBLE PARTIES

**Pre-Qualification of Implementing Partners: How will IP/RP selection be fast-tracked?**

UNDP will establish and continuously update a roster of pre-qualified implementing partners including national and international NGOs, public and para-public institutions as well as, in a separate roster, private sector entities. To that end, UNDP will regularly invite partners intervening in predefine areas relevant to the PSF to submit a declaration of interest accompanied by a number of documents evidencing their programmatic and operational capacities. UNDP or a sub-contracted entity will then conduct (1) a capacity assessment (micro assessment, HACT assessment), (2) a background and terrorism due diligence assessment, and (3) assign the partner risk level determining ceilings for total financial contract volumes and advances.

Rostered partners can be contracted through a simplified and accelerated process, whereby three or more partners are invited to submit a proposal (concept note, work plan, budget) for the implementation of an initiative broadly defined in a ToR. A rapid technical and financial review of proposals received by the PSF Technical Committee against pre-defined criteria will inform the selection and immediate contracting of the implementing partner. The average time from receiving proposals to contract signature with responsive partners is 2 weeks.

The roster will be updated on bi-annual basis. In addition, partners can be added individually at any moment at the request of tripartite or donor partners.

## TEXTBOX 3: SELECTION AND APPROVAL OF RESULT AREA 1 &amp; 2 PROJECTS

**Project and IP/RP Selection Process for Result Areas 1 and 2**

*Precondition: IP pre-qualification exercise including HACT or micro-assessment, terrorism due diligence and risk level determination. Note that organisations can be at any moment included in the roster of pre-qualified IP/RPs.*

**Trigger:**

- RA 1: The Special Envoy or Resident Coordinator proposes an initiative.
- RA 2: OSESGY, RCO, UNDP, or steering committee member proposes an initiative.

**Step 1:** The UN Tripartite Team develops the ToR for the initiative in alignment with PSF priorities [1 week].

**Step 2:** PSF Technical Committee assesses and endorses the ToR, either during its monthly meeting or virtually [1 week].

- *For RA 1 initiatives and RA 2 initiatives > \$1 million: PSF Steering Committee endorses the initiative, either during its bi-annual meeting or virtually [1 week].*

**Step 3:** The PSF team revises the ToR based on Technical Committee / Steering Committee comments and conducts a conflict-sensitive risk and feasibility assessment [1 week].

**Step 4:** UNDP invites pre-qualified IP/RPs to submit project proposals (concept note, work plan, budget). Proposals are received, and UNDP establishes a short-list [2-3 weeks]. Organizations not yet pre-qualified but with relevant expertise in the relevant thematic area can also be invited to submit a project proposal, if deemed necessary by the Technical Committee.

**Step 5:** The PSF Technical Committee ranks and selects proposals [1 week].

**Step 6:** If deemed necessary by the PSF Technical Committee, the selected IP/RP will develop a project document, including all relevant annexes.

**Step 7:** UNDP contracts selected partner(s), organises an induction session, and transfers the funds [1 week].



## Project duration and flexibility for adaptation

The first phase of the PSF has revealed that sufficient flexibility is needed for implementation partners who work at the local level to adequately design and implement initiatives, allowing adjustments to local-level developments and for mitigation of implementation delays and other operational risks that are inherent to operating in a complex context. Therefore, projects funded under all result areas can be adapted without significant administrative procedure based on a PSF Technical Committee approved Rationale for Adaptation (RfA) and will not have any general duration requirement. The initial project duration will be determined on a case-by-case basis and can be adjusted through PSF technical committee endorsement. Similarly, the Small Grants Mechanism will establish an adequate duration for each round of funding with similar flexibility provisions, however, the duration of the initiative cannot go beyond the PSF end date.

## Project monitoring and reporting arrangements

The PSF team, drawing on existing UNDP capacities and systems, will ensure regular monitoring of projects funded through the facility. It will use a combination of qualitative and quantitative partner reporting, in-house M&E capacities, external monitoring partners, remote sensing, and other technology-driven approaches (see M&E section for additional details).

PSF 2.0. will use a simplified, result-oriented approach for **IP/RP reporting** in line with UNDP reporting requirement, the PSF Team will work with each implementing partner as part of the contracting process to quality assure concept notes and related results and reporting frameworks.

Additionally, the PSF Team will work with implementing partners to **explore and communicate stories behind the results** of initiatives (in a conflict-sensitive manner, adequate for the intended audience – donors, public, Yemeni people, etc. focusing on the contribution the respective projects and partners have to the peace process).

Furthermore, the PSF in coordination with UNDP Oversight and support Team (OST) will provide trainings for NGO/CSO IP/RPs on (1) gender mainstreaming including gender-sensitive reporting, (2) mandatory financial safeguards and reporting requirements before selected projects can start their implementation, and (3) production of communication products.

## Small grants mechanism under result area 2

In addition, a Small Grants Mechanism (SGM) will be established under result area 2 to ensure smaller, local organisations working on PSF priority themes and sectors receive dedicated financial and capacity building support. This mechanism will be managed by UNDP and adhere to a similar process as outlined in textbox 3, with the exception that concept notes, including concept notes with a pre-identified implementation partner, can be submitted to the technical committee for approval. The maximum threshold for the initiatives is US\$ 150,000. Being able to work directly with local organizations, is a critical aspect of effectiveness in a dynamic context such as Yemen.

The SGM will support **local organisations requesting short-term support for immediate and strategic initiatives** to resolve local conflicts, create community-based reintegration systems, and eventually help the broader peace process. Eligible projects must have a strong focus on inclusive conflict resolution and address the causes and effects of the conflict. The grants mechanism will fund proposals that:

- Support ceasefire monitoring and accountability of locally operating security actors in respect to the population.
- Tackle the drivers of subnational conflicts such as the water and energy sectors. This may be possible in combination with a peace dividend that rehabilitates essential infrastructure.
- Support the implementation of agreements reached in subnational conflict mediation processes, such as – and not limited to – the rehabilitation of critical community infrastructure.
- Enhance the role of women, youth and minorities and their meaningful participation in national and subnational peace processes.
- Support the establishment or strengthening of Peacebuilding Centres and Women studies curriculums in Yemen's universities that develop NGO, Community-based Organizations (CBO), and other national stakeholders' capacity for critical peacebuilding interventions.



- Provide capacity development, feedback, and support to local organisations on proposal development.
- Extend the reach of the Peacebuilding Centres by deploying mobile teams that target rural Governorates and Districts that apply onsite learning methodologies.
- Promote cooperation, partnership, and alliance development to support women and women's NGOs effective participation in peacebuilding.
- Support advocacy campaigns to promote women's and women's NGO role in peacebuilding.
- Identify and build upon the capacities of women mediators, champions, and ambassadors to support conflict resolution in their communities – including conflict scanning, gender-sensitive conflict analysis – and record progress and success.

Given the quickly evolving situation on the ground, especially at the level of local communities, the SGM will be implemented in iterations ("rounds"), at least once per year, to allow quick learning and adjustments to its operational aspects, but also to maintain its substantive relevance, for example, by adapting its thematic or geographic priorities.

## 4 Partnerships

Learning from the MTE and donor partner feedback, the second phase of the PSF will intensify two-way communication between donor partners, the UN Tripartite Team and implementing partners.

1. **Improved communication from the PSF towards donor partners.** During PSF Phase 2, donor partners will receive a succinct quarterly program update and a biannual financial update, a comprehensive narrative and financial annual report, and a final report.
2. **Pro-active engagement of partners in strategic decision-making.** In addition to regular governance mechanisms including the Steering Committee, phase 2 will proactively seek to involve interested donors and their technical expertise and contextual knowledge through the PSF yearly planning exercise and their participation on the Technical Committee. Ultimately, the Technical Committee aims to evolve into an effective group with strong working-level connections, allowing for fast and unbureaucratic communication and work processes.
3. **Enhanced exchanges between implementing partners:** The PSF will organise regular exchanges with local-level actors, including NGOs/CSOs/universities/women's and youth groups and networks contributing to the peace process to capitalise on and amplify their knowledge and capacities.
4. **Dedicated capacity to ensure active engagement and strategic alignment across the UN Tripartite.** To ensure alignment between OSESGY, the RCO, and the strategic and programmatic direction of the PSF, two liaison positions are included within OSESGY and the RCO, respectively. This will assist the PSF in ensuring that projects under all three result areas will contribute to the national level peace process and help align the PSF's operations more closely with the co-chairs' engagements.

PSF Phase 2 will also be equipped with a more robust communication capacity that will be used to ensure context- and politically sensitive visibility of international support as well as advocacy for specific initiatives supported by the facility, where possible and where such communication supports the results of the project.

## 5 Adaptive Management and Risk Mitigation

Given the volatile context in Yemen, the PSF strategy will be implemented through an adaptive management and risk mitigation approach. This approach consists of the gradual roll-out of PSF initiatives accompanied by continuous monitoring, learning and adaptation.

To that end, regular context scans and lessons learned will inform continuous strategic reflection of the PSF Technical Committee, which will serve to adapt work plans, ongoing initiatives as well as the PSF overall theory of change as adequate.



Moreover, during the design of the PSF 2.0, UNDP has conducted a comprehensive risk analysis guided by on-the-ground knowledge of its staff in the different regions and the review of socio-economic and conflict trends. It constitutes a starting point for risk-informed planning and implementation. However, the volatile situation in Yemen will require continuous risk monitoring and mitigation efforts. Proactive risk monitoring and mitigation will also allow for joint risk sharing between involved partners, a critical precondition for successful PSF implementation (see below lessons from risk management in complex settings).

#### TEXTBOX 4: LESSONS FROM RISK MANAGEMENT IN COMPLEX ENVIRONMENTS

##### UNDP lessons from risk management in complex environments

UNDP recently conducted a lessons-learned exercise to draw lessons informing risk management practices in protracted and post-conflict countries. The review stressed that risks cannot be avoided but need to be proactively managed. Specifically, risk management needs to be an integral part of funds management and decision-making.

1. **All actors are a source of risk.** This should be the starting point for joint risk assessments.
2. **Risks need to be** commonly agreed upon and **shared** - no single actor can be attributed full responsibility. We should expect failures that need to be accepted and dealt with jointly.
3. **Risk management is about constant contact** with IP/RPs. Continuous performance monitoring of each contract and partner is essential. This requires adequate capacity within the project team to carry out this function.
4. A **clear approach** from the outset on fraud mitigation and communication with all stakeholders is essential. Communication needs to follow a tight protocol. Unmanaged information sharing puts people's lives at risk.
5. **Information sharing** is the easiest and most effective risk management tool. Systems, databases, and tight protocols need to be established along with confirmed buy-in from senior-management.

## 5.1 Key risks and mitigation measures

The following risks were identified in 5 different categories:

**Political and reputational risks.** To make sure that the initiatives funded by the PSF do not undermine the political peace process, all initiatives funded by the project including gender initiatives will be reviewed by the UN Tripartite Team and endorsed by the PSF Technical Committee. The endorsement by the UN Tripartite Team is particularly important for all initiatives across the three result areas, including the SGM to ensure that activities and projects funded by the PSF are linked to and support the peace process efforts.

**Duplication risks.** With more than 20 UN Agencies, Funds and Bodies in Yemen, working together with a relatively large and active community of donors, along a large presence of international and national NGOs, there is a risk of duplication. The PSF will use two venues to mitigate this risk: (1) a clear understanding on the type of initiatives the PSF will support and those that the PSF will not support - i.e. the PSF funds projects and initiatives that offer a clear and tangible peace dividend with an immediate need in order to promote or advance peace at the national and local level, and (2) RCO and the PSF team through their gradually updated database of partner initiatives will identify possible overlaps and identify opportunities for synergies with the work of (I)NGOs, UN Agencies and other partners.

**Operational and security risks.** Operational risks relating to delayed or inadequate implementation of initiatives in the given complex and volatile environment will be mitigated through the consistent use of risk and feasibility assessments of proposed initiatives, the careful selection and capacity assessment of IP/RPs and continuous implementation monitoring. Required PSF-level capacities will be established to that end.

Particular attention will be paid to the prevention and detection of fraud and corruption. Mitigation measures include IP / RP capacity assessments and rolling capacity building / trainings including fraud prevention; the UNDP 24/7 fraud reporting hotline; continuous spot checks performed by the PSF team; as well as regular IP / RP audits in line with UNDP rules and regulations. Moreover, the SGM which arguably encounters a high risk due to lower RP capacities, has been designed accordingly, combining capacities of the Oversight and Fiduciary Agent (UNDP) and the SGM Managing Partner, in addition to continuous RP capacity building. This model is aligned to the international "3 lines of defense" industry standard.



Because of conflict and insecurity, additional operational risks may be encountered, as already experienced in the first phase of the project. These may include delays or transport blockages, the challenge to get necessary access or clearances, asset management, protection of premises and work sites. PSF Tripartite at senior (or principal) level will provide support as needed to liaise with relevant authorities to unblock such situations and allow for the implementation of PSF initiatives on the ground. Moreover, UNDP has developed a Business Continuity Plan which ensures that critical office functions can be performed from alternate locations if necessary.

**Sexual Exploitation and Abuse (SEA).** Training will be conducted to enhance the capacity of RPs on SEA. In addition to ensure adequate policy and reporting mechanism in place to prevent and respond to SEA by RPs.

**Financial risks.** Significant under-capitalization is a high risk affecting the credibility and efficiency of the PSF Phase 2. To prevent this, the UN Tripartite Team will work closely with donor partners to identify funding priorities and requirements and ensure adequate results reporting.

**Programmatic risks** include access constraints and possible interference by parties and authorities in the selection of sites and priorities. The PSF Tripartite at senior (or principal) level will provide support as needed in such situations, the PSF will pursue a geographically balanced approach to reflect the political neutrality of the facility.

## 5.2 Dynamic risk management

The above initial analysis of risks and related mitigation measures will be complemented through continuous, dynamic risk monitoring and management and agile adaptation of the PSF strategy and its interventions.

To this end, a dedicated PSF risk management capacity will be established comprised of OSESGY, RCO and PSF Technical Team staff. This capacity which will regularly monitor risks at two levels:

1. High-level national political, reputational, security, programmatic and operational risks,
2. Sub-national and local level conflict, security, programmatic and operational risks with a specific focus on "Do No Harm".

The PSF risk management approach will connect levels and escalate risks as required. Continuous analysis of developments and their implications will promote PSF and partner-level early action and adaptation. The capacity will draw on existing UN corporate and CO level capacities. Furthermore, it will draw on sub-national OSESGY, UNMHA and UNDP capacities based in Aden and Hodeidah and leverage emerging technologies as well as the network of trained community monitors located in target areas.

The PSF team will regularly and proactively share information with partners on the progress and challenges of implementation, including risk management updates, including as part of quarterly reporting and during PSF Technical Committee and Steering Committee meetings.

## 6 PSF Governance and Management

The facility will be implemented by UNDP, under the overall guidance of the Steering Committee co-chaired by the RC and the Special Envoy. In Direct Implementation Modality (DIM), UNDP assumes the responsibility for mobilizing with support from OSESGY and RCO and applying effectively all the required inputs to successfully manage the project and to achieve progress towards the expected results.

### 6.1 PSF Governance

Oversight and governance of the PSF phase 2 will be operationalised through three committees, whose mandates are described below. Governance and coordination structures and processes will be evaluated after the first year to measure success and identify eventual points of improvement, which will then be adjusted as needed, based on steering committee approval.



### The PSF Steering Committee:

The steering committee will convene every six months, based on a joint invitation from the UN Resident Coordinator and the UN Special Envoy. UNDP is a member of the steering committee, and the PSF Team is its secretariat.

Key **functions** of the steering committee:

- Provides strategic directions to the PSF's work and oversees that the facility operates in accordance with the results outlined in the PSF Project Document.
- Approves adaptations of the PSF Theory of Change.
- Confirms strategic priorities of the PSF on an annual basis.
- Has the authority to change the strategic direction of the PSF, if required.
- Endorses the yearly allocation of funds to result area 1 and 2.
- Endorses result area 1 and 2 projects above US\$ 1 million and all result area 3 projects.
- Remains apprised of interventions considering the Strategic Framework and the programming principles outlined in the PSF Project Document.
- Provides guidance and agrees on possible mitigation measures and actions to address specific risks.
- Ensures, to the extent possible, that the PSF balances support to Yemen's multiple regions.
- On the advice of the PSF Technical Committee, endorses the Annual and Final PSF Reports.
- Oversees project evaluations are commissioned in line with the UNDP evaluation policy or in addition to the requirements of the policy, if deemed relevant.

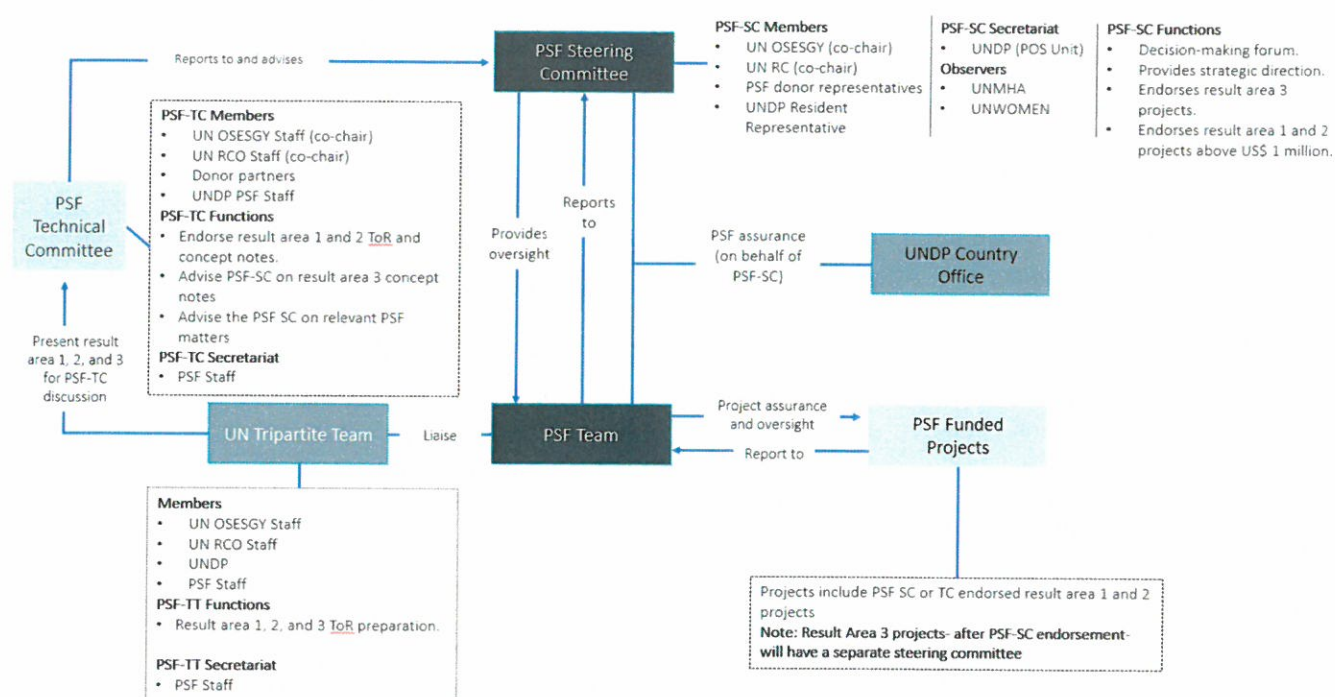
PSF Steering Committee **members** are:

- The UN Special Envoy to the Secretary General in Yemen (co-chair)
- The UN Resident Coordinator in Yemen (co-chair)
- UNDP Resident Representative
- PSF donors

Permanent **observers** are:

- United Nations Mission to Support the Hudaydah Agreement.
- UN Women.
- The PSF Steering Committee co-chairs may invite additional permanent or ad-hoc observers.

FIGURE 1: OVERVIEW OF THE PSF 2.0 GOVERNANCE AND MANAGEMENT STRUCTURE



## PSF Technical Committee

The PSF Technical Committee meets monthly, or as needed (including virtual meetings). It reports to the PSF Steering Committee, which delegates the authority to review and endorse ToRs and Concept Notes up to US\$ 1 million submitted under result area 1 and 2 to the Technical Committee. In addition, the Technical Committee:

- Ensures, to the extent possible, that PSF balances support to Yemen's multiple regions.
- Advises (upon request) the PSF Steering Committee on matters related to the result area 1 projects and result area 3 Special Projects.
- Regularly liaises with the PSF Team on matters relevant to the PSF Steering Committee and the implementation of result area 2 projects.
- Ensures, to the extent possible that all PSF projects are inclusive and gender-sensitive by ensuring that (a) outreach to women's organizations and different constituencies takes place in a timely way; (b) there are targets set in terms of projects from women's organizations and different constituencies; and (c) there is a balance in terms of project support; (d) a gender analysis contributes to project design.
- Ensures close coordination with other peacebuilding and stabilisation initiatives.
- Endorses ToR for result area 1 and 2 initiatives up to US\$1 million.
- Ranks and selects proposals (including from the Small Grants Mechanism).
- Approves adaptations of the annual PSF workplan and ongoing initiatives during the year, as required.

The PSF Technical Committee **members** are:

- OSESGY staff (Co-chair)
- UN RCO staff (Co-chair)
- UNDP Yemen Representative
- PSF Representative
- Two PSF donor partners as defined in the ToR of the PSF Technical Committee



## The UN Tripartite Team

The UN Tripartite Team is convened at both the senior and technical levels. It comprises representatives from OSESGY, RCO and UNDP. The forum provides an intra-UN venue to increase coherence between OSESGY, RCO and UNDP regarding the identification and implementation of initiatives under the PSF. At the technical level, the UN Tripartite Team furthermore engages as part of the PSF Technical Committee that includes Steering Committee representatives for decision making on result area 2 proposals.

When required, a senior-level UN Tripartite Team (The Resident Coordinator, the Special Envoy, and the UNDP Resident Representative) will meet either face-to face or virtually to agree on PSF priorities and support for emerging political, security, or economic peace opportunities as well as confidence-building measures.

The technical UN Tripartite Team meets bi-weekly – or more often if required. It will be consulted by the PSF team in preparation of the annual planning and budgeting process, on the design or strengthening of ToRs for proposed initiatives.

As members of the Technical Committee, the UN Tripartite Team will also participate in regular context scans, the identification of lessons learned and joint strategic reflections, which will inform changes to annual work plans, ongoing initiatives as well as the PSF overall theory of change as adequate.

Key functions of the UN Tripartite Team at technical level:

- Formulate ToRs, and review concept notes and project documents, if required.
- Acts as a resource in the further development of ToR and project proposals.
- Consults on ToR and proposals within their respective organizations or networks, as appropriate.
- Assesses ToR to determine whether they fit within the scope of the PSF, and for further referral to the Technical or Steering Committee.
- Preliminarily assesses risks and challenges (without prejudice to the full risk assessment that is conducted following the formal referral of an idea to the PSF Technical or Steering Committee).
- Promotes complementarity of projects undertaken through the PSF and those undertaken by other funding vehicles (e.g., bilaterally through donors; through other multi-donor pooled funds)
- Refers concept notes not suitable for the PSF to other funding vehicles, as appropriate.
- Shares information on challenges, opportunities, risk, or results associated with ongoing projects.
- Notes good practices and lessons learnt in the process of identifying, implementing, and assessing concepts.
- Discusses preparations for meetings of the Technical and Steering Committees and follows-up on actions and recommendations by the Technical and Steering Committees as appropriate.
- Discusses challenges and refers recommendations related to the PSF to senior management.

The UN Tripartite Team will comprise:

- OSESGY: An OSESGY Representative designated by the Special Envoy.
- RCO: A RCO representative designated by the Resident Coordinator.
- UNDP Yemen Country Office: A UNDP staff designated by UNDP Resident Representative.
- PSF Team: UNDP PSF staff or their designees.

## 6.2 PSF Management

The DIM modality, whereby UNDP assumes overall management responsibility and accountability for project implementation, ensures the implementation of robust management, accountability, and anti-corruption measures. For the implementation of result area 1, 2 and 3 projects, UNDP may engage IPS/RPs to achieve the following goals:

- Local NGOs/CSOs are involved whenever possible, and their capacities are capitalized on and increased whenever possible.
- PSF has the agility that is inherently needed given its mandate and design.

- Economy of scale is achieved.
- The PSF team remains as lean and cost-effective as possible, allowing for quick turn-around on strategic, big-ticket issues, while also making sure that PSF obtains small, but instrumental wins on the ground.
- The risks the PSF team is exposed to is well managed.

UNDP, through the PSF team with the support of relevant Country Office and Sub-Office capabilities, will ensure continuous monitoring and reporting. Wherever needed, the PSF team will outsource specific project monitoring and evaluation tasks, to specialised service providers (for example to conduct objective qualitative assessments of the results, perception surveys, or early impact of projects funded through PSF). A final evaluation will be conducted as per UNDP corporate requirements and guidelines. The project shall be subject to the internal and external auditing procedures laid down in UNDP's Financial Regulations, Rules, and Directives.

Financial contributions to the PSF will be managed in accordance with UNDP's Financial Rules and Regulations, and in compliance with Donor Contribution Arrangements.

### OSESGY & RCO liaison functions and capacities

To ensure alignment between OSESGY, the RCO, and the strategic and programmatic direction of the PSF, two liaison positions are included within OSESGY and the RCO<sup>2</sup>, respectively to assist the PSF in ensuring that projects under all three result areas will contribute to the national level peace process.

The key functions of the two positions include:

- Is considered a member of the overall PSF Team focusing on coordination and planning.
- Serves as a member of the PSF Tripartite Team.
- Provide comprehensive and consolidated input to the PSF, contributing to the alignment of the PSF and entity represented.
- Support and participate in PSF annual priority setting and planning exercise.
- Development of ToRs.
- Support the partnership strengthening and resource mobilization in coordination with the PSF team.
- Contribute to enhancing coordination with donors, communication, and donor visibility.
- Support the PSF team in its effort to maintain a politically sensitive approach.
- Consult their respective organizations or networks on ToR and proposals, as appropriate.
- Assesses ToR to determine whether they fit within the mandate of the PSF, and for further referral to the Technical or Steering Committee.
- Support the conduct of conflict-sensitive risk and feasibility assessments of proposed initiatives.
- Ensures complementarity between projects implemented by the PSF and those implemented by other funding vehicles (e.g. bilaterally through donors; through other multi-donor pooled funds)
- Refer concepts not suitable for the PSF to other funding vehicles, as appropriate.
- Share information on challenges, opportunities, risks, or results associated with projects underway.
- Identify and capture good practices and lessons learnt in the process of identifying, implementing, and assessing concepts.
- Ensure effective preparation of meetings of the PSF Senior Tripartite Team, Technical and Steering Committees and follow-up on actions and recommendations by the Technical and Steering Committees as appropriate.
- Discuss challenges and refer PSF related recommendations to senior management.

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<sup>2</sup> Pending the overall staffing structure of the RCO, the PSF liaison position based in the RCO will not be paid fully by the PSF but only partially covered.



## The PSF Team

The PSF Team, overseen by UNDP Yemen and led by a dedicated Project Manager located in the Peace Support Operations unit of UNDP, will be responsible for the day-to-day implementation of the PSF 2.0. The team is in Yemen (Sana'a and Hodeidah) and Jordan (Amman), based on several factors including proximity to partners, contact with the developments on the ground, cost of operating in conflict areas, staff rest and recuperation provisions and availability of secure working and living premises. The location of PSF team members can be adjusted between UNDP's suboffices as needed. If necessary, positions can be roving between Yemeni locations to ensure adequate presence and follow-up in all geographic zones of intervention. The two liaison positions described above are part of the PSF Team, though each position will be managed by their respective office.

## PSF Team functions

Overall, the PSF Team is responsible for the implementation of the PSF 2.0 annual workplans. Its detailed functions can be structured into three main clusters:

### 1) Coordination and Planning:

- Coordinate identification and implementation of initiatives between UNDP, OSESGY and RCO and support the smooth functioning of the UN Tripartite Team.
- Coordinate between UNDP, OSESGY, RCO and donors to ensure the PSF's strategy is conflict-sensitive and in-tune and with the development of the peace process.
- Support OSESGY and the RCO, with the identification of priority interventions and the assessment of their feasibility/opportuneness.
- Guided by the Steering Committee and UNDP, conduct effective partnership building, resource mobilisation and donor liaison, in close coordination and cooperation with the OSESGY and the RCO.
- Ensure two-way communication and coordination with current donor partners.
- Be responsible for the creation and management of the public image of the PSF within the international development community and beyond.
- Guided by the Steering Committee and UNDP, and in close coordination with OSESGY and RCO, ensure adequate and politically sensitive visibility of the PSF.
- Ensure quality reporting to provide partners with strategic, relevant, actionable information on the progress and results of the PSF.

*The PSF staff covering the liaison and coordination function cluster will be based in Amman, to benefit from the proximity to OSESGY, RCO, most donor partners and the wider development community supporting Yemen.*

### 2) Programme:

- Lead the yearly programme prioritization and development of the yearly work plan using an inclusive approach.
- Develop and update, on an annual basis or as required, the facility's implementation strategy.
- Guide and support the programmatic design of initiatives.
- Technically review and quality-assure concept notes and project proposals considered for funding.
- Select IP/RPs to ensure the effective and efficient implementation of projects.
- Manage the programmatic aspects of contracts with partners, IPS/RPs, and service/goods providers.
- In coordination with OST, conduct call for proposal processes, spot-checking and field monitoring of IP/RP projects.
- Continuously monitor and assess PSF results and impact, using internal M&E capacities and third-party support as needed and adequate.
- Identify and manage adaptations to implementation strategy and project designs based on lessons learned and contextual changes.
- Perform continuous risk monitoring and mitigation.

- Manage revisions of projects and ensure closure at the end of their implementation period.

*The PSF staff covering the programme design and implementation cluster will primarily be based in Sana'a, Aden and Hodeidah, to allow continuous contact with beneficiaries, access to project sites and contact with RPs and IPs. However, specific positions such as the Gender and Inclusion specialist will be based in Amman due to restrictions currently imposed by government authorities.*

### 3) Operational Support:

- Conduct annual needs-based operational planning for PSF activities.
- Ensure effective and efficient operational and financial management.
- Manage financial transactions.
- Monitor the financial delivery and review financial report of PSF projects and elaborate financial reports.
- Procure goods and services, as per UNDP's rules and regulations.
- Manage the operational/fiduciary aspects of contracts with partners, IPS/RPs, and service/goods providers.
- Ensure travel and logistic support to project staff and PSF partners (for field visits) as needed.

*The international staff covering operational support cluster will be based in Amman for reasons of cost-effectiveness and office space/and accommodation availability, space and the UNDP compound limited office space. The functions listed as part of the operational cluster will also rely on the operational staff of UNDP Yemen Country Office. 2023 represents a transitional year for the PSF. Adhering to current contract commitments, the PSF will continue with the current international operational capacity (as illustrated in figure 4) throughout 2023. Pending the complicity of projects an additional funding, the PSF will reassess the need for operational capacity beyond the UNDP CO for 2024.*

The three function clusters are matched with required human capacities as further described in the following section. In addition to these capacities, the PSF team will draw on virtual, temporary stand-by capacities as and when needed. Two capacity pools will be pre-positioned for this purpose within UNDP's corporate Express Roster, in addition to existing UNDP technical capacities in New York and Amman.

#### Pool of technical experts who can:

- Support the evaluation of concept notes and project proposals.
- Develop Concept Notes and Project Documents.
- Conduct feasibility studies for more complex and large projects.

#### A pool of operational experts who can:

- Support the development of bidding documents and the technical evaluation of offers.
- Manage financial and procurement transactions during peak times as needed.

### PSF Staffing

The structure and size of PSF's staffing, and its capitalization may evolve significantly, depending on progress achieved during the peace process. Based on phase 1 experiences, projects of result area 1 alone could grow to an annual financial envelop beyond 20 million depending on context evolution. Similarly, result area 3 can evolve into a substantial portfolio of projects which, albeit equipped with separate implementation capacities, would significantly increase PSF Team's workload. To preserve the facility's effectiveness, the project will rely on the operational capacity of UNDP country office. The staffing structure can be increased if additional staff capacities are required in accordance with the need from new projects. As such, the PSF 2.0 staffing arrangement is financially viable, flexible, in line with the adaptive design of the facility and quickly deployable.

Expertise and operational support capacities can be temporarily contracted, drawing on stand-by capacities within UNDP's corporate rosters, immediately addressing temporary technical and operational capacity needs, either on an ad-hoc basis or during peak workload periods of 2-3 months.



Operations support will be provided by the UNDP country office staff, including but not limited to finance, travel, procurement, administration, protocol and management support related services, communication and oversight and programme quality assurance, security, and medical services.

Two dedicated liaison positions for OSESGY and RCO are included in the PSF 2.0 to strengthen the capacity of the two institutions to engage effectively in the UN Tripartite and the Technical Committee.

## PSF Staffing Structure

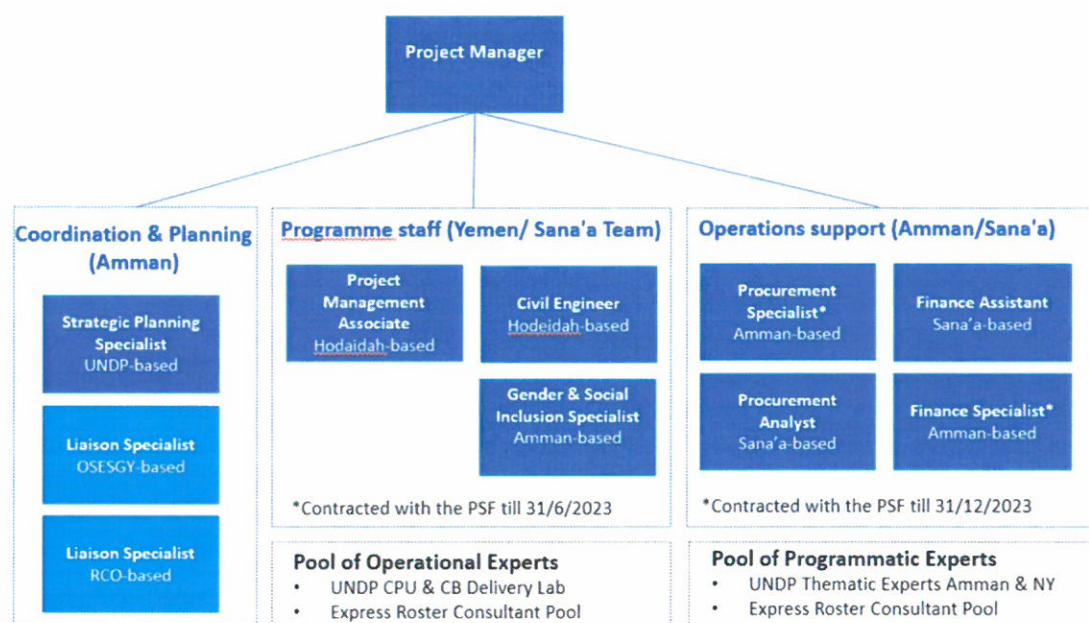


FIGURE 2: OVERVIEW OF THE PSF 2.0 STAFF

### STAFF COMPOSITIONS:

<b>Project Management</b>	<ul style="list-style-type: none"> <li>Project Manager</li> </ul>
<b>Programme staff</b>	<ul style="list-style-type: none"> <li>Gender and Social Inclusion Specialist</li> <li>Project management associate</li> <li>Civil Engineer</li> </ul>
<b>Project Management Team</b>	<ul style="list-style-type: none"> <li>Procurement Specialist</li> <li>Procurement Analyst</li> <li>Finance Assistant</li> </ul>
<b>Coordination and Planning</b>	<ul style="list-style-type: none"> <li>Strategic Planning Specialist</li> <li>OSESGY-based Liaison Officer</li> <li>RCO-based Liaison Officer</li> </ul>

## 7 Funding

### 7.1 Resource Requirements

For the project to be financially and operationally viable, funding for two years from the start of the project would be needed. With less than two years of budget, the project would function at a suboptimal level. Such kind of situation can impede the facility's ability to smoothly functioning, while remaining flexible and adaptable.

**Programmatic funding needs.** The UN Tripartite via the PSF team will elaborate an annual work plan of priority initiatives in support of the political, security and economic negotiation tracks. The plan is indicative and may be changed to adapt to the evolving situation on the ground. The work plan will constitute the basis for allocation of existing funds and determine additional funding needs.

**Budget for unplanned, critical interventions.** UNDP will dedicate a portion of available funding of the annual PSF budget for urgent initiatives as they arise, as part of the annual planning process.

**Gender-specific budgetary allocations for result area 2.** As per UNDP's and the PSF Gender Strategy recommendations, result area 2 will aim to allocate 15% of its budget to gender specific activities.

**Human resources.** The PSF team costs are estimated to US\$ 1.3 million per year.

**Monitoring and evaluation.** The PSF will engage external service providers for an independent evaluation and complementary analysis as defined in the M&E plan (see below). M&E activities include Third Party Monitoring (surveys, focus groups, asset verification), perception surveys, big-data insights and analysis, micro-narrative assessments, geo-enabled data insights and analysis, impact evaluations and other M&E services as needed.

**Operational resources.** The PSF staff will benefit from the oversight, programme assurance and operational support of UNDP Yemen Country Office and UNDP. The Project will be billed based on a workload study depending on the actual support provided, based on the UNDP proforma costing and dispatched to CO projects per year on a prorated basis.

In addition, the budget for the action also provides for the costs of travel and subsistence costs for the project's staff to ensure monitoring mission across the country for quality assurance and timely implementation of activities as well as international travel cost for donors meetings, briefings and HQ briefings; accommodation and office rent costs, depreciation costs, rental costs or lease of equipment and assets composing the project office (this may include depreciation, maintenance or lease of vehicles); costs of maintenance and repair contracts; costs of consumables and supplies, costs of IT and telecommunication services, costs of electricity and water, costs of facility management contracts, including security and insurance costs, as required for the operations of the project.

**Strategic ambition.** Due to current funding commitments, the proposed project document spans two years, ending in December 2024. To fulfill the PSF's mandate and mission of supporting the national peace process with an agile and flexible tool for implementation along the three result areas, the project was designed as a 3-year programme. While current funding does not allow for a viable 3-year programme, the ambition is to raise further funding ensuring that the PSF successfully fulfills its mandate. A resource mobilization strategy is currently being formulated focusing on collective responsibility between the three UN entities. The ambition is still to ensure PSF's operability for 3 years and if the required resources are committed, the project will be extended till December 2025.

## 7.2 Funding arrangement

Partners can contribute funding to the PSF through standardized contribution agreements, in line with their rules and regulations. To maintain the programmatic integrity of the facility and to make sure the PSF can act with the required speed and agility, earmarking of contributions is not possible. Instead, the contributing partners will pro-actively be engaged in the annual priority setting and budget planning in the PSF Technical Committee. Resources separately allocated to result area 3 will be managed through dedicated arrangements and a governance structure defined in a separate project document.



TABLE 1: OVERVIEW OF ROLES OF PSF IMPLEMENTATION STAKEHOLDERS

Quick Overview: Who does what?			
OSESGY	RCO	UNDP PSF team	UNDP Country Office & Sub-Offices
<b>Management and governance-related functions:</b> <ul style="list-style-type: none"> <li>• The Special Envoy co-chairs the Steering Committee.</li> <li>• Co-chair of the Technical Committee</li> <li>• Member of the UN Tripartite Team.</li> <li>• Depending on the initiative, the Special Envoy may co chair a result area 3 Project Board.</li> </ul> <b>Project identification stage:</b> <ul style="list-style-type: none"> <li>• Prepares ToRs, proposes and reviews proposals for all result areas.</li> </ul> <b>Outreach and communication:</b> <ul style="list-style-type: none"> <li>• In close coordination with RCO and UNDP, leads the outreach and communication efforts for result areas 2 initiatives with local level organisations.</li> <li>• Supports the outreach and communication efforts for gender specific initiatives under result area 2</li> </ul> <b>Small Grants Mechanism:</b> <ul style="list-style-type: none"> <li>• Provides feedback &amp; reviews the SMG Concept Note.</li> <li>• Propose Concept Notes for implementation.</li> </ul>	<b>Management and governance-related functions:</b> <ul style="list-style-type: none"> <li>• The Resident Coordinator co-chairs the Steering Committee.</li> <li>• Co-chair of the Technical Committee</li> <li>• Member of the UN Tripartite Team.</li> <li>• Depending on the initiative, the Resident Coordinator may co chair a result area 3 Project Board.</li> </ul> <b>Project identification stage:</b> <ul style="list-style-type: none"> <li>• Prepares ToRs, proposes and reviews proposals for all result areas.</li> </ul> <b>Outreach and Communication:</b> <ul style="list-style-type: none"> <li>• In close coordination with OSESGY and UNDP, leads the outreach and communication efforts for result areas 1, 2, and 3 initiatives with local level organisations.</li> <li>• Supports the outreach and communication efforts for gender specific initiatives under result area 2</li> </ul> <b>Project appraisal stage:</b> <ul style="list-style-type: none"> <li>• Review of result area 1 and 2 proposals - supports with the identification of possible overlaps or synergies with the work of other UN agencies, using for example, the UN Cooperation Framework in Yemen or the Joint Action Plan</li> </ul>	<b>Management and governance-related functions:</b> <ul style="list-style-type: none"> <li>• Member of the Technical Committee.</li> <li>• Member of the UN Tripartite team.</li> <li>• Provides Secretariat to Steering and Technical Committees.</li> <li>• Ensures effective day-to-day operational functioning and implementation of the PSF.</li> <li>• Conducts annual planning for activities and operational needs to ensure an effective and efficient operational and financial management of the PSF.</li> <li>• Is the main responsible, in close cooperation and coordination with OSESGY and RCO, of donor communication and donor engagement (including the production and circulation of communication materials).</li> </ul> <b>Project identification stage:</b> <ul style="list-style-type: none"> <li>• Prepares ToRs, proposes and reviews proposals for all result areas.</li> <li>• Collaborates with OSESGY, RCO and contributing partners with the identification of priority interventions.</li> </ul> <b>Outreach and communication:</b> <ul style="list-style-type: none"> <li>• In close coordination with OSESGY and RCO, leads the outreach and communication efforts for gender-specific initiatives under result area 2, and supports on communication across all the result areas</li> </ul>	<b>Management and governance-related functions (of the UNDP Resident Representative):</b> <ul style="list-style-type: none"> <li>• Member of the Steering Committee.</li> <li>• Member of the Technical Committee.</li> <li>• Day-to-day programmatic and operational oversight of the PSF.</li> <li>• Provides operational and programmatic implementation support.</li> <li>• Reviews ToRs and conduct call for proposals.</li> <li>• Manages short lists and rosters of implementing partners.</li> <li>• Depending on the initiative, the Resident Representative may co chair a result area 3 Project Board.</li> </ul> <b>Project appraisal stage:</b> <ul style="list-style-type: none"> <li>• Ensures that concept papers and project documents comply with UNDP rules and regulations.</li> <li>• Provides thematic or area-based expertise (if available) to evaluate and revise proposals submitted under result area 1 and 2.</li> <li>• Organize LPACs to approve project documents under result area 3 when applicable.</li> <li>• Provides expert advice on the development of project documents and concept papers ensuring compliance</li> </ul>

<p>(currently under development) at the first concept note evaluation stage.</p> <p><b>Small Grants Mechanism:</b></p> <ul style="list-style-type: none"> <li>• Reviews and provides feedback on the SGM Concept Note.</li> <li>• Propose Concept Notes for implementation.</li> </ul>	<ul style="list-style-type: none"> <li>• Supports the outreach and communication efforts for general initiatives under result area 2.</li> </ul> <p><b>Project appraisal stage:</b></p> <ul style="list-style-type: none"> <li>• Works with OSESGY and RCO to review ToRs submitted under result area 1 and 2, before sending them to the Technical Committee or OST for advertisement of a call for proposals.</li> </ul> <p><b>Project development stage:</b></p> <ul style="list-style-type: none"> <li>• In collaboration with OSESGY and RCO, prepares result area 1 and 2 and 3 to develop project documents when necessary.</li> </ul> <p><b>Small Grants Mechanism:</b></p> <ul style="list-style-type: none"> <li>• Provides guidance to result area 2 implementing partners.</li> <li>• Reviews and provides feedback on the SGM Concept Note.</li> <li>• Propose Concept Notes for implementation.</li> <li>• Issues and manages contracts.</li> </ul>	<p>with UNDP rules, regulations and standards.</p> <p><b>Project monitoring:</b></p> <ul style="list-style-type: none"> <li>• Ensures effective monitoring of PSF results progress and compliance.</li> <li>• Supports (wherever possible) with project monitoring for result area 1 and 2 initiatives.</li> </ul>
<p><b>As the UN Tripartite Team:</b></p> <ul style="list-style-type: none"> <li>• Undertake a detailed risk and feasibility assessment for result area 1, 2, and 3 proposals.</li> <li>• Clarify the three agencies' roles and responsibility for specific result area 1,2 and 3 project prior to implementation ensuring collective shouldering of risk.</li> </ul> <p><b>As part of the Technical Committee</b></p> <ul style="list-style-type: none"> <li>• Champion and support the proposals tabled under result area 1, 2, and 3.</li> <li>• Advise (upon request) the Steering Committee on matters related to result area 3 projects.</li> <li>• Vet the short-listed proposals and NGOs/CSOs put forward by the SGM implementer.</li> </ul>		



## 8 Monitoring and Evaluation

The PSF Team will prepare concise quarterly narrative updates to the facility's donor partners, focusing on the progress of key initiatives, strategic issue, major breakthroughs, impact stories from the field. A brief financial update will be shared twice per year, offering visibility on fund capitalisation, current and expected delivery, big-picture projections on the evolution of the project's cash balance, budgetary allocations to the PSF annual pipeline and other strategic financial considerations. The PSF Team will prepare a more detailed annual report (narrative and financial), focusing on results and the extent to which the facility is supporting the peace negotiations process. The report will be endorsed by the UN Tripartite Team.

To assess the extent to which the PSF achieved its intended results, UNDP will regularly conduct qualitative and quantitative analysis required to report on the results framework. This approach will also help with the identification and scaling of best practices, for instances among the local-level CSO-led initiatives and allow for adaptations as and when needed.

At the beginning of phase 2, the PSF team will develop a dedicated M&E manual considering the following mechanisms:

- **Perception surveys and focus groups** (using private sector expertise contracted/ previously tested by the UNDP Yemen CO such as CitiBeats, Moore Yemen, Apex, Prodigy or other competitive partner) that can be also applied to people who are not connected to the internet.
- **Sensing and big-data-powered perception evaluations**, for example scraping social media data and other open-source data such as news articles, blogs, websites and turning such data into trends and insights on key topics such as Yemenis' perception of their safety and the evolution of peace (using private sector expertise contracted by the UNDP Yemen CO such as the Social Risk Monitor)
- Independent and UNDP operated **on-field monitoring and spot checking** (including assets verification)
- **Geo-enabled Earth observation data**, such as satellite imagery (using private sector expertise). Such instruments can be highly relevant to track the progress of infrastructure projects, to evaluate the evolution of car traffic on certain roads, the efficiency of demining activities, resumption of market activities, access and use of electricity, etcetera. UNDP Yemen CO is in the process of contracting such services, which could be quickly used by the PSF team when needed.
- **Micro-narrative research** that analyses day-to-day behaviors and stories of people on the ground. This mechanism can be used to evaluate the impact of specific interventions but can also be used in the spirit of agile management to test assumptions and collect insights for programmatic design (see an example of how this methodology was used in Yemen here). Such a tool is suitable to understand more nuanced, sensitive topics, such as women's' empowerment to participate in the peace process – a topic where averages and percentages may hide critical information.

The collected data will, to the extent possible, be disaggregated by sex and age group.

## 8.1 PSF Monitoring Plan

Activity	Purpose	Frequency	Expected Action	Partners	Cost
<b>Track results progress</b>	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Quarterly	Slower than expected progress will be addressed by project management.	PSF team, Ips, UNDP Yemen Country Office & Sub-Offices	An annual budget of \$200,000 will be allocated for M&E activities.
<b>Monitor and Manage Risk</b>	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	Risks are identified by the PSF team in collaboration with UNDP CO and UN TT and actions are taken to manage risk. The risk log is actively maintained.	UN Tripartite Team PSF team UNDP CO	n/a
<b>Learn</b>	Knowledge, good practices and lessons learned will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	Quarterly, as part of PSF TC strategic reflections	Relevant lessons are captured by the project team and used to inform management decisions, including strategic allocation of funds, prioritisation of topics/areas for intervention.	PSF Technical Committee Members	n/a
<b>Annual Project Quality Assurance</b>	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.	UN Tripartite Team, PSF SC	n/a
<b>Review and Make Course Corrections</b>	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the PSF team and used to make course corrections.	UN Tripartite Team, PSF Team	n/a
<b>Project Report</b>	The PSF team send brief narrative updates quarterly and a brief financial update twice a year. A detailed project report, including a narrative section, focusing on results and the extent to which the facility is supporting the peace negotiations process will be prepared annually. The annual report will also include a	Annually, and at the end of the project (final report)		PSF SC members	n/a



Activity	Purpose	Frequency	Expected Action	Partners	Cost
Project Review (Steering Committee)	financial section, offering visibility on how the funds of the facility had been spent in the respective year. The report will be endorsed by the UN Tripartite Team.				
	The Steering Committee will meet bi-annually to assess the performance of the facility and adjust as needed the strategy of the facility. In the project's final year, the Steering Committee shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.	Bi-annually	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed.	PSF SC members	n/a

## 8.2 PSF Evaluation Plan

Evaluation Title	Partners (if joint)	Strategic Plan Output	UNSDCF/CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Funding
Final evaluation	RCO, OSESGY	<b>No. 3:</b> Resilience built to respond to systemic uncertainty and risk.	No. 2: "By 2024, people in Yemen, especially women, adolescents, girls and those at risk of being left behind, become more resilient to economic shocks by increasing their income security and access to decent work."	October 2024	UN Tripartite Team, IPS/RPs, SGM Managing Agent(s)	\$80,000 PSF Funding

## 9 Multi-Year Work Plan

The below multi-year workplan has been developed assuming an initial capitalization of the PSF of US\$17,7 million for 2 years. While it provides an overview of how funding will be allocated over result areas and outputs, it will be adjusted annually or as needed in view of changing capitalization and priorities. The ambition and mandate of the PSF remains, and if further funds are raised, it will be possible to extend the project until December 2025.

In alignment with adaptive management best practices, the work plan purposefully does not include activity-level details. Instead, PSF planning and ongoing initiatives as well as the PSF Theory of Change will be adapted as necessary, based on regular context scans, lessons learned and joint strategic reflections with the PSF Technical Committee.

With regards to PSF-supported projects, all anticipated programmatic and operational costs required to implement the projects, including development effectiveness and implementation support arrangements, will be identified, estimated, and fully costed in project-specific budgets. This includes activities that directly support the project, such as communication, human resources, procurement, finance, audit, policy advisory, quality assurance, reporting, management, etc.

EXPECTED OUTPUTS	Gender Marker	PLANNED ACTIVITIES	Specific Activity by Year		RP / IP	Budget Description
			2023	2024		
Result Area 1: Continuous or renewed, constructive engagement of the parties in the peace process.						
Output 1: Peace dividends and confidence-building measures with national impact are funded and successfully implemented.	1	PSF Projects supporting output 1 are being implemented.	x	x	TBD	Grants and procurement of services
	1	Cease fire monitoring system supporting OSESGY	X	x	Hala System	Procurement of service.
	1	Sana'a International Airport initiative (Damage, safety and security assesment)	x		Safer Yemen	Procurement of service.
Result Area 2: Momentum and demand for peace created at local and subnational levels.						
Output 2: Participation in local peace processes increased and tangible improvements in the lives of communities affected by the conflict are achieved.	2	PSF Projects supporting local peace processes	x	x	Int'l & nat'l NGOs	Grants and procurement of services from national and international NGOs
	2	Mine Action: Analytical products focus on the potential road opening in Taiz.	X		Int'l & nat'l NGOs	Grants and procurement of services from national and international NGOs
	2	Mine Action: Explosive Ordnance Risk Education, Non-Technical Survey, etc. in Taiz.	X		Int'l & nat'l NGOs	Grants and procurement of services from national and international NGOs



Annex 1- Description of Action, Peace Support Facility Phase 2 (2023-2024)

	1	Mine Action: First responder	X		Int'l & nat'l NGOs	Grants and procurement of services from national and international NGOs
	1	Dhamar Water Rehabilitation	x		UNDP	Grants and procurement of services from national and international NGOs
	1	Research: Civil servant salary mechanism	x		International consultant	Grants and procurement of services from national and international NGOs
	2	Catalytic seed funding for durable solution and mine action	x		Int'l & nat'l NGOs	Grants and procurement of services from national and international NGOs
	2	Small Grant Mechanism	X	X	Int'l & nat'l NGOs	Grants and procurement of services from national and international NGOs
	3	PSF Projects supporting output 3 are being implemented (including SGM).	x	x	Int'l & nat'l NGOs	Grants and procurement of services from national and international NGOs
Output 3: Capacity of women-led NGOs and community-based organizations enhanced to participate in local peace processes and promote gender equality / the Women, Peace and Security agenda.	3	Establish Youth & Women Peacebuilding Network and strengthen capacity of Women-led NGO-Phase 1.	X		Aden University	Grants and procurement of services from national and international NGOs
	3	Establish Youth & Women Peacebuilding Network and strengthen capacity of Women-led NGO-Phase 2.	x	x	Aden University	Grants and procurement of services from national and international NGOs
	3	Support to implementation of the Yemen National Action Plan for Women, Peace and Security.	X		UNDP	Grants and procurement of services from national and international NGOs
	3	Operationalizing Yemen National Action Plan (NAP) to Implement Women, Peace and Security (WPS) Agenda	X		SOS Foundation	Grants and procurement of services from national and international NGOs
Result Area 3: International support to the peace support is broadened.						
Output 4: Critical special initiatives complementing the peace process and – once relevant – supporting the implementation of a national peace agreement are addressed.	1	PSF Projects supporting output 4 are being implemented (including SGM).	TBD	TBD	TBD	Separate project document and project board will be established for each Result area 3 project and specific project funds will be raised.

## 10 Legal Context

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of the Republic of Yemen and UNDP, signed on 11 April 1977. All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner."

This project will be implemented by UNDP in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

## 11 Risk Management

- UNDP as the Implementing Partner will comply with the policies, procedures, and practices of the United Nations Security Management System (UNSMS.)
- UNDP as the Implementing Partner will undertake all reasonable efforts to ensure that none of the project funds are used to provide support to individuals or entities associated with terrorism, that the recipients of any amounts provided by UNDP hereunder do not appear on the United Nations Security Council Consolidated Sanctions List, and that no UNDP funds received pursuant to the Project Document are used for money laundering activities. The United Nations Security Council Consolidated Sanctions List can be accessed via <https://www.un.org/securitycouncil/content/un-sc-consolidated-list>. This provision must be included in all sub-contracts or sub-agreements established under this Project Document.
- Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
- UNDP as the Implementing Partner will: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
- In the implementation of the activities under this Project Document, UNDP as the Implementing Partner will handle any sexual exploitation and abuse ("SEA") and sexual harassment ("SH") allegations in accordance with its regulations, rules, policies and procedures.
- All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
- UNDP as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor, and sub-recipient:
  1. Consistent with the Article III of the SBAA *[or the Supplemental Provisions to the Project Document]*, the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of UNDP's property in such responsible party's, subcontractor's and sub-recipient's custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:
    - a. put in place an appropriate security plan and maintain the security plan, considering the security situation in the country where the project is being carried out.
    - b. assume all risks and liabilities related to such responsible party's, subcontractor's and sub-recipient's security, and the full implementation of the security plan.
    - c. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the responsible party's, subcontractor's and sub-recipient's obligations under this Project Document.



2. Each responsible party, subcontractor and sub-recipient (each a “sub-party” and together “sub-parties”) acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the sub-parties, and other entities involved in Project implementation, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Project Document.
3. In the implementation of the activities under this Project Document, each sub-party shall comply with the standards of conduct set forth in the Secretary General’s Bulletin ST/SGB/2003/13 of 9 October 2003, concerning “Special measures for protection from sexual exploitation and sexual abuse” (“SEA”).
4. Moreover, and without limitation to the application of other regulations, rules, policies and procedures bearing upon the performance of the activities under this Project Document, in the implementation of activities, each sub-party, shall not engage in any form of sexual harassment (“SH”). SH is defined as any unwelcome conduct of a sexual nature that might reasonably be expected or be perceived to cause offense or humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment. SH may occur in the workplace or in connection with work. While typically involving a pattern of conduct, SH may take the form of a single incident. In assessing the reasonableness of expectations or perceptions, the perspective of the person who is the target of the conduct shall be considered.
5. In the performance of the activities under this Project Document, each sub-party shall (with respect to its own activities) and shall require from its sub-parties (with respect to their activities) that they have minimum standards and procedures in place or a plan to develop and/or improve such standards and procedures in order to be able to take effective preventive and investigative action. These should include: policies on sexual harassment and sexual exploitation and abuse; policies on whistleblowing/protection against retaliation; and complaints, disciplinary and investigative mechanisms. In line with this, sub-parties will and will require that their respective sub-parties will take all appropriate measures to:
  - (i) Prevent its employees, agents or any other persons engaged to perform any services under this Project Document, from engaging in SH or SEA;
  - (ii) Offer employees and associated personnel training on prevention and response to SH and SEA, where sub-parties have not put in place its own training regarding the prevention of SH and SEA, sub-parties may use the training material available at UNDP;
  - (iii) Report and monitor allegations of SH and SEA of which any of the sub-parties have been informed or have otherwise become aware, and status thereof;
  - (iv) Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and
  - (v) Promptly and confidentially record and investigate any allegations credible enough to warrant an investigation of SH or SEA. Each sub-party shall advise UNDP of any such allegations received and investigations being conducted by itself or any of its sub-parties with respect to their activities under the Project Document, and shall keep UNDP informed during the investigation by it or any of such sub-parties, to the extent that such notification (i) does not jeopardize the conduct of the investigation, including but not limited to the safety or security of persons, and/or (ii) is not in contravention of any laws applicable to it. Following the investigation, the relevant sub-party shall advise UNDP of any actions taken by it or any of the other entities further to the investigation.
6. Each sub-party shall establish that it has complied with the foregoing, to the satisfaction of UNDP, when requested by UNDP or any party acting on its behalf to provide such confirmation. Failure of the relevant sub-party to comply of the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Project.
7. Each responsible party, subcontractor and sub-recipient will ensure that any project activities undertaken by them will be implemented in a manner consistent with the UNDP Social and Environmental Standards and shall ensure that any incidents or issues of non-compliance shall be reported to UNDP in accordance with UNDP Social and Environmental Standards.
8. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud, corruption or other financial irregularities, by its officials, consultants, subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. It will ensure that its financial management, anti-corruption, anti-fraud and anti-money laundering and countering the financing of terrorism policies are in place and enforced for all funding received from or through UNDP.

9. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to each responsible party, subcontractor and sub-recipient: (a) UNDP Policy on Fraud and other Corrupt Practices (b) UNDP Anti-Money Laundering and Countering the Financing of Terrorism Policy; and (c) UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor and sub-recipient agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at [www.undp.org](http://www.undp.org).
10. If an investigation is required, UNDP will conduct investigations relating to any aspect of UNDP programmes and projects. Each responsible party, subcontractor and sub-recipient will provide its full cooperation, including making available personnel, relevant documentation, and granting access to its (and its consultants', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with it to find a solution.
11. Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as the Implementing Partner in case of any incidence of inappropriate use of funds, or credible allegation of fraud, corruption or other financial irregularities with due confidentiality.

Where it becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, each responsible party, subcontractor and sub-recipient will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). It will provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

UNDP will be entitled to a refund from the responsible party, subcontractor or sub-recipient of any funds provided that have been used inappropriately, including through fraud corruption or other financial irregularities, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the responsible party, subcontractor or sub-recipient under this or any other agreement.

Where such funds have not been refunded to UNDP, the responsible party, subcontractor or sub-recipient agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to such responsible party, subcontractor or sub-recipient for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud, corruption or other financial irregularities, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

Note: The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

- a. Each contract issued by the responsible party, subcontractor or sub-recipient in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from it shall cooperate with any and all investigations and post-payment audits.
- b. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project or programme, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
- c. Each responsible party, subcontractor and sub-recipient shall ensure that all its obligations set forth under this section entitled "Risk Management" are passed on to its subcontractors and sub-recipients and that all the clauses under this section entitled "Risk Management Standard Clauses" are adequately reflected, *mutatis mutandis*, in all its sub-contracts or sub-agreements established further to this Project Document.



