

PROJECT DOCUMENT
Yemen



*Empowered lives.
Resilient nations.*

Project Title: Yemen Emergency Social Protection Enhancement and COVID-19 Response Project

Project Number: 00128217

Implementing Partner: UNDP

Start Date: 23 Dec 2020 **End Date:** 31 Dec 2022 **LPAC Meeting date:** 2 March 2021

Brief Description

The protracted conflict has made Yemen one of the poorest and most food insecure countries in the world. The conflict has destroyed livelihoods and the ability to purchase food. It has also caused major disruptions in the food supply chain and increases in the price of imported foods, which Yemen is heavily reliant on, resulting in substantial increases in food prices. About two-thirds of the population are food insecure with ten million are at risk of famine, and two million children require treatment for acute malnutrition. Most of the population also lacks access to basic services such as education, health services, water and sanitation. This is being compounded by the impact of climate-related shocks, including the desert locust plague and recent floods. In addition, the COVID-19 pandemic is also poised to have a devastating effect on an already devastated economy and impoverished population. In response to the protracted conflict and crisis the Yemen Social Protection Enhancement and COVID-19 Response Project (ESPECRP) aims to provide nutrition-sensitive cash transfers, temporary employment, and increased access to basic services and economic opportunities to food-insecure populations affected by COVID-19, Yemen's conflict and climate-related shocks, as well as to strengthen the capacity of national service delivery institutions.

The project aims to achieve the following results:

- Enhanced protection of households most at risk of malnutrition with short term and partial complementary services
- Enhanced protection of vulnerable working people with temporary employment opportunities
- Increased access to basic services and food with improved community assets
- Sustainable economic opportunities generated with increased access to financial and food markets

Contributing Outcome (UNDAF/CPD, RPD or GPD): Outcome 2: Yemenis improve their livelihoods and access inclusive productive service Indicative Output(s) with gender marker ² : Output 2.1: Vulnerable and at-risk Yemenis have received short and medium-term livelihoods and recovery support.	Total resources required:	US \$61.4 million	
	Total resources allocated:	UNDP TRAC:	
		Donor: World Bank	US\$61.4 ¹
	Unfunded:		

Signed by:

Auke Lootsma

Auke Lootsma
UNDP Yemen Resident Representative



¹ This is equivalent to 43.5 million Special Drawing Rate (SDR) and the exchange rate used by then was 1.4115.

I. DEVELOPMENT CHALLENGE

The conflict in Yemen has brought the economy to a near collapse. Even prior to the conflict, the economy was heavily dependent on diminishing oil and gas resources: 25 percent of gross domestic product (GDP), nearly three-quarters of government revenues, and 90 percent of the exports. Violent conflict, now in its sixth year, has brought the economy to a near collapse. Hydrocarbon exports came to a virtual halt in 2015 due to the repeated sabotage of infrastructure and increased insecurity. This had a major impact on economic activity and led to a wide-scale suspension of basic public services and civil service salary payments, rapid depreciation of the currency, and shortages of imported goods. The distortions created by the bifurcation of institutions (particularly the Central Bank of Yemen) and the divergent policy decisions in Sana'a and Aden have further exacerbated the economic crisis. Around 25 percent of businesses in the country have closed since the start of the conflict, and over 51 percent have decreased in size and scaled down operations. All in all, GDP has shrunk in half in real terms since 2015.

The conflict has made Yemen one of the poorest and most food insecure countries in the world. Projections suggest that over three-quarters of the population live on less than US\$3.20 purchasing power parity (PPP) per day, compared to 45 percent in 2014. The high level of food poverty is of particular concern. The conflict has destroyed livelihoods and with that, the ability to purchase food.² It has also caused major disruptions in the food supply chain and increases in the price of imported foods, which Yemen is heavily reliant on, resulting in substantial increases in food prices—the cost of the minimum survival food basket increased by 144 percent in nominal terms between March 2015 and July 2020.³ About two-thirds of the population (over 20 million people) are food insecure (double the number in 2014), 10 million people are at risk of famine, and two million children require treatment for acute malnutrition.⁴ The 2019 International Food Policy Research Institute Global Hunger Index ranked Yemen 116 out of 117 countries⁵, and the 2020 Global Report on Food Crises calls it the “world's worst food crisis.”⁶ Most of the population also lacks access to basic services such as education, health services, water and sanitation.⁷ These deprivations are eroding Yemen's human capital: the future earnings potential of children born today in Yemen will be 63 percent lower than what it could have been with complete education and full health (World Bank 2018).

Gender differences have been exacerbated by conflict. Yemen has typically faced significant challenges with regard to women's access to education, health, productive employment and food security (World Bank 2014). While men face a higher direct burden of war through fighting and battle deaths, women are disproportionately affected by the indirect and often lasting effects of conflict.⁸ The ongoing crisis is likely to have exacerbated existing gender-based deprivations and development shortfalls. For instance, women's labor force participation⁹, employment and mobility are estimated to have distinctly

² It is estimated that 40 percent of Yemeni households have lost their primary source of income, and 51 percent of teachers have gone unpaid since 2016 (Yemen Socio-Economic Update, issue number 51, August 2020).

³ WB staff calculations using Food and Agriculture Organization of the United Nations (FAO) Yemen Monthly Monitoring Bulletin and World Food Programme (WFP) Yemen Market Watch Report (monthly).

⁴ WFP Yemen Situation Report #2, February 2020.

⁵ <https://www.globalhungerindex.org/results.html>

⁶ FSIN (2020) 2020 Global report on Food Crises: Joint Analysis for Better Decisions. Accessed online at https://docs.wfp.org/api/documents/WFP-0000114546/download/?_ga=2.73853716.720838996.1587659542-2013531706.1571253478

⁷ Only 51 percent of health centers remain fully functional. Access to safe water has become a major challenge and the lack of proper sanitation has increased the risk of communicable diseases. About two million children are out of school, mostly girls.

⁸ 2011 World Development Report (World Bank 2010), Buvinic et al. (2012), Justino 2018.

⁹ According to latest 2020 (WDI - modeled ILO estimates) female labor force participation (of working age women ages 15-64) is 6 percent

reduced over the last few years (Tandon et al., 2018). The conflict has affected the availability of and accessibility to schools, which has mainly affected girls' education: 36 percent are estimated to be out of school, compared to 24 percent of boys. And pregnant and lactating women are a particularly high risk of malnutrition¹⁰.

The COVID-19 pandemic is poised to have a devastating effect on an already devastated economy and impoverished population. As of November 17, 2020, the COVID-19 pandemic has resulted in over 55.67 million cases and 1.33 million deaths in 212 countries. The number of reported cases and deaths in Yemen are 2,081 and 607, respectively but the actual number of cases and deaths are likely to be much higher due to the limited testing capacity. This is straining an already stretched healthcare system, where only 50 per cent of health facilities are fully functioning, and those that continue to function lack basic equipment such as masks and gloves, oxygen and other essential supplies for the treatment of COVID-19¹¹. The indirect effects of the pandemic are likely to be substantial. The pandemic is negatively affecting the Yemeni economy through the domestic restrictions on economic activity and, most significantly, through its impact on global markets, particularly through the plummeting oil prices and the weakening of the Yemeni Rial (YR). The latter is increasing the price of imported commodities, eroding the purchasing power of households and increasing operating costs for businesses. Households are being affected through reduced incomes and remittances, and particularly higher food prices. The cost of the minimum survival food basket had already increased by 17 percent since the start of the year by July 2020, and it will likely increase further as food imports decline, following the disruption in global food supply chains, and as the YR weakens.

II. STRATEGY

The Project builds on ECRP to deliver support to vulnerable Yemenis affected by food insecurity, conflict, COVID-19 and climate-related shocks. The Project will mainly target food insecure households and focus on interventions that are most effective at addressing food insecurity. In doing so, the Project will help address and avert famine and malnutrition in Yemen. Given the short-term food security needs, most of the Project funds will be used to provide Cash Transfers to vulnerable households. This includes Unconditional Cash Transfers to Social Welfare Fund (SWF) beneficiaries as well as cash top-ups and complementary services for SWF families that are most at risk of malnutrition. For vulnerable people that are able to work, the Project will engage with communities to provide temporary employment opportunities to build valuable community assets, prioritizing community projects that contribute to food security, climate resilience and anchoring gender sensitive interventions. And in an effort to address food insecurity more sustainably, the Project will provide economic opportunities to vulnerable populations through support to Micro, Small and Medium Enterprises (MSMEs), with an emphasis on food market resilience and market-based mechanisms. Similar to the ECRP, Project interventions will incorporate COVID-19-sensitive measures. The Project also seeks to significantly strengthen the capacity and role of national institutions in order to create a solid foundation for future social protection and local leadership.

compared to a 72 percent male participation rate (of working age men ages 15-64).

¹⁰ According to recent reports, the number of pregnant and breastfeeding women treated with acute malnutrition doubled from 220,000 in 2016 to 410,100 in 2018 (Save the Children, May 2019).

¹¹ In the context of COVID-19, potential disrupted services combined with movement restrictions and concerns surrounding access to care during an infectious outbreak could further impact access to reproductive health care.

The Project will support the role of communities and the private sector in community-driven labor intensive works and services. Supporting community resilience is critical for preserving social cohesion in the context of conflict and weakened central institutions, and support communities to play a role in addressing its basic needs. The previous project has been supporting (and will support), community-driven labor intensive works and services. Prior to the conflict, the private sector accounted for 50 percent of GDP and provided employment for around 70 percent of the total employed population.¹² The conflict has had a devastating impact on the private sector. A survey of firms conducted in 2012 and 2018 showed that 25 percent closed as a result of the conflict, more than half of the firms downsized from either small to micro enterprises (30 percent), and medium to small or large to medium (22 percent).¹³ Security issues, lack of demand, disruption of domestic and imported supplies, high supply costs, loan restrictions, and substantial spending on taxes and other regulatory fees have placed a heavy burden on the private sector. COVID-19 is further exacerbating the situation for the private sector. MSMEs are a key backbone for the reconstruction and development of Yemen, and provide employment opportunities to the population. The Project will support MSME's, both directly and through market mechanisms and Micro Finance Institutions (MFIs) with an emphasis on improving the domestic food market through support to smallholder producers and associated supply chains.

III. RESULTS AND PARTNERSHIPS

Expected Results

The overall goal is to contribute to a development change which results in enabling Yemeni households and communities with improved livelihoods and access inclusive productive services to effectively cope with the impact of the crisis and to (re)build their resilience. At the same time, the project will strengthen confidence in and preserve and build the institutional capacities of national responsible parties to deliver essential social protection program and services to citizens.

The project development objective is to provide cash transfers, temporary employment, and increased access to basic services and economic opportunities to food-insecure populations affected by COVID-19, the conflict and climate-related shocks, as well as to strengthen the capacity of national institutions.

To achieve this, the project has four outputs. The outputs and related activities are as follows:

Output 1: Vulnerable and at-risk Yemenis have received short and medium-term livelihoods and recovery support.

The objective of the output is to address food insecurity by providing temporary and more sustainable economic opportunities to vulnerable populations and building relevant assets. The cash transfers provide the resources for beneficiaries to access health services that might otherwise fall short, for instance, for chronic conditions, allowing beneficiaries to improve their foundational health, treat, contain and cure their ailments, thus increasing their resilience to future shocks. It may also unlock health savings in the future, as ailments are cured or see their severity decreased, and unlock future financial resources that would otherwise have been committed to maintaining health,

¹² United Nations Office for the Coordination of Humanitarian Affairs, 2018 Humanitarian Needs Overview—Yemen (<https://reliefweb.int/report/yemen/yemen-2018-humanitarian-needs-overview-enar>).

¹³ Yemen - Bring Back Business Report: Impact of Conflict on Private Enterprises (World Bank 2019).

boosting resilience further. The CTs, combined with health and nutrition services, will make children more resilient, as they ensure adequate nutrition and medical services to forestall malnutrition, which is known to cause irreparable damage to health, cognitive abilities and economic prospects in the long-run. Activities under this component also have the potential to reduce the pressure to engage in coping mechanisms that weaken long-term adaptive capacity to climate change, and other risks, like food and water insecurity. Labor intensive works will help build resilience to and mitigate the impact of protracted crisis and climate-related shocks. The project will thus leverage experience of the ongoing ECRP, and will seek to expand community activities to build community resilience to shocks by eliciting existing knowledge in communities on how to mitigate these risks through construction techniques and resources management. The selection criteria, the implementation modalities and operational details of this output will follow the Project Operations Manual (POM) that will be enclosed as part of the project document (Prodoc) and letters of agreements (LOAs) with the responsible parties.

The Output will have the following two sub-components:

Sub-component 1.1: Cash for nutrition: This sub-component will finance cash top-ups and complementary services for SWF households that are most at risk of malnutrition. This sub-component will be implemented by UNDP in partnership with SFD and will build on the CfN program implemented by SFD under ECRP. It will operate in all communities in districts with the highest incidence of food insecurity and where nutrition needs are more likely to be unmet.¹⁴ The program will prioritize SWF households receiving UCTs as well as other (non-SWF) households in the selected communities with members most at risk of malnutrition, namely pregnant and lactating women as well as children under five. The sub-component will finance CTs to beneficiary households (mothers are the recipients); nutrition and health education sessions for mothers; as well as home visits to monitor children and refer malnutrition cases to health services. Activities supported by this sub-component will complement those under the ongoing EHNP.¹⁵

Sub-component 1.2: Cash for work: This sub-component will finance labor intensive community subprojects. It will build on the cash for work (CfW) program implemented by SFD under the ongoing ECRP. The main objective of this sub-component is to provide temporary employment opportunities to vulnerable populations from the selected communities and in the process, build valuable community assets, improve productivity, strengthen social cohesion and respond to the anticipated effects of climate change. Community subprojects will be identified and implemented by the selected communities and will ensure a gender sensitive focus¹⁶. Priority will be given to subprojects that contribute directly or indirectly to improving food security: (i) restoration and irrigation of agricultural land; (ii) access to water and sanitation;¹⁷ and (iii) and access to markets (e.g. road rehabilitation). This sub-component is expected to provide temporary employment opportunities to 20,024 people and to build community assets benefiting 129,000 people. The sub

¹⁴ Defined as the share of the number of cases within a district identified with severe and acute malnutrition (SAM) that have not received assistance against the total number of cases nationally identified with SAM that have not received assistance.

¹⁵ EHNP supports the delivery of an integrated package of supply-side of nutrition services (vitamins and minerals, micronutrients, therapeutic treatment and medicine, awareness and promoting behavioral change, specialized health staff, etc.) through facility-based outreach and community-based service delivery models.

¹⁶ Over sixty percent of women contribute to agriculture labor although they face many constraints, including limited access to land, finance, markets, livelihood activities, and information about economic opportunities (FAO, 2018).

¹⁷ Women are the primary beneficiaries of the water harvesting schemes as these reduce time and effort in fetching water, a responsibility that normally falls on women and girls.

component will support COVID-19-sensitive measures such as community awareness, social distancing and the provision of hygiene kits at the workplace (e.g. hand-washing stations).

Output 2: Social and productive community assets rehabilitated.

The output involves reaching out to the most deprived communities that hold a substantial number of people for the program to reap economies of scale. The candidate indicators for the level of provision of basic services include factors such as electrification rate, percent of households served by safe drinking water, school enrolment rate of school age children, percentage of households with access to health services, community connectivity to paved roads and irrigation networks, and availability of job opportunities in the area. This is critical as poor and vulnerable households are often the most at risk to the effects of climate change, and subprojects that enhance climate resilience can enhance economic and social inclusion and help prevent poor and vulnerable households from falling deeper into poverty, reduce their overall exposure to risk, and contribute to long-term adaptation to climate change. Further, the output which support physical investments will seek to support the mechanisms adopted by communities to cope with recurring disasters - floods and droughts, locusts.

The project will finance community assets and will build on the Small Community Infrastructure sub-component under ECRP. UNDP will partner with PWP and aim to build community assets that help improve access to local services and small infrastructure. Subprojects will be identified based on community priorities and implemented by private contractors. Subprojects will be more complex and less labor intensive than cash for work interventions. The required labor intensity will be about 35 percent of the subproject cost, and 50 percent of the labor could come from outside the target communities (depending on the local availability of specific skills required for the various subprojects). Priority will be given to subprojects that contribute directly or indirectly to improving food security¹⁸. The output is expected to build community assets that benefit 255,000 people and provide temporary employment opportunities to about 16,940 of people. It will finance the costs of subprojects through private contractors and PWP's operating costs. Implementation of subprojects under PWP are identified by communities but executed, for the most part, by small private sector contractors. Bank support to labor intensive works implemented by PWP has been crucial for preserving the capacity of a key national institutions throughout the conflict, and together with SFD's cash for work, have been able to benefit 300 districts (out of 333) in the country.

It will introduce new tools and approaches to help communities identify needs and gaps in local assets. These tools will help plan and monitor distribution of these investments across communities in Yemen. In particular, the project will support quick participatory assessments of community assets and needs using IT tools (open street map) to map basic infrastructure and services available to communities. The data collected through participatory assessments will be open source and serve as a baseline for reconstruction and investments by other partners to allow for the tracking services and assets available to communities throughout Yemen, assess gaps and disparities across districts. In addition to gender targeting during the identification of community priorities, the community

¹⁸ Examples of these types of subprojects include land rehabilitation, water harvesting, road rehabilitation to improve food production and access to markets. Drainage wall, water schemes and road construction mitigate the impacts of climate shocks. School rehabilitation, health clinics, water schemes improve access to basic services.

engagement approach will also seek to identify and include vulnerable groups in the identification process and the labor force recruited during execution of subprojects. The conflict sensitivity framework developed under the ECRP will apply to assess local tensions and inform potential interventions to strengthen local resolution mechanisms.

Output 3: Yemeni businesses (including women) have the capacity, training and access to financial services to sustain their livelihood through micro and small businesses.

The economic opportunities and food market resilience output will finance support to MSMEs. It will build on the SME Revitalization and Employment Generation sub-component under ECRP implemented by SFD through its Small and Micro Enterprise Development Unit (SMED) and subsidiary organizations: The Small and Micro Enterprise Promotion Services (SMEPS); the Yemen Loan Guarantee Program (YLG) and SFD's Small and Micro Enterprise Development Unit (SMED) through Subsidiary Agreements between SFD and these institutions. The main objective is to provide more sustainable economic opportunities to vulnerable populations by supporting MSMEs affected by conflict or the COVID-19 crisis, focusing on economic activities that strengthen the domestic food market, thus contributing to improving food security.

The implementation of the output will adapt to the wider approach of markets systems development in conflict and fragile environments aiming at strengthening value chains through enabling access to finance, creating markets, and strengthening market linkages. Support to MSMEs under the project will thus - more than ECRP - rely on and reinforce market-based mechanisms in order to ensure long-term sustainability. The support will include: (i) indirect support to MSMEs by increasing MFIs ability to lend, and (ii) direct technical and financial support to MSME's producing or facilitating the distribution of food to the market, while strengthening the ability of business associations in target sectors to sustain their impact through public-private dialogue:

a) Increased access to finance for MSMEs by enabling selected MFIs to access commercial financing, expand and diversify their portfolio through a partial portfolio guarantee scheme implemented by, and through the YLG (US\$1.8 million)¹⁹; and by enhancing the capacity of MFIs to reach MSMEs and food market actors in rural areas through IT enhancements and Village Saving and Loans Associations (US\$0.4 million). The capitalization of the loan guarantee program implemented by YLG will enable MFIs to guarantee their new portfolio of loans disbursed during the project period and consolidate their ability to lend to new MSMEs as well as sustain their existing lending portfolio. The capacity building activities (implemented by SMED) will enable MFIs to gain wider market access and to reach MSMEs more efficiently and most vulnerable populations around food marketplaces. Portfolio guarantees will cover a variety of loans including those that serve a harmonized target group i.e. agriculture sector and food security value chains with similar eligibility criteria and risk parameters, which will be detailed in the POM.

¹⁹ This includes US\$2 million for capitalizing the guarantee fund of YLG and US\$100,000 for technical assistance and training for YLG related to the activity. Based on existing YLG models and given that the portfolio guarantee covers 70% of 10% of the loans' portfolio of qualifying MFIs, it is expected that a US\$2 million guarantee by the YLG would enable qualifying MFIs to loan about US\$2811.65 million of financing to SMEs overtime in the project period. This mechanism is more sustainable than the direct grants given to MFIs under ECRP, especially given the liquidity currently available in the banking system, which could be tapped into by guaranteed MFIs in search of further capitalization utilizing YLG portfolio model.

b) Direct support to MSMEs and business associations in critical sectors: Technical assistance and grants to MSMEs affected by conflict or the COVID-19 crisis that either produce food (in horticulture, livestock and fisheries sectors)²⁰ or facilitate food distribution to the market (e.g. providers of cold storage, transportation and logistics), targeting districts with high incidence of malnutrition (US\$4.4 million); and support to business associations in the target sectors directly and through the Yemen Private Sector Cluster (US\$0.4 million) to help them sustain support and services to SME's and conduct public-private dialogue to coordinate sector growth. The objective of the intervention is to restore the ability of the target SME's to grow and distribute food, generate income, and create wage employment, while increasing the supply and access to basic food commodities in the targeted communities. This activity will be implemented by SMEPS.²¹ Preset criteria for the selection of the SME beneficiaries and business associations will be detailed in the POM.

The MSMEs will also derive climate co-benefits from the activities. For activity a)- *Increased access to finance for MSMEs*, the MSMEs accessing finance through MFIs through the portfolio guarantees will invest a share of loans into provision of solar energy, as electricity is one of the major constraints faced by Yemeni firms to carry on their productive activities, and the targeted MFI will be provided with IT equipment to reduce their operating expenses given the absence of public electricity and the high cost of private suppliers. For activity b) *Direct support to MSMEs and business intermediaries in critical sectors*, the targeted MSMEs involved in food production are likely to reduce their water consumption by 42 percent, and their fuel consumption by 70 percent from baseline data²² as a result to the technical assistance and new production inputs deriving from the project support. This subcomponent will thus help mitigate the environmental footprint of targeted MSMEs.

Output 4: Oversight, reporting and quality assurance of project ensured.

UNDP has in place a dedicated project team for oversight and quality assurance to ensure timely delivery and completion of activities and results in line with the approved project appraisal document and subsequent project papers, financing agreements and Annual Work Plans. The project team will also ensure the application of project approaches in the conflict and political context and that all risk mitigation measures are in place to create a maximum enabling environment for implementation of the activities. The project team will adhere to the monitoring and reporting requirements²³ as per the project document to ensure full transparency and compliance with fiduciary responsibilities outlined under the FMFA with the World Bank. This includes third-party monitoring, evaluation and audits.

The UNDP Country Office will provide oversight and quality assurance of the project team and ensure institutional level coordination with the World Bank, the Government of Yemen, UN system, local authorities, international partners and other relevant stakeholders with the view to enable coherence and collaboration of the project with broader initiatives. The UNDP Country Office will

20 Farmers and livestock breeders can also be supported, although those are already supported by other Bank projects.

21 Selection of farms will be based of pre-set criteria, e.g. type of grown products, size of farm, proximity to local markets, ability to employ workers, etc. Targeting of fishermen and livestock producers will also prioritize areas with high concentration of fishermen and livestock producers, presence of effective associations, access to local markets, areas impacted by conflict/crisis, and pre-set criteria including the size of the operations, and ability to further employ workers.

22 These percentages are based on the results obtained by SMEPS over similar activities in the ECRP project, based on data collected from 3,376 beneficiaries having received technical assistance on a) sustainable productivity and b) financing for upgrading production means.

23 Project Progress Report and TPM Reports covering a period of six calendar months, and a detailed annual Project Report, shall be provided no later than forty-five (45) days after the end of the period covered by the reports.

also provide operational support services in relation to the Project that includes finance, procurement (contracting)²⁴, administration, human resources, ICT and security risk management. UNDP Headquarters will provide corporate oversight and management support including finance, human resources, audit and investigations.

Resources Required to Achieve the Expected Results

The World Bank approved the total amount of US\$61.4 million for the implementation of all the activities under ESPECRP project to provide support and protection to Yemeni households whose food security is compromised by conflict, COVID-19 and other climate-related shocks. This new fund will build on the partnerships, capacities, and lessons learned of the ECRP project. As part of the ongoing ECRP, UNDP, SFD and PWP have established an environmental and social (E&S) management system with adequate policy, procedures, capacity and resources, focusing on OHS. Under ESPECRP, SFD, PWP and SMEPs will implement capacity building programs which were initiated under the ECRP, targeting different groups and identified areas, including capacity building of senior managers and officials of implementation and monitoring agencies on ESMF and OHS Framework as well as capacity building program for project managers, supervisors, consultants and contractors on OHS tools and their application in field. UNDP has committed resources for the implementation of the project and will ensure dedicated management capacity in the Country Office to provide the required oversight and quality assurance.

Partnerships

The project will be implemented by UNDP through the Direct Implementation Modality (DIM). UNDP will also engage three responsible parties SFD, PWP and SMEPs. The project will cover all the 22 governorates of Yemen to maintain political neutrality, and will target high priority districts within each governorate based on the same targeting and fund distribution methodology (namely the distress index) followed under ECRP. UNDP will collaborate with other UN Agencies in Yemen through participating in the clusters.

Close collaboration with the World Bank and RPs will continue bi-monthly through review meetings.

Risks and Assumptions

Political Risks: The political crisis and protracted conflict in Yemen, is still far from being resolved and has continued to cause inaccessibility to some sites and delays in delivery in many others. SFD and PWP are national institutions and programmes with a governing board chaired by the Government of Yemen. The risks of being impacted by the political fragmentation induced by the war is mitigated by their managerial independence stated in their respective laws. The UN works within complex dynamics reflecting competing interests of political actors and member states, limitations of responding to the scale of needs, a society under pressure and trauma, and security and access constraints. The UN maintains its operational integrity through adherence to principles of impartiality, human rights and inclusive humanitarian/civilian assistance and engages stakeholders clearly communicating these principles. UNDP coordinates with the Office of the Special Envoy to the Secretary-General and is a member of the Humanitarian Country Team and UN Country Team to collectively address political risks.

²⁴ Done in accordance with the Procurement Plan of the project

Besides, the de facto authority in the North has imposed more restrictions and demanding requirements to the movement of TPM or monitoring teams from UNDP and RPs to visit implementation in several sites particularly in most of the Northern districts. UNDP and the RPs mitigated such restrictions through emphasizing the neutrality and importance of the project and the need for facilitation of oversight to ensure accountability to all stakeholders, as well as by coordinating with other clusters for collective pressure against any arbitrary requirements. The participatory approach of the project which engages local authorities and different groups at local communities helped much in facilitating implementation and solving such restrictions and accessibility issues, too. However, the challenge is ongoing as the demands continue to change with the changes in the authorities, which entails more efforts and time on the part of the project partners to monitor closely and cope up accordingly.

Operational Risks: potential disruption in UNDP's business processes and project implementation. UNDP has developed a Business Continuity Plan which ensures that the critical office functions can be performed from other locations if necessary. Outside Sana'a, UNDP has staff presence in Aden, Ibb (also covering Taizz), Hodeidah, and Sa'ada to interact with sub-offices of SFD and monitor field activities, UNDP also relies on a contracted Third-Party Monitoring Agent to perform complementary monitoring of the project. The Responsible Parties (SFD, PWP and SMEPs) have business continuity plans in place.

Financial/fiduciary Risks: The financial and fiduciary risks are defined by a number of factors, including hyper-inflation, fraud, and cash advance management. To avoid exchange rate losses and other negative effects of working in the national currency, UNDP will transfer advances in US dollars to RPs. UNDP's anti-fraud policy, the annual audits, regular spot-checking by UNDP staff, and the Third-Party Monitoring Agent are oversight measures over and above RPs' internal procedures to mitigate the risk of fraud, misappropriation and diversion of funds. The Harmonised Approach to Cash Transfers (HACT) capacity assessment results will be used in strengthening the financial management capacities of the responsible parties. RPs will submit quarterly work plans with realistic budgets (cash forecasts) to UNDP to ensure that cash advances are cleared on a regular basis.

Programmatic Risks: The programmatic risks for RPs are associated with access and targeting due to security or conflict-related obstacles, although mitigated by their widespread network. UNDP level risks are associated with UNDP's potential inability to verify results on the ground in a timely manner, potential inability to recruit staff in a timely fashion to support Project implementation, and potential inability (or significant delays) to meet delivery expectation/targets. UNDP will closely review the quarterly expenditure reports of the responsible parties to monitor financial delivery of the project. UNDP has developed a Conflict Sensitive Framework to mitigate risks and contribute to social cohesion.

Security Risks: crime, air strikes, landmines and UXO, terrorist attacks, and ground combat, arbitrary arrests and detentions. UNDP mitigates these risks through close collaboration and coordination with the UN Department for Safety and Security, including the de-confliction protocols and strict adherence to UN security procedures. Staff training on conflict-sensitive communications and risk management will continue. A Third-Party Monitoring Agent will conduct the monitoring of the implementation of the project in hard-to-reach areas.

Reputational Risks: In view of the scale and importance, the project also carries a reputational risk for UNDP as well as SFD, PWP and SMEPs. It may be subject to politically motivated defamation and it may be perceived as partial and biased vis-à-vis one or more parties to the conflict. UNDP's reputation as a reliable partner may be affected by issues arising from the project. To mitigate these risks, UNDP has put in place a communication strategy, continues to strengthen Project oversight and quality assurance with documentation of issues, and works very closely with the responsible parties. Grievances from beneficiaries and stakeholders will be channelled through mechanisms established.

Environmental: Although environmental risks and impacts are expected to be site-specific, reversible and generally of low magnitude that can be mitigated following appropriate measures; nonetheless and based on the implementation experience of the ongoing ECRP project, and identification of significant Environmental and Occupational Health and Safety (OHS) gaps, there is a significant risk for fatal incidents or serious injuries to occur under the Project, particularly under the labour intensive community subprojects of Component 2. This is anticipated as the Project will provide temporary work opportunities to a large number of local community members who are unskilled, largely illiterate, and with little or no knowledge or experience in applying OHS measures. Furthermore, there is a risk of COVID-19 transmission among community workers if worksites are not managed appropriately.

To mitigate environmental risks and impacts, the Project will apply the Environment and Social Framework of the World Bank. The WB and UNDP and RPs will review, update and apply the Environmental and Social Management Framework (ESMF) of the ECRP, including the OHS Framework and Toolkit. The ESMF will (i) identify potential environmental impacts of ESPECRP interventions, (ii) assess potential environmental and social impacts, and (iii) mitigate risks and impacts appropriately, including OHS risks. Furthermore, subprojects – including those that might be supported by the Contingency Emergency Response Component (CERC) – will be screened against environmental and social criteria that will be included in the ESMF, and subsequent site-specific environmental assessment instruments will be prepared -if needed- during the implementation phase and before the commencement of any physical activities. The project under Subcomponents 2.1 and 2.2 will also support COVID-19-sensitive measures such as: community awareness, social distancing at the workplace, and the provision of hygienic kits at the workplace (e.g. hand-washing stations).

As part of the ongoing ECRP, UNDP and RPs have established an environmental and social (E&S) management system with adequate policy, procedures, capacity and resources, focusing on OHS. Under ESPECRP, the responsible parties will implement capacity building programs which were initiated under the ECRP targeting different groups and identified areas, including capacity building of senior managers and officials of implementation and monitoring agencies on ESMF and OHS Framework as well as capacity building program for project managers, supervisors, consultants and contractors on OHS tools and their application in field.

Social (including safeguards)

The project is expected to have numerous social benefits for the target communities and vulnerable population including the cash transfer, temporary employment and economic opportunities to mitigate the impacts of COVID-19. The type of interventions under this project are not expected to

require physical or economic displacement. Nonetheless, there might be a potential need of land for community infrastructure development under the community asset component. Given the rehabilitation nature and scale of the investments, the possible land needs would be minimal and are expected to be met through community contributions, which is a common practice in the local area and also accepted under the ongoing ECRP. As a precautionary measure, the Project will prepare a Resettlement Framework (RF) to guide and manage possible land contribution practices. This RF will be included in the ESMF.

Potential social impacts that could occur under component 2 are related to the CfW activities and the rehabilitation of the community assets interventions such as loss of assets, labor influx as 50 percent of the labour are from outside the target communities by private contractors, and community health and safety such as injuries. There are several social risks that may occur during of the Project implementation stage such as: (i) mistreatment, quality of services and suspected fraud under unconditional cash transfer sub-component; (ii) exclusion of malnutrition cases due to risks due to the security situation as well as outreach or mis-survey by the contracted payment agents; (iii) elite capture of investments by powerful and/or better-connected beneficiaries thus excluding some segments of society (disadvantaged and marginalized groups) under the CfW and community assets interventions; and (iv) potential of excluding small food producers and fisheries with high incidence of malnutrition from economic opportunity support. Based on the above expected project risks and impacts, the social rating is rated as substantial.

Gender and Gender Based Violence (GBV)

The Project will ensure that gender sensitive interventions are mainstreamed across all project components creating pathways for employment and participation in society and playing a key role in building resilience to shocks, improving livelihoods and mitigating social constraints. This is relevant in the current country context as empowering women's full productive potential can yield enormous dividends in reducing GBV, gender gaps in education, employment and access to services. These continued investments are integral to strengthening the human capital base in Yemen, rebuilding the social fabric and laying the foundation of a more inclusive society. A GBV assessment will be undertaken for the Project prior to implementation to have a sense of potential GBV, Sexual Exploitation and Abuse (SEA)/SH. The assessment will be conducted to cover activities under components 1 and 2 since there will be interaction between male workers with female beneficiaries and laborers provided by contractors. The Project will prepare a Gender Action Plan.

Grievance Redress Mechanism: UNDP with its updated Stakeholder Response Mechanism (SRM)/ Social and Environmental Standards (SES) will enhance the GRM and MIS practices developed under the ECRP. SFD, PWP and SMEPs also can utilize their GRM systems to register complaints received and report to UNDP. UNDP and RPs will require GRM signboards, including information on the hotline and WhatsApp number, at subproject sites. They will also support additional tools (including technological solutions) and raise awareness for communities to take a more active role in the monitoring of subprojects, including compliance with safeguards. There will be a clear mechanism between UNDP and RPs for reporting timeline and distribution of responsibilities to have better control and management of complaints. Immediate actions and reporting should be implemented by UNDP and RPs for cases related GBV, SEA/SH and/or serious incidents or injuries including cases related to COVID-19. The Project will utilize an enhanced integrated GRM system building on the experience and systems developed under the ECRP. Under ECRP, both SFD and PWP have utilized a wide variety of communication methods for soliciting grievances, including complaint boxes, toll-

free phone calls, SMS, WhatsApp, Telegram, Fax, Online Forms, emails, letters, in-person visits to head offices or branch offices or through face-to-face interactions with project staff. Developing the local partners' GRM systems strengthens accountability, operations oversight, citizen engagement, and learning. In addition to continuing these methods, UNDP will enhance the GRM system by operating a TPM call center facility for outbound calls to project beneficiaries and targeted communities for verification. RPs will facilitate answering toll-free calls from mobile and fixed/land phone lines; recording of inbound and outbound calls automatically to be stored in their call centers server for operations' purposes and quality control; interactive voice response, call-recording and logging for calls received after work hours, and RPs will develop a remote access to their GRM systems. UNDP's call center will forward recorded calls and messages to the GRM agents under TPM to process and transmit the calls and messages to the focal points of UNDP and IPs (according to the specific sub-component) by using a web based GRM system. Weekly, monthly, and quarterly reports including a summary of opened/processed complaints focusing on the performance of the GRM will be generated automatically by the system. A tracking function will be available to send automated notifications for any unresolved complaints that are pending for 14 days without processing by UNDP and IPs. For any serious complaint received by the call center agents, the responsible TPM focal point will immediately notify UNDP and IP team via email and phone calls. The GRM system dashboard will be updated regularly with the latest progress status of complaints. The strengthened GRM system will be transferred entirely to the local institutions by the end of the Project. The integrated system is currently being developed.

Stakeholder Engagement

Cash for Nutrition: Identification of beneficiaries and delivery of benefits. The targeted districts and communities will be determined from the priority list in accordance with malnutrition indicators and the intensity of the unfulfilled needs based on updated data from the Nutrition Cluster. In addition, accessibility and preparedness of health facilities to provide health and nutrition services are considered in the geographic targeting. Within each selected community, SWF households and other households with pregnant/lactating women or children under five will be identified. An experienced firm/individual consultants will be contracted to survey non-SWF families to identify malnourished women and children. This information will be used to select non-SWF beneficiary households and to treat malnutrition cases. The sub-component is expected to support about 21,000 families (for a maximum duration of the receipt of benefits of 12 months). Within each community, however, the program will operate for 18 months to support any new qualifying households that are identified as malnourished in periodic nutrition surveys. Such households will be paid CTs for the remainder of the duration of the program in the community, up to a maximum of 12 months. CTs will amount to YR 20,000 (about US\$35) per family per month and will be delivered through contracted banks. The nutrition and health education sessions will be accessible to all mothers with children, not only beneficiaries of CTs, and will include awareness messages to prevent the spread of COVID-19.²⁵ These sessions will be delivered in a COVID-19-sensitive manner by trained women from the communities, who will be paid by the project, generating temporary employment and building relevant skills for about 720 women. Community nutrition workers will also inform beneficiaries about the hotline and WhatsApp numbers for grievances. The sub-component will finance CTs, cash for services, trainings, consultant services, Bank fees and SFD operating costs.

²⁵ Trainings are currently on hold due to COVID-19, resulting in the postponement of awareness sessions. The Project will explore COVID19-sensitive ways to deliver the training to women, including virtually.

Cash for work: Geographic targeting. The allocation of funds under cash for work and community assets subcomponents across governorates and districts will be according to the distress index, which is composed of six indicators: the level and intensity of people with food insecurity (i.e. the number of food insecure people in the governorate/district and their share of the total population); the level and intensity of displacement (i.e. the number of IDPs and returnees in the governorate/district and their share of the total host population); and the level and intensity of population in urgent need for assistance.²⁶ Within targeted districts, selected communities for support under CfW component will be communicated with other national and international players to avoid any overlap. Communities supported under subcomponents 2.1 and 2.2 will not overlap.

Community subprojects and beneficiaries. Community subprojects will be selected based on the needs identified by each targeted community. However, priority will be given to subprojects that contribute directly or indirectly to improving food security: (i) restoration and irrigation of agricultural land; (ii) access to water and sanitation²⁷ and (iii) and access to markets (e.g. road rehabilitation). The wage intensity of subprojects under this sub-component is expected to be at least 50 percent of the average total cost of subprojects. The project will deliver these subprojects through communities (community contracting). All workers will be from the target communities and will be selected based on self-targeting (i.e. by setting wages around 10-20 percent below prevailing market wages). To ensure only needy workers apply, the benefit will be set slightly below the prevailing market wage. The duration of employment will depend on the nature of the subproject. Household receipts from CfW will be capped for a total benefit of US\$500 in wages for the entire duration of the subproject regardless of the number of participating workers from the household.²⁸

Female headed households and women in general will be encouraged to work on subprojects (under cash for work and community assets) and those selected will be accommodated to the extent possible.²⁹ The Project will explore synergies between this sub-component and sub-component 2.3 (support to SMEs) in an effort to improve the sustainability of support. Payments to beneficiaries will be delivered through contracted banks for a fee. This sub-component will finance the labor and non-labor costs of community subprojects, Bank fees, and SFD operating costs.

Small and Medium Enterprises beneficiaries. For activity (a) – *increased access to finance for MSMEs through SMED*, Yemen Loan Guarantee Programme will deploy the portfolio guarantees with a minimum of three MFIs who will be chosen based on YLG selection criteria (as specified in the Project Operation Manual), thus guaranteeing a total of 3,024 SME loans (30 percent involved in the production or distribution of food). In addition, technical assistance will be extended to five MFIs non-yet ready to access the YLG guarantees portfolio model, so as to bring them up to standard to be able to utilize the portfolio model in the future. These five MFIs cumulate approximately 5,000 eligible SME loans to be guaranteed once, and if they will qualify for the YLG selection criterias. Activity (a) will also result in the support to 30 Village Savings and Loans Associations. Activity (b) -

²⁶ The food insecurity index is from the Food and Agriculture Organization (FAO); the displacement index is from The United Nations High Commissioner for Refugees (UNHCR); and the population in needs index is from the United Nations Office for the Coordination of Humanitarian Affairs (OCHA).

²⁷ Women are the primary beneficiaries of the water harvesting schemes as these reduce time and effort in fetching water, a responsibility that normally falls on women and girls.

²⁸ If the number of people who want to participate in wage employment exceeds the available funds for a given community, the benefit level will be reduced to allow for the inclusion of all applicants and or the community will be consulted to identify the neediest households.

²⁹ For example, by allowing flexible hours of on-site work, providing on-site childcare (this will also hire a caregiver from the community), having the subproject at the community level and at a location close to the villagers, and by consulting women on the types of subprojects they can participate in.

Direct support to MSMEs and business associations in critical sectors via SMEPs– will support 1,630 MSMEs and create 8,320 new seasonal and permanent jobs. In addition, the activity will support 20 sectoral or local business associations and producer/advocacy groups either directly or through the YPSC. At least 35 percent of MSMEs will be owned by women. The sub-component will finance grants, technical assistance, consulting services and some operating costs of YLG, SMED, and SMEPS.

Knowledge

To ensure regular and 'on-message' public visibility for ESPECRP, a communication and visibility plan will be developed to well position this partnership and provide a set of proposed communication products, specific media pieces, and advocacy asks. This plan will utilize UNDP's, World Bank's, and RPs' online platforms to share human interest/impact stories, articles, exposure stories, blogs, op-eds, press releases, Facebook/Twitter posts, video stories, factsheets, visual presentations, etc. Additionally, forward looking products and evidence-based studies such as policy briefs and impact reports will also be developed to capture high impact of the project.

Sustainability and Scaling Up

Both SFD and PWP are well-established and credible national institutions that have delivered community development in Yemen for two decades. By helping to reactivate its operations during the parent and AF phases, the ECRP has contributed to the preservation and sustainability of its implementation capacity of much needed service delivery programmes. SMEPS has also brought to the table specific inputs, expertise, capacities, and resources that were necessary elements for success, and which together resulted in higher impact on the support to SMEs and agricultural production. The nationwide coverage of RPs (SFD, PWP and SMEPs) will enable scale-up and its wide network of non-state partners like CBOs, NGOs and private sector (e.g. contractors and small and micro enterprises) will also extend the outreach. At the community level, the project is expected to pave a way to a more inclusive future in Yemen by actively seeking to build social cohesion, empower communities and foster a role for non-state actors. The RPs have strong partnership and donor support which will increase as the conflict winds down. The ECRP has acted as a catalyst and will enable attracting additional support from interested donors.

IV. PROJECT MANAGEMENT

The project will be implemented by UNDP through the Direct Implementation Modality (DIM). UNDP will also engage three responsible parties SFD, PWP and SMEPs. The project will cover all the 22 governorates of Yemen to maintain political neutrality, and will target high priority districts within each governorate based on the same targeting and fund distribution methodology (namely the distress index) followed under ECRP.

SFD, PWP and SMEPS as Responsible Parties will deliver the agreed outputs on the basis of a written Letter of Agreement (LoA) with UNDP. The Responsible Party is directly accountable to UNDP in accordance with the terms of their LoA. In line with UNDP's Financial regulations and rules, SFD, SMEPs and PWP must open dedicated project accounts in US Dollars with commercial banks for the purposes of bank reconciliation and audit. The bank accounts will only be under the control of the

responsible parties which will have the sole custody and access to resources and signing authority. As done in ECRP, due to the continuity of political divisions in Yemen and in order to facilitate decision making and expedite implementation, all new project activities related under this project will be approved by the internal steering committees and not the project boards of both institutions. UNDP will reinforce the project management systems and capacities under ECRP, with strengthened operational risk management and project approaches sensitive to the conflict and political environment in Yemen. A Conflict Sensitivity Framework has been developed under ECRP and will inform and strengthen the conflict sensitivity approach under ESPECRP.

UNDP will closely coordinate with the World Bank to provide needed information and to enable smooth and speedy financial and operational transactions to facilitate timely implementation at the level of the responsible parties. UNDP will maintain regular interactions with RPs with UNDP staff presence in Sana'a, Hodeidah, Aden, and Marib for monitoring, quality assurance and as needed, management of complaints and grievances, as per agreed Grievance Redress Mechanism (GRM) under the project.³⁰ The project will also look for further value-adding opportunities through ensuring internal synergies with other projects under the different program units of UNDP including the "Strengthening Institutional and Economic Resilience in Yemen" and the "Enhancing Rural Resilience and Recovery in Yemen" projects.

TPM will also feed into UNDP's monitoring work. UNDP will prepare bi-annual narrative reports and end of project reports consolidating inputs from the Responsible Parties as well as to convene project board meetings and undertake audits and evaluations³¹. Interim unaudited financial reports shall be prepared and submitted to the donor quarterly, no later than forty-five (45) days after the end of the period covered by the report.

UNDP will coordinate with the Government of Yemen, relevant authorities at the sub-regional level for technical consultations, international partners and UN agencies to enable a conducive and coherent supporting environment for RPs.

Project Team

The core implementation team (Project Team) set up under ECRP will implement the project. The Project Team will have geographic presence both in Sana'a and Aden to ensure geographic inclusion.

Table 3 below elaborates on the current staff positions in the Team under the project, and the additional capacities under ESPECRP.

³⁰ The GRM under this project will be strengthened to further engage community oversight and participation.

³¹ Where available and feasible, UNDP will cooperate with other international donor partners for joint reviews and external audits (as in the case of SFD).

Table 3. Project Team Staff Composition³²

Post Title	Level	Total Cost for ESPECRP Duration³³
Project Manager	P5	\$ 226,500.00
M&E Specialist	P3	\$ 185,004.00
SES Officer (Amman)	P3	\$ 132,544.00
Adaptive management Specialist	P3	\$ 185,004.00
National Coordinator (Sana'a)	SB5	\$ 67,074.00
Grievance and Communication Officer - SB4	SB4	\$ 44,760.00
Finance Officer and Admin	SB4	\$ 44,760.00
Project Assistant (Sana'a)	SB3	\$ 34,546.00
Field Coordinator (Aden)	SB4	\$ 44,760.00
Management Information System	SB4	\$ 44,760.00
Project Assistant (Aden)	SB3	\$ 29,009.00
National M&E Officer	SB4	\$ 44,760.00
National SES Officer	SB4	\$ 44,760.00
National OHS Officer	SB4	\$ 44,760.00
Gender and Social Safeguards Officer	SB4	\$ 39,223.00
Driver	SB2	\$ 21,176.00
Total		\$1,233,400

³² All the staff in the list are already working under ECRP except the national Gender officer who will be added by June 2021.

³³ The available budget indicated in this table will cover 9 months from October 2021 till June 2022, while ECRP AF4 pays salaries until 30 September 2021. Therefore, there is a funding gap to cover the remaining duration of the project (July to December 2022), which was discussed with the World Bank to be covered from the planned 2nd phase of the project.

V. RESULTS FRAMEWORK³⁴

Intended Outcome as stated in the Country Programme Framework (CPF: 2019-2021) Priority: Yemenis improve their livelihoods and access inclusive productive services.								
Outcome indicators as stated in the Country Programme Resources Framework, Outcome Indicator 2.1: Proportion of population by age group and sex benefited from increased household incomes. Baseline: 20%; Target: 40%								
Applicable Output(s) from the UNDP Strategic Plan: Marginalised groups, particularly the poor, women, people with disabilities and displaced are empowered to gain universal access to basic services³⁵ and financial and non-financial assets to build productive capacities and benefit from sustainable livelihoods and jobs (UNDP SP 1.1.2)								
Project title and Atlas Project Award ID: 00128217 Yemen Social Protection Enhancement and COVID-19 Response Project (ESPECRP)								
EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)			DATA COLLECTION METHODS & RISKS
			Value	Year	Year 1	Year 2	Total	
Enhanced capacity of Yemeni households and communities with improved livelihoods and access inclusive productive services to effectively cope with the impact of the crisis, COVID-19 and climate related shocks.	1. Number of additional beneficiary households benefitting from the cash for nutrition program, disaggregated by female and children	SFD	271,137	2020	21,000		21,000	Direct count of beneficiaries who receive direct cash assistance from the cash for nutrition programme. ³⁶
	2. Number of additional direct beneficiaries of wage employment (disaggregated by gender, female (20%) and IDPs (15%))	SFD & PWP & SMEPs	422,726	2020	29,710	16,294	46,004	Direct count of beneficiaries by RPs including CfW, CfSS, and wage employment through SCI, SMEs)
	3. Number of people with increased access to basic services, disaggregated by gender (female-50%)	SFD & PWP	5,102,668	2020	225,000	168,500	393,500	Subproject administrative data and information from service provider and recipient collection by RPs and TPMA.

³⁴ UNDP publishes its project information (indicators, baselines, targets and results) to meet the International Aid Transparency Initiative (IATI) standards. Make sure that indicators are S.M.A.R.T. (Specific, Measurable, Attainable, Relevant and Time-bound), provide accurate baselines and targets underpinned by reliable evidence and data, and avoid acronyms so that external audience clearly understand the results of the project.

³⁵ Basic services include social services (e.g. health and nutrition, education, water and sanitation, social housing, vocational training), economic services (including finance), environmental and energy services (e.g. renewables, clean fuels and technology, use of natural resources), and other services (e.g. rule of law and justice). Please note that UNDP focuses primarily on policies and capacities that improve the enabling environment for provision of basic services.

³⁶ Methodology TBC with SFD

	4. Number of Micro, Small and Medium Enterprises (MSME's) supported by the Project, disaggregated by gender (35% female SME owners)	SFD (SMED & YLG)	5,101	2020	3,600	1,054	4,654	Subproject administrative data collection by RPs and TPMA.
	5. Number of people provided with access to improved sanitation services to reduce water-borne diseases exacerbated by climate change	SFD & PWP	0	2020	65,000	35,000	100,000	Subproject administrative data collection by RPs and TPMA.
	6. Percentage of grievances registered related to delivery of project benefits that are actually addressed	SFD & PWP	80%	2020	80%	90%	90%	Comparison of number of grievances received within the Grievance mechanism with number addressed.
	7. percentage of surveyed beneficiaries who expressed satisfaction about the project's participatory approach	TPMA	90%	2020	90%	90%	90%	Survey to be conducted with a sample of project beneficiaries

Output 1: Vulnerable and at-risk Yemenis have received short and medium-term livelihoods and recovery support									
Sub- Output 1.1: Provide cash assistance and much-needed services for vulnerable households that are most at risk of malnutrition (Cash for Nutrition Program)	1.1.1	Number of female beneficiaries of wage employment generated by Cash for Nutrition Program	SFD	3,917	2020	720	0	720	Direct count of beneficiaries who receipt direct cash assistance from the cash for nutrition program by SFD.
	1.1.1	Number of indirect beneficiaries of wage employment generated by Cash for Nutrition Program	SFD	23,502	2020	4,320	0	4,320	Subproject administrative data with the agreed calculation methods (number of family members benefitting from the wage employment through the CFN intervention based on the number of benefited HHs x 6 as the national avg of HH members)
Sub-Output 1.2: Create employment opportunities for vulnerable populations, improve productivity, strengthen social cohesion, and respond to the anticipated effects of climate change (Cash for Work Program)	1.2.1	Number of direct beneficiaries of wage employment created under cash for work, disaggregated by gender (30% female)	SFD	303,827	2020	13,500	6,524	20,024	Direct count of beneficiaries who receipt direct cash assistance from cash for work program by SFD. Subproject administrative data, beneficiary profile and SFD's MIS.
	1.2.2	Number of indirect beneficiaries of wage employment (family members of direct beneficiaries)	SFD	1,822,962	2020	81,000	39,144	120,144	Subproject administrative data with the agreed calculation methods (number of family members benefitting from the wage employment through the cash for work intervention based on the number of benefited HHs x 6 as the national avg of HH members)
	1.2.3	Number of people with increased access to basic services	SFD	2,267,469	2020	75,000	63,500	138,500	Subproject administrative data and information from service provider and recipient collection by SFD and TPMA.
	1.2.4	Cubic meters of water schemes constructed/rehabilitated (cash for work) (Cubic Meter(m3))	SFD	710,027	2020	12,000	8,746	20,746	Subproject administrative data with direct count of quantity/volume/length of infrastructure from SFD. Community participatory monitoring, and TPMA
	1.2.5	Area of agriculture land rehabilitated (cash for work) (Hectare(Ha))	SFD	11,144	2020	500	379	879	Subproject administrative data with direct count of quantity/volume/length of infrastructure from SFD. Community participatory monitoring, and TPMA
	1.2.6	Length of roads improved (cash for work) (Kilometers)	SFD	351	2020	25	20	45	Subproject administrative data with direct count of quantity/volume/length of infrastructure from SFD. Community participatory monitoring, and TPMA
	1.2.7	Percentage of communities satisfied about the quality of infrastructure rehabilitated	TPM A	78 %	2020	80%	90%	90%	Perception survey to be conducted within a sample of communities on SFD interventions.

Output 2: Build valuable socio-economic assets for local communities that help improve access to key services and small infrastructure								
2.1. Number of direct beneficiaries of wage employment created under community assets rehabilitation, disaggregated by gender (3% female)	PWP	118,899	2020	10,000	6,940	16,940	Direct count of beneficiaries who receipt direct cash assistance from cash for work program by PWP. Subproject administrative data, beneficiary profile and PWP's MIS.	
2.2. Number of indirect beneficiaries of wage employment (family members of direct beneficiaries)	PWP	838,149	2020	60,000	41,640	101,640	Subproject administrative data with the agreed calculation methods (number of family members benefitting from the wage employment through the community assets intervention based on the number of benefited HHs x 6 as the national avg of HH members)	
2.3. Number of people with increased access to basic services	PWP	2835,1199	2020	150,000	105,000	255,000	Subproject administrative data and information from service provider and recipient collection by PWP and TPMA.	
2.4. Cubic meters of water schemes constructed/rehabilitated (community assets rehabilitation)	PWP	362,423	2020	37,000	20,000	57,000	Subproject administrative data with direct count of quantity/volume/length of infrastructure from PWP. Community participatory monitoring, and TPMA	
2.5. Area of agriculture land rehabilitated (community assets rehabilitation) (Hectare(Ha))	PWP	13,326	2020	1,000	600	1,600	Subproject administrative data with direct count of quantity/volume/length of infrastructure from PWP. Community participatory monitoring, and TPMA	
2.6. Length of roads improved (community assets rehabilitation) (Kilometers)	SFD	149	2020	25	13	38	Subproject administrative data with direct count of quantity/volume/length of infrastructure from PWP. Community monitoring, and TPMA	
2.7. Percentage of communities satisfied about the quality of infrastructure rehabilitated	TPMA	80%	2020	80%	90%	90%	Perception survey to be conducted within a sample of communities on PWP interventions.	

Output 3: Finance micro, small and medium enterprises (MSMEs) including Farmers, Fisheries, Livestock breeders affected by the conflict and COVID-19 crisis to support economic activities that strengthen the domestic food market to improve food security

3.1. Number of MFIs to access the new YLG portfolio guarantee scheme	SFD/SMED	9	2020	3	0	3	Subproject administrative data and information from service provider and recipient collection by SFD/SMED and TPMA.
3.2. Number of SME loans guaranteed by the new capitalization to the YLG	SFD/SMED	5,101	2020	1,512	1,512	3,024	Subproject administrative data and information from service provider and recipient collection by SFD/SMED and TPMA.
3.3. Number of Village Saving and Loans Associations	SFD/SMED	1,782	2020	20	10	30	Subproject administrative data and information from service provider and recipient collection by SFD/SMED and TPMA.
3.4. SMEs receiving TA and grants that produce and facilitate food distribution	SFD/SMEPS	11,026	2020	1,100	530	1,630 [550 horticulture farms, 250 livestock breeders, 250 fishermen, 590 food supply chain enablers]	Subproject administrative data and information from service provider and recipient collection by SFD/SMEPS and TPMA.
3.5. Business associations supported in the target sectors directly through grants and TA	SFD/SMEPS	22	2020	20	0	20	Subproject administrative data and information from service provider and recipient collection by SFD/SMEPS and TPMA.
3.6. Number of new seasonal and permanent wage employment supported	SFD/SMEPS	68,186	2020	5,490	2,830	8,320	Subproject administrative data and information from service provider and recipient collection by SFD/SMEPS and TPMA.

Output 4: Oversight, reporting and quality assurance of project ensured									
Output4.1: Improved monitoring of project activities in conflict; improvements in project interventions	4.1.1	Surveyed beneficiaries who report receiving the right payment amount (Percentage)	UNDP/SFD/P WP/TPMA	98%	2020	98	98	98	TPM surveys, UNDP field mission, questionnaires and phone interviews, remote verification
	4.1.2	Grievances received, addressed and responded to within a timeline that has been specified and publicly communicated by the project (Percentage)	UNDP/SFD/P WP/TPMA	83 %	2020	90	90	90	TPM operated GRM system, surveys, questionnaires and phone interviews, remote verification
	4.1.3	Surveyed beneficiaries who express satisfaction with project interventions (Percentage)	UNDP/SFD/P WP/TPMA	97%	2020	98	98	98	TPM surveys, UNDP field mission, questionnaires and phone interviews, remote verification
Output 4.2 Increased capacity of national institutions to design and implement social protection programs	4.2.1	Capacity building action plan for SFD adopted and implemented	UNDP	No	2020	Yes	Yes	Yes	RPs capacity assessment, progress reports
	4.2.2	Capacity building action plan for PWP adopted and implemented	UNDP	No	2020	Yes	Yes	Yes	RPs capacity assessment, progress reports

VI. MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans:
[Note: monitoring and evaluation plans should be adapted to project context, as needed]

Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
Track results progress	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, or in the frequency required for each indicator.	Slower than expected progress will be addressed by project management.	UNDP RPs, and TPM	TBD
Monitor and Manage Risk	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 project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.	UNDP RPs, and TPM	TBD
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.	UNDP RPs, and TPM	TBD
Annual Project Quality Assurance	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.	UNDP and RPs	TBD
Review and Make Course Corrections	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 project board and used to make course corrections.	UNDP and RPs	TBD
Project Report	A progress report will be presented to the Project Board and key stakeholders, consisting of progress	Annually, and at the end of the project		UNDP and RPs	TBD

	data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk long with mitigation measures, and any evaluation or review reports prepared over the period.	(final report)			
Project Review (Project Board)	The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board 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.	Specify frequency (i.e., at least annually)	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.	UNDP and RPs	TBD

The monitoring of project outputs will be undertaken at multiple levels. The SFD, PWP and SMEPs will play a critical role to gather periodic data and information on the subproject implementation progress and to provide UNDP PMU on regular basis. UNDP will carry out monitoring through review of mandatory quarterly reports for quality assurance and verifications. As part of the risk mitigation measures, UNDP will employ a Third-Party Monitoring Agent for the sole purposes of monitoring the implementation of the project. The Third-Party Monitoring Agent is expected to contribute to improving the development effectiveness and efficiency of the project through reviewing its performance and using evidence to propose adjustments to its programming for optimal results achievement.

The Third Party Monitoring Agent will focus on the following areas: 1) verify that the project outputs and activities are being implemented according to the agreement with the World Bank under the FMFA and elaborated eligibility criteria for financing of sub-projects, including the targeting methodology as outlined in the Project Document; 2) track performance through the collection of appropriate and credible data and other evidence; 3) analyze evidence to inform UNDP management and Project Board decision-making, recommend improvement of effectiveness and efficiency as necessary; and 4) report on performance and lessons to facilitate learning and support accountability. The ToR of the Third-Party Monitoring Agent is attached in annex-1 for further information. Evaluation Plan missing

Evaluation Plan³⁷

Evaluation Title	Partners (if joint)	Related Strategic Plan Output	UNDAF/CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Source of Funding
Project Final Evaluation	UNDP and WB	Marginalised groups, particularly the poor, women, people with disabilities and displaced are empowered to gain universal access to basic services ³⁸ and financial and non-financial assets to build productive capacities and benefit from sustainable livelihoods and jobs	Yemenis improve their livelihoods and access inclusive productive services	September 2022 (Tentatively)	Government Counterpart, Project Donors, National Responsible Parties, Bi-lateral and multi-lateral donors/other international communities, UNDP Regional and HQ.	USD 75,000

³⁷ Optional, if needed

³⁸ Basic services include social services (e.g. health and nutrition, education, water and sanitation, social housing, vocational training), economic services (including finance), environmental and energy services (e.g. renewables, clean fuels and technology, use of natural resources), and other services (e.g. rule of law and justice). Please note that UNDP focuses primarily on policies and capacities that improve the enabling environment for provision of basic services.

VII. MULTI-YEAR WORK PLAN

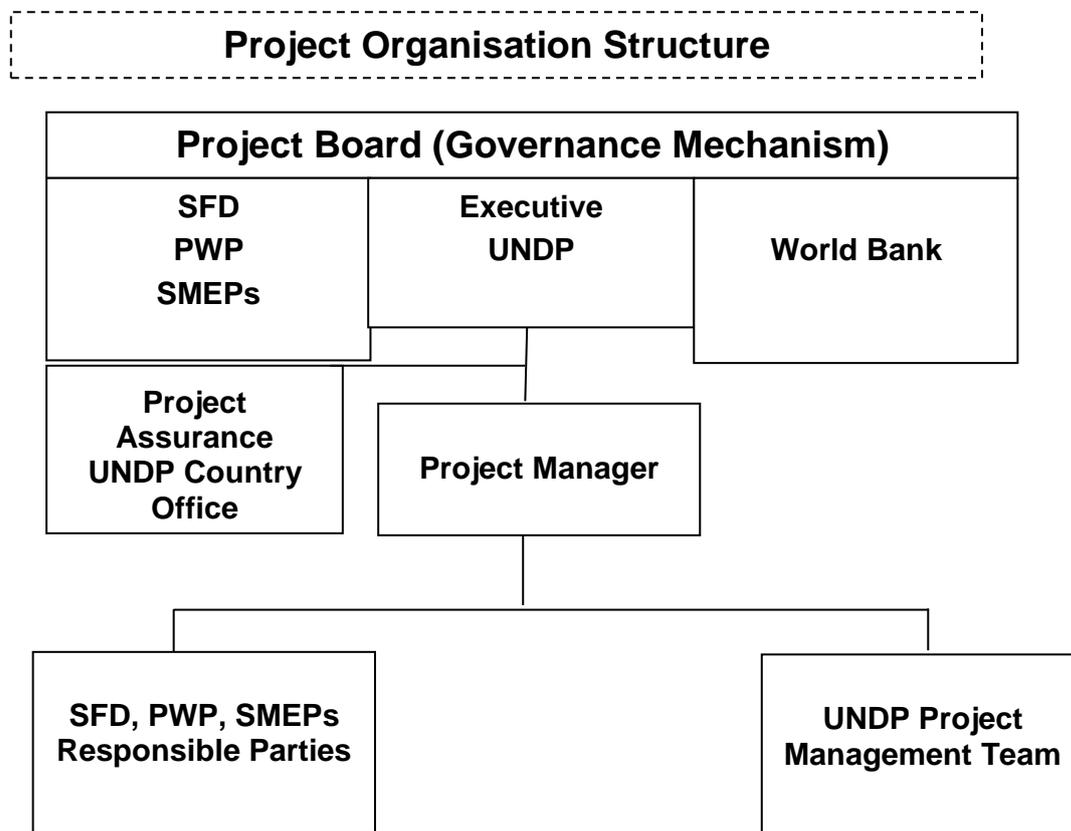
EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year		RESPONSIBLE PARTY	PLANNED BUDGET		
		Y1	Y2		Funding Source	Budget Description	Amount
Vulnerable and at-risk Yemenis have received short and medium-term livelihoods and recovery support	1.1 Cash for Nutrition	9,684,750.00	5,785,250.00	SFD	WB	Provision of Conditional Cash Assistance to 21,000 women	10,812,000.00
					WB	Wage employment to 720 Female Health Workers	810,900.00
					WB	Materials and Goods	270,300.00
					WB	Consultancy and Shared Cost	3,576,800.00
	1.2 Cash for Work	11,358,106.54	2,592,893.46	SFD	WB	Implementing labour intensive Civil Works and providing Cash for Work to 20,024 workers	11,994,210.00
					WB	Consultancy and shared cost	1,956,790.00
	(a) YLG/VSLAs/MFIs Support (2.3a)	2,440,000.00	-	SFD	WB	Providing Yemen Loan Group (YLG) with Subgrants to support 3,024 MSMEs	2,100,000.00
					WB	Creating 30 Village Saving and Loans Associations (VSLAs) and assist them with subgrants	264,000.00
					WB	Providing technical assistance and subgrants to improve IT capacity to 3 MFIs	76,000.00
	SFD Management	2,437,470.00	901,530.00	SFD	WB	Equipment and furniture	654,000.00
WB					Operating expenses	2,685,000.00	
Sub-Total for Output 1		25,920,326.54	9,279,673.46			35,200,000.00	
EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year		RESPONSIBLE PARTY	PLANNED BUDGET		
		Y1	Y2		Funding Source	Budget Description	Amount
Finance MSMEs (Farmers, Fisheries, Livestock) affected by conflict and COVID-19 crisis to support economic activities that strengthen domestic food market to improve food security	2.3(b) MSMEs (Farmers, Fishermen, Livestock) / Business Associations	4,222,575.00	277,425.00	SMEPs	WB	Technical Support to Beneficiaries	741,128.00
					WB	Grants to 1,630 farmers, fisheries and livestock	2,399,700.00
					WB	Trainings & Workshops	277,643.00
					WB	Management Direct Cost	721,529.00
					WB	Operating Cost	360,000.00
Sub-Total for Output 1		4,222,575.00	277,425.00			4,500,000.00	

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year		RESPONSIBLE PARTY	PLANNED BUDGET		
		Y1	Y2		Funding Source	Budget Description	Amount
Build valuable socio-economic assets for local communities that help improve access to key services and small infrastructure	(2.2) Community Assets	13,120,672.00	2,579,328.00	PWP	WB	Implement civil works and provide wages to 16,940 workers	12,503,000.00
					WB	Goods	50,000.00
					WB	Consultancy Services	1,477,000.00
					WB	Capacity Building:	100,000.00
					WB	Incremental Operating Costs	1,570,000.00
Sub-Total for Output 1		13,120,672.00	2,579,328.00			15,700,000.00	
EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year		RESPONSIBLE PARTY	PLANNED BUDGET		
		Y1	Y2		Funding Source	Budget Description	Amount
UNDP's Project Monitoring and Management	b) Direct Cost for Part 3.2(a)(i)	867,458.52	1,248,591.98	UNDP	WB	Staff Salaries (International and National)	1,233,400.38
					WB	Common Cost Services Shares	445,875.00
					WB	General Operating Expenses	57,765.90
					WB	CO Support	118,442.10
					WB	Running/misc costs	110,567.12
	c) Consulting services and TPM3.2(b)	1,400,000.00	695,600.00	UNDP	WB	Communication and Visibility	150,000.00
					WB	TPM	700,000.00
					WB	Capacity building	1,000,000.00
						Audit	245,600.00
					WB	Evaluation	150,000.00
Sub-Total Project Management Costs		2,267,458.52	1,944,191.98			4,211,650.50	
General Management Support (3%)		1,375,262.15	413,087.35			1,788,349.50	
Total Project Costs						61,400,000.00	

VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

UNDP will establish the Project Board as oversight and advisory authority, representing the highest body for coordination, strategic guidance, oversight and quality assurance. The body will facilitate collaboration between UNDP, SFD, PWP, SMEPs and the WORLD BANK, and other stakeholders for the implementation of the Project. The Board will review and endorse the annual work plans (AWPs), will provide strategic direction and oversight, will review implementation progress, and will review narrative and financial progress reports.

The Board will be convened by UNDP in conjunction with the WB Implementation Support Mission and meet at least on a 6-monthly basis. It will include senior programme managers from UNDP, SFD, PWP, SMEPs and WORLD BANK. The review meetings will be chaired by UNDP Resident Representative or OIC and attended by the WORLD BANK Task Team Leader as well as the task leaders and middle management of the three agencies.



The Project Board will ensure tracking of safeguards compliance and performance as stipulated in the ESMF. The Board will oversee and review the implementation of the Safeguards Instruments, giving details of:

- a) measures taken in furtherance of the Safeguards Instruments;
- (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguards Instruments; and
- (c) remedial measures taken or required to be taken to address such conditions and to ensure the continued efficient and effective implementation of the Safeguards Instruments.

IX. IX. 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."

1. UNDP as the Implementing Partner shall comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)
2. UNDP agrees to undertake all reasonable efforts to ensure that none of the project funds are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

UNDP Anti-Fraud Policy

The Responsible Parties have a general accountability for fiduciary management of funds put at their disposal by UNDP. In this regard, Responsible Parties will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, and responsible parties in implementing the programme/project or using the UNDP funds. The Responsible Parties will ensure that appropriate financial management, anti-corruption and anti-fraud policies are put in place and are enforced for all funding received from or through UNDP.

The Responsible Parties shall comply with and be subject to the requirements of the following documents then in force at the time of signature of the Project Document:

- (a) UNDP Policy on Fraud and other Corrupt Practices ("UNDP Anti-fraud Policy");
- (b) UNDP Office of Audit and Investigations (OAI) Investigation Guidelines; and
- (c) UNDP Social and Environmental Standards (SES), including the related Stakeholder Response Mechanism (SRM), with the specific details pertaining to the project outlined in the ECRP ESMF.

The Implementing Partner 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.

In the event that an investigation is required, UNDP has the right to conduct investigations relating to any aspect of UNDP Projects, as per its mandate. The Responsible Parties shall provide full cooperation, including making available personnel, relevant documentation, and granting access to the Responsible Parties (and its consultants', contractors and subcontractor') 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 problem in exercising this right, UNDP shall consult with the Responsible Parties to find a solution in the best interest of both parties.

The Signatories to this Project Document will promptly inform each other in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where the Responsible Party becomes aware that UNDP has funded or is funding, in whole or in part, an activity that is the focus of investigation for alleged fraud/corruption, the implementing partner will inform the UNDP Resident Representative, who will promptly inform UNDP's Office of Audit and Investigations (OAI). The Responsible Party shall provide regular updates to the UNDP Resident Representative and OAI of the status of, and actions relating to such investigation.

With regard to the restitution of funds misused, including fraud or corruption, UNDP's anti-fraud policy, UNDP shall be entitled to a refund from the Responsible Party of any funds provided that have been used inappropriately, including through fraud or corruption, 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 Implementing Partner under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail the Implementing Partner's obligations under this Project Document.

Where such funds have not been refunded to UNDP, the Responsible Party agrees that donors to UNDP whose funding is the source, in whole or in part, of the funds for the activities which are the subject of the Project Document, shall have recourse to the Responsible Party for the recovery of any funds determined by UNDP to have been used inappropriately, including fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

The Responsible Party shall ensure that the above provisions are included in all sub-contracts or sub-agreements entered into in connection with the project or programme.

Each contract issued by the Responsible Party in connection with the Project 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 the Responsible Parties shall cooperate with any and all investigations and post-payment audits.

Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project or programme, the relevant national authorities shall actively investigate the same and prosecute all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.

The project will strengthen the overall risk analysis and management mechanism, including regular updates on the contextual risks, as well as operational risks pertaining to the project, on a quarterly basis.

X. X. RISK MANAGEMENT

UNDP (DIM)

1. UNDP as the Implementing Partner will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)
2. UNDP as the Implementing Partner will undertake all reasonable efforts to ensure that none of the project funds UNDP received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.
3. Social and environmental sustainability will be enhanced through application of the updated UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Stakeholder Response Mechanism (<http://www.undp.org/secu-srm>).
4. 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.
5. 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.
6. UNDP as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor and sub-recipient:
 - a. 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:
 - i. put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
 - ii. 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.
 - b. 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.

- c. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud or corruption, 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 and anti-fraud policies are in place and enforced for all funding received from or through UNDP.
- d. 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 and (b) UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor and subrecipient 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.
- e. In the event that 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 subrecipients') 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.
- f. 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 or corruption with due confidentiality.
- g. 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 subrecipient 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.
- h. UNDP will be entitled to a refund from the responsible party, subcontractor or subrecipient of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of this 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. Recovery of such amount by UNDP shall not diminish or curtail any responsible party's, subcontractor's or sub-recipient's obligations under this Project Document.

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 or corruption, 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.

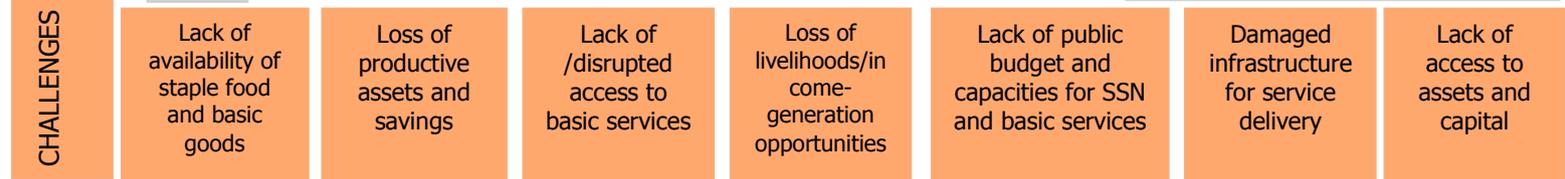
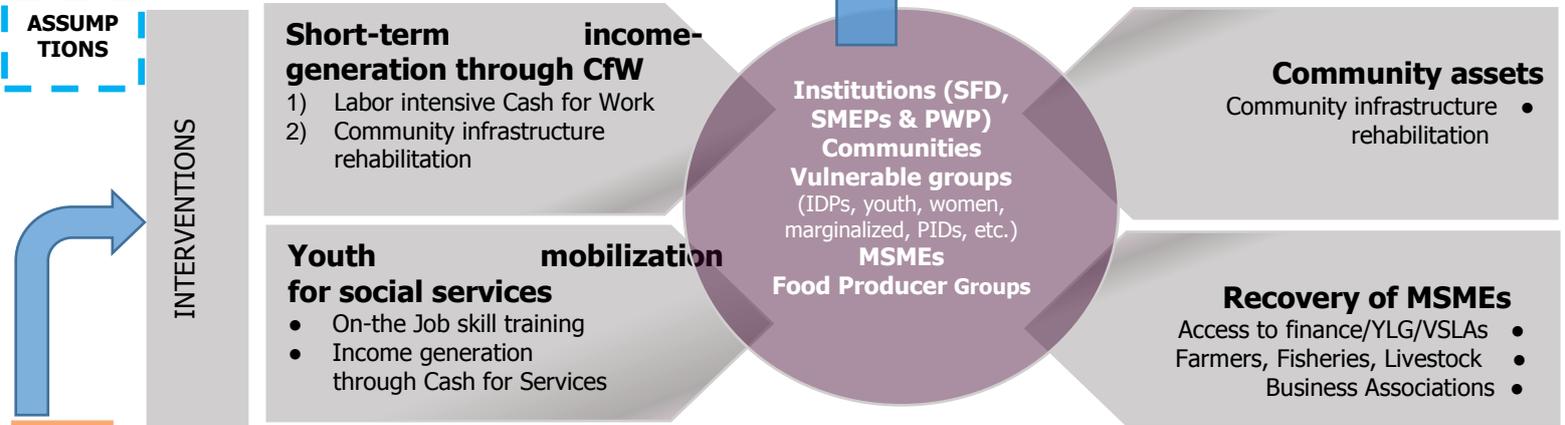
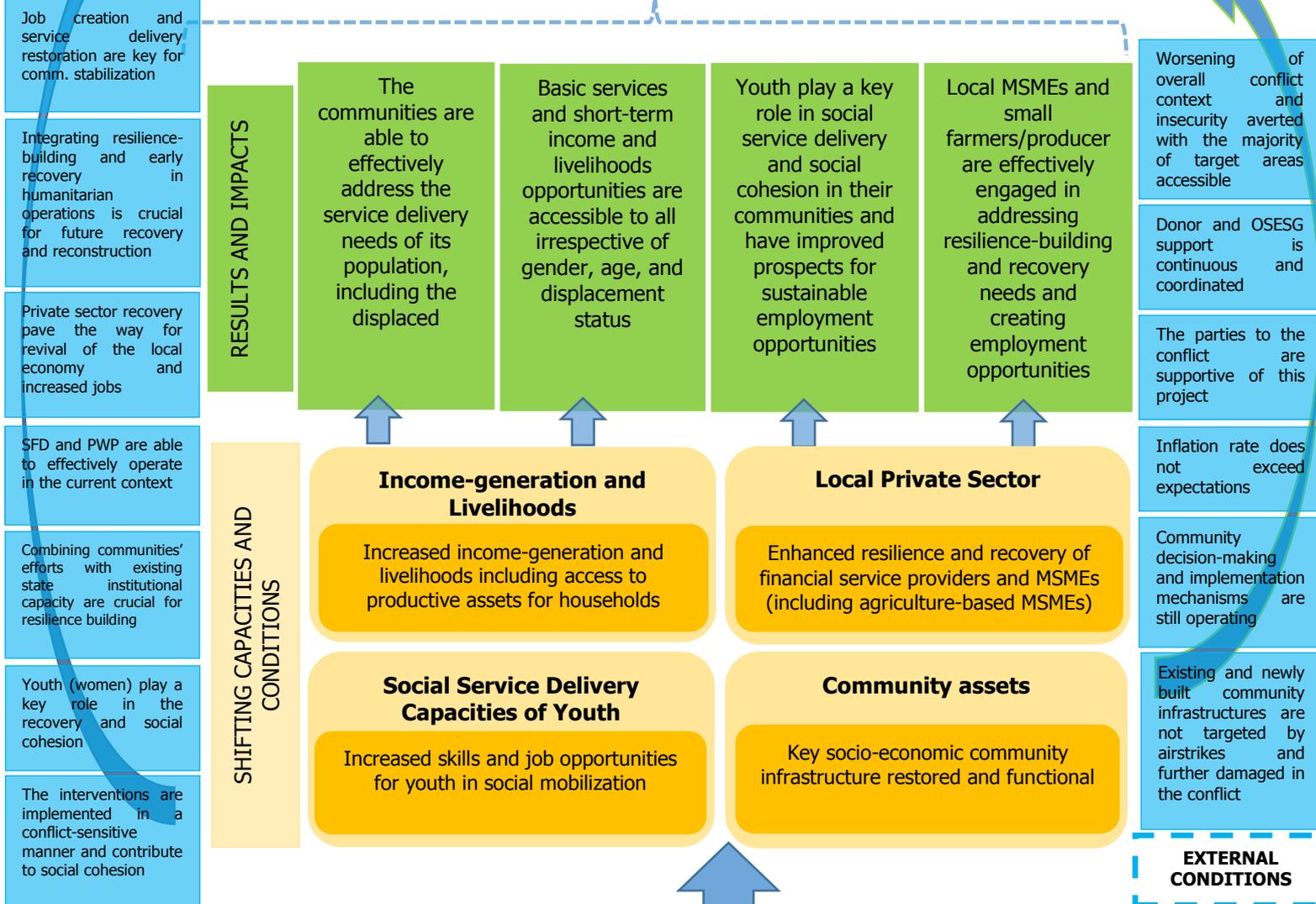
- h. Each contract issued by the responsible party, subcontractor or sub-recipient in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, 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.
- i. 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.
- j. Each responsible party, subcontractor and sub-recipient shall ensure that all of 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 subcontracts or sub-agreements entered into further to this Project Document.

XI. ANNEXES

1. **ESPECRP Theory of Change**
2. **Project Quality Assurance Report**
3. **Social and Environmental Screening Template** [\[English\]](#) [\[French\]](#) [\[Spanish\]](#), including additional Social and Environmental Assessments or Management Plans as relevant. *(NOTE: The SES Screening is not required for projects in which UNDP is Administrative Agent only and/or projects comprised solely of reports, coordination of events, trainings, workshops, meetings, conferences, preparation of communication materials, strengthening capacities of partners to participate in international negotiations and conferences, partnership coordination and management of networks, or global/regional projects with no country level activities).*
4. **Risk Analysis.** Use the standard [Risk Register template](#). Please refer to the [Deliverable Description of the Risk Register](#) for instructions
5. **Capacity Assessment:** Results of capacity assessments of Implementing Partner (including HACT Micro Assessment)
6. **Project Board Terms of Reference and TORs of key management positions**

Annex 1: ESPECRP Theory of Change

Yemeni households and communities are able to effectively cope with the impact of the crisis and are strong drivers of the resilience-building and recovery efforts



PROBLEM Increased income poverty and vulnerability have weakened the coping capacities and resilience of Yemeni households and communities in the ongoing conflict