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PROJECT DOCUMENT
REPUBLIC OF YEMEN

Project Title: Peace Support Facility (PSF) : Safer Salvage Operation Project (SSOP)
Project Number: 00143160
Implementing Agency: UNDP
Start Date: May 2022 **End Date:** December 2024 **PAC Meeting date:** 23 September 2022

Brief Description

The Floating Storage and Offloading (FSO) vessel Safer is moored approximately 8 kilometres off the coast of Yemen and 50 kilometres northeast of the port of Hodeida. Constructed in 1976 as an oil tanker and converted in 1987 to be a floating storage facility, the vessel is single-hulled, 362 meters in length, and is believed to contain an estimated 1.148 million barrels of light crude oil. Safer has been under the de facto authorities (DFA) in Sana'a since March 2015. Production and offloading operations are suspended due to the conflict, and no maintenance operations have been undertaken for seven years. The FSO is now uninsurable, with an expired certificate of seaworthiness. The Safer's age and lack of maintenance have deteriorated its structural integrity. The vessel is at risk of spilling oil due to leakages, an explosion from the accumulation of volatile explosion gases, or a strike from a floating sea mine. A significant spill could occur at any time, discharging up to 1,148 million barrels of its cargo of oil along Yemen's Red Sea coastline and towards its neighbouring countries. Heavy contamination and pollution could extend as far as the Bab-El-Mandab strait, with some oil passing beyond the Gulf of Aden.

The disaster would quickly surpass national capacity and resources to respond effectively, estimated at four times the amount of crude oil spilt in the Exxon Valdez catastrophe of 1989. The lives and livelihoods of up to 12 million people will be directly affected, with the unique environment of the Rea Sea experiencing enormous damage above and below the water. Recovery from the oil spill could take up to 3 years and potentially cost US $20 billion without urgent intervention. Life below water is not anticipated to recover for 25 years. In addition, one of the world's major shipping lanes could be affected, impacting many more people globally.

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

Contributing Outcome (UNSDCF): Outcome 1

By 2024, people in Yemen, especially women, adolescents and girls and those in the most vulnerable and marginalized communities benefit from better, equal and inclusive access to nutritious food, sustainable and resilient livelihoods and environmental stability.

Indicative Outputs with gender marker: 1

Total resources required:	Phase 1: $ 75,241,827 Phase 2: $ 38,292,185 Total: $ 113,534,012	
Total resources allocated:		
	UNDP TRAC:	$0
	Donor:	$ 77,386,743
	Government:	$0
	In-Kind:	$0
Unfunded:	$36,247,269	

Agreed by (signature):

UNDP

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Auke Lootsma
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Auke Lootsma, Resident Representative

DocuSigned by:

Date: 26-Sep-2022

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Table of Acronyms

ACAPS	Assessment Capacities Project
AMREF	African Medical and Research Foundation
CALM	Catenary Anchorage Leg Mooring
CTA	Chief Technical Advisor
DFA	De Facto Authority
EHOC	Emergency and Humanitarian Operations Cell
EODEX	Explosive Ordnance Disposal Excellence
FSO	Floating Storage and Offloading Unit
ICS	International Chamber of Shipping
ICT	Information and Communication Technology
IDP	Internally Displaced Person (s)
IMO	International Maritime Organisation
IPC	Integrated Food Security Phase Classification
IRG	Internationally Recognised Government
KSA	Kingdom of Saudi Arabia
OCHA	United Nations Office for the Coordination of Humanitarian Affairs
OCIMF	Oil Companies International Marine Forum
OSESGY	Office of the Special Envoy of the Secretary General for Yemen

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PiN	People in Need
PM	Project Manager
PSF (SC)	Peace Support Fund (Steering Committee)
RC/HC	Resident Coordinator / Humanitarian Coordinator
RVO	Netherlands Enterprise Agency
SDG	Sustainable Development Goal
SEPOC	Safer Exploration & Production Operation Company
SLC	Saudi Led Coalition
SPSA	Senior Political and Security Advisor
SSC	Senior Safer Coordinator
SSOP	Safer Salvage Operation Project
STS	Ship-to-Ship (Transfer)
UAE	United Arab Emirates
UNDP	United Nations Development Programme
UNMHA	United Nations Mission to support the Hudaydah Agreement
VLCC	Very Large Crude Container
YCG	Yemen Coast Guard

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1 DEVELOPMENT CHALLENGE

1.1 Summary

FSO Safer oil spill predictions (commissioned by the IMO in 2021) and case studies (Purves & Culmer, 2020) suggest that the unique environment of the Rea Sea would suffer enormous damage above and below water. The extent of pollution will be very much driven by season, prevailing winds and currents, with environmental risks potentially affecting Saudi Arabia, Eritrea, Djibouti, and Somalia. The impact would be considered worst between July and September (see Figure 1). Shipping routes through the Bab al-Mandab Strait and the Red Sea could be disrupted for months, leading to a significant financial impact on global economies. The oil spill could occur from an explosion aboard the vessel (Cranfield University, 2022), a strike from a drifting sea mine (EODEX, 2021), or corrosion to the hull, each event likely to lead, in varying degrees of severity, to the ingress of water and potential sinking of the entire structure.

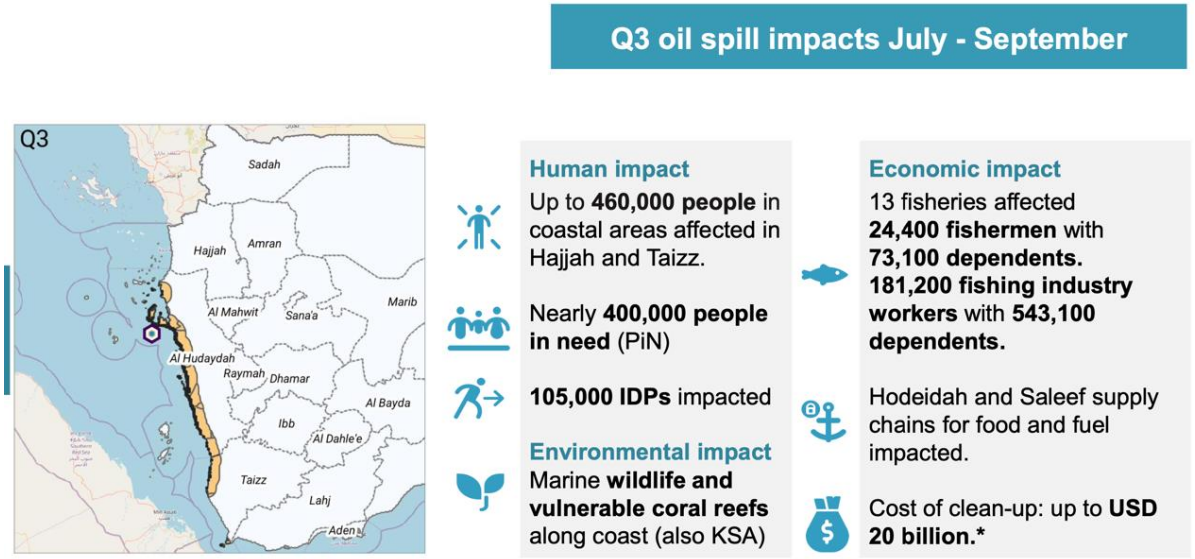


Figure 1: Summary of worst-case predictions for Yemen oil spill from FSO Safer *(Ballard & JFA, 2022)*

1.2 Affected population

If oils spill happens, up to one third of Yemeni population (11.9 million people out of 30.7 million(almost half of them are women and girls) could be directly exposed by food insecurity as they may not receive food aid because of the closure of Yemeni ports. (Huynh et al., 2021). Yemen's fisheries would be devastated within three weeks, affecting over 1,000 species, with a predicted recovery period of 25 years. The impact on food security would indirectly affect all Yemenis for many months (OCHA, 2022).

1.3 Economic impact

A spill from FSO Safer could see the shipping route through the Bab al-Mandab Strait, and the Red Sea disrupted for many months (see Figure 2). The economic impact of such a spill is difficult to quantify at such a scale, but clean-up alone is estimated at US $20 billion (ACAPS, 2021) based on Exxon Valdez extrapolation. There would also be knock-on effects to global shipping, with the extent of oil travel compromising main international shipping routes and imposing a toll of tens of billions of dollars on the shipping business and the industries it services (Caesar, 2021). Perspective is provided by the EverGiven container ship in the Suez Canal, which froze US$10 billion of trade in one day (Yee & Glanz, 2021).

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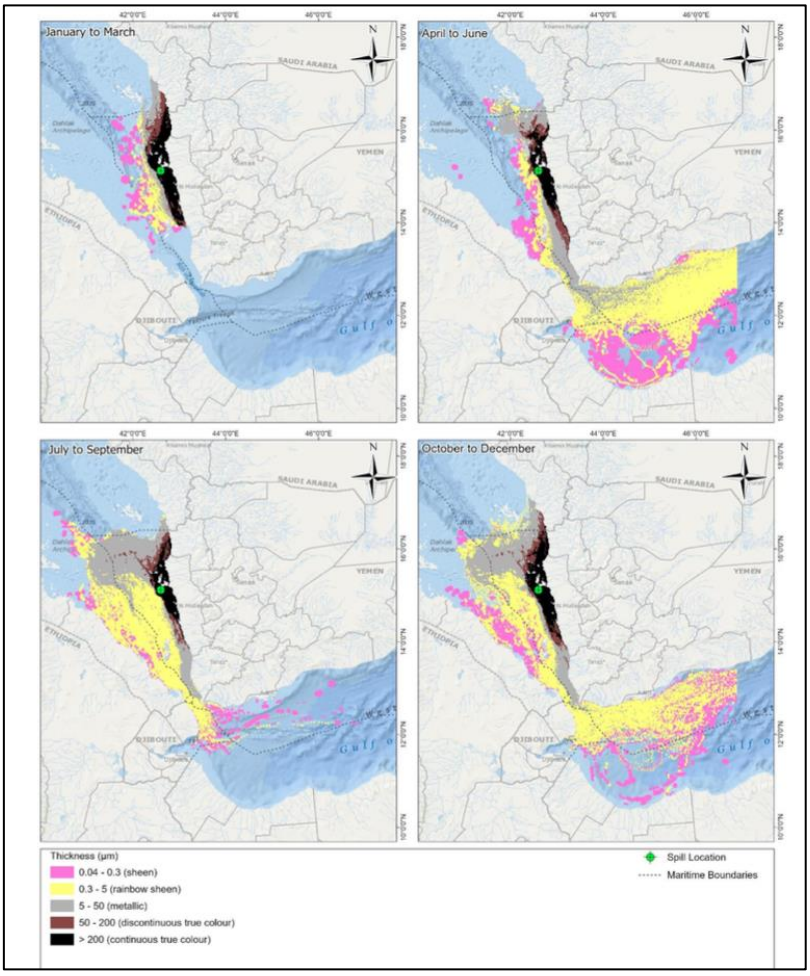


Figure 2: Extent of oil spill by season (worst case) - *(IMO, 2021)*

The Yemeni ports would see heavy oil contamination. Port operations in Hodeida[1] and Saleef ports would be seriously affected, those ports closing for up to 6 months, limiting fuel and food imports for 8.1 million people, and putting the jobs of port workers at risk. If Aden's port were impacted too, this would rise to 11.9 million people who would not receive food aid. Fuel imports and supply chains would be altered (perhaps through Aden and Mukalla to offset the shortfall), further reducing the already restricted fuel supply through Hodeida. More fuel would be sold through the black market, and prices would likely rise by up to 200%. This would have impact on electricity production, health services, and transportation provision across the country.

Food imports and supply chains would stagnate. The redirection of food imports to Aden and/or Mukalla, coupled with already limited capacities, could lead to congestion and delays in those ports; onward transport of wheat to mills would increase out of these two ports, with capacities unknown. Food security would further destabilise, whereby June 2022 over 19 million Yemeni citizens could be at IPC Phase 3 and above without the added complication of an oil spill from Safer (OCHA Yemen, 2022). Over 2.25 million cases of children aged 0 to 59 months, and more than a million pregnant and lactating women were projected to suffer from acute malnutrition in the course of 2021 (OCHA, 2021).

The spill threatens 66.5 – 85.2% of Red Sea fisheries within the first week and potentially 100% of Yemen's fisheries within three weeks, which provide subsistence for 1.7 million Yemeni people (ACAPS, 2021). The livelihoods of 67,300 fisherfolks and over 500,000 people including many women in fishing-related industries (such as ice making, packaging, and transportation) would be at risk (Ballard & JFA, 2022) – see Figure 3. The cost to the fishing industry from the environmental impact would be US$30 million per year.

[1] There are many local spellings for Hodeida. Except for the spelling of Hudaydah in the UN Mission to Support the Hudaydah Agreement (UNMHA), Hodeida shall be used throughout this document.

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If there were to be a cargo fire, around 500km^2 of agricultural land in Yemen (40% of the country's farmable land) could receive depositions of pollutants that would impair plant growth of crops grown for both subsistence and profit. Dependent upon the time of year the catastrophe happens, papaya, citrus, and mango fruits would be covered by soot, and the quality of corn, tomatoes, sesame, watermelon, and sweet potatoes would be diminished. Around 3.25 million farmers might experience crop losses through impaired growth or fruit damage, reducing their income and potentially threatening their livelihoods for a year. The estimated loss in agricultural production could be US$ 70 million (ACAPS, 2021).

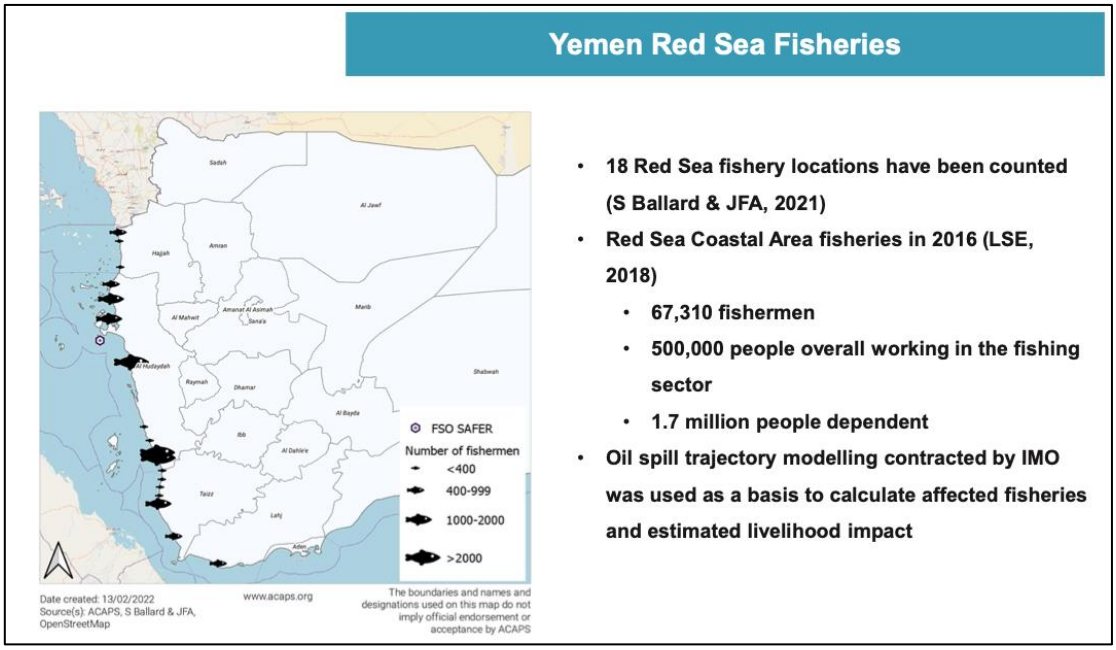


Figure 3: the impact on Yemen's fisheries *(ACAPS, 2021) (Ballard & JFA, 2022)*

1.4 Health Impacts

Pollution from the oil spill, whether by evaporation or smoke following fire/explosion, would cause cardiovascular and respiratory health issues, leading to increased hospitalization and morbidity in affected areas. The estimate lies between 11.3 million to 19.5 million person-days in hospital, dependent upon the season (Huynh, et al., 2021). A healthcare system already struggling with COVID-19 would be simply overwhelmed. Up to 60 humanitarian agencies could suspend services due to unsafe air, cutting services to 7 million Yemenis in affected areas. See Figure 4 for projected health impacts by season and speed of release. Furthermore, many researches revealed that oil pollution increases the risk of preterm birth, miscarriage, birth defects and gestational diabetes among women in oil polluted communities[2].

[2]https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0263495#:~:text=Furthermore%2C%20the%20integration%20of%20existing,16%2C%2018%2C%2019%5D.

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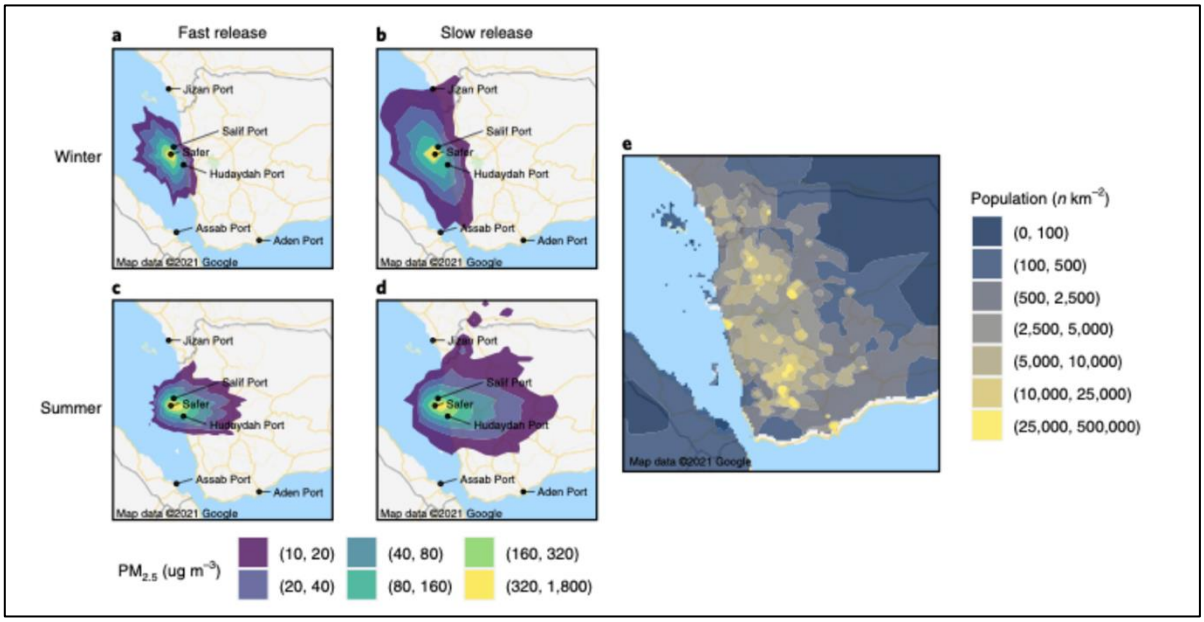


Figure 4: Air pollution simulation models for fire aboard FSO Safer *(Huynh, et al., 2021)*

Over 8000 potable water wells are at risk of contamination from the oil spill, which would reduce access to water and increase the outbreak of diseases.

1.5 Environmental Impacts

1.5.1 Oil spill trajectory

As can be observed in Figure 2, an oil spill at any time of year is likely to impact the sea areas of Yemen, Eritrea and Saudi Arabia (IMO, 2021), but between April and December could also reach the coastal areas of Djibouti and Somalia. Oil could impact the Yemen coast within as little as 3 hours of release and sea areas of neighbouring countries within days (Djibouti (7 days), Eritrea (5 days 15 hours), Saudi Arabia (4 days, 9 hours), and Somalia (11 days, 15 hours). With the exception of January to March, oil could travel up to 700 km from release. Heavy shoreline oiling will likely impact the Yemeni coastline, and moderate to light oiling of sections of coastline in Djibouti, Eritrea and Saudi Arabia may appear. Heavy oiling could be found up to 280 km from the release location.
Spilled oil in the marine environment spreads out on the water surface rapidly, very quickly even a relatively small amount of oil can cover a large area (as little as 40 litres may cover 1 km$^{2)}$. Based on the modelling conducted (figure 2), in the event of a total release, oil may be visible as a silvery sheen up to 700 km from the release location (April to June, Figure 2). Thicker, darker oil (and potentially recoverable) oil (thickness of 0.2mm) could extend as far as 150km.

1.5.2 Oil spill thickness

Oil of thickness greater than 0.2mm could be found up to 150 km away (January to March), with reducing thickness down to 3 microns observed up to 700 km (April to June) from the release location. Heavy shoreline oiling will likely impact the Yemeni coastline, and moderate to light oiling of sections of coastline in Djibouti, Eritrea and Saudi Arabia may appear. Heavy oiling could be found up to 280 km from the release location.

1.5.3 Life below water

Fishing stocks could take 25 years to recover (ACAPS, 2021), with the impact on the eco-system reported to threaten 416 species of fish, 625 species of mollusc, 16 species of shark, 53 species of crustaceans and 283 species of phytoplankton.

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2 STRATEGY

2.1 Safer salvage solutions

There have been several engagements involving the De-Facto Authorities (DFA), Internationally Recognized Government (IRG), UN entities in Yemen, UN member states, non-governmental organizations, commercial companies and private entities to find solutions to the FSO Safer situation. The UN proposal via UNOPS for an initial inspection and minor repairs (but not for a final transfer of the oil) had to be aborted when UNOPS was unable to finalise an agreement with the DFA.

The option that now has agreement from all parties (Guterres, 2022) (Gressley, 2021) is engaging a Salvage contractor and the DFA agrees that the crude oil should be transferred as quickly as possible to a temporary replacement tanker (the first phase of operations), with a replacement storage capability (the second phase of operations) being provided as a longer-term solution (MOU, 2022). Further consent can be reinforced with a letter of consent from the DFA, as required.

IRG acknowledges the common interest in preventing an oil spill and agrees that the only effective way forward is to engage with the DFA to find a solution. The consent of the SLC has also been obtained and assurances have been given that the area around the FSO Safer shall be designated a no-strike zone via the UN's normal deconfliction procedures. All parties stress the need for urgent action and see the avoidance of a humanitarian and environmental disaster as of the utmost importance.

2.2 Approach

The SSOP will be a two-phase project.
In the first phase, the UN will coordinate the ship-to-ship transfer of oil from the FSO Safer as soon as possible to address the immediate environmental and humanitarian threats.

In the second phase, the UN will facilitate the installation of a replacement option for the FSO Safer. Based on extensive technical consultations and on political engagement with Yemeni governance institutions, the UN has proposed a floating CALM Buoy, permanently attached to a Very Large Crude Carrier (VLCC) slightly modified to be an FSO as the optimal long-term solution in the Ras Issa environment.

The CALM buoy with a permanently attached double-hull VLCC as FSO is the safest, fastest and most flexible option.

Under this two-phase approach:

- The emergency operation to mitigate the immediate environmental threat, can be completed within 10 months, faster than any of the other options.
- The CALM buoy can be attached and detached from the FSO should the vessel need to be replaced or drydocked. The CALM buoy solution can also be used to load oil directly to tankers from an onshore storage facility.
- The system is proven safe in use by the industry as a long-term Floating Storage and Offloading (FSO) solution.

The CALM buoy system is more compatible with other storage options that may be possible in the future, such as connection to onshore storage (i.e. tank farm).

From the latest replacement option plan (UN, 2022), the first phase of operation involves five main activities: Activity 1) FSO Safer oil spill contingency plan.
Activity 2) preparatory works (including the procurement of a Very Large Crude Carrier (VLCC);
Activity 3) the mobilisation of salvage assets to the work site;
Activity 4) the ship-to-ship (STS) transfer of oil from the FSO Safer to the VLCC, tank cleaning and de-mucking, thereby eliminating the environmental hazard;
Activity 5) the Inspection of subsea structures, closing of PLEM (Pipeline End Manifold), disconnect risers and removal of FSO Safer;

Phase two of the project involves the following main activities:

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

Successful implementation of the project Phase 1 activities will minimise the potential for an oil spill from the FSO Safer and the associated environmental, socio-economic and humanitarian consequences and contribute toward Sustainable Development Goals (SDGs) 14 and 15:

- SDG 14 - Conserve and sustainably use the oceans, seas and marine resources for sustainable development.
- SDG 15 - Protect, restore and promote sustainable use of terrestrial eco-systems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

Successful implementation of Phase 2 activities will provide a replacement option for the FSO Safer. The results of this phase will deliver the potential for economic and industrial dividends to benefit the Yemeni people and can incentivize parties to reach agreement as part of a formal peace process.

- SDG 8 – Promote inclusive and sustainable economic growth, employment and decent work for all
- SDG 9 – Build resilient infrastructure, promote sustainable industrialization and foster innovation
- SDG 16 – Promote just, peaceful and inclusive societies

2.3 Potential impacts on project approach

The approach described above for this project (Phase 1) is based on the following successful requirements and assumptions:

Requirements:

- The salvage assets are able to be secured and deployed to the Safer site
- The successful operation of oil transfer from FSO Safer tanker to *VLCC,*
- Conditions for the disposal of the FSO Safer are established after the transfer of oil to VLCC,

Assumptions:

- Authorities and parties to the conflict shall honour the agreements approving the salvage operations.
- The conflict does not escalate, especially in the vicinity of the coast of Yemen, where the FSO Safer is moored.
- The ownership of the VLCC, CALM buoy and oil is determined and documented and the handover of procured assets is agreed amongst all parties
- A well-developed contingency plan with clear roles and responsibilities is in place prior to implementation of the project. This is to ensure that structures are in place to address small, medium and catastrophic oil spills
- The United Nations RC shall mobilise the required resources and partnerships for the salvage and transfer operations
- The FSO Safer shall not disintegrate before the salvage operations or during the transfer operation.

Then the potential oil spill from FSO Safer tanker and associated impacts are prevented,
And thus, contributing to a sustainable environment above and below water in the Red Sea and Gulf of Aden, and maintaining access to vital food supplies.

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3 RESULTS AND PARTNERSHIPS

3.1 Expected Results

The project aligns with the following frameworks:

- Sustainable Development Goal 14: Life below water.
- Sustainable Development Goal 15: Life on land.
- UNDP Global Strategic Plan Output 4.1: Natural resources protected and managed to enhance sustainable productivity and livelihoods.
- UNDP Yemen Country Programme Priority Area 3: Support confidence-building measures and national and local peace processes.

3.1.1 Project output

Priority is to prevent a potential oil spill from the FSO Safer tanker.

A revision to the national oil spill response plan is currently under development, in consultation and collaboration with Yemeni authorities (DFA and IRG), in the event of a major oil spill. An Incident command structure is expected to be adopted to organise and coordinate personnel, equipment, and response operations within the respective territories. Insurance coverage will be optimised to reflect the potential impact of an accidental release of oil into the environment and all donors will be held unaccountable for the consequence of oil spill.

3.1.2 Key Activities

The first phase of the project has already begun with recruitment of key project staff who are focused on resource mobilization, operational planning and project management, and maintaining political and security dialogue with Yemeni authorities. Once the necessary resources are in hand, it is anticipated that the preparatory phase of the operation, notably contracting of key technical, legal and risk advisory services, contracting of Salvage company and procurement of VLCC will take three (3) months.

Once procured, chartering and delivery of VLCC will require three (3) months, including recruitment of crew, insurance, inspections, minor modifications and transfer to the site. The STS operation will require around two (2) months to complete. **The total time for implementation of Phase 1 is eight (8) months**. Phase one is contingent upon clarity around ownership of the VLCC and the Oil.

If the required funding is available, UNDP can proceed to the second phase of the project concurrently with Phase 1 activities. In practice, this means sourcing and procuring a second-hand CALM buoy, a preferable option for its speed and cost-efficiency. Alternatively, if a suitable second-hand CALM buoy is not available on the market, the project would commission fabrication of a new CALM buoy. **Contracting and fabrication of a new CALM buoy is estimated to take ten (10) months.** Phase two is contingent upon clarity of ownership of the CALM buoy.

Given that Phase 1 would take eight (8) months, there is a clear imperative to procure a CALM buoy as soon as possible to avoid a long lag after the conclusion of the STS. If a new CALM buoy is procured, it may be that the VLCC and stabilized FSO Safer need to remain at their mooring for a further two to three (2-3) months to wait for the delivery of the CALM buoy. It is expected that CALM Buoy installation will take one (1) month to complete. The towing and scrapping of the FSO Safer is the final step in the process, requiring one (1) month to complete. At the conclusion of the project, UNDP will implement an appropriate handover . Phase 2 of the project would therefore take a maximum of twelve (12) months.

Variable factors can impact the duration of the activities and thus, the timeline serves only as a guide.

There are a number of options in this description of key activities that will influence both the cost and duration of the project. The contracting of technical, maritime legal and other advisory services in the preparatory work described under Activity 1, below, is a key step and will provide services to the UN to source the best options that will deliver the

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project against the best possible timeline and cost effectiveness. Successful resource mobilization and rapid disbursement of funds will further allow the UN to move quickly and efficiently to complete the project.

Phase 1:

3.1.2.1 Activity 1 – FSO Safer oil spill contingency plan

This activity involves developing an oil spill contingency plan (Al-Duaij, 2022) that draws on the national oil spill contingency plan and includes elements from the UN support plan and contingency provisions made by the salvage company.

This activity includes the following actions:

1) Recruitment of consultants to develop a contingency plan, including travel for consultants and training for national focal points.
2) Development of a UN support plan describing the contributions of UN agencies, funds and programmes (RCO, OCHA, IMO, UNEP, WFP, UNDP) to oil spill response
3) Purchase and pre-positioning of equipment for shore-based clean-up
4) Community outreach and training on shoreline clean-up and waste management.
5) Development of a contingency plan by salvage company, including equipment lists to be brought with salvage vessel
6) Synthesis exercise to develop a dedicated contingency plan specifically for the high-risk period of the STS operation
7) Tabletop exercise prior to execution of STS transfer
8) Preparation of funding application to CERF for emergency release of assistance in the event of a major spill
9) Identification of potential waste disposal options

3.1.2.2 Activity 2 – Preparatory works, engagement of the salvage company and VLCC lease/purchase

The following key tasks and inputs are expected under preparatory works:

1) United Nations Contingency plan is in place;
2) Full operational approval granted by national governance institutions (MOU, 2022) ;
3) Contracting with Marine Salvage Management Consultancy to provide technical expertise on oversight of all preparatory works and STS operations;
4) Procurement of Marine Law Firm to support legal aspects of project implementation;
5) Contract with the Salvage Operations company;
6) Procurement of replacement VLCC including due diligence for the vessel, crew, maintenance contract.
7) Procurement of Insurance Broker and Insurance Services;
8) Deployment of VLCC to the area of operations;
9) Establishment of ownership of the oil and handover arrangements.

The new FSO will be a standard second-hand VLCC which will be procured from the market and will most likely need to be modified for conversion to FSO compatible with a CALM buoy. Ample VLCCs are generally available in the market, and one will be selected and procured once the operation can start, after the necessary funding is obtained and disbursed.

3.1.2.3 Activity 3 – Mobilisation of salvage assets and inspection

Activity 3 shall involve the following:

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1) As there is a risk of H2S (Hydrogen Sulphide) leak, the cargo should be sampled to test for this and to gauge the status of the oil quality. A warranty surveyor should be considered for insurance purposes and for the subsequent tow-out;
2) Carrying out a pre-mobilisation inspection where the hull integrity is confirmed prior to putting any large vessels alongside the Safer hull. At the same time a survey of the mooring bits and fairleads should be carried out to ensure structural integrity for mooring the Offtake tanker;
3) Detailed planning of operations, permits, visas, mobilizing assets, equipment, and personnel;
4) Operational parameters for contractor inspection vessel to reach FSO Safer to be developed;
5) Establish that Security and explosion risk mitigations are in place (Control Risks, 2022) (JFA Consulting, 2021) (Collett, 2022).

3.1.2.4 Activity 4 – Oil Transfer from FSO Safer to VLCC

A Hazop or detailed risk assessment should be carried out prior to conducting any tasks, to ensure all mitigation measures have been actioned. Key actions under Activity 4 include:

1) On-board assessment and inspection of FSO Safer, creating safe working environment for personnel and assets, preparations for STS and subsequent operations;
2) Pumping inert gas into FSO Safer's cargo tanks;
3) Arrival of receiving VLCC;
4) Mooring of the receiving tanker;
5) STS transfer of the oil;
6) Conducting tank washing;
7) Conducting de-mucking cargo tanks and safe disposal of sludge;
8) Post-oil-transfer management of the Safer cargo tanks.

The Safer vessel will then remain on station until an agreement has been made with a green scrapping company Post oil-transfer tank management (tank washing, purging, gas freeing and de-mucking) will mitigate the risk of explosions from Safer whilst it awaits disposal. Upon completion of this operation, the VLCC can moor on site awaiting the arrival of the CALM buoy.
The procurement process of CALM buoy must be started during the phase I as the delivery of secondhand buoy may take 5 months and new buoy may take 10 months. Therefore, the securing resource for the procurement of CALM buoy is the priority task during the phase I.

Phase 2:

3.1.2.5 Activity 5 – Inspection of subsea structures, closing of PLEM, disconnect risers

Battery limits for this activity are from the outlet valve on the PLEM to the manifold of the offtake tanker. Key actions under activity 5 are:

1) Inspection of subsea pipeline and identification of whether pipeline can be closed to prevent pollution during disconnection;
2) Divers secure PLEM valves, purge and remove riser hoses;
3) Partially remove anchor chains, anchors remain on site;
4) Servicing PLEM for later connection risers.

Once the CALM buoy arrives on site, the FSO Safer can be disconnected from the subsea infrastructure, followed by the hook-up of the CALM buoy and the semi-permanent mooring of the VLCC to replace the FSO Safer under activity 6.

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3.1.2.6 Activity 6 – Installation of CALM buoy

Activity 6 includes the following actions:

1) Replacement of mooring anchor chains and connect them to the CALM buoy;
2) Installation of new riser hoses to PLEM and connect them to the CALM buoy;
3) Test the valves on the PLEM and confirm operational status;
4) Prepare FSO Safer for tow and arrival at scrap yard;
5) Disconnect FSO Safer and tow to final destination.

Initial assessments indicate an FSO attached to a CALM buoy is viable. Detailed engineering on the CALM buoy needs to be executed in order to calculate the loads on the buoy. These calculations can only be done in detail once the tanker is selected and loading scenarios are considered. Evaluation of the FSO mooring chains should be carried out with a view to redeploying them on the CALM buoy.

3.1.2.7 Activity 7 – Removal and support of FSO Safer sale

This activity includes the following actions:

1) Disconnect Mooring and Prepare Towage;
2) Towing FSO Safer to scrap yard;
3) Scrap and support the sale of FSO Safer, or sell 'as is, where is' and let the scrapping company manage the demucking and tow out for a fee which is then subtracted from the scrap price;
4) Exercise the purchase Option and handover of the VLCC to SEPOC.

Further arrangements will be required to implement the above titled activity, as it requires legal advice. The revenue from the sale of scrap vessel will be returned to the project.

3.2 Partnerships

This is a complex project that requires taut processes and technical expertise to deliver success. Strong partnerships will be pivotal to project vison, organisation, leadership, and stakeholder management as well as risk and issue management. Transparency is paramount with an outline proposal for the initiative having been circulated amongst all stakeholders regularly (UN, 2022). The RC/HC and his office have invested heavily in building and maintaining relationships of trust with all partners.

3.2.1 The SLC, DFA and IRG

The maintenance of workable relations between the SLC, DFA and IRG is paramount given the need to maintain safe access for working vessels and personnel in the vicinity of Safer. The UN will agree on security protocols with the DFA prior to the Salvage contractor team's arrival in the working area and define a maritime start line[3], the location at which security arrangements transfer from the Salvage contractor to the UN. It will also ensure other relevant parties (SLC, IRG) have an understanding of the operation and agree to the arrangements being made. Critical to ongoing security will be that the Salvage contractor maintains good liaison with the authorities at all times and that any new developments or changes of plan are communicated and explained. The UN shall support this by deploying an experienced and diplomatic liaison officer (the Senior Political and Security Advisor - SPSA) to Hodeida. The UN must also ensure that all personnel working in Hodeida itself and Sana'a have an appropriate profile for the work, so that mistrust of motive does not arise. All personnel operating in Hodeida and on the Safer tanker must therefore have the

[3] With an operation of such scale and complexity, the start line provides clear visibility of where the Salvage contractor 's security responsibilities end, and where those of the UN begin and end. It may be, for example, where international waters give way to Yemeni national waters.

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appropriate politically neutral profile. All personnel involved must have adequate pre-deployment training, which includes situational briefings.

SLC air operations in the Red Sea and along the west coast in the vicinity of Hodeida provide a potential risk to life for the Salvage contractor's team. De-confliction with the KSA Emergency and Humanitarian Operations Cell (EHOC) prior to the Salvage contractor's crossing the start line will be undertaken in the normal manner for UN operations. The UN shall issue a notification to EHOC of the Safer operation to cover the duration of all work. The locations of all people working on the operation shall be placed within the SLC no-strike zones – as per normal operating procedures. This is to include both land-based and sea-based working areas, and their associated supply chains.

There is a need to closely collaborate with key DFA and IRG government institutions to provide access and risk mitigation. The principal key actor from the DFA is the Supervisory Committee for the Implementation of the Urgent Maintenance Agreement and Comprehensive Evaluation of the Safer Floating Tank committee, represented by its chairperson. UNDP will communicate to other entities through this committee. This committee is composed of MoFA, the Ministry of Transport and the Maritime Affaires Authorities and other authorities in Hodeida. The DFA requires that the UN plays the central role in this project, and the UN Resident and Humanitarian Coordinator (RC/HC) has been delegated the lead. Functional responsibility for contracting and project management has been passed to UNDP (Yemen) under the leadership of the Resident Representative (RR). In parallel, regular engagement with DFA leadership in Sana'a and the IRG in Aden will be critical and will be led by the RC/HC.

3.2.2 United Nations Organisations

In September 2021, the RC/HC for Yemen was requested by UN HQ in New York to provide UN system-wide leadership and coordinate all efforts to mitigate the threats posed by the Safer. The work builds on agreements (MOU, 2022) (Guterres, 2022) to have a Salvage contractor carry out a ship-to-ship transfer of the oil and respond to the requests of both contractor and the DFA that the UN manages the contracts for the work. The UN agreed to this because of the significant environmental and humanitarian impact of any oil spill, an event that must be avoided if at all possible. Accordingly, the RC/HC and his office have collaborated with the relevant UN specialist agencies to develop the project document. In parallel with this, the UN has held discussions with all the main stakeholders and has developed a funding strategy.

UN and stakeholder interest has been represented through continuous dialogue provided by RC/HC, UNDP RR, UNDP Special Advisor and donors, with each donor providing key input to developing the project plan, with formal technical documents having been provided as necessary.

3.2.3 Donors

Donors expressing support to date are the European Union, the Netherlands, Germany, France, Sweden, Norway, Switzerland, Greece, the UK, Qatar, the Kingdom of Saudi Arabia, the United States, Finland, Sweden, The Grand Duché of Luxembourg, Denmark and Canada. Further formal pledges are being pursued from a range of other traditional donors including the United Arab Emirates, Kuwait, Japan, China, Australia and Greece, noting that each country has a vested interest in the outcome, which includes private sector donors, the oil industry, the shipping industry and insurance brokers.

3.2.4 Private Sector and Industry

The project is heavily dependent upon the skills brought to bear by the private sector and industry. UNDP shall contract with the Salvage contractor to facilitate each technical aspect of Phase 1. and will employ the services of a marine management consultancy firm to carry out due diligence of the Salvage company and support development of the TORs for each supporting entity, e.g., legal and insurance.

3.3 Risks and Assumptions

The transfer of the FSO Safer cargo is a complex operation with numerous attendant risks. Control Risks have undertaken both a threat analysis and a security risk assessment on behalf of the Salvage (Control Risks, 2022). World-leading explosive engineers have completed explosion risk assessments and the required mitigation (Collett, 2022). The

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UN has carefully considered all the recommendations to mitigate risks, and these shall be implemented. The key issues and accompanying mitigating measures are outlined below in

, with the attendant UNDP net risk assessment from Annex 1 summarised as follows:

3.3.1 Operating context

The current conflict situation in Yemen provides an unstable and unpredictable security context within the littoral area of the west coast. However, since mid-November 2021 the frontline has shifted to the south of the Hodeida governorate, roughly from just north of al Hayma on the coast to Hays, and some 90km south of the port of Hodeida. At time of writing a two-month truce exist between the DFA and IRG. As a result, the immediate environment is less volatile than previously. The FSO Safer lies within the DFA area of control and they maintain tight control over security.

It is assessed that in terms of the overall operating environment, the risks identified can be mitigated to the extent where they become relatively low. The UN continues to have its senior leadership based in Sana'a, with a strong presence in Aden, and has developed good relationships with all parties to the conflict. Numerous UN agencies have sub-offices in Hodeida and likewise have developed good working relationships with the local authorities. The United Nations Mission to support the Hudaydah Agreement (UNMHA) is also headquartered in Hodeida and has a strong political team that follows developments in the area and is ready to support the Safer mission, oil spill contingency planning, and provide medical support. The UN has developed clear procedures for its operations, including movements of personnel and the deconfliction of all areas where UN personnel operate and will support the Salvage contractor personnel within its capabilities to operate under these procedures. It also undertakes regular political analysis, which informs its operational decisions. The RC/HC continues to use his good offices with all parties to resolve issues as they occur and to promote and maintain a functional operating environment.

3.3.2 Political risks

Yemen is a country embroiled in a conflict that has both national and regional dimensions. If the FSO Safer operation is to be successful, it will require continuing agreement from all major stakeholders in the conflict: the DFA, the IRG and the SLC. Disagreements, if unresolved, could impact the operation. The critical mitigating strategies to ensure there is no adverse fallout from the operation are:

1) To develop a good understanding of the position of all parties before the operation begins, in order to have confidence that their core requirements are met by the agreed proposal;
2) To have a very clear and detailed written proposal (the operational plan) before work starts; this will detail the process, the actions to be undertaken, and what each party has agreed to within this;
3) To have clarity from the beginning around ownership of the VLCC, the CALM buoy and the oil and agreement of handover, potential sale etc;
4) To invest heavily in building and maintaining relationships of trust with all stakeholders, both before and during the process;

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5) To agree on a mechanism for solving any disputes that arise in the course of the operation, involving the parties as well as international stakeholders;
6) Development of a communications strategy in relation to all stakeholders, to help prevent or resolve misunderstandings that may develop;
7) A clear common understanding of the end of the UNDP's engagement in the project.

3.3.3 Legal Risks

FSO Safer is owned by SEPOC, a Yemeni state company headquartered in Ma'rib. The ownership of FSO Safer will be clarified and scrapping the FSO has been agreed by the IRG (Letter from MoFA, July 2022). The cargo of Ma'rib Light is owned by a number of different entities and there has been no update since 2015. As such, the exact amount of liftable oil is not known. It is required to determine whether these owners[4] will consent to waive their entitlements so the oil can be sold, although sale of the oil is not covered under this project document. Legal advice is being taken on oil ownership issues, and on liability if there is a spill in the course of transferring the oil to the replacement VLCC. Normally this would be covered by insurance, which FSO Safer does not have as an 'out-of-class' vessel. A RACI[5] will be required to show liability on the insurance during STS and storage.

Legal advice is also being sought on the implications of transferring ownership of the VLCC at the close of the project. There needs to be clarity on the vessel and oil ownership, transfer and handover from the beginning of the project.

3.3.4 Operational Risks

3.3.4.1 Risks stemming from misunderstandings or poor communications on site

The Control Risk analysis (Control Risks, 2022) notes that project and contract personnel shall be operating in an unfamiliar environment where, due to the ongoing conflict, tensions can easily develop if, for example, there is an unexpected change of plan due to operational necessities. While this is a reality, good planning and liaison can largely mitigate the risks involved.

The UN will agree on security protocols with the DFA prior to the Salvage contractor team's arrival in area. This will include relations with DFA local security apparatus and agreement on the issue of people carrying weapons in the vicinity of the Safer operation. The Yemeni Coast Guard (YCG) remain a professional service, both in IRG- and DFA-controlled areas, staffed by career coastguards who have worked for the service since before the current conflict. They shall be used to provide a safe environment in the vicinity of FSO Safer and to conduct escort duties for the Salvage contractor's personnel and vessels from the start line to the FSO Safer working area and land-based work sites. As part of the project team, the Senior Political and Security Advisor (SPSA) shall ensure all local arrangements are in place and are agreed upon by all.

3.3.4.2 Risks associated with the vessel and salvage operation

The vessel is old, single-hulled and has not been maintained for a long time (see Figure 5). In particular, no inert gases have been pumped into its storage tanks since the boilers ran out of fuel in 2017. The risks associated with working on such a vessel shall be mitigated through the Salvage contractor, which has undertaken this kind of operation in the past. The Salvage contractor shall own these risks as part of normal operating modalities. A ship-to-ship transfer operation shall be completed based on the guidelines from the Oil companies' international marine forum (OCIMF) and the International Chamber of Shipping (ICS), laid down in the Guide for Petroleum, Chemicals and Liquefied Gas. The contractor shall create a safe work environment onboard the FSO Safer prior to the commencement of operations. The transfer shall be done independently of the FSO Safer cargo handling and safety systems, with specialized mobile salvage equipment. Tank washing, purging, gas freeing and de-mucking upon completion of the cargo transfer will mitigate the risk of explosions. Explosive engineers (Collett, 2022) and environmental engineers (IMO, 2021) have been consulted on the appropriate mitigation measures in accordance with international regulation and best practice. These

[4] The parties agreed in principle that should the oil be sold, in whole or in part, at some future date then the proceeds could be used to pay for public servant salaries

[5] Responsible - those who do the work (Salvage contractor); Accountable - approver and guides the "responsible" (UN); Consulted – experts, they inform others, 2-way communication (UN); Informed - need to be kept up to date, 1-way communication (stakeholders)

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experts shall remain part of the project to mitigate / advise on any 'real-life' risks that emerge as the project progresses. A HAZOP (Hazardous operations) or TRA's (Task risk assessment) are to be developed for each stage. All activities should be managed under the Salvage company's control of the work system.



Figure 5: FSO Safer at mooring (2019)

3.3.5 UNDP organisational risks

As the project requires significant financial and technical resources and incorporates political and security risks, UNDP needs to ensure these resources to implement activities. The financial resource must be fully covered for all activities, and the preparation and procurement process should not be delayed. For example, in order not to delay the procurement process of a second-hand CALM buoy, it is required to mobilise resources for the procurement of the buoy as soon as possible. The delay of CALM buoy procurement may cause further expenditure and will cause financial risk to the project. There is also uncertainty about foreign exchanges and global inflation. Therefore, the project is required to take fluctuation and inflation into consideration for budgeting and needs to conduct market research to ensure cost-efficient, as made explicit in the RFP. Accurate contingency planning is also required to avoid oil spills which may also cause reputational damage to the UN and UNDP, along with economic and environmental catastrophe. Other risks associated with UNDP project management and operations can be referred to the risk log (annexe 1)

3.3.6 Security risks

3.3.6.1 Maritime hazards

Maritime hazards and their mitigation are covered in two key reference documents and further listed in the risk register (Collett, 2022) (Control Risks, 2022).

3.3.6.2 Land hazards

As in many conflict situations, landmines are a remnant of war and pose a risk in the Hodeida area and travelling from Sana'a to Hodeida. As such, the operation is predominantly sea-based, with a minimal land footprint. In consultation with the DFA, UNDSS shall be responsible for ensuring the road between Sana'a and Hodeida remains free running, with UNDSS and UNMHA providing levels of protection to contractor/project staff in accordance with their mission mandates (accommodation, security, movement). Strict instructions will be given to stay on main roads or within marked areas.

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These risks will be managed as part of the overall security arrangements for the project (Control Risks, 2022) (UN, 2022), with the SPSA playing a critical role in negotiating successful outcomes. It should be noted that the recent vacating of the area around Hodeida by the forces of the IRG has moved the frontline south of the Safer area and made the immediate operating environment less volatile. A site-specific emergency response plan needs to be developed to cover security risks.

3.3.6.3 Emergency medical facilities

At the time of writing, precise emergency medical arrangements for daily healthcare support and casualty evacuation remain under review. However, the plan is to ensure that a casualty can receive triage at the point of injury with a clear evacuation chain back to the country of origin, within safe timelines that allow for stabilisation and onward movement. Both the UN Common Services and UNMHA run basic clinics, and UNMHA is prepared to put a trauma unit into their clinic. Both also have armoured ambulances, and the road is tarmac all the way to Sana'a, after which there is an arrangement with AMREF Flying Doctors to airlift to Nairobi. UNMHA also have a helicopter stationed in Djibouti and this could be used for medical evacuation if agreements we made in advance for a suitable landing site and for procedures to agree on flights. If medical arrangements become complicated, it is likely that the Salvage contractor shall require a Dive Support Vessel (DSV) at the worksite to provide immediate trauma support, thereby allowing for airlift evacuation.
Further comprehensive risk assessment including the legal and reputational risk will be required before proceeding with the STS operations with the support from technical and legal experts. A site-specific emergency response plan will cover medical emergencies, including Medivacs and pandemic management.

3.3.7 Summary of Risk Log

I.	**Political Risks**
1	Delay or refusal of the implementation of MOU by DFA.
2	False or malicious information causing issues with the performance of the project
II.	**Legal Risks**
3	The owners of the oil file lawsuit due to the financial loss.
4	Failure to obtain sufficient insurance cover.
5	The selected salvage company is taken over by another company.
III.	**Operational Risks**
6	FSO Safer discharges her entire oil contents in accordance with worst case IMO predictions – 100% release
7	FSO Safer discharges her oil contents based on the most likely IMO scenario – 25% oil contents
8	FSO Safer discharges the oil contents from one tank during ship-to-ship (STS) transfer operation.
9	Hull failure during STS operation.
10	The salvage company fails to repair the critical elements of the SAFER to conduct STS.
11	Supply chain interruption in Hodeidah impacts salvage company resupply
12	Salvage company unable to initiate operation within the timeline.
13	Salvation operation is not implemented in accordance with maritime and environmental international regulations
14	Failure to remove all oil residues from the FSO Safer.
IV.	**UNDP Organisational Risks**
15	UNDP is unable to identify project team with appropriate project management and technical advisory expertise
16	Delay in completing the project preparation work and implementation.
17	Failure to manage budget
18	Funding for the project is insufficient

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19	Failure to account for price creep caused by forex and inflation.
20	Contingency plan for oil spill not adequate
21	Failure to procure the second-hand buoy on time.
22	Failure to complete the purchase of offtake tanker at the end of the lease period, because of unavailability of funds.
23	Donors delayed in disbursing their pledged financial resource
24	Reputational fall out due to failure of project implementation
V.	**Security Risks**
25	Salvage company exposed to direct or indirect engagement through missile strike or energetic weapon system while aboard vessels
26	Water-Borne Improvised Explosive Devices (WBIED) attack on Safer operation
27	Armed actors board vessels involved in Safer operation
28	Sea mine strike on the salvage company's vessels on way to operation or moored at work site
29	Sea mine strike on FSO Safer during salvage company operations at work site
30	Unable to assure the security of salvage company staff during the mission

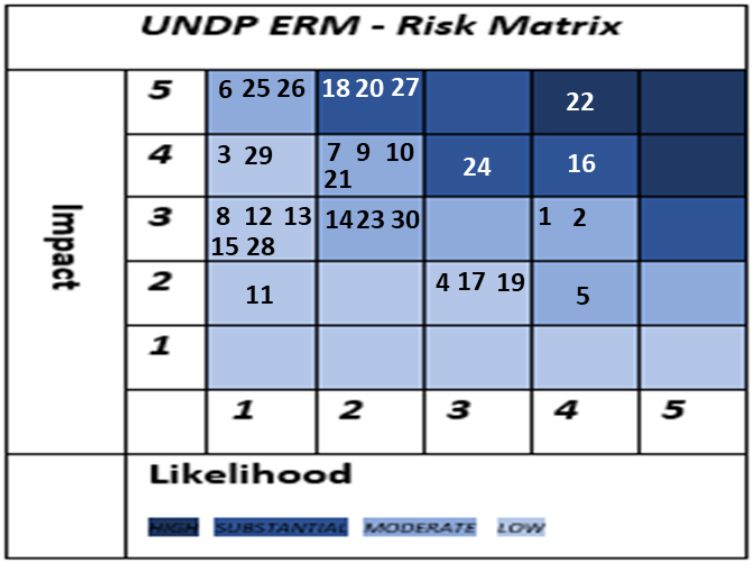


Figure 6 : UNDP ERM risk matrix following proposed treatment

3.4 Stakeholder Engagement

Given the complexity of the project, stakeholder engagement shall be via regular online meetings and /or on-site visits whenever possible. To date, the following stakeholders are directly and indirectly involved in this project:

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

The RC/HC is responsible for interacting with the IRG, the DFA and various regional stakeholders. He shall endeavour to maintain the full agreement of parties with the underlying proposal. In addition, the RC/HC will interact with potential donor countries to ensure sufficient funding for the proposal in order to start on time. UNDP CO shall be responsible for the overall program management. This includes the procurement of the replacement vessel, contracting the vessel

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crew, maintenance and insurance of the vessel. In addition, UNDP will contract the Salvage contractor and shall sign contribution agreements.

3.5 Exit Strategy

As the Government of Yemen informed the UN that the Safer tanker and oil in the Safer belong to them[6], and therefore, they remain as the owner of the new vessel, which replaces the Safer tanker. UNDP will handover all responsibility related to the vessel to the Government of Yemen. Therefore, the maintenance of the vessel will be conducted by the Government of Yemen after the project period. UNDP will support establishing a maintenance plan. RCO and OSESGY will be responsible for finding a political solution to sell the remaining oil in the new vessel.

3.6 Communication Strategy

The RC/HC's senior communications advisor is responsible for the Safer communications plan in order to support the operation and mitigate risks to the UN's reputation. The plan shall be coordinated with all partners engaged in the Safer salvage operation, including national and international NGO's, civil society and contractors, national women machinery and CSOs, the relevant authorities, regional actors and donors. Key elements of the strategy are: a crisis response communications plan; progress reports; the clarification of roles and responsibilities for the management of media; coordinated message sharing amongst partners; and media monitoring and social listening for periodic feedback and exit strategy.

3.6.1 Introduction

The communication and visibility plan supports the implementation of the project, which is managed by UNDP under the overall leadership of the UN Resident and Humanitarian Coordinator for Yemen.

3.6.2 Target groups of the communication strategy

The target groups of the communication strategy include:

- Contributing donors supporting the resolution of Yemen's crisis
- IRG and DFA authorities in Yemen
- International and regional environmental bodies, advocates, and NGOs/INGOs
- The United Nations system represented by the UN principals, relevant member states, including members of the Security Council
- In-country, regional, and international technical partners involved in environmental protection and/or the resolution of Yemen's conflict
- Yemeni citizens
- Representatives of the Yemeni and international Press to ensure the message is relayed

3.6.3 Objectives of the communications Strategy

The overarching objective of the Communications Strategy is to raise awareness of the framework of the project and its results and impact on the lives of Yemenis through the prevention of an environmental and economic catastrophe as well as the preservation of Yemen's food security. It also aims to communicate project results to UN leadership and to contributing donors.

- **National authorities and potentially affected population:** Sensitize around the potential impact of an oil spill from the FSO Tanker on Yemen's livelihoods, crops, food security, and biodiversity across the region. It will stress the cost of an oil spill cleanup versus the Salvage Operation and will present an opportunity to raise awareness about the impact of an oil spill. Additionally, in a country where over 70 per cent of the population needs humanitarian support, it could potentially stall operations in northern Yemeni ports that are critical to Yemen's food security.

[6] Confirmed by the Minister of Oil and Minerals through the letter sent to RC on 17th September 2022

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- **Contributing donors:** informed of public opinion both in Yemen and internationally about their efforts related to resource mobilization and advocacy. Lobby for a long-term solution to the FSO Safer issue. Focus on the harmonized approach and risk-sharing approach strategy that donors have adopted to resolve this important issue.
- **United Nations:** Highlight the commitment of the United Nations to addressing the threat posed by the FSO Safer and its ongoing coordination work within the United Nations System and with local and international entities, including member states, PERSGA and Greenpeace.

The Resident Coordinator's Office (RCO) Yemen developed a Communications Strategy with the objectives of building and maintaining support for the United Nations-coordinated efforts to resolve the threat posed by the FSO Safer and the Contingency Plan in the event of a catastrophic oil leak, while helping to mitigate associated reputational risks to the United Nations. The strategy was developed in collaboration with the senior communications officers from the International Maritime Organization (IMO), OCHA Yemen, the Office of the Special Envoy of the Secretary-General for Yemen (OSESGY) and the United Nations Development Programme (UNDP), who form a core communications group in Yemen.

The RCO's key areas of activity in support of the objective include:

1. Lead on internal UN and partner/stakeholder communication, including regularly providing progress updates and key messages.
2. Coordinate communications in mass media and on social media, including with all stakeholders, to the extent possible.
3. Provide nimble reactive communications as required, including drafting a crisis communication plan by June 2022.
4. Monitor media/social media to identify issues/threats and opportunities and to validate/course correct the communications work plan.
5. Organize communications around donor pledging events/resource mobilization.

3.6.4 Activities

Activities listed below will be implemented during the period of validity of the communication and visibility plan.

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Activities	Target	Frequency	Expected results	Donor visibility
Press Releases and press briefings as required. Regular media monitoring **+ Monthly media monitoring**	- Donor, regional and Yemen public Media	Press conferences will be conducted on an ad hoc and needed basis. Press releases will be done in the same manner.	The public is informed and the results/progress of the SSOP are known. Information published by media on SSOP is reliable. Correct-the-record actions are undertaken as required. Sustained media engagement.	Ensure donor logos are displayed on documents, including the most widely viewed two-page explainer on the FOS Safer and press releases announcing progress on funding of the operation and the operation itself.
Production of content for UN websites, and social media content	- Public - Media - Youth -Yemeni population International actors	Weekly	National and international media outlets are kept abreast of the project and UN leadership is regularly engaged. UN-wide amplification on social media and other platforms.	Hashtag **#StopRedSeaSpill** on twitter and social media from UNRC and UNDP regularly posted to inform about contributions received (#Thank you posts) Regular updates on UN in Yemen, UNDP websites. These include @UNDPYemen (Twitter, Facebook and Instagram), @AukeLootsma, @UNDPArabic, @UNDPArabStates and other UNDP outlets. Additionally, @UNinYE, @DavidGressly and others. Donors will be tagged regularly.
Translation [7] of communication messages, documents, contents, press releases and reports in Arabic	- Public - media	On a needed basis. UNDP will help facilitate the translation and all documents will be posted to the **un.org/StopRedSeaSpill** webpage, as well as the UNDP-related page (FSO Safer Pledging Conference | UNDP in Yemen) and will be posted in English and Arabic on social media channels, using the **#StopRedSeaSpill.**	Linguistic diversity of target groups doesn't hinder a smooth implementation of SSOP	Ensure donor logos are inserted in appropriate documents Donors will be tagged in relevant posts and whenever possible cited relevant documents. Social media amplification tools can be used via Twitter and Facebook for a small fee.

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UN websites are regularly updated.	- Media - Youth - Donors - UN Leadership	The websites will be updated regularly with new materials as necessary and updated figures, donors, etc.	All published documents, reports and events are posted on the UN websites. UN Department of Global communication Trello board.	Donor logos are inserted in thank you section on relevant web sites (e.g. FSO Safer microsite) Amplification can also be made via social media channels when new materials are available.
A crisis communication plan is developed.	UN leadership Donors	Late June, early July 2022	Colleagues are made aware of communications actions necessary Roles and responsibilities are clearly defined Leads are defined	Ensure donor logos are inserted in key documents.
Pledging events are organized	Potential international and regional donors NGOs/IGOs/Lobby groups that can provide expertise/in-kind contribution	June 2022	Required resources to implement the SSOP for both phases are secured. Smooth implementation of the SSOP is enabled.	Ensure donor logos are inserted in the cover page of any document shared with media.

3.6.5 Human Resources

Human resources to contribute to the implementation of the communication strategy are as follows:

1) UNDP Communication Team
2) UN Yemen Inter-agency communication Group
3) RCO Communication team
4) UN Department of Global Communication

[7] Translation and design of reports and communications products, design and printing of reports

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4 PROJECT MANAGEMENT

4.1 Cost Efficiency and Effectiveness

UNDP has already examined four (4) options to successfully deliver its proposed theory of change (JFA Consulting, 2021): 1) repair of the Safer; 2) replacing the Safer with another FSO; 3) transferring oil to be stored in a new tanker, known in the industry as a Very Large Crude Carrier (VLCC) and 4) construction of tank farm onshore. These options were scored based on simplicity, safety, cost, operational risk, export potential of crude oil and technical feasibility.

To deliver cost efficiency, Option 1 was not considered viable for safety reasons. Option 2 was technically achievable and would provide export capacity but would be expensive and – more critically – lengthy as such vessels are not immediately available. Option 3 was technically achievable and could be done relatively quickly. Option 4 was technically feasible but would require the build of an onshore storage facility following a land / maritime survey. Both the build and survey would be expensive and take considerable time to underpin assurance due to the presence of land mines and potential UXO on the seabed.

As such, the preferred solution to implement the theory of change is to replace the FSO Safer with a VLCC capable of holding 200,000m^3 crude oil. In July 2022, after further cost efficiencies analysis and meetings, it was agreed among UN, DFA and IRG that a VLCC lightly modified to be an FSO permanently attached to a CALM buoy.

The CALM buoy with a permanently attached double-hull FSO is both safe, the fastest and the most flexible option and this option has the following advantages.

- The works, including the emergency operation to mitigate the current environmental threat, can be completed in 10 months – faster than any of the other options.
- The CALM buoy can be attached and detached from the FSO should the vessel need to be replaced or drydocked. The CALM buoy solution can also be used to load oil directly to tankers from an onshore storage facility.
- The system is proven safe in use by the industry as a long-term Floating Storage and Offloading (FSO) solution.

In terms of effectiveness, a technical review and discussions held at Ras Issa in February 2022, give reason to believe that the Safer is at risk of being the cause of a major oil spill and thus constitutes an emergency situation that cannot wait 18 months for a permanent FSO solution to be delivered. The UN has therefore developed the operational plan (UN, 2022) which was updated in July 2022.

4.2 Project Management

The FSO Safer Salvage Project shall be managed by UNDP Yemen Country Office (CO) using a direct implementation modality. UNDP will bring together programme and operational capacities from national authorities, the UN, IMO and industry that shall work jointly to ensure effective, efficient, and swift delivery. Basing is currently being finalised, but the project will involve land-based logistic hubs in Djibouti and Hodeida, a sea-based working site around FSO Safer, with support from the UN's good offices in Amman, Sana'a and Aden. The establishment of the project will follow the structure below, with detailed job specifications for the SPSA, SSC and PM in annexe 2:

4.2.1 Staffing

Project staff and technical expert functions:

- **Senior Political and Security Advisor (SPSA - D1)** – based in Hodeida. 6 months from commencement of the project. The SPSA is responsible for developing good relations between the UN, the Salvage and the DFA authorities in both Sana'a and Hodeida, including inter alia the Chair of the Safer Committee, the Ministry of Foreign Affairs, the Head of the CBY-S, the Governor of Hodeida, and the military and security authorities in Hodeida.

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- **Senior Safer Coordinator (SSC - International - P5 level)** based in Amman. Twelve months from commencement of the project. Provides support to the RC/HC in his role as UN lead on Safer issues, including work with the DFA, IRG, Saudi-led Coalition (SLC), donors and UN HQ in New York. Manages day-to-day SAFER-related issues and acts as the focal point for UN on Safer related issues. Ensure effective progress in the implementation of the Safer Plan, in relation to the emergency plan, work on the long-term solution and contingency planning. Supports the RC/HC in donor coordination and resource mobilisation.
- **Project Manager (International – P4)** based in Sana'a. 24 months from commencement of the project. Responsible for managing the project to a conclusion with the assistance of the SPSA, SSC, CTA, the Salvage contractor, Fahem coordinator and authorities.
- **Technical experts** - technical experts such as legal consultants to provide legal advice and legal drafting of legal documents on issues related to the ownership and vessels and on maritime assurance.

The exact positions and budgeted amount can be subject to change based on needs of the project.

In addition, the following PSF staff will provide support to this project *as complementary support provided at to no-cost to the budget of the action.*

- PSF Procurement Specialist (International – P3 level) is based in Amman and is responsible for the effective, efficient, and timely delivery of all procurement services of the Facility. S/He provides solutions for complex procurement issues and develops related strategies.
- PSF Procurement Analyst (National – NOB level) is based in Sana'a and manages the procurement processes of the projects. S/he manages and processes procurement contracts, rosters of suppliers and duly implements the internal control system.
- PSF Finance Specialist (International - TAP3 level) is based in Amman, responsible for effective and transparent utilisation of financial resources and integrity of financial services. His/She manages the financial resources of the project, including budget planning and revisions, payment of contractors, financial reporting to donors and to UNDP Management and ensures that expenses are recorded accurately.
- PSF Finance Assistant (National – NPSA6 level) is based in Sana'a, and s/he ensures the day-to-day processing of payments, inventory and asset management and assists the operation manager in the management of project budget and proper control of accounts.
- Monitoring and Reporting/communication (UNV) officer for which the timing and engagement will ideally be determined to coincide with the beginning of operations.

The project shall also draw on support from relevant UNDP HQ units, OSESGY, UNRCO and other UN agencies in Yemen.

CO Programme and Operations support cost including personnel: Due to the volume of operations foreseen in this project all functions related to support, compliance, assurance, delivery is required to ensure efficient, transparent, compliant and effective project implementation. The Programme and Operations support includes, but is not limited to, the following functions: Programme portfolio management, finance, travel, procurement, administration, protocol and management support related services, communication and oversight and programme quality assurance, security, and medical services. The Project will be billed based on workload study depending on staff support for implementation of the project's activities. The cost of staffing is based on the UNDP proforma costing and dispatched between CO project per year on a prorate basis.

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

Project planning, cost control and Document control will need to be factored into the team structure to monitor progress of the project and to ensure that all documentation and records are properly maintained

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Audit: The project shall be subject to the internal and external auditing procedures laid down in the Financial Regulations, Rules and directives of UNDP.

Monitoring and evaluation costs: UNDP shall ensure continuous monitoring and final evaluation will be conducted as per UNDP corporate requirements and guidelines.

4.2.2 Sub-contractors

- **Subcontracting of a Marine Management Consultancy Company (MMCC) for supporting the procurements of the VLCC and STS operations (the Salvage contractor).**
- **The MMCC will also carry out the due diligence of the Salvage contractor**.
- **Subcontracting of the Legal Firm specialized on maritime law** for the management of all legal aspects related to the FSO Safer salvaging and for assisting UNDP in preparing contracting clauses that cover all legal risks attached to the salvaging operation.

Financial contributions can be channelled to the Peace Support Facility for Yemen and shall be managed in accordance with UNDP's Financial Rules and Regulations, and in alignment with Donor Contribution Agreements.

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5 RESULTS AND PARTNERSHIPS

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)				DATA COLLECTION METHODS & RISKS
			Value	Year	Year 1	Year 2	Year 3	FINAL	
Output 1 Potential oil spill from the FSO Safer tanker is prevented	***Salvage assets mobilised and deployed to the FSO Safer site***	*SSOP records*	No	2022	*Yes*	Yes		*Yes*	*Contract with service provider*
	Proportion of oil stored in FSO Safer tanker that is transferred to the VLCC	*SSOP records*	0	2022	*97%*[8]	-		*97%*	*SSOP project records*
GEN marker 1	***FSO tanker cleaned and readied for disposal***	*SSOP records*	No	2022	*No*	Yes		*Yes*	*SSOP project records*

Table 1: Results and Partnerships

[8] The exact quantity of Marib crude oil and its physical condition is not known. As such, it is unlikely that 1.148 million usable barrels will be transferred before demucking and tank washing takes place. 97% of the verified volume post inspection is therefore an achievable quantity based on consultation with the contractor and international regulations (MARPOL, 2013) – evidence base: VLCC New Diamond STS, demucking and tank washing.

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6 MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans.

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.	N/A	See Budget table
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.	The selected Salvage contractor	See Budget table
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.	N/A	DPC
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.	N/A	N/A
Project Report	A progress report will be presented to the Project Board and key stakeholders, consisting of progress 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.	Annually, and at the end of the project (final report)		The selected Salvage contractor	N/A
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	Specify frequency (i.e., at least annually)	Any quality concerns or slower than expected progress should be discussed by the project board and	N/A	N/A

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Monitoring Activity	Purpose	Frequency	Expected Action	Partners (If joint)	Cost (If any)
	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.		management actions agreed to address the issues identified.		

Table 2: Monitoring Plan

Evaluation Plan

Evaluation Title	Partners (if joint)	Related Strategic Plan Output	UNSDCF/CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Source of Funding
Final Evaluation of the SSOP		3.1	CPD/F Outcome 3	March 2024		US$40,000

Table 3: Evaluation Plan

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7 MULTI-YEAR WORK PLAN

All anticipated programmatic and operational costs to support the project emergency action plan over a period of 8 months are shown in table 1 and operations to attach CALM buoy as a permanent solution are shown in table 2

Phase 1: Salvage and STS Operations**Error! Reference source not found.**

EXPECTED RESULTS	PLANNED ACTIVITIES	Planned Annual Budget		RESPONSIBLE PARTY	PLANNED BUDGET		Comments
		Y1	Y2		Funding Source	Amount US Dollars	
Output 1:An oil spill from FSO Safer is prevented to protect ecosystem and economy Gender marker:1	**A1:Preparatory works and VLCC purchase/Lease**	**8,254,000**	**13,554,000**	UNDP	TBC	**21,808,000**	
	1.1. Due diligence and legal preparation	1,000,000	2,000,000	UNDP	TBC	3,000,000	
	1.2. Time charter release of VLCC	3,650,000	10,950,000	UNDP	TBC	14,600,000	Based on 4 months lease in Y1, and 12 months lease in Y2, at $30k per day
	1.3 Modification of VLCC	3,000,000		UNDP	TBC	3,000,000	
	1.4 Insurance machinery and hull	324,000	324,000	UNDP	TBC	648,000	
	1.5 Insurance cargo	280,000	280,000	UNDP	TBC	560,000	
	A2: Mobilization of salvage assets and inspection	**7,000,000**				**7,000,000**	Directly managed by SMIT against advance payment for mobilization (20% advance UNDP-SMIT contract) or provision of bank guaranty
	A3:Oil Transfer from FSO Safer to VLCC	**37,305,000**	-	**SMIT**	**TBC**	**37,305,000**	
	3.1. Salvage operations	28,000,000	-	SMIT	TBC	28,000,000	20% paid through mobilization (A2)
	3.2. Demucking FSO	5,000,000	-	SMIT	TBC	5,000,000	
	3.3. Cost for crew and maintenance	4,305,000	-	SMIT	TBC	4,305,000	As per SMIT Proposal
	A4:FSO Safer/contingency	1,000,000	1,000,000	UNDP	TBC	**2,000,000**	To cover contingency requirement should an oil spill occur during the operation (4 months in first year).
Subtotal Output-1		**53,559,000**	**14,554,000**			**68,113,000**	
Human resource	Senior Political and Security Advisor (Sana'a RCO D1)	164,588.08	71,009.50	UNDP/RCO	TBC	235,598	10 (7+3 months in 2023) months
	Senior Safer Coordinator (Amman RCO P5)	215,746	78,332	UNDP/RCO	TBC	294,078	11 (8+3 months in 2023) months
	Project Manager (P4 Sana'a)	114,443	57,568	UNDP	TBC	172,011	9 (6+3 months in 2023) months
Audit	Audit		15,000	UNDP	TBC	15,000	
Common services charges	Office supply, office rent, rental of Avs, ICT management and licenses, shared security and Clinic costs	63,672	75,000	UNDP	TBC	138,672	
Direct support	Operation support	250,000	250,000	UNDP	TBC	500,000	
Travel and transport	Tickets, DSA, etc....	50,000	50,000	UNDP	TBC	100,000	
Contingency	Unexpected expenses	50,000	50,000	UNDP	TBC	100,000	
Sub-Total for Management		**908,449**	**646,909**			**1,555,358**	
Sub-Total for Programme and Management		**54,467,449**	**15,200,909**			**69,668,358**	
General Management Support (8%)		**4,357,396**	**1,216,073**			**5,573,469**	
TOTAL						**75,241,827**	

Table 2: Phase 2: Installation of CALM Buoy

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EXPECTED RESULTS	PLANNED ACTIVITIES	Planned Annual Budget		RESPONSIBLE PARTY	PLANNED BUDGET		Comments
		Y1	Y2		Funding Source	Amount US Dollars	
Output 1:Permanent Storage Gender marker:1	1.1. Purchase VLCC		30,000,000	UNDP	TBC	30,000,000	Lease-Purchase
	1.2. Modification and PLEM	1,250,000	1,250,000	UNDP	TBC	2,500,000	
	1.3. Chain inpection and possible replacement		1,000,000	UNDP	TBC	1,000,000	
	1.4.Purchase CALM buoy		14,000,000	UNDP	TBC	14,000,000	$20m for purchase and installation of CALM buoy seems like a low estimate. Lowest estimate I have seen is $25m - suggest that we follow suit to be on the safe side
	1.5.Installation of CALM buoy		7,000,000	UNDP	TBC	7,000,000	
	1.6 Installation of the replacement tanker		500,000	UNDP	TBC	500,000	
	1.7 Scrap broker, towing and sale of scrap		-21,000,000			-21,000,000	Scrap value subtracted from total
Subtotal Output-1		**1,250,000**	**32,750,000**			**34,000,000**	
Human resource	Senior Political and Security Advisor (Sana'a RCO D1)		213,029	UNDP/RCO	TBC	213,029	9 months in 2023
	Senior Safer Coordinator (Amman RCO P5)		234,996	UNDP/RCO	TBC	234,996	9 months in 2023
	Project Manager (P4 Sana'a)		172,703	UNDP	TBC	172,703	9 months in 2023
Audit	Audit		15,000	UNDP	TBC	15,000	
Common services charges	Office supply, office rent, rental of Avs, ICT management and licenses, shared security and Clinic costs		20,000	UNDP	TBC	20,000	
Direct support	Operation support		700,000	UNDP	TBC	700,000	
Travel and transport	Tickets, DSA, etc....		50,000	UNDP	TBC	50,000	
Contingency	Unexpected expenses		50,000	UNDP	TBC	50,000	
Sub-Total for Management		**0**	**1,455,727**			**1,455,727**	
Sub-Total for Programme and Management		**1,250,000**	**34,205,727**			**35,455,727**	
General Management Support (8%)		**100,000**	**2,736,458**			**2,836,458**	
TOTAL PHASE 2						**38,292,185**	
TOTAL PHASE 1						**75,241,827**	
TOTAL PHASE 1 and 2						**113,534,012**	

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8 GOVERNANCE AND MANAGEMENT ARRANGEMENTS

The PSF **steering committee (SC)** composed of the project donors, UNDP, RC/HC and SE. The PSF SC is the most senior, dedicated oversight body for all PSF funded projects, including the SSOP. The SC makes strategic decisions, provides direction, and endorses projects presented by the the **PSF technical team**. The technical team is composed of the SE, RCO, donor partners and UNDP. It advises the SC on PSF project matters and concept notes submitted by the **UN tripartite team**. The tripartite team is composed of the SE, RCO, UNDP and PSF staff. The main role is to review and prepare concept notes for submission to the technical team.

Figure 7 and Figure 8 provide an overview of the PSF and SSOP organisation structures at the strategic and project level.

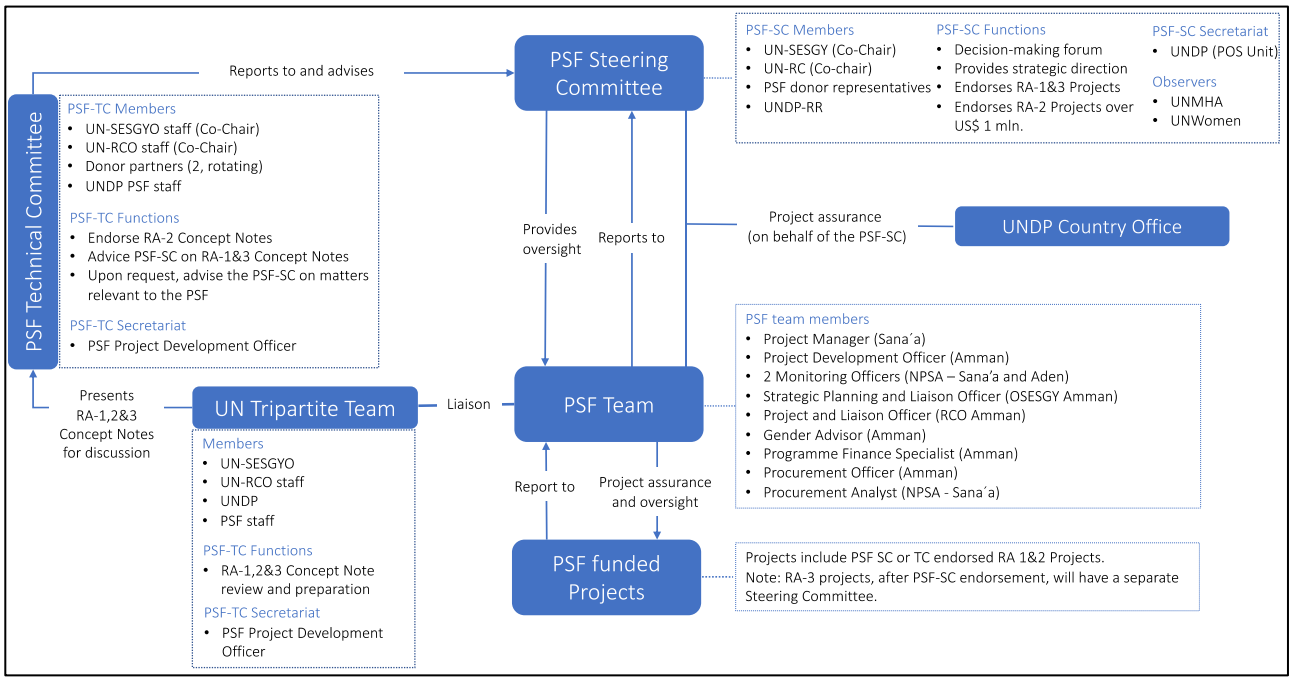


Figure 7: PSF Steering Committee structure and governance (strategic)

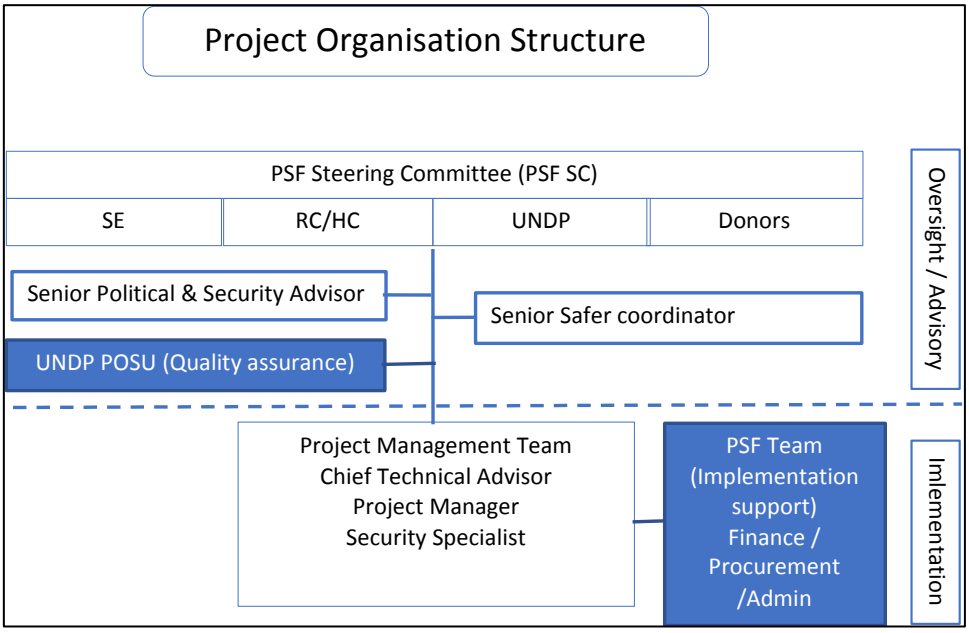


Figure 8: PSF and SSOP organisational structure

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9 LEGAL CONTEXT

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

This project will be implemented by UNDP in accordance with its financial regulations, rules, practices, and procedures.

10 RISK MANAGEMENT

UNDP (Direct Implementation (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][9] [UNDP funds received pursuant to the Project Document][10] are used to provide support to individuals or entities associated with terrorism , that the recipients of any amounts provided by UNDP hereunder do not appear on the United Nations Security Council Consolidated Sanctions List, and that no UNDP funds received pursuant to the Project Document are used for money laundering activities. The United Nations Security Council Consolidated Sanctions List can be accessed via https://www.un.org/securitycouncil/content/un-sc-consolidated-list. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.
3. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (http://www.undp.org/ses) and related Accountability Mechanism (http://www.undp.org/secu-srm).
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. In the implementation of the activities under this Project Document, UNDP as the Implementing Partner will handle any sexual exploitation and abuse ("SEA") and sexual harassment ("SH") allegations in accordance with its regulations, rules, policies and procedures.
6. 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.
7. 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.

[9] To be used where UNDP is the Implementing Partner
[10] To be used where the UN, a UN fund/Programme or a specialized agency is the Implementing Partner

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c. Each responsible party, subcontractor, and sub-recipient (each a "sub-party" and together "sub-parties") acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the sub-parties, and other entities involved in Project implementation, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Project Document.
(a) In the implementation of the activities under this Project Document, each sub-party shall comply with the standards of conduct set forth in the Secretary General's Bulletin ST/SGB/2003/13 of 9 October 2003, concerning "Special measures for protection from sexual exploitation and sexual abuse" ("SEA").
(b) Moreover, and without limitation to the application of other regulations, rules, policies and procedures bearing upon the performance of the activities under this Project Document, in the implementation of activities, each sub-party, shall not engage in any form of sexual harassment ("SH"). SH is defined as any unwelcome conduct of a sexual nature that might reasonably be expected or be perceived to cause offense or humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment. SH may occur in the workplace or in connection with work. While typically involving a pattern of conduct, SH may take the form of a single incident. In assessing the reasonableness of expectations or perceptions, the perspective of the person who is the target of the conduct shall be considered.

d. In the performance of the activities under this Project Document, each sub-party shall (with respect to its own activities) and shall require from its sub-parties (with respect to their activities) that they, have minimum standards and procedures in place, or a plan to develop and/or improve such standards and procedures in order to be able to take effective preventive and investigative action. These should include policies on sexual harassment and sexual exploitation and abuse; policies on whistleblowing/protection against retaliation; and complaints, disciplinary and investigative mechanisms. In line with this, sub-parties will and will require that their respective sub-parties will take all appropriate measures to:
(i) Prevent its employees, agents or any other persons engaged to perform any services under this Project Document, from engaging in SH or SEA;
(ii) Offer employees and associated personnel training on prevention and response to SH and SEA, where sub-parties have not put in place its own training regarding the prevention of SH and SEA, sub-parties may use the training material available at UNDP;
(iii) Report and monitor allegations of SH and SEA of which any of the sub-parties have been informed or have otherwise become aware, and status thereof;
(iv) Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and
(v) Promptly and confidentially record and investigate any allegations credible enough to warrant an investigation of SH or SEA. Each sub-party shall advise UNDP of any such allegations received and investigations being conducted by itself or any of its sub-parties with respect to their activities under the Project Document, and shall keep UNDP informed during the investigation by it or any of such sub-parties, to the extent that such notification (i) does not jeopardize the conduct of the investigation, including but not limited to the safety or security of persons, and/or (ii) is not in contravention of any laws applicable to it. Following the investigation, the relevant sub-party shall advise UNDP of any actions taken by it or any of the other entities further to the investigation.

e. Each sub-party shall establish that it has complied with the foregoing, to the satisfaction of UNDP, when requested by UNDP or any party acting on its behalf to provide such confirmation. Failure of the relevant sub-party to comply of the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Project.

f. Each responsible party, subcontractor and sub-recipient will ensure that any project activities undertaken by them will be implemented in a manner consistent with the UNDP Social and Environmental Standards and shall ensure that any incidents or issues of non-compliance shall be reported to UNDP in accordance with UNDP Social and Environmental Standards.

g. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud, corruption or other financial irregularities, by its officials, consultants, subcontractors and sub-recipients in implementing the project or Programme or using the UNDP funds. It will ensure that its financial management, anti-corruption, anti-fraud and anti-money laundering and countering the financing of terrorism policies are in place and enforced for all funding received from or through UNDP.

h. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to each responsible party, subcontractor and sub-recipient: (a) UNDP Policy on Fraud and other Corrupt Practices (b) UNDP Anti-Money Laundering and Countering the Financing of Terrorism Policy; and (c) UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor and sub-

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recipient agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.

i. 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 sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with it to find a solution.

j. Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as the Implementing Partner in case of any incidence of inappropriate use of funds, or credible allegation of fraud, corruption other financial irregularities with due confidentiality.
Where it becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, each responsible party, subcontractor and sub-recipient will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). It will provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

k. Choose one of the three following options:
Option 1: UNDP will be entitled to a refund from the responsible party, subcontractor or sub-recipient of any funds provided that have been used inappropriately, including through fraud corruption, other financial irregularities 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.

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.

l. 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.

m. 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.

n. 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 sub-contracts or sub-agreements entered into further to this Project Document.

Special Clauses. In case of government cost-sharing through the project, the following clauses should be included:

1. The schedule of payments and UNDP bank account details.

2. The value of the payment, if made in a currency other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by the UNDP of the payment, the value of the balance of funds still held at that time will be adjusted accordingly. If, in such a case, a loss in the value of the balance of funds is recorded, UNDP shall inform the Government with a view to determining whether any further financing could be provided by the Government. Should such further financing not be available, the assistance to be provided to the project may be reduced, suspended or terminated by UNDP.

3. The above schedule of payments takes into account the requirement that the payments shall be made in advance of the implementation of planned activities. It may be amended to be consistent with the progress of project delivery.

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4. UNDP shall receive and administer the payment in accordance with the regulations, rules and directives of UNDP.

5. All financial accounts and statements shall be expressed in United States dollars.

6. If unforeseen increases in expenditures or commitments are expected or realized (whether owing to inflationary factors, fluctuation in exchange rates or unforeseen contingencies), UNDP shall submit to the government on a timely basis a supplementary estimate showing the further financing that will be necessary. The Government shall use its best endeavours to obtain the additional funds required.

7. If the payments referred above are not received in accordance with the payment schedule, or if the additional financing required in accordance with paragraph 6 above is not forthcoming from the Government or other sources, the assistance to be provided to the project under this Agreement may be reduced, suspended or terminated by UNDP.

8. Any interest income attributable to the contribution shall be credited to UNDP Account and shall be utilized in accordance with established UNDP procedures.

In accordance with the decisions and directives of UNDP's Executive Board:

The contribution shall be charged:

(a) 8% cost recovery for the provision of general management support (GMS) by UNDP headquarters and country offices

(b) Direct cost for implementation support services (ISS) provided by UNDP and/or an executing entity/implementing partner.

9. Ownership of equipment, supplies and other properties financed from the contribution shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.

10. The contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP."

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11 ANNEXES

1. **Risk log**

   See attachment 1

2. **TORs for the PSF Steering Committee**

Mandate

The PSF Steering Committee:

- Provides the strategic direction to the PSF's work and oversees that the Facility operates in line with the results outlined in the PSF Project Document.
- Has the authority to change the strategic direction of the PSF, if required.
- Decides on the yearly allocation of unearmarked Results Area 1 and 2 resources.
- Endorses all results area 1 and 2 Concept Notes and results area 3 Concept Notes over US$ 1 million.
- Remains apprised of interventions considering the guiding framework and the programming principles outlined in the PSF Project Document.
- Provides guidance and agree on possible countermeasures and actions to address specific risks.
- Ensures, to the extent possible, that the PSF balances support to Yemen's multiple regions.
- At the advice of the PSF Technical Committee, endorses the Annual and Final PSF Reports.
- Oversees project evaluations are commissioned, in line with the UNDP evaluation policy or in addition to the requirements of the policy, if deemed relevant.
- Reviews potential contingency plans and reallocation of funding if the peace process or specific PSF interventions stall or fail.

Composition

The PSF Steering Committee members are:

- UN Special Envoy to the Secretary-General in Yemen (Co-chair)
- UN Resident Coordinator in Yemen (Co-chair)
- UNDP Resident Representative
- PSF donor partners

Permanent observers are:

- Head of the United Nations Mission to Support the Hodeidah Agreement
- UNWomen

The PSF Steering Committee Co-chairs may invite additional permanent or ad-hoc observers.

Meeting Schedule

The Steering Committee meets formally twice a year. The Co-chairs may call for ad-hoc meetings if required.

Secretariat

As part of its PSF assurance role, UNDP serves as the Secretariat to the Steering Committee. In this role, UNDP will:

- Facilitate the organisation of Steering Committee meetings.
- Present regular updates on assessments, implementation, results, and contributions.
- Provide narrative and financial progress reports every six months and final reports to partners.
- Develop and circulate minutes of the Steering Committee meetings.

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3. **TORs of key management positions**

See attachment 2 – Senior Political and Security Advisor (SPSA)
See attachment 3 – Senior Safer Coordinator (SSC)
See attachment 4 – Project Manager (PM)

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