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UNITED NATIONS DEVELOPMENT PROGRAMME

PROJECT DOCUMENT
Yemen

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Project Title: Yemen Emergency Social Protection Enhancement and COVID-19 Response Project - Additional Finance (AF2), **Project Number: 1129167** **Implementing Partner: UNDP**

Start Date: 31 March 2023 **End Date:** 31 Dec 2026 **LPAC Meeting/Negotiation date: 2 March 2023**

Brief Description

The conflict in Yemen, now in its eighth year, continues to make Yemen one of the poorest and most food-insecure countries in the world with extreme levels of multiple deprivations. Widespread conflict, severe economic decline, food insecurity and collapse of essential services continue to take a toll on the population, exacerbating an already vulnerable situation. With a collapsed economy and diverging currency, along with surging increases in prices, fewer people are able to meet their basic needs, and many are increasingly dependent on humanitarian assistance. Funding shortages from the donor community, particularly at the start of 2022 have impacted millions of people[1]. The effects of the Russia's invasion of Ukraine, exacerbating global food shortages, has impacted many households in Yemen as prices of food and fuel become unaffordable for vulnerable households. The conflict has also pushed basic services towards the brink of collapse, making it more difficult for people to access healthcare, education, clean water, sanitation, or social protection services. As a result, about 21.6 million people need some form of humanitarian assistance in 2023[2]. A staggering 19 million people (out of the 31.8 million total population) are in crisis, emergency, or catastrophic level of food insecurity including 3.17 million children under the age of five, 2.28 million adolescent girls and 1.52 million pregnant or lactating women. Adding to chronic poverty and acute conflict conditions, natural disasters are testing the coping capacity of Yemen's vulnerable population. The torrential rains that hit Yemen during the July - September 2022 monsoon season, have caused severe flooding across 182 districts in 18 governorates and left over 17.4 million people in need of assistance. The damages reported from the floods have caused widespread disruption in livelihoods and warrant a strong social protection response, ultimately re-building resilience capabilities, including through consistent cash transfers during (and beyond) the recovery period. To respond and protect the poor and vulnerable households in districts affected by the floods[3], a full coverage cash transfer response to all beneficiaries is needed.

The proposed second additional financing (AF2) is intended to sustain and scale up the impact of the ongoing SPECRP project in response to the chronical food insecurity and malnutrition situation. To increase impact, AF2 will continue to operationalize the bundling of geo-focused interventions and target those bundles to areas with high food insecurity, malnutrition, and potential for food production— in line with the Bank's approach to reduce food insecurity and malnutrition. The AF2 will support the introduction of enhanced community mobilization at the location of the geo-bundles for improved sustainability of impact.

The project aims to achieve **geo-focused bundles to reduce food insecurity and malnutrition** through achieving the following four outputs:

- Provide cash assistance and much-needed services for vulnerable households that are most at risk of malnutrition (Cash for Nutrition).
- Create employment opportunities for vulnerable populations, improve productivity, strengthen social cohesion, and respond to the anticipated effects of climate change (Cash for Work).
- Build valuable socio-economic assets for local communities that help improve access to key services and small infrastructure. (Community Assets)
- Economic opportunities and food market resilience.

[1] Two-thirds of major UN aid programs have been reduced or closed. United Nations Office for the Coordination of Humanitarian Affairs, September 2022.

[2] Humanitarian Need Overview: Yemen, OCHA, December 2022.

[3] Yemen: Situation Update Humanitarian Impact of Flooding | 25 August – 18 September 2022, OCHA.

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Contributing Outcome (UNDAF/CPD, RPD or GPD): 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. (GEN 2) 2. By 2024, people in Yemen, especially women, adolescents, girls, and those at risk of being left behind, become more resilient to economic shocks by increasing their income security and access to decent work. (GEN 2)	**Total resources required**	US$ 63.5 million	
	Total resources allocated (PF and AF)	**UNDP TRAC:**	
		Donor: World Bank	US$63.5[4] million
	Unfunded:	0	

Signed by:

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Zena Ali Ahmad

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UNDP Yemen Resident Representative

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[4] This is equivalent to 47.8 million Special Drawing Rate (SDR) and the exchange rate used by then was 1.3285

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I. DEVELOPMENT CHALLENGE

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

The conflict in Yemen, now in its eighth year, continues to make Yemen one of the poorest and most food-insecure countries in the world with extreme levels of multiple deprivations. Widespread conflict, severe economic decline, food insecurity and collapse of essential services continue to take a toll on the population, exacerbating an already vulnerable situation. With a collapsed economy and diverging currency, along with surging increases in prices, fewer people are able to meet their basic needs, and many are increasingly dependent on humanitarian assistance. Funding shortages from the donor community, particularly at the start of 2022 have impacted millions of people[5]. The effects of the Russia's invasion of Ukraine, which have exacerbated global food shortages, have impacted many households in Yemen as prices of food and fuel become unaffordable for vulnerable households. The conflict has also pushed basic services towards the brink of collapse, making it more difficult for people to access healthcare, education, clean water, sanitation, or social protection services. As a result, about 21.6 million people need some form of humanitarian assistance in 2023[6]. A staggering 19 million people (out of the 31.8 million total population) are in crisis, emergency, or catastrophic level of food insecurity including 3.17 million children under the age of five, 2.28 million adolescent girls and 1.52 million pregnant or lactating women. Additionally, 2.42 million school-aged girls and boys are out of school[7], more the half a million children suffer severe acute malnutrition[8], and 1 in 2 have no access to safe drinking water. Furthermore, an estimated 4.5 million people are internally displaced with 378,000 newly displaced expected in 2023. Adding to chronic poverty and acute conflict conditions, natural disasters are testing the coping capacity of Yemen's vulnerable population. The torrential rains that hit Yemen during the July - September 2022 monsoon season, have caused severe flooding across 182 districts in 18 governorates and left over 17.4 million people in need of assistance. The damages reported from the floods have caused widespread disruption in livelihoods and warrant a strong social protection response, ultimately re-building resilience capabilities, including through consistent cash transfers during (and beyond) the recovery period. To respond and protect the poor and vulnerable households in districts affected by the floods[9], a full coverage cash transfer response to all beneficiaries is needed. These deprivations are eroding Yemen's human capital: the future earning potential of children born today in Yemen will be 63 percent lower than what it could have been with complete education and adequate healthcare.

[5] Two-thirds of major UN aid programs have been reduced or closed. United Nations Office for the Coordination of Humanitarian Affairs, September 2022.

[6] Humanitarian Need Overview: Yemen, OCHA, December 2022.

[7] United Nations Children's Fund, Education Disrupted: Impact of conflict on children's education in Yemen, UNICEF Yemen, 2021.

[8] Integrated Food Security Phase Classification, Yemen: acute malnutrition situation January–May 2022 and Projection for June–December 2022, <http://www.ipcinfo.org/ipc-countryanalysis/details-map/en/c/1155480/?iso3=YEM>, accessed 6 June 2022.

[9] Yemen: Situation Update Humanitarian Impact of Flooding | 25 August – 18 September 2022, OCHA.

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The Gender Inequality Index (GII) measures Yemen to have a GII value of 0.834[10] versus the world's average at 0.439, indicating a significant gender gap and meaning that Yemeni women have a lower standard of living compared to men. Yemen has typically faced significant challenges with regard to women's access to education, health, productive employment and food security (World Bank 2014). While men face a higher direct burden of war through fighting and battle deaths, women are disproportionately affected by the indirect and often lasting effects of conflict.[11] The ongoing crisis is likely to have exacerbated existing gender-based deprivations and development shortfalls. For instance, women's labor force participation[12], employment and mobility are estimated to have distinctly reduced over the last few years (Tandon et al., 2018).). Income inequlity is stark as for every dollar a man makes in Yemen , a women is estimated to make only thirty cent. The conflict has affected the availability of and accessibility to schools, which has mainly affected girls' education: 36 percent are estimated to be out of school, compared to 24 percent of boys. And pregnant and lactating women are a particularly high risk of malnutrition[13].

Households are being affected through reduced incomes and remittances, and particularly higher food prices. The cost of the minimum survival food basket had already increased by 48 percent since December 2021, and it will likely increase further as food imports decline, following the disruption in global food supply chains, and as the YR weakens.

II. STRATEGY

The Project builds on ECRP to deliver support to vulnerable Yemenis affected by food insecurity, conflict, COVID-19 and climate-related shocks. The project Theory of Change (illustrated in Annex 1) indicates that IF vulnerable people will have access to short-term income, conditinal cash transfers, access to improved social services as well as opportunities for business recovery and increased food production; THEN the vulnerable households and communities will be able to effectively cope with the impact of the crisis and become strong drivers of the resiliecne building and recovery efforts.

The Project will mainly target food insecure households and focus on interventions that are most effective at addressing food insecurity. In doing so, the Project will help address and avert famine and malnutrition in Yemen. Given the short-term food security needs, most of the Project funds will be used to provide Cash Transfers to vulnerable households. This includes Unconditional Cash Transfers to Social Welfare Fund (SWF) beneficiaries as well as cash top-ups and complementary services for SWF families that are most at risk of malnutrition. For vulnerable people that are able to work, the Project will engage with communities to provide temporary employment opportunities to build valuable community assets, prioritizing community projects that contribute to food security, climate resilience and anchoring gender sensitive interventionsto promote gender equlaity and women empowrement. And in an effort to address food insecurity more sustainably, the Project will provide economic opportunities to vulnerable populations through support to Micro, Small and Medium Enterprises (MSMEs), with an emphasis on food market resilience and market-based mechanisms. Similar to the ECRP, Project interventions will incorporate COVID-19-sensitive measures.

The Project also seeks to significantly strengthen the capacity and role of national institutions in order to create a solid foundation for furture social protection and local leadership. To increase impact in the medium to longer term, the AF2 will bundle interventions in the same area (from multiple different projects)

[10] The Borgen project ,2018

[11] 2011 World Development Report (World Bank 2010), Buvinic et al. (2012), Justino 2018.

[12] According to latest 2020 (WDI - modeled ILO estimates) female labor force participation (of working age women ages 15-64) is 6 percent compared to a 72 percent male participation rate (of working age men ages 15-64).

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

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so that immediate relief to food insecurity is also supplemented by additional inputs aimed to build on more medium-term sustainability. This will provide a more sustainable continuum of support.

The Project will support the role of communities and the private sector in community-driven labor intensive works and services. Supporting community resilience is critical for preserving social cohesion in the context of conflict and weakened central institutions, and support to communities will play a role in addressing its basic needs. The prevoius project has been supporting (and will support), community-driven labor intensive works and services. Prior to the conflict, the private sector accounted for 50 percent of GDP and provided employment for around 70 percent of the total employed population.[14] The conflict has had a devastating impact on the private sector. A survey of firms conducted in 2012 and 2018 showed that 25 percent closed as a result of the conflict, more than half of the firms downsized from either small to micro enterprises (30 percent), and medium to small or large to medium (22 percent).[15] Security issues, lack of demand, disruption of domestic and imported supplies, high supply costs, loan restrictions, and substantial spending on taxes and other regulatory fees have placed a heavy burden on the private sector. COVID-19 is further exacerbating the situation for the private sector. MSMEs are a key backbone for the reconstruction and development of Yemen, and provide employment opportunities to the population. The Project will support MSME's, both directly and through market mechanisms and Micro Finance Institutions (MFIs) with an emphasis on improving the domestic food market through support to smallholder producers and associated supply chains.

The project is aligned to UNDP Country Gender strategy (2022-2025), aiming to advance gender equality and women's empowerment in UNDP programmes as a cross-cutting priority. The Gender Strategy will be applied in planning and implementation of project activities for enhancing human development outcomes with the focus of gender, improving economic opportunities, and removing barriers to asset ownership through a focus on income support, productive employment and access to skill development training and supply chains. Furthermore, the gender strategy will identify the best approaches to map, mitigate and respond to GBV among the project beneficiaries while ensuring to build the capacity of the project different stakeholders.

Women's capabilities will be assessed, and they will be provided with more or longer trainings if needed to be able to improve their capacity and benefit from the temporary employment opportunities. The job opportunities provided will be gender sensitive; matching women physical capabilities and are located at an acceptable distance. To avoid any unintended effect such as violence and harassment, the project will conduct awareness campaigns to promote local acceptance of women's work and provide any required facilitation to allow women to be supervised by other women and / or escorts Male family members (the required cost will be considered). The project will also establish accountability methods for reporting cases of gender-based violence and ensure that the most vulnerable are targeted, beside that the project will ensure to not exclude women and youth who lack legal identity and will facilitate the extraction of documentation papers if needed.

To increase impact, **the AF 2 will continue to bundle geo-focused interventions** and target those bundles to areas with high food insecurity and malnutrition Through the provision of comprehensive bundles and logically sequenced, area-based interventions, implementing partners will be able to support resilience building of local economic, social (and environmental) systems that can deliver structural improvements in people´s lives. Ultimately, the objective is to significantly improve food security with lasting impact through increased agricultural production, enhanced nutrition practices, support to livelihoods and relaunch of local economic activities, as well as access to basic services. This will allow graduation towards medium and

[14] United Nations Office for the Coordination of Humanitarian Affairs, 2018 Humanitarian Needs Overview—Yemen (https://reliefweb.int/report/yemen/yemen-2018-humanitarian-needs-overview-enar).
[15] Yemen - Bring Back Business Report: Impact of Conflict on Private Enterprises (World Bank 2019).

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longer-term development benefits. The proposal for the operationalization of geo-focused bundles is meant to apply to all new Bank projects addressing food security and malnutrition, including the AFs for the FS and HC projects, which are yet to be approved. Such AFs will in principle cover the same geographic areas as the first AF but could potentially cover more. By the same token, ideally, other non-Bank sources of funding/projects would also be considered for bundling, such as FCDO's support to SFD for CfN and CfW.

The operationalization of the geo-bundling approach is proposed to go according to the following steps[16]:

- **Geo-Bundling Governance Structure:**

A governance structure has been established separating responsibilities for program-level decisions (e.g., selection of geo-bundle locations and the associated quantitative and qualitative criteria), monitoring and evaluation for creating an evidence base for the arguably enhanced impacts under the approach, and for local-level coordination including the optimization of community mobilization. The following diagram summarises the proposed governance structure:

- **Geographic Targeting Process:**

i) **Selection and allocation of funds across governorates**. All governorates (except the two urban cities of Amanat AlAsima and Aden) will be targeted to maintain political neutrality and avoid potential sensitivities. The fund in the 20 governorates will be allocated according to a formula that calculates the averages of the severity and intensity of the Integrated Food Security Phase Classification (IPC3+ cases) and the Global Acute Malnutrition (GAM) in Yemen.

ii) **Selection of districts within target governorates.** The districts will be prioritised using the same formula applied to the governorates (determined by high food insecurity through IPC3+ and malnutrition through GAM). The (existing/ongoing) complementary Bank financed interventions will be considered in the district targeting. The selection would be carried out in this manner, while the fund allocations will have more flexibility at the district level to be decided after the completion of field assessments and identification of bundles (considering that CfN and SMEs will not be available on all bundles as the allocated fund of these subcomponents can only cover fewer districts than what CfW and CA may reach).

iii) **Selection of sub-districts within targeted districts**. The proposal is to select one rural sub-district in each target district. The sub-district would be selected based on general indicators (e.g., population, concentration of villages), agricultural potential[17] indicators (land use, water resources) as well as relevant information on IPs' MIS such as poverty index, previous investments, any other relevant ones.

iv) **Selection of communities and composition of bundles within target sub-districts**. These steps will be done based on the subdistrict recovery plan which will be prepared based on a unified community mobilization approach that's explained in the next step.

Geographic Reallocation Process: Given the fluid nature and unpredictability of the conflict in Yemen, it is anticipated that some target areas may become inaccessible prior to or during project implementation. As such, the initially identified districts and sub-districts along with their allocations may need to be revised once implementation starts to account for inaccessibility issues and any major emergencies (e.g. population movement and natural disasters) based on field assessments and relevant reports. Where project sites become inaccessible partially or fully, or where ongoing activities are disrupted, the IPs will closely and regularly monitor the situation to commence or resume activities. Should the situation not improve within three months, a decision will be taken to reallocate funds to other priority areas as per the project targeting

[16] The structure and process of the geo-bundling will be detailed in the updated POM and will continue to be developed and revamped based on the lessons learned from the field.

[17] Indicators developed by the Bank's agriculture team.

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methodology and geo-bundling considerations. Any reallocation, as much as possible, will be kept within the same governorate nonetheless. In case of reallocation to different villages within the same sub-district, the IPs Governorate Bundling Team (where geo-bundling is applicable) will make the decision after notifying UNDP and proposing a new bundle of interventions (based on the approved Community Resilience Plan) within the accessible parts. Where funds have to be reallocated to other sub-districts or new districts, the IPs will submit a status report with a request for approval to UNDP. Upon confirmation that the IP's proposal for reallocation has considered the targeting criteria and bundling process, UNDP will submit the request to the WB for co-approval.

- **A Unified Community Mobilization Approach:**

The multiple implementing partners responsible for the interventions included under the geo-bundling operate through potentially different /conflicting or duplicative community mobilization approaches. Under AF and AF2, the project will aim to support a unified community mobilization approach, as agreed in the appropriate governance body of geo-bundling at the program level, to be deployed by the various collaborating agencies at geo-bundle locations. The preparation for implementation cemented the recognition that investment in lasting community structures, in line with what is customary in Yemen, will enhance the sustainability of impacts from geo-bundled interventions. This approach will build upon the "Tamkeen"[18] community modality previously established by SFD. The Tamkeen community structures in many targeted subdistricts are able to be reactivated for the purpose of the coordinated community mobilization effort. In a lesser share of sub-districts, Tamkeen structures are not yet present and SFD will work to establish them as a basis for the unified geo-bundling community mobilization effort. Finally, where the nature of the geo-bundle offered does not warrant full community engagement approach, an abbreviated tailored participatory assessment approach will be deployed. The geo-bundling process will be detailed in the updated Project Operations Manual (POM).

III. RESULTS AND PARTNERSHIPS

Expected Results

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

The project development objective is to provide cash transfers, temporary employment, and increased access to basic services and economic opportunities to food-insecure populations affected by COVID-19, the conflict and climate-related shocks, as well as to strengthen the capacity of national institutions. To achieve this, the project aims to achieve **geo-focused bundles to reduce food insecurity and malnutrition** through achieving the following four outputs and related activities:

Output 1: Provide cash assistance and much-needed services for vulnerable households that are most at risk of malnutrition (Cash Nutrition).

[18] Tamkeen is also known as the Empowerment for Local Development program and was established in 2009 by SFD in collaboration with the Ministry of Local Administration to set up and strengthen formal structures that facilitate participatory development planning and implementation at the community level. Tamkeen offers an opportunity for effective participatory planning processes at the community level and creates a platform to bridge the gap between communities and their local authorities.

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This Cash for Nutrition (CfN) subcomponent will finance cash transfers (CTs) and complementary health and nutrition services to eligible households (including Social Welfare Fund households - SWF) that have pregnant/lactating women, mothers with children under five or mothers with children with disabilities up to the age of 17 years old in governorates and subdistricts to be identified through the geo-bundling targeting process. The sub-component will provide CTs to 45,000 beneficiary households (mothers are the recipients) for 6 months, whereas any cases identified with malnutrition will continue to receive benefits for 12 months[19]. The project will employ and train 1,600 women as community health worker to deliver nutrition and health education sessions for mothers[20] as well as home visits to monitor children and refer malnutrition cases to health services. This subcomponent will be complemented by the other World Bank funds incluiding the Food Security Resilience Resopnse Project (FSRRP) and parallel support to the CfN provided by FCDO. The sub-component will finance CTs, cash for services, trainings, consultant services, Bank fees and SFD operating costs. This subcomponent will be complemented by the other World Bank funds incluiding the Food Security Resilience Resopnse Project (FSRRP) and parallel support to the CfN provided by FCDO. The sub-component will finance CTs, cash for services, trainings, consultant services, Bank fees and SFD operating costs. The selection criteria, the implementation modalities and operational details of this output will follow the Project Operations Manual (POM) that will be update to incorporate the AF2.

Output 2: Create employment opportunities for vulnerable populations, improve productivity, strengthen social cohesion, and respond to the anticipated effects of climate change (Cash for Work)

This sub-component will finance labour-intensive community subprojects. It will continue to finance the cash for work (CfW) program implemented by UNDP through SFD under the project, which provides temporary employment opportunities to vulnerable populations from the selected communities (around 30 percent of the targeted groups are women) to build valuable community assets, focusing on subprojects that contribute directly or indirectly to reducing food insecurity and malnutrition: (i) restoration and irrigation of agricultural land; (ii) access to water and sanitation;[21] and (iii) and access to markets (e.g. road rehabilitation). Community subprojects must be labour-intensive (i.e., with wage intensity of at least 50 percent of the total cost) and subprojects are identified and implemented by the selected communities and have a gender sensitive focus.[22] Community workers will be selected based on self-targeting and will be paid slightly below the prevailing market wage (to ensure that the neediest workers apply).[23] This sub-component is expected to provide temporary employment opportunities to 18,200 people and to build community assets benefiting 94,250 people. Many of these activities can be performed by women, the project would seek to support employment generation activities targeting women such as painting planting and irrigating trees on sites as well as performing engineering and consultancy activities. Geo-spatial mapping will be used to strengthen the transparency of monitoring and evaluation (M&E), environment and social monitoring, and beneficiary engagement. Payments to beneficiaries will be delivered through contracted banks for a fee. This subcomponent will finance the provision of labour and non-labour costs (e.g., construction materials) of sub-projects; financial intermediary fees; and SFD's operating costs.

[19] The duration of CT assistance was reduced from 12 to 6 months to support a larger number of eligible women, however the cases of malnutrition of these CFN beneficiaries will continue to receive CTs for the original duration of 12 months. In addition, the geo-bundling approach under AF would make it possible for all CfN beneficiaries to benefit directly or indirectly from other activities including CfW, community assets or access to finance in their communities.

[20] The nutrition and health education sessions will be accessible to all mothers with children, not only beneficiaries of CTs, and will include awareness messages to prevent the spread of COVID-19.

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

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

[23] The duration of employment will depend on the nature of the subproject. Household receipts from CfW will be capped for a total benefit of US$500 in wages for the entire duration of the subproject regardless of the number of participating workers from the household.

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Output 3: Build valuable socio-economic assets for local communities that help improve access to key services and small infrastructure

The sub-component will finance community assets. It will continue to be implemented by UNDP through PWP. It will finance community-identified subprojects to build community assets that contribute directly or indirectly to reducing food insecurity and malnutrition. These subprojects are implemented by private contractors as they are more complex than CfW subprojects. Due to their higher complexity, PWP subprojects are also less labour-intensive (35 percent) and can employ workers from outside the community (up to 50 percent). This sub-component is expected to build community assets that benefit 123,800 people (including approximately 50 percent female) and provide temporary employment opportunities to about 9,880 people. It will finance the costs of small-scale infrastructure through private contractors and PWP's operating costs. The infrastructure investments will be determined during the consultations with the select female and male community representatives and based on priority needs identified during periodic needs assessments.

The support to labour-intensive works implemented through PWP has been crucial for providing communities' access to basic infrastructure while preserving the capacity of key national institutions throughout the conflict, and together with SFD's CfW program, has been able to benefit over 300 districts (out of 333) in the country. In addition, gender will be mainstreamed during the identification of community priorities, and the community engagement approach will strengthen identifying and including vulnerable groups in the designing process and the labour force recruited during the execution of sub-projects. The conflict sensitivity framework has been developed under the Yemen Emergency Crisis Response Project (ECRP) will be applied, to indicate local tensions and shifts in conflict dynamics to inform potential adaptation needs and interventions to strengthen local resolution mechanisms.

Output 4: - Economic opportunities and food market resilience

This subcomponent will support Small and Micro Enterprises (SMEs) that contribute to inclusive local food security and improved nutrition in selected geographic areas. Under the AF2, this subcomponent will (a) help create new micro enterprises and provide support to existing SMEs, cooperatives and associations involved in the production, storage, and distribution of food, as well as in nutrition- and health-related services; (b) increase partial portfolio guarantees for MFIs to support Micro, Small and Medium Enterprises' (MSME) ability to finance productive investments in target sectors; and (c) support financial inclusion through savings groups in the most vulnerable communities in rural areas where no MFIs are yet present.

The activities will continue to be implemented through SFD and its subsidiaries (SMED, YLG) and SMEPS. The subcomponent will finance grants, technical assistance, consulting services, and operating costs of YLG, SMED, and SMEPS. This sub-component adopts a market systems development approach that is fit to the realities of Yemen to strengthen value chains in the target sectors. Support to SMEs under this subcomponent makes use of, and reinforces, market-based mechanisms in order to ensure long-term sustainability. As such, the proposed activities participate to the same ecosystem of support and complement and feed into each other, into a continuum of support approach and geographic bundle of interventions. The SMEs will also derive climate co-benefits from the activities. For activity (a), the SMEs accessing finance through MFIs (through the portfolio guarantees) will invest a share of loans into the provision of solar energy[24], as electricity is one of the major constraints faced by Yemeni firms to carry out

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their productive activities, and the targeted MFI will be provided with IT equipment to reduce their operating expenses given the absence of public electricity and the high cost of private suppliers. For activity (b), the targeted SMEs involved in food production are likely to reduce their water consumption by 42 percent[25], and their fuel consumption by 70 percent as a result of the technical assistance and new production inputs from the project support. This subcomponent will thus help mitigate the environmental footprint of targeted SMEs.

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

The implementation of the output will adapt to the wider approach of markets systems development in conflict and fragile environments aiming at strengthening value chains through enabling access to finance, creating markets, and strengthening market linkages. Support to MSMEs under the project will thus - more than ECRP - rely on and reinforce market-based mechanisms in order to ensure long-term sustainability. The support will include: (i) indirect support to MSMEs by increasing MFIs ability to lend, and (ii) direct technical and financial support to MSME's producing or facilitating the distribution of food to the market, while strengthening the ability of business associations in target sectors to sustain their impact through public-private dialogue. Under the AF2, this subcomponent will (a) help create new micro-enterprises and provide support to existing SMEs, cooperatives and associations involved in the production, storage, and distribution of food, as well as in nutrition- and health-related services; (b) increase partial portfolio guarantees for MFIs to support Micro, Small and Medium Enterprises' (MSME) ability to finance productive investments in target sectors; and (c) support financial inclusion through savings groups in the most vulnerable communities in rural areas where no MFIs are yet present. It will continue to be implemented through SFD and its subsidiaries (SMED, YLG) and SMEPS. The output will finance grants, technical assistance, consulting services, and operating costs of YLG, SMED, and SMEPS. This sub-component adopts a market systems development approach that is fit to the realities of Yemen to strengthen value chains in the target sectors. Support to SMEs under this subcomponent makes use of, and reinforces, market-based mechanisms to ensure long-term sustainability. Additional support under the subcomponent will include:

Subcomponent 4.1: Fostering new SMEs and providing support to existing SMEs, cooperatives and associations involved in the production, storage, and distribution of food, as well as in nutrition- and health-related services

The additional activities under AF2 include (i) entrepreneurship training and support schemes to create 270 new revenue-generating activities in target sectors[26] among the most vulnerable populations (US$2 million); (ii) providing technical assistance and grants to 600 conflict-affected SMEs and small-scale producers in target sectors and selected geographical areas (US$1.5 million). The supported MSMEs are

[26]Target sectors include the production and processing of food (including in horticulture, livestock, poultry, and fisheries subsectors), the facilitation of food distribution (e.g., transport and logistics service providers and other value-addition activities), and the treatment and prevention of malnutrition (nutrition and health-related services).

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expected to generate 2,010 new seasonal and permanent wage employment. At least 30 percent of SMEs will be owned or run by women. This activity will be implemented by SMEPS.[27] Preset criteria for the selection of the SME beneficiaries and business associations will be detailed in the POM. The MSMEs will also derive climate co-benefits from the activities. The targeted MSMEs involved in food production are likely to reduce their water consumption and their fuel consumption as a result to the technical assistance and new production inputs deriving from the project support. This subcomponent will thus help mitigate the environmental footprint of targeted MSMEs. The AF2 particularly aims at increasing resilience to food insecurity and malnutrition in the future through a new targeting approach of bundling geo-focused interventions to areas with high food insecurity and malnutrition. Therefore, the targeting and implementation will be guided by the geo-bundling approach that will be agreed and detailed in the POM.

Sub-component 4.2: Indirect support to enhance SMEs' access to finance by increasing the ability of MFIs to lend (US$1 million, implemented by YLG through SFD)

AF2 will increase the capitalized amount by US$940,000, bringing the total to US$4.84 million. The allocation will enable a further 730 SMEs to gain access to finance by facilitating access of selected MFIs to the YLG guarantee fund. The eligible SMEs would be those engaged in food production, processing, distribution, or related supply-chain support activities and the treatment and prevention of malnutrition (nutrition and health-related services). One additional MFI would be selected in AF2 to access the YLG guarantee fund, bringing the total number of MFIs to access the YLG portfolio guarantee scheme to six. An enhanced eligibility and selection criteria will be outlined in the Project Operations Manual (POM) based on the 'continuum of support' approach and geo-focused bundles of interventions and MFIs' ability to reach and service SMEs in the targeted sectors and communities.

Sub-component 4.3: Furthering financial inclusion in the most vulnerable rural communities (US$1.5 million, implemented through SFD/SMED)

AF2 will help establish an additional 185 self-managed and self-capitalized VSLAs. The allocation includes providing all necessary training and TA as outlined in the POMs, complemented by financial literacy and education. This activity will facilitate the creation of 555 new SMEs and bring the total number of VSLAs created through the project to 715 serving 17,875 members. The created MSMEs are expected to generate 1,665 additional jobs. Moreover, the activity will help unlock financial resources for entrepreneurs and facilitate access to credit in underserved and out-of-reach rural communities where MFIs are not operating.

Output 5: Oversight, reporting and quality assurance of project ensured

UNDP has in place a dedicated project team for oversight and quality assurance to ensure timely delivery and completion of activities and results in line with the approved project appraisal document and subsequent project papers, financing agreements and Annual Work Plans, budgets, and the project environmental and social safeguard instruments. The project team will also ensure the application of project approaches in the conflict and political context and that all risk mitigation measures are in place to create a maximum enabling environment for implementation of the activities. The project team will adhere to the monitoring and reporting requirements[28] as per the project document to ensure full transparency and

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

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

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compliance with fiduciary responsibilities outlined under the FMFA with the World Bank. This includes third-party monitoring, evaluation and audits. The project applies the environmental and social safeguards including gender quality and conflict sensitivity. This includes third party monitoring, evaluation, and audits. This fund will finance a third-party monitoring (TPM) mechanism and the establishment and management of a Grievance Redress Mechanism (GRM). The project will apply Gender-sensitive monitoring and evaluation to reveal whether a programme addresses the different priorities and needs of women and men, to assess if it has an impact on gender relations, and to determine the gender aspects that need to be integrated into monitoring and evaluation systems. The TPM will collect both qualitative and quantitative data that measure the impact on gender relations and will collect and present all data in a sex-disaggregated manner. The established GRM will ensure to process GBV and women cases in confidential manner and with high priority. The project team has a dedicated gender capacity to confirm that gender is mainstreamed throughout the project life cycle and that any gender gaps and/ or success are highlighted.

The UNDP Country Office will provide oversight and quality assurance of the project team and ensure institutional level coordination with the World Bank, the Government of Yemen, UN system, local authorities, international partners and other relevant stakeholders with the view to enable coherence and collaboration of the project with broader initiatives. The UNDP Country Office will also provide operational support services in relation to the Project that includes finance, procurement (contracting)[29], administration, human resources, ICT and security risk management. UNDP Headquarters will provide corporate oversight and management support including finance, human resources, audit and investigations.

Resources Required to Achieve the Expected Results

The World Bank approved the total amount of US$211 million for the implementation of all the activities under ESPECRP project to provide support and protection to Yemeni households whose food security is compromised by conflict, COVID-19 and other climate-related shocks. This fund will build on the partnerships, capacities, and lessons learned of the ECRP project. As part of the ongoing ECRP, UNDP, SFD and PWP have established an environmental and social (E&S) management system with adequate policy, procedures, capacity and resources, focusing on OHS, social and environmental aspects. Under ESPECRP, SFD, PWP and SMEPs will implement capacity building programs which were initiated under the ECRP, targeting different groups and identified areas, including capacity building of senior managers and officials of implementation and monitoring agencies on ESMF and OHS Framework as well as capacity building program for project managers, supervisors, consultants and contractors on OHS, gender, GBV tools and their application in field. UNDP has committed resources for the implementation of the project and will ensure dedicated management capacity in the Country Office to provide the required oversight and quality assurance.

Partnerships

The project will be implemented by UNDP through the Direct Implementation Modality (DIM). UNDP will also engage three responsible parties SFD, PWP and SMEPs. The project will cover 20 governorates of Yemen to maintain political neutrality and will target high priority districts within each governorate according to the high food insecurity through IPC3+ and malnutrition through GAM as per the geo-bundling targeting approach. UNDP will collaborate with other UN Agencies in Yemen through participating in the clusters. Close collaboration with the World Bank and RPs will continue bi-monthly through review meetings.

29 Done in accordance with the Procurement Plan of the project.

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Risks and Assumptions

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

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

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

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

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

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gender related challenges in attracting women to participate in the CFW activities, due to the lack of community's acceptance to women work in the field. UNDP will rely on its partners' current experience in promoting for gender equality and women's empowerment in sustainable development, utilizing men leaders and influences and using cultural appropriate approach. The project will engage women in cultural appropriate opportunities, to guarantee do no harm approach and effective of the established GRM to report any violence or abuse confidentially.

Security Risks: crime, air strikes, landmines and UXO, terrorist attacks, and ground combat, arbitrary arrests and detentions. UNDP mitigates these risks through close collaboration and coordination with the UN Department for Safety and Security, including the de-confliction protocols and strict adherence to UN security procedures. Staff training on conflict-sensitive communications and risk management will continue. A Third-Party Monitoring Agent will conduct the monitoring of the implementation of the project in hard-to-reach areas. The Security Management Plan (SMP) was developed under the parent project to consistent with the requirements of ESS4, the SMP will be updated if required for additional funding

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

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

The Project will apply the Environment and Social Framework (ESF) of the World Bank. UNDP will update Environment and Social Management Framework (ESMF) for the project. The WB and UNDP and RPs will review and apply the Environmental and Social Management Framework (ESMF) of the ESPECRP. UNDP and the RPs (SFD, PWP) will screen each subproject against the anticipated Environmental and Social risks and impacts to develop the Environmental and Social Management Plans (ESMPs) and/or other safeguard instruments, as stated in the project's ESCP and ESMF documents, to manage the subprojects risks to acceptable level and in a manner acceptable to the WB ESF.

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

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As part of the ECRP, UNDP and RPs have established an environmental and social (E&S) management system with adequate policy, procedures, capacity and resources, focusing on OHS. Under ESPECRP, the responsible parties will implement capacity building programs which were initiated under the ECRP targeting different groups and identified areas, including capacity building of senior managers and officials of implementation and monitoring agencies on ESMF and OHS Framework as well as capacity building program for project managers, supervisors, consultants and contractors on OHS tools and their application in field. UNDP already established and maintained a team with qualified staff and resources, with composition, mandate and resources satisfactory to the WB under the parent project, to support management of E&S risks, including International Environmental and Social Specialist (IESS), National Environmental and Social Safeguards Officer (ESSO), Occupational Health and Safety Officer (OHSO), and Gender & Social Safeguard Officer (GSSO).

Social (including safeguards)

The project is expected to have numerous social benefits for the target communities and vulnerable population including the cash transfer, temporary employment and economic opportunities to mitigate the impacts of COVID-19. The type of interventions under this project are not expected to require physical or economic displacement. Nonetheless, there might be a potential need of land for community infrastructure development under the community asset component. Given the rehabilitation nature and scale of the investments, the possible land needs would be minimal and are expected to be met through community contributions, which is a common practice in the local area and was also accepted under the ECRP. As a precautionary measure, the Project will prepare a Resettlement Framework (RF) to guide and manage possible land contribution practices. This RF will be included in the ESMF.

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

Gender and Gender Based Violence (GBV)

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

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Grievance Redress Mechanism

For the Additional Financing (AF2P), the project will continue maintaining the exiting GRM that the Implementing Partners (IPs) have established and developed with overall guidance from UNDP. All three IPs have a GRM for the registration of complaints. At the subproject locations, the IPs will place signboards including information about the Hotline number, WhatsApp number and email for the complainants to register any complaint related to the project activities. Complainants will have options to either disclose their name or remain anonymous. Before the start of the project activities at community level, IPs will hold meetings and provide orientations about the project GRM and rights of affected people to register the complaints. UNDP, during the filed visits and using the services from the Third-Party Monitoring (TPM) agencies, will ensure that the local communities are well aware of the IPs GRM and have access to contact details.

When a complaint is registered, the IPs, through their field office have developed an effective mechanism to redress the complaints with in 14 colander days. Data and evidence from past years confirms that majority of complaints can be resolved at the local level and within 14 calendar days. In case the complaint is not resolved within 14 days or to the satisfaction of complainants, the complainants have rights to escalate it to UNDP and then the Bank.

UNDP had established a clear reporting mechanism with the IPs, under which the IPs provides a report with all registered complaints during the month and their status (settled or open) to UNDP. UNDP analyse the registered complaints, classify them based on 10 classification criteria set in the ESMP and frequency of complaint, and conducts meeting with the IPs to understand the cause of complaints that are repetitive and high in number. Continuous capacity building trainings and coordination with UNDP has improved the overall performance of the GRM established by IPs and their capacity to effectively redress the complaints. Subproject under AF2 will continue utilizing the existing GRM system.

Stakeholder Engagement

UNDP, SFD, SMEPS and PWP will engage with all the affected parties during the planning and implementation of the project activities and share the project information with them in accordance with the project SEP, WB ESF and UNDP's SESs and based on the outcomes of the stakeholder engagement consultations . The prioritization of communities will follow the geo-bunlding approach summarized under the startegy part above, and the selection of interventions and beneficiaries will follow the approaches detailed in the Project Operations Manual (POM). Under AF and AF2, the project will aim to support a unified community mobilization approach, as agreed in the appropriate governance body of geo-bundling at the program level, to be deployed by the various collaborating agencies at geo-bundle locations. This approach will build upon the "Tamkeen"[30] community modality previously established by SFD. Extensive awareness raising programmes will be implemented in the sub-projects locations, to ensure that the communities are aware of the project activities, participate fully, and benefit from the various support mechamism. The multiple implementing partners responsible for the interventions included under the geo-bundling operate through potentially different /conflicting or duplicative community mobilization approaches.

[30] Tamkeen is also known as the Empowerment for Local Development program and was established in 2009 by SFD in collaboration with the Ministry of Local Administration to set up and strengthen formal structures that facilitate participatory development planning and implementation at the community level. Tamkeen offers an opportunity for effective participatory planning processes at the community level and creates a platform to bridge the gap between communities and their local authorities.

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Knowledge Management

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

Sustainability and Scaling Up

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

IV. PROJECT MANAGEMENT

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

SFD, PWP and SMEPS as Responsible Parties will deliver the agreed outputs on the basis of a written Letter of Agreement (LoA) with UNDP. The Responsible Party is directly accountable to UNDP in accordance with the terms of their LoA. In line with UNDP's Financial regulations and rules, SFD, SMEPs and PWP must open dedicated project accounts in US Dollars with commercial banks for the purposes of bank reconciliation and audit. The bank accounts will only be under the control of the responsible parties which will have the sole custody and access to resources and signing authority. As done in ECRP and ESPECRP PF and AF, due to the continuity of political divisions in Yemen and in order to facilitate decision making and expedite implementation, all new project activities related under this project will be approved by the internal steering committees and not the project boards of both institutions.

UNDP will reinforce the project management systems and capacities established under ECRP, with strengthened operational risk management and project approaches sensitive to the conflict and political environment in Yemen. A Conflict Sensitivity Framework has been developed under ECRP and will inform and strengthen the conflict sensitivity approach under ESPECRP.

UNDP will closely coordinate with the World Bank to provide needed information and to enable smooth and speedy financial and operational transactions to facilitate timely implementation at the level of the responsible parties. UNDP will maintain regular interactions with RPs with UNDP staff presence in Sana'a,

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Hodeidah, Aden, and Marib for monitoring, quality assurance and as needed, management of complaints and grievances, as per agreed Grievance Redress Mechanism (GRM) under the project.[31] The project will also look for further value-adding opportunities through ensuring internal synergies with other projects under the different program units of UNDP including the "Strengthening Institutional and Economic Resilience in Yemen" and the "Enhancing Rural Resilience and Recovery in Yemen" projects.

TPM will also feed into UNDP's monitoring work. UNDP will prepare bi-annual narrative reports and end of project reports consolidating inputs from the Responsible Parties as well as to convene project board meetings and undertake audits and evaluations[32]. Interim unaudited financial reports shall be prepared and submitted to the donor quarterly, no later than forty-five (45) days after the end of the period covered by the report. UNDP will coordinate with the Government of Yemen, relevant authorities at the sub-regional level for technical consultations, international partners and UN agencies to enable a conducive and coherent supporting environment for RPs.

Project Team

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

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

Table 3. ESPECRP Project Team Staff Composition

Post Title	Total Cost[33]
International Project Manager	
International M&E Specialist	
International SES Specialist	
International Adaptive management Specialist	
National Coordinator (Sana'a)	
Communication and Knowledge Officer	
Finance Officer and Admin	
Project Assistant (Sana'a)	
Information Management Officer	
Project Assistant (Aden)	
National M&E Officer	
National SES Officer (Aden)	
National OHS Officer	
Gender and Social Safeguards Officer	
Driver	
Total	**$ 2,409,504**

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

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

33 This budget will cover 24 months salaries of 12 national staff and 4 international staff. The cost of international posts is shared between ESPECRP and FSRRP. ESPECRP AF covers from Jan 2023 till Dec 2024, while AF2 covers 2025 and 2026.

DocuSign Envelope ID: 649C947D-FC86-4874-8C41-219E3F93F74E

V. RESULTS FRAMEWORK[34]

	Intended Outcome as stated in the country Programme Document Results and resources framework for Yemen (2023-2024): 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
	Outcome indicators as stated in the Country Programme Resources Framework: Indicator 1.1 Proportion of the population experiencing moderate to severe food insecurity (modified Sustainable Development Goal (SDG) 2.1.2); Baseline (2021):16.2 million (54%); Target (2024): 13 million (43%)
	Applicable Output(s) from the UNDP Strategic Plan: **Output 1.1.** Improved productive infrastructures and assets to increase food security, local economic recovery, and access to services. **Indicator 1.1.1** Number of people benefiting from increased access to community infrastructures, Baseline (2022): 5,715,006; Female 2,743,203, Male 2,971,803); Target (2024): 6,584,130; Female 2,962,858; Male 3,621,272 **Indicator 1.1.2:** Number of people benefitting from immediate income opportunities **(a)** Jobs created; Baseline (2c022): 461,706; Female 92,341; Male 369,365, Target (2024): 646,771; Female 129,354; Male 517,417 **(b)** Access to business opportunities; Baseline (2022): 6,901 Female: 3,243; Male: 3,658 Target (2024): 16,322 Female: 6,991; Male: 9,331 **Output 1.4.** Yemeni women's access to finance, cash transfers and business development in the project value chain improved. **Indicator 1.4.1** Number of women-owned businesses accessing financial and business development support; Baseline (2021): Female 0; Target (2024): Female 420 **Indicator 1.4.2** Number of women supported with cash for nutrition or other social services; Baseline (2022): 275,197; Target (2024): 345,397
	Project title and Atlas Project Award ID: 1129167 Yemen Emergency Social Protection Enhancement and COVID-19 Response Project Additional Finacne (ESPECRP – AF2)

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

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EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)				DATA COLLECTION METHODS & RISKS
			Value	Year (June 2023)	Year-1 (2024)	Year-2 (2025)	Year-3 (2026)	Total	
Geo-focused bundles to reduce food insecurity and malnutrition.	1. Number of additional beneficiary households benefitting from the cash for nutrition program, disaggregated by SWF beneficiaries (3,151) female (48,000) and children (63,000)	**SFD**	776,657	2023	24,750 (1,732 SWF households, 26,400 female, 34,650 children)	20,250 (1,419 SWF, 21,600 female, 28,350 children)	0	45,000	Direct count of beneficiaries who receive direct cash assistance from the cash for nutrition programme.
	2. Number of additional direct beneficiaries of wage employment (disaggregated by gender, female (20%) and IDPs (15%)	**SFD & PWP & SMEPs**	473,212	2023	14,986	16,965	1,404	33,355	Direct count of beneficiaries by RPs including CfW, CfSS, and wage employment through SCI, SMEs)
	3. Number of people with increased access to basic services, disaggregated by gender (female-50%)	**SFD & PWP**	6,163,259	2023	98,122	109,025	10,903	218,050	Subproject administrative data and information from service provider and recipient collection by RPs and TPMA.
	4. Number of Micro, Small and Medium Enterprises (MSME's) supported by the Project, disaggregated by gender (30% female SME owners)	**SFD (SMED & YLG)**	9,589	2023	862	1,293	0	2,155	Subproject administrative data collection by RPs and TPMA.
	5. Number of people provided with access to improved sanitation services to reduce water-borne diseases exacerbated by climate change	**SFD & PWP**	48,738	2023	7940	8823	883	17,645	Subproject administrative data collection by RPs and TPMA.
	6. Percentage of grievances registered related to delivery of project benefits that are actually addressed	**SFD & PWP**	80%	2023	90%	90%	90%	90%	Comparison of number of grievances received within the Grievance mechanism with number addressed.
	7. percentage of surveyed beneficiaries who expressed satisfaction about the project's participatory approach	**TPMA**	90%	2023	90%	90%	90%	90%	Survey to be conducted with a sample of project beneficiaries

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Output 1: Provided cash assistance and much-needed services for vulnerable households that are most at risk of malnutrition (Cash for Nutrition Program)	1.1 Number of female beneficiaries of wage employment generated by Cash for Nutrition Program	**SFD**	8,052	2023	880	720	0	1,600	Direct count of beneficiaries who receive short term direct employment opportunity as community health providers from the cash for nutrition program by SFD.
	1.2 Number of indirect beneficiaries of wage employment generated by Cash for Nutrition Program	**SFD**	48,312	2023	5,280	4,320	0	9,600	Subproject administrative data with the agreed calculation methods (number of family members benefitting from the wage employment through the CFN intervention based on the number of benefited HHs x 6 as the national avg of HH members)
Output 2: Created employment opportunities for vulnerable populations, improve productivity, strengthen social cohesion, and respond to the anticipated effects of climate change (Cash for Work Program)	2.1 Number of direct beneficiaries of wage employment created under cash for work, disaggregated by gender (30% female)	**SFD**	324,890	2023	8,190 (2,457 female)	9,100 (2,730 female)	910 (273 female)	18,200	Direct count of beneficiaries who receipt direct cash assistance from cash for work program by SFD. Subproject administrative data, beneficiary profile and SFD's MIS.
	2.2 Number of indirect beneficiaries of wage employment (family members of direct beneficiaries)	**SFD**	1,988,148	2023	35,100	39,000	3,900	78,000	Subproject administrative data with the agreed calculation methods (number of family members benefitting from the wage employment through the cash for work intervention based on the number of benefited HHs x 6 as the national avg of HH members)
	2.3 Number of people with increased access to basic services	**SFD**	2,267,469	2023	42,412	47,125	4,713	94,250	Subproject administrative data and information from service provider and recipient collection by SFD and TPMA.
	2.4 Cubic meters of water schemes constructed/rehabilitated (cash for work) (Cubic Meter(m3))	**SFD**	536,027	2023	3,159	3,510	351	7,020	Subproject administrative data with direct count of quantity/volume/length of infrastructure from SFD. Community participatory monitoring, and TPMA
	2.5 Area of agriculture land rehabilitated (cash for work) (Hectare(Ha))	**SFD**	10,590	2023	269	299	30	598	Subproject administrative data with direct count of quantity/volume/length of infrastructure from SFD. Community participatory monitoring, and TPMA
	2.6 Length of roads improved (cash for work) (Kilometers)	**SFD**	397	2023	32	36	4	72	Subproject administrative data with direct count of quantity/volume/length of infrastructure from SFD. Community participatory monitoring, and TPMA
	2.7 Percentage of communities satisfied about the quality of infrastructure rehabilitated	**TPMA**	78 %	2023	70%	80%	90%	90%	Perception survey to be conducted within a sample of communities on SFD interventions.

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Output 3: Build/rehabilitated valuable socio-economic assets for local communities that help improve access to key services and small infrastructure	3.1 Number of direct beneficiaries of wage employment created under community assets rehabilitation, disaggregated by gender (5% female)	**PWP**	120,271	2023	4,446 (180 female)	4,940 (200 female)	494 (20 female)	9,880	Direct count of beneficiaries who receipt direct cash assistance from cash for work program by PWP. Subproject administrative data, beneficiary profile and PWP's MIS.
	3.2 Number of indirect beneficiaries of wage employment (family members of direct beneficiaries)	**PWP**	846,381	2023	26,676	29,640	2,964	59,280	Subproject administrative data with the agreed calculation methods (number of family members benefitting from the wage employment through the community assets intervention based on the number of benefited HHs x 6 as the national avg of HH members)
	3.3 Number of people with increased access to basic services	**PWP**	28,354,865	2023	55,710	61,900	6,190	123,800	Subproject administrative data and information from service provider and recipient collection by PWP and TPMA.
	3.4 Cubic meters of water schemes constructed/rehabilitated (community assets rehabilitation)	**PWP**	362,423	2023	12,312	13,680	1,368	27,360	Subproject administrative data with direct count of quantity/volume/length of infrastructure from PWP. Community participatory monitoring, and TPMA
	3.5 Area of agriculture land rehabilitated (community assets rehabilitation) (Hectare(Ha))	**PWP**	13,326	2023	400	445	45	890	Subproject administrative data with direct count of quantity/volume/length of infrastructure from PWP. Community participatory monitoring, and TPMA
	3.6 Length of roads improved (community assets rehabilitation) (Kilometers)	**SFD**	205.1	2023	26	30	3	59	Subproject administrative data with direct count of quantity/volume/length of infrastructure from PWP. Community monitoring, and TPMA
	3.7 Percentage of communities satisfied about the quality of infrastructure rehabilitated	**TPMA**	80%	2023	70%	80%	90%	90%	Perception survey to be conducted within a sample of communities on PWP interventions.

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Output 4: - Economic opportunities and food market resilience improved	4.1 Number of MFIs to access the new YLG portfolio guarantee scheme	**SFD/SMED**	9	2023	1	0	0	1	Subproject administrative data and information from service provider and recipient collection by SFD/SMED and TPMA.
	4.2 Number of SME loans guaranteed by the new capitalization to the YLG	**SFD/SMED**	6,733	2023	500	230	0	730	Subproject administrative data and information from service provider and recipient collection by SFD/SMED and TPMA.
	4.3 Number of Village Saving and Loans Associations	**SFD/SMED**	1,813	2023	100	85	0	185	Subproject administrative data and information from service provider and recipient collection by SFD/SMED and TPMA.
	4.4 SMEs receiving TA and grants that produce and facilitate food distribution	**SFD/SMEPS**	11,255	2023	862	1,293	0	555	Subproject administrative data and information from service provider and recipient collection by SFD/SMEPS and TPMA.
	4.5 Number of new seasonal and permanent wage employment supported	**SFD/SMEPS**	68,186	2023	1,470	2,205	0	3,675	Subproject administrative data and information from service provider and recipient collection by SFD/SMEPS and TPMA.

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	Output 5: Oversight, reporting and quality assurance of project ensured								
Output 5.1: Improved monitoring of project activities in conflict; improvements in project interventions	5.1.1 Surveyed beneficiaries who report receiving the right payment amount (Percentage)	**UNDP/SFD/PWP/TPMA**	98%	2023	100	100	100	100	TPM surveys, UNDP field mission, questionnaires and phone interviews, remote verification
	5.1.2 Grievances received, addressed and responded to within a timeline that has been specified and publicly communicated by the project (Percentage)	**UNDP/SFD/PWP/TPMA**	83 %	2023	90	90	90	90	TPM operated GRM system, surveys, questionnaires and phone interviews, remote verification
	5.2.3 Surveyed beneficiaries who express satisfaction with project interventions (Percentage)	**UNDP/SFD/PWP/TPMA**	97%	2023	98	98	98	98	TPM surveys, UNDP field mission, questionnaires and phone interviews, remote verification
Output 5.2 Increased capacity of national institutions to design and implement social protection programs	5.2.1 Capacity building action plan for SFD adopted and implemented	**UNDP**	No	2023	Yes	Yes	Yes	Yes	RPs capacity assessment, progress reports
	5.2.2 Capacity building action plan for PWP adopted and implemented	**UNDP**	No	2023	Yes	Yes	Yes	Yes	RPs capacity assessment, progress reports
Output 5.3: Geo-bundling Impact Assessment	Positive impact of geo-focused bundles on food security and malnutrition sustained one year after interventions end in target communities (Yes/No)	**UNDP/WB/RPs**	No	June 2023	No	Yes	Yes	Yes	Impact Assessment Report on Geo-bundling

DocuSign Envelope ID: 649C947D-FC86-4874-8C41-219E3F93F74E

VI. MONITORING AND EVALUATION

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

Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)
Track results progress	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Quarterly, or in the frequency required for each indicator.	Slower than expected progress will be addressed by project management.	UNDP RPs, and TPM
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.	UNDP RPs, and TPM
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.	UNDP RPs, and TPM
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.	UNDP and RPs
Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.	UNDP and RPs
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)	Project progress reports along with relevant data and evidence will be collected from the RPs on time in order to prepare quality project progress reports and submit it to the Project Board on time.	UNDP and RPs
Project Review (Project Board)	The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the final year, the Project Board shall hold an end- project review to capture lessons learned and discuss opportunities for scaling up and to disseminate results and lessons learned with relevant audiences.	Specify frequency (i.e., at least annually)	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.	UNDP and RPs

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

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

Evaluation Plan[35]

Evaluation Title	Partners (if joint)	Related Strategic Plan Output	UNDAF/CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Source of Funding
Project Final Evaluation	UNDP and WB	Marginalised groups, particularly the poor, women, people with disabilities and displaced are empowered to gain universal access to basic services[36] and financial and non-financial assets to build productive capacities and benefit from sustainable livelihoods and jobs	Yemenis improve their livelihoods and access inclusive productive services	September 2026 (Tentatively)	Project Donors, National Responsible Parties, Bi-lateral and multi-lateral donors/other international communities, UNDP Regional and HQ.	USD 100,000

[35] Optional, if needed

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

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VII. MULTI-YEAR WORK PLAN

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year				RESPONSIBLE PARTY	PLANNED BUDGET		
		Y1	Y2	Y3	Y4		Funding Source	Budget Description	Amount
Output 1: Provide cash assistance and much-needed services for vulnerable households that are most at risk of malnutrition (Cash Nutrition)	Provision of Conditional Cash Assistance to 45,000 women; and Wage employment to 1,600 Female Health Workers	0	12,462,000	4,543,000	0	SFD	WB	75700 – CCT - Subgrants to Women	12,492,000.00
							WB	75700 – Wage employment - CfSS Female Health Workers	1,686,000.00
							WB	72300 - Materials and Goods	157,000.00
							WB	71300 - Consultancy and Shared Cost	2,670,000.00
Output 2: Create employment opportunities for vulnerable populations, improve productivity, strengthen social cohesion, and respond to the anticipated effects of climate change (Cash for Work)	Implementing labor intensive Works and providing Cash for Work to 18,200 workers	662,000	6,233,656	6,381,866	1,047,478	SFD	WB	72100 – Cash for work	10,787,000.00
							WB	71300 - Consultancy and shared cost	2,638,000.00
							WB	75700 - Geo-bundling Community Mobilization	900,000.00
	Indirect support to enhance access of 730 MSMEs' to finance by increasing MFIs' ability to lend (via YLG)	1,000,000	855,000	495,000	0	SFD	WB	75700 - Subgrants for YLG support MSMEs	940,000.00
	YLG Operation Cost						WB	74500 - YLG Operation Cost	60,000.00
	Fostering financial inclusion in the most vulnerable rural communities through creating 185 VSALs and supporting 555 MSMEs						WB	75700 - Creating and supporting VSLAs	1,350,000.00
	SFD Management	166,792	2,241,031	1,207,056	105,121	SFD	WB	72200 - Equipment and furniture	340,000.00
							WB	74500 - Operating expenses	3,380,000.00
Sub-Total for Output 1 & 2		**1,828,792**	**21,791,687**	**12,626,922**	**1,152,599**				**37,400,000.00**

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year				RESPONSIBLE PARTY	PLANNED BUDGET		
		Y1	Y2	Y3	Y4		Funding Source	Budget Description	Amount
Output 3: Build valuable socio-economic assets for local	Implement civil works to build priority community	72,009	6,159,527	7,524,373	1,244,091	PWP	WB	72100 – Civil Works	11,855,000.00
							WB	72300 - Goods	55000

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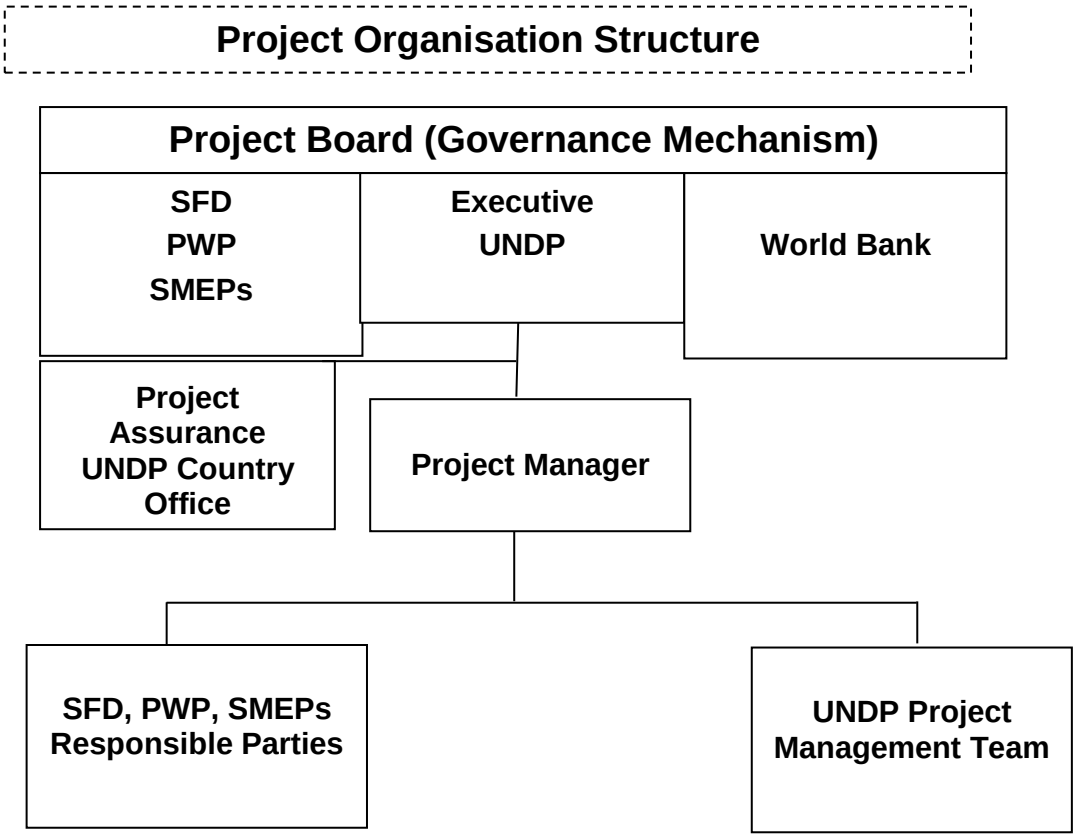
communities that help improve access to key services and small infrastructure (PWP)	assets and provide wages to 9,880 workers						WB	71300 - Consultancy Services	1,560,000.00
							WB	75700 - Capacity Building	70000
							WB	74500- Incremental Operating Costs	1,460,000.00
Sub-Total for Output 3		**72,009**	**6,159,527**	**7,524,373**	**1,244,091**				**15,000,000.00**
EXPECTED OUTPUTS	**PLANNED ACTIVITIES**	**Planned Budget by Year**				**RESPONSIBLE PARTY**	**PLANNED BUDGET**		
		Y1	**Y2**	**Y3**	**Y4**		Funding Source	Budget Description	Amount
Output 4: Fostering new SMEs and providing support to existing SMEs, cooperatives and associations involved in the production, storage, and distribution of food, as well as in nutrition- and health-related services	Grants and technical support to 270 entrepreneurs and 600 MSMEs as well as supporting 2,010 new wage employment.	12,840	2,551,980	935,180	0	SMEPs	WB	71300 - Technical Support to Beneficiaries	336,000.00
							WB	75700 - Grants to MSMEs	2,250,000.00
							WB	75700 - Trainings & Workshops	245,028.00
							WB	74100 - Management Direct Cost – Operating Cost	440,000.00
							WB	74500 - Operating Cost	228,972.00
Sub-Total for Output 4		**12,840**	**2,551,980**	**935,180**	**0**				**3,500,000.00**
TOTAL Activity Costs (Output 1 - 4)		**1,913,641**	**30,503,194**	**21,086,475**	**2,396,690**				**55,900,000.00**
EXPECTED OUTPUTS	**PLANNED ACTIVITIES**	**Planned Budget by Year**				**RESPONSIBLE PARTY**	**PLANNED BUDGET**		
		Y1	**Y2**	**Y3**	**Y4**		Funding Source	Budget Description	Amount
UNDP's Project Monitoring and Management	b) Direct Cost for Part 3.2(a)(i)	51,751.00	270,731	1,348,264.00	2,829,739.00	UNDP	WB	61300/71400 - Staff Salaries (Intl. and National)	2,409,504.00
							WB	Common Cost Services Shares	672,766.00
							WB	64300 - CO Support	1,051,900.00
							WB	Running/misc. costs	109,315.00
							WB	72100 - Communication and Visibility	130,000.00
							WB	74100 – Audit	127,000
	c) Consulting services and TPM3.2(b)	0	500,000	650,000	100,000	UNDP	WB	72100 - TPM	250,000.00
							WB	72100 - Capacity building	0.00
							WB	72100 -Geobundling Impact Evaluation	1,000,000.00
Sub-Total Project Management Costs		**51,751.00**	**770,731.00**	**1,998,264.00**	**2,929,739.00**				**5,750,485.00**
General Management Support (3%) for Part 3.2(a)(ii)		58961.76	938217.75	692542.17	159792.87				1,849,515.00
GRAND TOTAL PROJECT COST		2,024,354	32,212,143	23,777,281	5,486,222				**63,500,000.00**

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VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

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

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



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

a) measures taken in furtherance of the Safeguards Instruments;

(b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguards Instruments; and

(c) remedial measures taken or required to be taken to address such conditions and to ensure the continued efficient and effective implementation of the

Safeguards Instruments.

DocuSign Envelope ID: 649C947D-FC86-4874-8C41-219E3F93F74E

IX. IX. LEGAL CONTEXT

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

1. UNDP as the Implementing Partner shall comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)

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

UNDP Anti-Fraud Policy

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

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

(a) UNDP Policy on Fraud and other Corrupt Practices ("UNDP Anti-fraud Policy");

(b) UNDP Office of Audit and Investigations (OAI) Investigation Guidelines; and

(c) UNDP Social and Environmental Standards (SES), including the related Stakeholder Response Mechanism (SRM), with the specific details pertaining to the project outlined in the ECRP ESMF.

The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this project document and are available online at www.undp.org.

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

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

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

DocuSign Envelope ID: 649C947D-FC86-4874-8C41-219E3F93F74E

With regard to the restitution of funds misused, including fraud or corruption, UNDP's anti-fraud policy, UNDP shall be entitled to a refund from the Responsible Party of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail the Implementing Partner's obligations under this Project Document.

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

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

Each contract issued by the Responsible Party in connection with the Project shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the Responsible Parties shall cooperate with any and all investigations and post-payment audits.

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

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

DocuSign Envelope ID: 649C947D-FC86-4874-8C41-219E3F93F74E

X. RISK MANAGEMENT

UNDP (DIM)

1. UNDP as the Implementing Partner will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)
2. UNDP as the Implementing Partner will undertake all reasonable efforts to ensure that none of the project funds UNDP received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.
3. Social and environmental sustainability will be enhanced through application of the updated UNDP Social and Environmental Standards (http://www.undp.org/ses) and related Stakeholder Response Mechanism (http://www.undp.org/secu-srm).
4. UNDP as the Implementing Partner will: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
5. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
6. UNDP as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor and sub-recipient:

    a. Consistent with the Article III of the SBAA [or the Supplemental Provisions to the Project Document], the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of UNDP's property in such responsible party's, subcontractor's and sub-recipient's custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:
        i. put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
        ii. assume all risks and liabilities related to such responsible party's, subcontractor's and sub-recipient's security, and the full implementation of the security plan.

    b. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the responsible party's, subcontractor's and sub-recipient's obligations under this Project Document.

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

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d. The requirements of the following documents, then in force at the time of signature of the Project Document apply to each responsible party, subcontractor and sub-recipient: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor and subrecipient agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.

e. In the event that an investigation is required, UNDP will conduct investigations relating to any aspect of UNDP programmes and projects. Each responsible party, subcontractor and sub-recipient will provide its full cooperation, including making available personnel, relevant documentation, and granting access to its (and its consultants', subcontractors' and subrecipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with it to find a solution.

f. Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as the Implementing Partner in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

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

h. UNDP will be entitled to a refund from the responsible party, subcontractor or subrecipient of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of this Project Document. Such amount may be deducted by UNDP from any payment due to the responsible party, subcontractor or sub-recipient under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail any responsible party's, subcontractor's or sub-recipient's obligations under this Project Document.

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

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

h. Each contract issued by the responsible party, subcontractor or sub-recipient in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract

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execution, and that the recipient of funds from it shall cooperate with any and all investigations and post-payment audits.

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

j. Each responsible party, subcontractor and sub-recipient shall ensure that all of its obligations set forth under this section entitled “Risk Management” are passed on to its subcontractors and sub-recipients and that all the clauses under this section entitled “Risk Management Standard Clauses” are adequately reflected, mutatis mutandis, in all its subcontracts or sub-agreements entered into further to this Project Document.

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XI. ANNEXES

(Annex 3, 4 and 5 can be accessed via this link: https://drive.google.com/drive/folders/1TOtGojrb2Lpd97aoEW0ajjlxus-8Euth?usp=sharing)

1. **ESPECRP Theory of Change**

2. **Project Quality Assurance Report**

3. **Social and Environmental Screening Template** including additional Social and Environmental Assessments or Management Plans as relevant. *(NOTE: The SES Screening is not required for projects in which UNDP is Administrative Agent only and/or projects comprised solely of reports, coordination of events, trainings, workshops, meetings, conferences, preparation of communication materials, strengthening capacities of partners to participate in international negotiations and conferences, partnership coordination and management of networks, or global/regional projects with no country level activities).*

4. **Risk Analysis**. Use the standard Risk Register template. Please refer to the Deliverable Description of the Risk Register for instructions

5. **Capacity Assessment:** Results of capacity assessments of Implementing Partner (including HACT Micro Assessment)

6. **Project Board Terms of Reference and TORs of key management positions**

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Annex 1: ESPECRP Theory of Change

