EUROPEAN UNION

DELEGATION TO THE REPUBLIC OF YEMEN

الاتحاد الأوروبي

بعثة الاتحاد الأوروبي لدى الجمهورية اليمنية

Amman,

Zena Ali Ahmad
UNDP in Yemen
UN Enclave, Embassies Area
Khormaksar, Aden
Republic of Yemen

Subject: **Contribution Agreement: NDICI ASIA MENA/2025/488-928 - UNDP Peace Support Facility Phase 3**

Dear Ms. Ali Ahmad,

Please, find enclosed **two signed originals** of the Contribution Agreement **Peace Support Facility Phase 3** mentioned above, duly signed by myself, in my capacity as the Head of Delegation of the European Union Delegation to Yemen.

I would be grateful if you could sign and date these documents, retain one signed original for your records and return the other original to the following address:

The Delegation of the European Union to Yemen, temporarily based in Amman
2 Umm Durman Street - North Abdoun
Amman, Jordan
P.O. Box 852099
Tel: +962 6 5902929
For the attention of: Head of Finance, Contracts and Audit Section Yemen/Iraq

Kindly use a reliable courier service only and **NOT registered mail (Post)** to avoid any delays or loss of the documents.

Your attention is drawn to the fact that the Contracting Authority will not be obliged to honour the signed addendum in the event of any of the following:

- the addendum is not returned to the above address within 30 days of the date of this letter, duly signed and dated by a signatory authorised to represent you;
- any modifications to the text of the addendum or its annexes.

Yours Sincerely,

Patrick SIMONNET
Head of Delegation

Enclosures: Two signed originals

EUROPEAN UNION
CONTRIBUTION AGREEMENT

NDICI ASIA MENA/2025/488-928

(the "Agreement")

The European Union, represented by the European Commission (the "**Contracting Authority**"), first counterparty,

and

United Nations Development Programme (UNDP)
International Organisation
One UN Plaza
10017 – New York, USA

Hereinafter the "**Organisation"**, Second counterparty, (individually a "Party" and collectively the "Parties") have agreed as follows:

SPECIAL CONDITIONS

Article 1 - Purpose

1.1 The purpose of this Agreement is to provide a financial contribution to finance the implementation of the action '**Peace Support Facility for Yemen – Phase 3'** as described in Annex I (the "Action"). This Agreement establishes the rules for the implementation and for the payment of the EU Contribution, and defines the relations between the Organisation and the Contracting Authority.

1.2 The Action is a multi-donor action; the EU contribution is earmarked.

1.3 The Organisation declares that no substantial changes, which have not already been communicated to the Commission, affect the rules and procedures which have been subject to the Ex-ante Pillar-Assessment.

In the performance of the activities, the Organisation shall:

- Apply its own rules and procedures for the award and management of Procurement Contracts which have been assessed in the Ex-ante Pillar Assessment.
- Apply its own rules and procedures for the award and management of Grants, which have been assessed in the Ex-ante Pillar Assessment.

1.4 The Action is financed under the Neighbourhood, Development and International Cooperation Instrument – (NDICI-Global Europe.)

1.5 The Organisation shall provide a management declaration in accordance with Articles 3.10 of Annex II with every progress and final report

1.6 This Agreement is subject to the provisions of the Financial and Administrative Framework Agreement (FAFA) signed on 29 April 2003, as amended by Addendum No.1 signed on 26 February 2014 and its further consolidated version applicable as of 1 January 2019.

Article 2 - Entry into Force and Implementation Period

Entry into Force

2.1 The Agreement shall enter into force **on the date when the last Party signs**.

Implementation Period

2.2 The implementation period of the Agreement (the "Implementation Period") shall commence on: the day after the last Party signs.

2.3 The Implementation Period of the Agreement is **24 months**.

Article 3 - Financing the Action

3.1 The total cost of the Action[1] is estimated at **USD** "Currency of the Agreement" **4,380,514** as set out in Annex III. The Contracting Authority undertakes to provide a contribution up to a maximum of **EUR 2,700,000**, which is estimated at USD 3,118,500, the "EU Contribution".

The final amount will be established in accordance with Articles 16 to 18 of Annex II.

Remuneration

3.2 The remuneration of the Organisation by the Contracting Authority for the activities to be implemented under this Agreement shall be 7% of the final amount of eligible direct costs of the Action to be reimbursed by the Contracting Authority.

Interest on pre-financing

3.3 Interest generated on pre-financing shall not be due.

Article 4 - Payment Arrangements and Reporting

4.1 The pre-financing rate is **100%**.

4.2 Payments shall be made in accordance with Article 17 of Annex II. The following amounts are applicable, all subject to the provisions of Annex II:

First pre-financing instalment: USD 1,684,582.39

Further pre-financing instalment/s: USD 1,433,917.61 following the end of the 1st and 2nd reporting period, from date to date corresponding to the Contracting Authority's part of the forecast budget for the subsequent 24 months.

Forecast balance of the final amount of the EU Contribution, if any (subject to the provisions of Annex II): USD 0

[1] This amount is introduced only for indicative purposes. It is an estimate and its evolution does not condition the EU Contribution.

4.3 The Organisation acknowledges that the European Commission intends to progressively introduce an Electronic Exchange System (the "OPSYS") for the electronic management of this Agreement.

The Organisation shall submit the information referred to in Article 3.7 b) of Annex II via the System for all reports under this Agreement:

The European Commission shall inform the Organisation at least three months prior to the date on which other documents and processes related to this Agreement (including reports, payment requests, communications and formal amendments as per Article 10.1 of Annex II) are to be processed via the System.

Article 5 – Communication language and contacts

5.1 All communications to the Contracting Authority in connection with the Agreement, including reports referred to in Article 3 of Annex II, shall be in English.

5.2 Subject to Article 4.3, any communication relating to the Agreement shall be in writing, shall state the Contracting Authority's contract number and the title of the Action, and shall be dispatched to the addresses below.

For the Contracting Authority

Payment requests and attached reports, including requests for changes to bank account arrangements shall be sent to:

European Commission
Delegation of the European Union to Yemen, temporarily based in Amman
Faris Bagaeen bldg, 3rd floor, North Abdoun,
Amman, Hashemite Kingdom of Jordan
For the attention of the Head of Finance, Contracts and Audit Section Yemen/Iraq

Copies of the documents referred to above, and correspondence of any other nature, shall be sent to:

European Commission
Delegation of the European Union to Yemen, temporarily based in Amman
Faris Bagaeen bldg, 3rd floor, North Abdoun,
Amman, Hashemite Kingdom of Jordan
For the attention of the Head of Cooperation

For the Organisation

UNDP in Yemen
UN Enclave, Embassies Area
Khormaksar, Aden
Republic of Yemen

5.3 Ordinary mail shall be deemed to have been received on the date on which it is officially registered at the address referred to above.

5.4 The contact point within the Organisation, which shall have the appropriate powers to cooperate directly with the European Anti-Fraud Office (OLAF) in order to facilitate the latter's operational activities shall be: Office of Audit and Investigations, Head of Investigation Section, United Nations Development Programme, One United Nations Plaza, DCI Building 4th Floor, New York, NY 100017, USA.

5.5 All exchanges concerning the Early Detection and Exclusion System shall take place between the Contracting Authority and the authorised person designated by the Organisation, which is:

UNDP Resident Representative, Zena Ali Ahmad (Zena.ali-ahmad@undp.org)

UNDP in Yemen
UN Enclave, Embassies Area
Khormaksar, Aden
Republic of Yemen

and

Ms. Camilla Brückner
United Nations Development Programme
Representation Office in Brussels
37-40 Boulevard du Régent
1000 Brussels, Belgium
brussels.office@undp.org

Article 6 - Annexes

6.1 The following documents are annexed to these Special Conditions and form an integral part of the Agreement:

Annex I: Description of the Action (including the Logical Framework of the Action)
Annex II: General Conditions for Contribution Agreements
Annex III: Budget for the Action
Annex IV: Financial Identification Form
Annex V: Standard Request for Payment
Annex VI: Management Declaration Template

6.2 In the event of a conflict between these Special Conditions and any Annex thereto, the provisions of the Special Conditions shall take precedence. In the event of a conflict between the provisions of Annex II and those of the other Annexes, the provisions of Annex II shall take precedence.

Article 7 – Additional specific conditions applying to the Action

7.1 The following shall supplement Annex II:

7.1.1 Where the implementation of the Action requires the setting up or the use of one or more project offices, the Organisation and/or the Partner(s) may declare as eligible direct costs the capitalised and operating costs of the structure if all the following conditions are fulfilled:

a) They comply with the cost eligibility criteria referred to in Article 16.1 of Annex II;
b) They fall within one of the following categories:

i) costs of staff, including administration and management staff, directly assigned to the operations of the project office. The tasks listed in the Description of the Action (Annex I), undertaken by staff assigned to the project office will be directly attributable to the implementation of the Action.
ii) travel and subsistence costs for staff and other persons directly assigned to the operations of the project office;
iii) depreciation costs, rental costs or lease of equipment and assets composing the project office.
iv) costs of maintenance and repair contracts specifically awarded for the operations of the project office;
v) costs of consumables and supplies specifically purchased for the operations of the project office;

vi) costs of IT and telecommunication services specifically purchased for the operations of the project office;
vii) costs of energy and water specifically supplied for the operations of the project office;
viii) costs of facility management contracts including security fees and insurance costs specifically awarded for the operations of the project office;

c) Where costs of the project office are declared as actual costs, the Organisation and/or the Partner(s) may declare as eligible only the portion of the capitalised and operating costs of project office that corresponds to the duration of the Action and the rate of actual use of the project office for the purposes of the Action.

d) Costs of the project office not declared as actual costs are only eligible if they have been ex ante-assessed by the European Commission.

Done in Amman, Jordan in three originals in the English language, two for the Contracting Authority and one for the Organisation.

For the Organisation

Name : Zena Ali AHMAD

Position: Resident Representative

Signature:

Date: December 10, 2025

For the Contracting Authority

Name Patrick SIMONNET

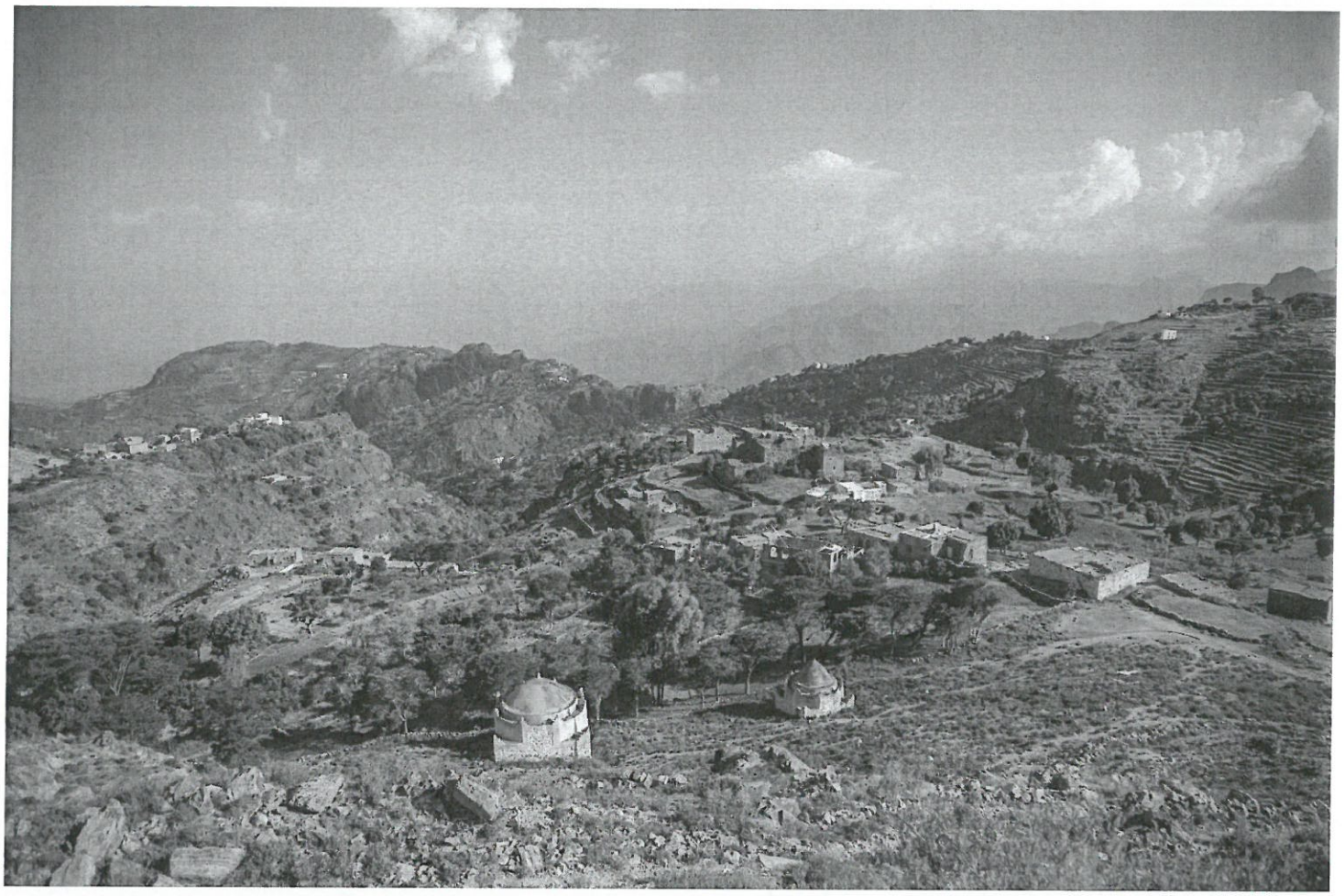
Position Head of Delegation

Signature:

Date: 9/12/25

United Nations Development Programme

Country Office Yemen



Project Document

UN Peace Support Facility (PSF)

Phase 3 (2025– 2027)

NDICI ASIA MENA/2025/488-928

Project Title: UN Peace Support Facility for Yemen – Phase 3
Project Number:
Implementing Partner: UNDP
Project Duration: 24 months
Start Date: 1 November 2025 **End Date:** 31 October 2027 **LPAC Meeting date:** 28 October 2025

Brief Description

Over the past decade, Yemen has faced one of the world's most enduring and complex political, humanitarian, and development crises. As of 2025, **19.5 million people** continue to require humanitarian assistance, with the conflict deeply affecting communities and institutions across the country.

The **UN Peace Support Facility (PSF)** was launched in **2019**, following the **2018 Stockholm Agreement**, as a flexible financial mechanism to support the national peace process. It was designed to enable the implementation of agreements reached during negotiations led by the **UN Secretary-General's Special Envoy for Yemen**, starting with the Stockholm Agreement and evolving in response to the peace process. During its first phase, the scope of the facility was expanded to include support to subnational peacebuilding and the WPS-agenda, resulting in the UN PSF supporting a broad spectrum of Yemeni civil society and their engagement in local peace processes. The portfolio was expanded under phase 2, to include a small grant mechanism to reach smaller Yemeni organisations and a research portfolio.

Building on the achievements of its first two phases, **UN PSF Phase 3** will continue to support the **Special Envoy** and the **UN Resident Coordinator** in their efforts to revitalise and sustain Yemen's peace process. Phase 3 will focus on delivering **fast, flexible, and catalytic initiatives** that generate tangible, rapid, and lasting improvements in the daily lives of Yemenis. These efforts aim to reinforce public confidence in the peace process and foster a locally anchored foundation of support for political dialogue and reconciliation.

The UN Peace Support Facility Phase 3 leans on lessons learnt from Phase 1 and Phase 2, while keeping the general objective and scope of the Facility intact. The project therefore continues to support the UN Special Envoy and the Resident Coordinator's Office through its three result areas:

Result Area 1 supporting the Special Envoy and Resident Coordinator's peace and stability processes through confidence building and peace incentives.

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

Result Area 3 enable special initiatives that support broad-based, inclusive dialogue at national and subnational levels, as well as bolstering OSESGY's capacity to facilitate activities critical to the peace process.

Contributing to **UNSDCF Outcome 3**: By 2026, 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. **UNSDCF Output 3.1:** People-centered economic policies and legislation for inclusive gender sensitive and diversified economic growth promoted including for vulnerable population groups. **Sub-Output 3.1.1**. Social cohesion and resilience to shocks, risks, and conflict for communities in Yemen promoted[1]

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

Total required	US$ 6,329,782.54
Resources allocated	N/A
UNDP	N/A
Donors:	
European Union	US$ 3,140,000.00
Germany	US$ 1,158,455.00
Unfunded:	**US$ 1,898,161.88**

[1] **Activity/Project 3.1.1.03**: Participation of women, youth and marginalized groups in community-based structures increased

3.2. Capacities of communities, local institutions and civil societies enhanced to manage local conflicts and promote social cohesion **3.4**. Capacity of women-led local non-governmental and community-based organisations enhanced to promote and mainstream gender equality and the Women, Peace, and Security agenda. *Indicative Output(s) with gender marker:* ***GEN2/GEN3***		
Agreed by Zena Ali Ahmad, UNDP Yemen Resident Representative Date:		

to strengthen local mechanisms for peace-building and social cohesion; **Activity/Project 3.1.1.01**: Capacity of local authorities and community leaders to respond to and address shocks, risks, and conflicts strengthened through trainings.

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Abbreviations

AI	Artificial Intelligence
AML/CFT	Anti-Money Laundering and Countering the Financing of Terrorism
CBO	Community-based Organisations
CO	Country Office
CfP	Call for Proposal
CPD	Country Programme Document
CSO	Civil Society Organisation
DDR	Disarmament, Demobilization, and Reintegration
DFA	De Facto Authority
DIM	Direct Implementation Modality
EU	European Union
FTO	Foreign Terrorist Organization
FCDO	The Foreign, Commonwealth & Development Office
GCC	Gulf Cooperation Council
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
HACT	Harmonized Approach to Cash Transfers
IDPs	Internally displaced persons
iNGO	International Non-Governmental Organisation
IP	Implementing Partner
IRG	Internationally Recognized Government
I-UNV	International United Nations Volunteer
LPAC	Local Project Appraisal Committee
M&E	Monitoring and Evaluation
MTE	Mid-Term Evaluation
NGO	Non–Governmental Organisation
NPSA	National Personnel Service Agreement
N-UNV	National United Nations Volunteer
OAI	Office of Audit and Investigations
OSESGY	Office of the Special Envoy of the Secretary General for Yemen
PCAT	Partner Capacity Assessment Tool
POPP	Programme and Operations Policies and Procedures
PRR	Prosecution, Rehabilitation and Reintegration
PSF	Peace Support Facility
PSF-SC	Peace Support Facility Steering Committee
PSF-TC	Peace Support Facility Technical Committee
PVE	Preventing Violent Extremism
QA	Quality Assurance
RC	Resident Coordinator
RCO	Resident Coordinator's Office
RfA	Rationale for Adaptation
RFA	Risk and Feasibility Assessment
RfP	Request for Proposals
RP	Responsible Party
SBAA	Standard Basic Assistance Agreement
SEA	Sexual exploitation and abuse
SES	Social and Environmental Screening
SGM	Small Grants Mechanism
SH	Sexual harassment

SSR	Security Sector Reform
SSOP	Safer Salvage Operation Project
TBD	To Be Determined
ToC	Theory of Change
ToRs	Terms of Reference
UN TT	United Nations Tripartite Team
UNDP	United Nations Development Programme
UNDP CPU	United Nations Development Programme Central Procurement Unit
UNDP RR	United Nations Development Programme Resident Representative
UNMHA	UN Mission to support the Hudaydah Agreement
UNSDCF	United Nations Sustainable Development Cooperation Framework
UNSMS	United Nations Security Management System
WRTC	Women Research and Training Center
WPS	Women, Peace, and Security (WPS)

1 Development Challenge

The wave of pro-reform protests that took place across the Middle East and North Africa in 2011 also occurred in several Yemeni cities, where participants expressed grievances related to governance and called for political change after more than three decades of presidential rule. The following instability eventually led to the outbreak of violent conflict in 2015, effectively splitting Yemen in two. Prior to the conflict, Yemen was a lower-middle income country, scoring third lowest of the Arab States countries on the Human Development Index (HDI) in 2011 underlined by ill-managed natural resource, severe impact from climate change on local weather patterns, and regional security tensions.

On the most recent HDI, Yemen scores lower than in 2011 mainly due to the sharp decrease in Gross National Income (GNI) per capita[2] and the Yemenis have especially been affected by the two divergent fiscal policies implemented in areas held under De Facto Authorities (DFA) and the Internationally Recognized Government (IRG)- controlled areas. If the current trajectory continues, the level of poverty in Yemen will be the worst in the world, and most of the population will be malnourished, leading to further deterioration of health and educational indicators. The deteriorating economic and political situation in Yemen, is likely to further fragment the social fabric of Yemen. An estimated 19.5 million people will need humanitarian assistance in 2025 and with international funding levels decreasing, a significant funding gap persists, which will not allow the humanitarian needs to be meet.[3] The unsustainable humanitarian situation stresses the need for promoting peace at local and national levels, strengthen government institutions and increase community resiliency to enable long-term development, and ultimately reduce aid dependency.

After a decade of conflict, government institutions have fragmented and weakened and community resiliency has decreased, while conflict dynamics have become increasingly entrenched. A truce between the two warring parties come into effect in 2022, and while not officially extended, the main parameters of the agreement and the 2022 frontlines still hold. As of 2025, 48 frontlines remain active across 11 governorates, including Sa'dah, Hajjah, al-Jawf, Marib, Shabwah, and al-Bayda in the north and east; Hodeidah and Taiz in the west; and Abyan, Al-Dhalea, and Lahj in the south. Fragmentation of power is much more prominent in IRG than in DFA areas. The DFA has continued to maintain control over territory. However, civic space is progressively shrinking, exemplified by the ongoing detention of NGO, INGO, and UN staff, and the difficulty in obtaining permits to implement peacebuilding projects. The humanitarian need is disproportionately higher in DFA-controlled areas, where most of the population is located.

In IRG-controlled areas, various actors maintain control of different districts and governorates, with persistent tensions between central and subnational authorities over who can regulate society and control economic activity. The fragmentations have so far led to permanent and more *ad-hoc* arrangements at the subnational level, with resources being diverted from central purview.

At the same time, regional inequalities are significant and growing – another impediment for future peace. Since 2014, most local councils' political legitimacy, and human and financial resources, at governorate and district levels have shrunk dramatically as the conflict has penetrated subnational government structures. Central government transfers, including salaries and investment capital to local councils, stopped or are irregular. For the peace negotiations to have any lasting impact, the meaningful involvement of subnational actors in the peace process grows in importance.

The conflict in Yemen is increasingly intertwined with the ongoing regional conflict. Since the outbreak of the Gaza conflict on 7 October 2023, regional tensions have escalated significantly, with important ramifications for Yemen. The conflict has increasingly taken on a Yemen dimension, particularly through the expansion of hostilities into the Red Sea and Bab al-Mandab Strait. Ansaar Allah (AA) has launched missile

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[2] GNI per capitate decreased from 2,995 in 2011 to 1,018 in 2023. See hdr.undp.org for more information.
[3] United Nations Office for the Coordination of Humanitarian Affairs (OCHA), Yemen Humanitarian Needs & Response Plan 2025, January 2025

and drone attacks targeting Israeli interests and commercial shipping it has identified as being linked to Israel, and previously with other Member States. Israel has conducted several airstrikes on areas under AA control. The US and the UK were also engaged for a limited period by launched coordinated strikes on AA military positions in northern Yemen. Israel continued to carry out intensive strikes against DFA-controlled territories focusing on critical infrastructure like the Hodeida and other Ports, and AA targets, last hitting the full DFA cabinet in Sanaa. These developments have further complicated the conflict landscape and risk undermining efforts to sustain de-escalation and preserve the mediation space in Yemen.

The evolving regional landscape, including the conflict in Gaza, has added layers of complexity to the strategic considerations of regional and international actors engaged in Yemen. While AA and the US reached an understanding on a cessation of hostilities on 6 May 2025, AA has continued to carry out attacks targeting Israel and vessels it has identified as being linked to Israel in the Red Sea region. AA lately announced the suspension of these operations as a result of the Gaza ceasefire agreement, while indicating that it remains on standby to resume activities in case the Gaza ceasefire does not hold. These developments underscore the interlinkages between regional crises and the Yemen file, complicating efforts to de-escalate and reach a sustainable resolution. In response to the deteriorating security environment in the Red Sea, various member states have mobilized resources to protect maritime navigation. The European Union (EU), for instance, launched Operation ASPIDES in February 2024, which is framed as a defensive maritime security mission aimed at safeguarding commercial vessels and ensuring freedom of navigation in the Red Sea and surrounding waterways.

Following the outbreak of the Yemeni conflict in 2015, the United Nations Security Council mandated the Secretary-General to establish a special political mission for Yemen, the Office of the Special Envoy of the Secretary General for Yemen (OSESGY), which is mandated on facilitating the resumption of a peaceful, inclusive, orderly, and Yemeni-led political transition process that meets the aspirations of the Yemeni people. OSESGY's mediation approach encompasses three tracks of the peace process, political, security, and economic. The Special Envoy's Office engages directly with the parties as well as various societal groups, including civil society organisations, women's organisations, political groups, youth movements, religious groups, professional organisations, and trade unions.

The December 2018 Stockholm negotiations under OSESGY auspices represented a first breakthrough in the peace negotiations process, since the Kuwait Talks in 2016, generating enthusiasm among the international donor community. The international donor partners were ready to offer more resources to the Special Envoy, capitalising on the momentum generated by the Stockholm Agreement.

More recent developments, include the ceasefire of April 2022 and the preliminary agreement by the warring parties to the UN Roadmap. In December 2023, the Special Envoy announced that the parties committed to measures to implement a nationwide ceasefire, improve living conditions, and engage in preparations for the resumption of an inclusive political process. The commitments include the payment of public sector salaries, resumption of oil exports, opening roads in Ta'iz and other parts of Yemen, and further easing restrictions on Sana'a Airport and Hudaydah Port. The SE announced that he will engage with the parties to establish a UN road map to ensure the implementation of those commitments.

This development emerged against a backdrop of increasing regional tensions, including increased military escalation in the Red Sea and the Gulf of Aden in particular. Besides this, in 2024, economic tensions increased significantly threatening financial services and humanitarian aid operations. The Special Envoy facilitated agreements to mitigate banking and aviation disputes, ensuring resumed flights between Sana'a and Amman. Efforts are ongoing to operationalize these various commitments.

The UN PSF has in the meantime increasingly been facilitated to support subnational and local confidence building initiatives, and subnational peacebuilding.

The UN Peace Support Facility (PSF) was created in 2019 as an operational tool to support the OSESGY-led peace process with quickly deployable funds to implement agreements reached during the negotiations and incentivise the warring parties to engage in the peace process. Phase 1 of the project was finalised in March 2023, followed by Phase 2, which built on the lessons learnt captured in the mid-term evaluation of phase 1, and the Strategic Framework (2023-2026) prepared in advance of the Phase 2 project document. During Phase 2, the UN PSF support was linked to various common understandings reached with and between the

parties to the conflict. The UN PSF was also supporting OSESGY on considerations for all three tracks, including producing research on Transitional Justice, Economic Infrastructure, and Governance Arrangement. During phase 3, the facility will continue to serve as a platform for the UN and international partners to discuss, design and implement a harmonised and coordinated response supporting the broader peace process. Phase 3 will continue to provide a versatile tool that facilitates the emergence of – and capitalises on – opportunities to make progress towards peace and that can deliver peace dividends in the form of tangible improvements in the lives of people affected by the conflict.

2 Strategy

Building on the initial strategic framework, the results, lessons learned, and evaluations of phase 2, the UN PSF will continue to provide, through a new 24 months phase 3 of the project, a versatile and flexible tool to support the programmatic peace priorities the UN Special Envoy and the UN Resident Coordinator (RC), with the delivery of short-term initiatives with long lasting improvements to the lives of Yemeni men and women. The interventions are collectively aimed at reinforcing and building support for peace at national, subnational, and local level.

Despite the deteriorating situation in Yemen, the continuation of the UN PSF comes at an opportune moment, as the recent period has seen several peace opportunities including the opening of the Al-Dhalea and Al-Qasr Roads, the breakthrough in cross frontline water management mediation, and several local peace processes in need of additional support. Like Phase 2, the UN PSF Phase 3 has scalability built into its design, enabling it to adapt to changing requirements and priorities as the Yemeni context develops and peace opportunities emerge.

Through its three result areas, the UN PSF supports initiatives along the three OSESGY mediation tracks: political, military/security, and economic – covering short and longer-term priorities emanating from international mediation efforts between the parties to the conflict with the potential of supporting and sustaining peace. Meanwhile, the UN PSF has a subnational component that will address and support local peace processes and initiatives pertinent for the conflict parties to be addressed and/or support the transitional process. The UN PSF will also support the UN Resident Coordinator's Office (RCO)-driven economic, peacebuilding and conflict resolution initiatives, including support to roads opening.

The strategic priorities for 2026 and 2027 are described in Appendix 7.[4] To fulfil the PSF's mandate and mission of supporting the national and local peace processes with an agile and flexible tool for implementation along the three result areas, ongoing resource mobilisation efforts will be required pursued, throughout the project period.

The UN PSF's strategic ambition is to continue delivering agile, sustained support to UN-led mediation and peacebuilding, bridging Phases 2 and 3 seamlessly and ensuring the continuity, credibility, and durability of peace efforts throughout Yemen.

2.1 Key lessons learned

While two evaluations of the UN PSF are ongoing,[5] several lessons learned have been recorded by the UN PSF Team and in European Union (EU)'s Result Oriented Monitoring (ROM) report from September 2024.

As highlighted in EU ROM report several recommendations of the 2021 Mid-Term Evaluation of phase 1 were accounted for in Phase 2 and will continue to feature in phase 3. The ROM review confirms that the following lessons were considered and largely adopted during the second phase of PSF: 1) Mitigation of PSF

[4] The appendices referenced throughout this product document refers to UNDP Project Document appendices when in numbers, whereas annexes using roman numerals refer to annexes to the EU Special Conditions of which this project document is Annex I- Description of Action.

[5] The EU initiated their evaluation in Mid-2025, simultaneously with UNDP's internal evaluation of the project.

dependency on future political stability allowing for a combined top-down (Result Area 1) and bottom-up (Result Area 2) approach; 2) Strengthened collaboration amongst stakeholders with a revised governance structure; 3) Streamlined gender inclusion through the adoption and implementation of the PSF gender strategy; 4) Continuous strategic engagement with donors in strategic conversations, including annual priority setting, necessary adaptations, and results progress. The key lessons learned during the second phase includes:

Strategic relevance requires flexibility. The Yemeni context continues to be dynamic, requiring the UN PSF to stay agile in achieving results and pursuing its strategic priorities under evolving political and regional conditions. During Phase 2, this agility was demonstrated through a dual focus on supporting the national-level initiatives, while achieving tangible outcomes for Yemenis at the subnational level. This experience reaffirms the value of a dual-track approach—supporting high-level negotiations, subnational interventions, and community-driven peacebuilding initiatives.

Coordination, transparency, and synergies enhance impact. The UN PSF's governance structure (Tripartite Team, Technical Committee, Steering Committee) and broad outreach during phase 2, identified synergies with initiatives like UNOPS' PSP, UNDP SIERY, and Berghof's SILGPY. This was enabled by a high-level of transparency and inclusive decision-making processes, which safeguarded a shared understanding of the facility's objective. The Facility was furthermore selected to implement the UNDP-EU HQ funded Insider Mediation project, which was designed with strong linkages to the Small Grant Mechanism (SGM), the UNDP Enhance Resilience of Agriculture (ERA), and the regional insider mediation project implemented by UNDP Regional Bureau for Arab States (RBAS). The next phase of the Insider Mediation project will be closely linked to ongoing research on women's role in insider mediation and the upcoming publication of UNDP Yemen's Insider Mediation Strategy. The collaborations have amplified the impact of the involved initiatives, and further scope exist for deepened strategic coordination with INGOs, UNDP RBAS' mediation portfolio, and UN PSF partners' peacebuilding projects.

Gender strategy and portfolio show strong promise. The Peacebuilding Network in Aden and the support to the National Action Plan (NAP) on the Women, Peace, and Security (WPS) Agenda demonstrated tangible progress in advancing gender equality in the pursuit of the WPS agenda. This is for instance evident in the catalytic work of the Women's Research and Training Center (WRTC) and tangible impact of the NAP WPS portfolio for women reporting Gender Based Violence (GBV) to police stations in Aden. While challenges, including the possibility of replication to other regions, remains, there are several trajectories under the UN PSF portfolio that will be explored during phase 3.[6]

Build on success of the Small Grants Mechanism. During Phase 2, the UN PSF introduced the SGM. Two rounds were implemented and collectively they were a resounding success in terms of interests from Yemeni Civil Society and the impact of individual projects. Across the two rounds, the SGM received 77 applications, illustrating a funding request of more than US$ 6 million, exceeding the allocated budget by US$ 5 million. The mechanism achieved significant results on increasing local communities' perception of security and safety and access to local peace processes, while delivery tangible impacts on every-day life like enhanced service delivery, for example on access water, and access to quality policing.[7] To align the expectations from civil society to the SGM while safeguarding and developing on result already made, the SGM under UN PSF phase 3 will define Calls for Proposals (CfP) more strategically and focus on new interventions, while upscaling projects that have demonstrated greatest impact under rounds 1 and 2.

Limited implementation in DFA-controlled areas. In June 2024, the Steering Committee endorsed a Whole-of-Yemen approach for the UN PSF. However, implementing in DFA-controlled areas has since become increasingly complex, including due to the impact of the US designation of AA as a Foreign Terrorist

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[6] As the EU contribution to UN PSF phase 2 ended before the contribution of other donors (31 December 2025), projects under the gender portfolio are not finalised at the time of writing this project document and the portfolio's specific activities under the next phase remains to be defined.

[7] The impact survey has consistently demonstrated higher levels of impact on women than on men, in particular with regards to trust in local peace processes.

Organization (FTO), which has increased compliance costs for doing business in that area. Furthermore, and following the marked increase in detentions of UN staff, the UN will in the foreseeable future only be able to implement life-saving activities, while also allowing efforts to facilitate the peace process to continue. The UN PSF will furthermore continue to keep abreast on donors' policies regarding implementation in DFA controlled areas and strictly adhere to them.

Need for Improved impact measurement. The initial Phase 2 results framework did not sufficiently define impact-level indicators, baseline data, and qualitative metrics. This reflected the agile and adaptive nature of implementation, where the specific locations and scope of interventions where often determined only following endorsement by the Technical Committee. In Phase 3, the PSF will adopt a more robust evidence-based framework, integrating Global Europe Results Framework (GERF) indicators, more rigorous baseline surveys, and qualitative monitoring tools to better assess changes in trust, inclusion, and public perception.

2.2 Guiding Principles

The UN PSF Phase 3 will build on similar guiding principles of Phase 2, while enhancing **strategic relevance**, increasing **impact**, ensure **conflict sensitivity**, and remain **flexible and agile** in order to respond to the dynamic Yemeni context with an emphasis on **gender mainstreaming**

Enhancing **strategic relevance** entails prioritizing key interventions that directly advance the priorities of OSESGY and the RCO. Some of the possible areas of interventions have already been identified, including support to local development such as roads openings in Al-Dhale and Taiz, rehabilitation of water infrastructure, and implementation of the multi-level Yemen ceasefire mechanism. Additional interventions will be jointly identified by the technical committee, in close coordination with OSESGY's substantive sections, and the RCO, to ensure continued alignment with evolving peacebuilding and development needs.

Increasing **impact** under Phase 3, will be achieved by the technical committee prioritising endorsement of interventions with a high level of tangible results for Yemeni local communities. This will in particular be the focus under the subnational peacebuilding interventions: the Small Grant Mechanism, Scale-Up peacebuilding initiatives from phase 2, and the Gender Portfolio. Furthermore, to increase impact, identification of synergies and possible collaboration with projects outside the UN PSF will be a key focus, including projects implemented by other UN agencies, INGOs, and Yemeni CSOs.

Phase 3 will continue to create an equitable balance between various priorities of regions and parties and apply a **conflict-sensitive approach** considering political nuances of local-level capacity building and ensuring that authorities are kept informed about project activities. It is, however, equally essential to:

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

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

The facility remains **flexible and agile** using an **adaptive management approach** enabling different modalities of support to the Yemeni peace process and the larger peacebuilding context through all available avenues. This will ensure that the UN PSF can continue to operate in the evolving Yemeni context.

Gender mainstreaming will be applied across all result areas. Current support through the Women's Research and Training Center (WRTC) will continue to address and facilitate the **local-level social network and movements aimed at advancing women's rights and gender inclusivity** and advocate for participation of women and youth in the peace process.

2.3 Theory of Change

Peace remains the foundation for sustainability of recovery, peacebuilding, and longer-term development interventions. The peace negotiation process under the auspices of the Special Envoy of the Secretary-General is the main international vehicle to pursue peace in Yemen. The UN PSF Phase 3, which is anchored in support of the peace process, is therefore still designed to promote the leverage of OSESGY, while working with conflict-affected communities to provide tangible impact and further develop the foundation for peace.

The UN PSF Theory of Change (ToC) has the **long-term impact objective:**

- To achieve a more integrated and stable peace process that lays the foundation for Yemen's sustainable recovery, through coordinated support to political, security, societal, and socio-economic initiatives.

With the following three **objectives:**

- Enhanced enabling environment for national peace efforts through technical support to OSESGY-led initiatives, confidence-building measures, and implementation mechanisms (e.g. peace agreements ceasefire support, economic measures, and road openings).
- Strengthened local peacebuilding and social cohesion through inclusive engagement of local stakeholders (local leaders, officials and civil society) in conflict resolution and recovery initiatives.
- Expanded and coordinated international support from various actors (donors, private sector funds and international organisations) for special initiatives that advance the UN-led peace process and deliver tangible peace dividends for Yemenis.

The three objectives will be achieved through the following set of **interventions**:

Objective 1 – Enhanced enabling environment for national peace efforts

- Support to national and subnational level confidence-building measures and peace dividends, including initiatives such as road openings and the implementation of economic and security measures.
- Support to ceasefire implementation and monitoring mechanism at national and local levels, for example the maintenance of the Al-Hariss sentry system.
- Development of actionable research on peace dividends and economic recovery to inform dialogue and mediation efforts.

Objective 2 – Strengthened local peacebuilding and social cohesion

- Support to subnational peacebuilding activities, that promote conflict resolution, dialogue, and tangible improvements in daily life.
- Capacity building of women-led NGOs and community-based organisations to enhance inclusive participation in local peace processes and promote gender equality.
- Advancement of the WPS-agenda and women's role in mediation and peacebuilding.

Objective 3 – Expanded and coordinated international support

- Support to critical special initiatives that complement the peace process and, where relevant, contribute to the implementation of a national peace agreement.

The ToC is based on several key **assumptions** and relies on a nuanced and continuously updated understanding of contextual changes, political dynamics, and the impact of interventions. Importantly, it assumes that initiatives delivered by the UN PSF will (1) create tangible incentives for the parties to engage in peace processes at both the national and local levels; (2) ensure that support to local peace processes positively influences, directly or indirectly, progress at the national level; and (3) lead to tangible improvement in the lives of affected communities.

At the national level, PSF-supported initiatives seek to demonstrate that constructive participation in the UN-led political process, including ceasefire arrangements, confidence-building measures, and economic

stabilization efforts, can yield concrete benefits for the parties and the broader population. At the local level, the PSF's interventions aim to incentivize participation in peacebuilding processes that enhance stability, social cohesion, and service delivery, thereby reinforcing the link between local peace dividends and national peace efforts. The third assumption was validated during phase 2 and will be further strengthened under phase 3 through the increased focus on results and impact.

To achieve this phase 3 builds on impact monitoring tools developed under phase 2, which include perception surveys, bearing in mind Yemen's geographic diversity and challenging security and safe environment. To succeed, Phase 3 will continue to rely on regular dialogue with international partners through established governance mechanisms and quarterly reporting. As emphasized during phase 2, ensuring transparency and shared understanding in decision-making remains critical to maintaining coherence and alignment around the Facility's objectives in a highly volatile context.

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

TEXTBOX 1: UN PSF PHASE 3 THEORY OF CHANGE

Knowing that:

- Peace remains the foundation for sustainability of recovery, peacebuilding, and longer-term development interventions.

Assuming that:

- Key stakeholders at the national and governorate levels will remain engaged in the peace process led by the UN Special Envoy
- Opportunities for peace at the national and sub-national level continue to arise within the framework of the negotiation process led by the OSESGY.
- The security situation will allow for the continuous implementation of activities.
- Peace dividends will increase appetite for peace by the parties involved in the conflict.
- Peace dividends will increase incentives for the parties to remain engaged in the peace process.
- Resources and a flexible project development and implementation mechanism are put in place that deliver timely, tangible peacebuilding and stabilisation initiatives in areas recently coming out of armed conflict as well as conflict prevention and mitigation initiatives.
- Drastic changes in security situation, will not severely impact or effectively end project delivery during the intervention lifetime.
- The political environment remains conducive to using intervention outputs in support of the peace process.
- Stakeholders have the authority and willingness to implement recommendations and activities supported by UN PSF and which contribute to meaningful change.

If:

- Confidence-building measures and ceasefire mechanisms are implemented.
- Inclusive, locally driven peacebuilding initiatives are supported.
- Women and marginalised groups are meaningfully engaged in peace processes.
- Strategic coordination and flexible funding mechanisms are maintained.

Then:

- Local and national actors will be better equipped and incentivized to engage constructively in peace negotiations.
- The groundwork for a nationwide ceasefire and inclusive political process will be strengthened.
- The international community will be better positioned to coordinate and sustain support for peace and recovery in Yemen.

In the long term, the UN PSF will achieve a more integrated, inclusive, and stable peace process, laying the foundation for sustainable reconstruction and recovery in Yemen.

What will success look like?

In view of the above proposed theory of change and its underlying assumptions, the Facility will be considered successful if:

1) Timely support and efficient implementation of selected initiatives under the three result areas is ensured.[8]
2) The initiatives implemented in the three result areas demonstrate strategic relevance to the peace process, i.e., aligned with the priorities of OSESGY and the RCO and substantively support the peace process at local, sub-national or national levels.
3) Projects under result area 2 respond to local dynamics and enhance the capacity of local actors to engage in peace processes.
4) Existing or re-emerging local conflicts are settled, and escalations minimised in target communities.
5) The meaningful participation of targeted beneficiaries in the peace process of targeted beneficiaries, especially women and youth through their organisations and networks, has increased.
6) Tangible improvements in the lives of people, especially women and youth with conflict-carrying capacity affected by conflict in target areas are achieved.
7) There is continuous or renewed engagement of the parties in the peace process.[9]
8) Effective coordination, transparency, and communication with international partners and stakeholders are maintained through established governance mechanisms and reporting processes.

3 Results and Implementation Arrangements

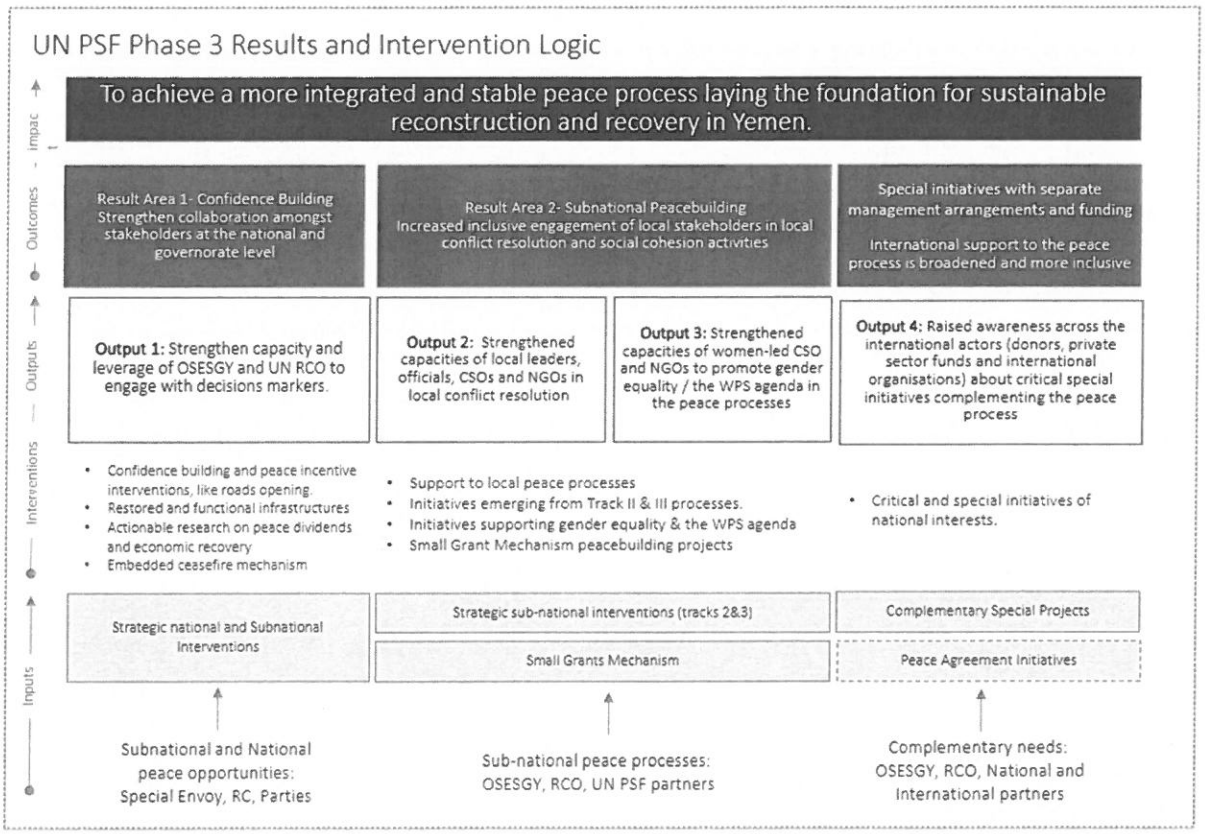
The PSF contributes to **UNSDCF outcome 3:** "By 2026, people in Yemen, especially women, adolescents, girls and those at risk of being left behind, become more resilient to economic shocks by increasing their income security and access to decent work."

It directly supports the following outputs of the **UNDP Country Programme 2023-2026**:[10]

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

[8] Noting that no special initiatives was identified by the steering committee during phase 2.
[9] Several factors outside the control of the UN and the UN PSF, have significant impact on the possibility of this.
[10] The UNDP Country Programme Document was extended till end of 2026.

FIGURE 1: PSF RESULTS AND INTERVENTION LOGIC



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

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

Potential Special Initiatives: Accommodate special initiatives funded through additional contributions from any donor. Special initiatives will be defined in a separate project document and governed by separate management arrangements. These initiatives which are complementary to result areas 1 and 2 will promote broader, more coherent, and inclusive support of the international community to the peace process, and to a peace agreement once concluded.

3.1 Overview of Result Areas

Result Area 1 – Confidence Building and Peace Incentives

Output 1: Strengthen capacity and leverage of OSESGY and RCO to engage with decisions markers.

Interventions under result area 1 will support the Special Envoy and Resident Coordinator's efforts for peace through confidence building interventions and peace incentives. They will increase the capacity and leverage of OSESGY and the RCO, and directly or indirectly contribute to the continuity and success of the peace negotiations.

Projects under results area 1 will deliver confidence-building measures and peace incentives or increase OSESGY and the RCO's capacity in defining the scope of such activities. They will have significant political impact at governorate or national level, and feature strategically in the peace process.

Some initiatives from phase 2 will continue during phase 3, including the support to roads opening, staff support to the implementation of the ceasefire mechanism, and the modified and more actionable research portfolio (research will now focus on the feasibility, scope and nature for larger or more systemic or structural confidence-building measures and peace incentives).

Given the centrality of result area 1 initiatives to the overall peace process, potential bottlenecks, as well as the roles and responsibilities of the three participating UN agencies, will be identified and agreed prior to implementation to prevent delays and anticipate possible political obstacles.

Due to the current operating constraints, potential interventions in DFA-controlled areas will be assessed on a case-by-case basis, considering access, security, political, specific donors' policy on implementation in DFA-controlled areas, and other relevant considerations.

Examples of initiatives eligible under result area 1 include:

- Support the planning and implementation of the multi-level Yemen Ceasefire Mechanism.
- Support to road opening, for examples rehabilitation of roads, training of security forces and CSOs on civic-military engagement.
- Support capacity building for security personnel to pave the way for demobilisation in the event of a peace agreement.
- Capacity development and infrastructure rehabilitation to boost economic activity and spur support for the peace process such as support for the Special Envoy's recent efforts to re-open Sana'a international Airport to commercial airlines.
- Feasibility studies that informs interventions and increases capacity of OSESGY and the RCO.

Result area 2 – Subnational Peacebuilding

Output 2: Strengthened capacities of local leaders, officials, CSOs and NGOs in local conflict resolution.

Output 3: Strengthened capacities of women-led CSO and NGOs to promote gender equality / the WPS agenda in the peace processes

The national peace process in **Yemen** continues to face increased complexity, with the Special Envoy exerting sustained efforts to safeguard the gains achieved under previous agreements and to prevent ongoing regional tensions from further destabilising the situation. Since the April 2022 truce, the relative stability that has prevailed has created space for subnational and local peace efforts to take root, supported by a diverse range of civil society organisations and community actors pursuing opportunities for reconciliation, and service restoration. These local initiatives represent an important entry point for building trust, strengthening social cohesion, and generating peace dividends that can, in turn, reinforce progress at the national level. During phase 2 of the UN PSF, several of these organisations were supported under result area 2. Based on the ongoing evaluations, engagement with implementing partners, and all stakeholders to the facility, phase 3 will focus on the peace opportunities with most strategic relevance as determined by the technical and steering committee, while continuing a slightly modified Small Grant Mechanism (SGM).

Interaction between the UN PSF and civil society organisation during phase 2, provides space for OSESGY and the RCO to highlight their strategic direction, gain input, and identify where civil society could possibly strengthen their leverage and strategic priorities. For civil society, the interactions furthered their strategic thinking and overview of the national level peace process, while provided clarity on OSESGY's priorities and possibilities for collaboration. It is important to continue this inherent productive space for interaction and synergy identification.

The projects will furthermore deliver tangible and rapid improvements in the lives of the Yemenis affected by conflict including dedicated activities benefiting women and youth with conflict-carrying capacity. Activities aim to build increasing demand for peace, and therefore positively influence the high-level peace

process. A particular emphasis of result area 2 initiatives will be to engage youth with conflict-carrying capacities and to promote the participation of women and women's organisations in sub-national and national peace processes. Overall, the initiatives will lead to increasing trust within and between communities, lead to positive perception changes of the population, and reduce the level of tensions in targeted areas. They will also contribute to gradually rebuild Yemeni civil society as a critical vehicle to organise and channel interests of the population, and especially the demand for peace.

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

The SGM, Pillars of Peace (PoP) project, and the Gender-focused peacebuilding network will be carried over from phase 2 and ensure continuity.

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

Due to the current operating constraints, potential interventions in DFA-controlled areas will be assessed on a case-by-case basis, considering access, security, political, specific donors' policy on implementation in DFA-controlled areas, and other relevant considerations.

Examples of initiatives eligible under result area 2 include:

1. Local monitoring of the ceasefire in collaboration with civil society
2. Support to local mediation and peace opportunities
3. Support to coordination of local peace clusters.
4. Initiatives that emerge as a direct result of Track II & III dialogues and processes.
5. Initiatives by national civil society organisations selected competitively through the Small Grants Mechanism.

Special initiatives with separate management arrangements and funding

During phase 2 no new special initiatives were identified. It is however still relevant to continue result area 3 to remain flexible and agile should the dynamic of the peace process change, and special initiatives be identified. Potential project will support opportunities for complementary, strategic activities that support the peace processes and require broader international support. Under this result area, PSF partners or any donor not included otherwise in the PSF, will be able to contribute additional resources to specific initiatives governed through separate management arrangements and defined in a dedicated project document.

Due to the current operating constraints, potential interventions in DFA-controlled areas will be assessed on a case-by-case basis, considering access, security, political, specific donors' policy on implementation in DFA-controlled areas, and other relevant considerations.

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

- High risk initiatives that require risk-sharing among donor partners.
- Require a harmonised international response or coordination through existing mechanisms.
- Are too sensitive for donor partners to fund directly.
- Have the potential to serve as confidence building mechanisms.
- Address immediate needs arising during negotiations or in the immediate post-agreement phase.
- Support broad-based, inclusive dialogue activities at the national and subnational levels.

- Strengthen the capacities of OSESGY and/or partners to facilitate activities critical to peace processes.
- Pilot or test innovative approaches that can inform or scale up future peacebuilding programming.
- Generate lessons or models that can be replicated or expanded under other Facility result areas.

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

3.2 Implementation Arrangements

Annual budgeting and planning process

Like Phase 2, phase 3 will rely on the UN PSF Team to conduct a mapping of potential national and local level initiatives considered for PSF funding, based on the overall UN PSF strategy described in this document, and renewed when relevant. This strategy may be reviewed and updated, as relevant, to reflect evolving priorities and contexts, subject to endorsement by the biannual Steering Committee. The mapping exercise which will be informed through engagements with communities throughout Yemen, will be followed by a joint strategic prioritisation prepared by the PSF Technical Committee. This prioritization will, in turn, inform the facility's annual budget, planning process, and resource mobilisation efforts.

Prioritisation will be guided based on the following criteria: (1) Strategic relevance to the peace process, as defined under the respective result areas; (2) Potential to generate subnational demand for peace and reinforce confidence in the peace process; (3) Expected impact in delivering tangible result for local communities, and (4) anticipated pace of the implementation and expenditure of each initiative.

Funding for urgent activities outside the regular planning process

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

Selection of project initiatives

Under **result area 1**, initiatives can be proposed by OSESGY, the RCO, or UNDP Yemen. Initiatives can also be proposed by parties to the conflict or governorate-level official entities via one of three UN Tripartite members. Initiatives should make a clear contribution to the national peacebuilding and stabilisation processes, and/or strengthen the capacity and leverage of OSESGY or the RCO.

Initiatives can be proposed in various formats of submission, including ToRs and Concept Notes, depending on the nature of the initiative. The submission package should outline how the proposed initiative develops capacity or the leverage of OSESGY or the RCO, and has clearly defined objectives, activities, beneficiaries, and estimated budgets. The UN Tripartite Team, facilitated by the PSF team, will support the development of ToRs as needed. Additional sectoral or geographical expertise may be consulted to strengthen ToRs. Such capabilities can be drawn as adequate from (1) UNDP Yemen Country Office or Regional Hub, (2) the UNDP stand-by pool of experts, (3) other UN Agencies, or (4) Donor Partner capacities with the required technical expertise.

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

Under **result area 2,** initiatives linked to Track II & III dialogues, other sub-national peace processes and mediation, or local social disputes over access to resources and basic services can be proposed by OSESGY, the RCO, UNDP or members of the Steering Committee in close consultation with the UN PSF Tripartite.

Eligible initiatives must have a strong focus on inclusive local conflict resolution and address the causes and impacts of conflicts at sub-national levels, while providing tangible impact for local communities, and enhance the participation of population in sub-national consultations and peace processes. Other thematic areas include:

- Enhance the capacities of women-led NGOs and networks and support the meaningful participation of women, youth, and minorities in subnational peace processes.
- Support accountability of security actors in respect to the population.
- Tackle the drivers of subnational conflicts such as the water and energy sectors, which may be possible in combination with a peace dividend under result area 1 that rehabilitates essential infrastructure.
- Support the implementation of agreements reached in subnational conflict mediation processes, such as – and not limited to – the rehabilitation of critical community infrastructure.

Like result area 1, initiatives will be proposed through a submission package determined by the applicable UNDP programming or procurement modality. The submission will be supported by the UN Tripartite Team and additional technical capacities as needed.

Once a package is submitted, it will be possible to present the initiative to the UN PSF Technical Committee. This is also an opportunity for the committee to clarify any outstanding questions. The committee will inform the UN PSF secretariat of endorsement/non-endorsement via email following the committee meeting. Initiatives with an estimated budget above $1 million, which will be evaluated and endorsed by the UN PSF Steering Committee.

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

Several partners have created instruments to provide funding and support to other interventions where synergies exist. Result areas 1 and 2 are designed to act in complementarity with such instruments. Planning and coordination with other projects is therefore not limited to initiatives implemented by UN Agencies but will also include non-UN platforms, including the Foreign, Commonwealth, and Development Office (FCDO)'s Yemen Support Fund (YSF) and the World Bank Yemen Trust Fund.

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

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

TEXTBOX 2: SELECTION AND APPROVAL OF RESULT AREA 1 & 2 PROJECTS

Project and Implementing Partners Selection Process for Result Areas 1 and 2

Trigger:

- RA 1 and 2: OSESGY, RCO, UNDP, or steering committee member proposes an initiative.

Step 1: The UN PSF secretariat determines the required submission packages: TOR, CN, etc. and supports the proposing entity with its development, including the conflict-sensitive risk and feasibility assessment.

Step 2: PSF Technical Committee assesses and endorses the submission in writing. The proposer can present the initiative at the monthly technical committee meeting, if necessary.

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

Step 3: UNDP invites the relevant implementing partners (IP)or vendors, to submit the technical and financial proposal in accordance with UNDP Programme and Operations Policies and Procedures (POPP). Proposals are received and UNDP establishes a short-list.

Step 5: The evaluation panel conducts the evaluation. The panel will consist of the relevant expertise and can include members of the UN PSF Technical Committee.

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

Step 7: UNDP contracts selected IP, including carrying out relevant processes (AML/CFT, vendor profile vetting, etc.) organises an induction session, and transfers the funds.

Project duration and flexibility for adaptation

The first and second phase of the UN PSF revealed that sufficient flexibility is required for implementing partners who work at the local level to adequately design and implement initiatives, mitigate for operational risks, while enabling pursuit of emerging peace opportunities. Projects funded under result area 1 and 2, are therefore adaptable and can be amended without significant administrative procedures based on approval of the UN PSF Technical Committee. Under the second, amendments were made on duration, scope, and budgets of projects. It was relevant to allocated further funding to projects, when breakthrough in local peace processes occurred or similar peace opportunities occurred.

Project monitoring and reporting arrangements

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

Reporting requirements will follow UNDP guidelines for IP reporting, however During Phase 2 it proved highly valuable to arrange ad-hoc meetings for engagement between the UN PSF and IPs. The meetings allowed for updates and continuous adjustment of projects to achieve the highest impact.

Furthermore, the UN PSF in coordination will continue to provide trainings for IPs on (1) gender mainstreaming including gender-sensitive reporting and (2) mandatory financial safeguards and reporting requirements before selected projects can start their implementation.

Small grants mechanism under result area 2

During phase 2, the SGM involved two rounds of CfPs, each distributed 6 grants of US$ 80,000.00. Most recipients requested extension of implementation duration and some requested additional funding to reach

the envisaged targets, including pursuing emerging peace opportunities. For example, the breakthrough in water-related negotiations led by Sheba Youth Foundation (SYF) across front lines in Taiz, which led to additional funding being allocated to consolidate a water management plan. The impact assessment of the SGM under phase 2 demonstrates the mechanism's ability to boost engagement of local communities in peace processes. Women's engagement in local peace processes in particular rose significantly and increased by 36% following the interventions, and over 90% of participants reported feeling they had influence on the WPS activities implemented under the SGM, demonstrating a high level of inclusivity in project design.

The final evaluation of the SGM second round is ongoing and it is expected to provide further information for improvement of the SGM under phase 3. In parallel, the PSF continues to provide support through the Pillars of Peace Project, which also operates a small-grants mechanism, albeit at a more limited scale. To maximize impact and avoid duplication, Phase 3 will seek to strengthen complementarities and linkages between the two mechanisms, ensuring that lessons, methodologies, and networks developed under each inform and reinforce one another. However, some key modifications have already been identified, including:

- There are high interests in the SGM as 77 submissions were received over the two rounds. Only 12 grants were distributed, so there is a need to target the CfPs more to meet expectations.

- While the SGM targeted smaller organisations, the current funding landscape available to Yemeni organisations and the SGM grant size, led to medium and large organisations applying and receiving grants. To reach smaller organisations with limited operational capacity, there is a need to decrease the size of the grants and provide more support in defining interventions, while upscaling partnership with larger organisations that have implemented successful projects under phase 2.

Based on the two observations, the budget allocated for each grant will be decreased and more support in defining interventions will be provided, the possibility to submit in Arabic will also be explored. The most impactful interventions under phase 2 will be identified during the initial stages of phase 3, based on the ongoing impact assessment, and be scaled up outside the SGM.

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

- Support ceasefire monitoring and accountability of locally operating security actors in respect to the population.
- Tackle the drivers of subnational conflicts such as the water and energy sectors. This may be possible in combination with a peace dividend that rehabilitates essential infrastructure.
- Support the implementation of agreements reached in local conflict mediation processes, such as – and not limited to – the rehabilitation of critical community infrastructure.
- Enhance the role of women, youth and minorities and their meaningful participation in subnational and local peace processes.
- Provide capacity development, feedback, and support to local organisations on proposal development.
- Extend the reach of the Peacebuilding Centres by deploying mobile teams that target rural Governorates and Districts that apply onsite learning methodologies.
- Promote cooperation, partnership, and alliance development to support women and women's NGOs effective participation in peacebuilding.
- Support advocacy campaigns to promote women's and women's NGO role in peacebuilding.
- Identify and build upon the capacities of women mediators, champions, and ambassadors to support conflict resolution in their communities – including conflict scanning, gender-sensitive conflict analysis – and record progress and success.

During phase 3, the SGM will also be implemented across two rounds.

4 Partnerships

The second phase of the UN PSF intensified two-way communication between donor partners, the UN Tripartite Team and implementing partners. Phase 3 will uphold the already establish channels of communication and continue to focus on resource mobilisation coordinated with the tripartite. During Phase 2 the following principles were established, which will be continued during phase 3

1. **Communication from the UN PSF towards current and potential donor partners.** During phase 2, the project developed a quarterly report circulated to current and potential donors. The report includes situational, activity, and financial, updates. It will continue during phase 3 with the objective of attracting new donors and keeping current donors updated.

2. **Strategic decision-making via the two committees.** The technical committee meets monthly to endorse interventions, ensure the strategic direction, provide technical input, and mitigate emergent risks. During phase 2, the technical committee evolved into an effective group with strong working-level connections, which allowed for fast and unbureaucratic communication and work processes. The steering committee meets twice a year and provides the strategic direction. To attract more donors, both current and potential donors are invited to the biannual meetings.

3. **Platform for engagement between implementing partners: T**he UN PSF will continue to organise regular exchanges with local-level actors, including NGOs/CSOs/universities/women's and youth groups and networks contributing to the peace process to capitalise on and amplify their knowledge and capacities. During phase 2, it furthermore became evident that partners benefitting from exchanging thematic knowledge with organisation outside of Yemen. Training and conference participation were therefore organised for several organisations. The approach of continuously identifying opportunities for IPs will be continued under phase 3.

4. **Coordination with facilities and projects**. The need for peace supporting interventions in Yemen is vast, and multiple peacebuilding projects co-exist. Phase 3 will continue to identify synergies that can amplify impact of UN PSF's interventions. During phase 2, both financial and non-financial collaborations were stablished following continuous dialogue with other UN and non-UN programmes, including coordination with Berghof Foundation to support water rehabilitation in Dhamar,[11] rehabilitation of dedicated safe spaces for women in police stations in collaboration with the FCDO's YSF,[12] and support to Taiz-focused workshop with UNICEF. Synergies were also pursued through the Track-II Yemen (T2Y) initiative, where PSF-funded implementing partners contributed to discussions and shared lessons learned in peacebuilding. Building on this approach, Phase 3 will seek to strengthen partnerships with other fora such as the Yemen International Forum and similar platforms that promote dialogue, capture experience, and identify strategic and practical solutions to advance peacebuilding efforts in Yemen.

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[11] While Berghof Foundation and their local partners, Political Development Forum (PSF), led local mediation, the UN PSF rehabilitated water infrastructure for the local communities. The rehabilitation was identified by communities dialogues.

[12] Under the action plan on the WPS NAP, rehabilitation of 20 police stations to include safe spaces for women were identified as a main priority. The UN PSF only had budget to rehabilitate 17 stations and coordinated with the YSF to support the last 3 stations.

5 Adaptive Management and Risk Mitigation

The context in Yemen remains highly volatile, and the safety of peacebuilders has deteriorated significantly during phase 2, particularly in DFA-controlled areas. During the second half of phase 2, peacebuilding interventions were largely confined to IRG-controlled areas. The recent airstrikes in Port of Hodeidah and in Sana'a, as well as the detention of NGO, INGO, and UN staff, underscore the continuing operational constraints and uncertainty.

During Phase 3, the facility will maintain an adaptive management and risk mitigation approach, ensuring the gradual roll-out of PSF initiatives accompanied by continuous monitoring, learning and adaptation. The technical committee will play a central role in conducting regular context analyses and lessons learned to inform strategic direction, adjust work plans for ongoing initiatives, and endorse new ones as conditions evolve.

In parallel, the risk analysis conducted by UNDP during the design of the UN PSF Phase 3, drawing on field knowledge of its staff across regions and a review of socio-economic and conflict trends, will serve as a foundation for risk-informed planning and implementation. However, given Yemen's volatility, continuous risk monitoring and adaptive mitigation will remain essential. Such proactive risk management will also enable joint risk sharing among implementing partners, a critical precondition for successful PSF implementation (see below lessons from risk management in complex settings).

5.1 Key risks and mitigation measures

During phase 2, the UN PSF conducted risk analysis on an ongoing basis. Below are the main categories of risk, while details are provided in appendix 3.

Operational and security risks. As mentioned above, the current environment poses significant constraints for peacebuilding projects. To avoid exposing partner staff to unnecessary risk, the Facility will ensure the consistent applicable of risk and feasibility assessments for all proposed initiatives, along with the careful selection and capacity assessment of implementing partners, and continuous monitoring of project implementation.

Another major risk relates to fraud and corruption. To mitigate this the Facility will rely on UNDP's Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) framework, the systematic capacity assessment of implementing partners, capacity building on fraud prevention, and the UNDP 24/7 fraud reporting hotline. Risk mitigation will also include continuous spot checks carried out by UNDP and the PSF secretariat, as well as regular audits of IPs in line with UNDP's POPP. The modified SGM entails a higher risk exposure due to the lower capacity of some IPs. To address this, UNDP will work closely with the managing partner in the selection of grantees and provide targeted capacity support prior to grant disbursement.

During phase 2, liquidity of the Yemeni banks proved an ongoing issue, forcing IPs to change banks and accept a 1.5% fee for receiving funds in US Dollars. Phase 3 will continue to rely on UNDP communication with authorities to mitigate impact on implementation.

Additional operational risks may be encountered, including delays, transport blockages, challenges getting the necessary access or clearance. The UN PSF Senior Tripartite will provide support as needed and will liaise with relevant authorities to avoid substantial delays.

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

Duplication risks. With more than 20 UN Agencies, Funds and Bodies in Yemen, working together with a relatively large and active community of donors, along a large presence of international and national NGOs,

there is a risk of duplication. The facility will use two venues to mitigate this risk: (1) a clear understanding on the type of initiatives the PSF will support and those that the PSF will not support - i.e. the PSF funds strategic relevant projects and initiatives that support the priorities of the OSESGY and the RCO, and (2) facilitating the coordination efforts of the RCO to avoid duplications and overlaps.

Sexual Exploitation and Abuse (SEA). During phase 2, training on SEA were conducted throughout the implementation period. This increased the capacity of IPs on SEA, in particular on establishing relevant policies and reporting mechanisms.

Financial risks. Under-capitalization remains a risk that affects credibility and efficiency. To mitigate, Phase 3 will conduct continuous resource mobilisation, and budgetary scalability.

Programmatic risks include access constraints and possible interference by parties and authorities in the selection of sites and priorities. Implementation in the DFA-controlled areas will be on a case-by-case basis and as stated by the UN Secretary-General only focus on life saving activities.

A more detailed overview of risks and corresponding mitigation strategies are included in Appendix 3- Risk Register.

5.2 Dynamic risk management

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

The technical committee will be the main vehicle for managing dynamic and emerging risks for the initiatives, and risks will be addressed in the monthly meetings. As experienced during Phase 2, an ongoing and transparent approach to risk mitigation will be implement, and risk will be shared between UN PSF partners.

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

6 PSF Governance and Management

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

6.1 PSF Governance

Oversight and governance of phase 3 will, like phase 2, be operationalised through three committees, whose mandates are described below. The governance coordination structures and processes were applied during phase 2 and functioned smoothly after an initial roll-out period.

The PSF Steering Committee:

The steering committee will convene every six months, based on a joint invitation from the Special Envoy, the Resident Coordinator and UNDP Resident Representative. UNDP is a member of the steering committee, and the UN PSF Team is its secretariat. All participating donors are also members of the Steering Committee. See appendix 4 for Steering Committee's TOR, including endorsement mechanism.

Key **functions** of the steering committee:

- Provides strategic directions to the PSF's work and oversees that the facility operates in accordance with the results outlined in the PSF Project Document.

- Endorses key decision with high level impact.
- Approves adaptations of the PSF Theory of Change.
- Confirms strategic priorities of the PSF on an annual basis.
- Has the authority to change the strategic direction of the PSF, if required.
- Endorses the yearly allocation of funds to result area 1 and 2.
- Endorses result area 1 and 2 projects above US$ 1 million and all result area 3 projects.
- Provides guidance and agrees on possible mitigation measures and actions to address specific risks.
- Ensures, to the extent possible, that the PSF balances support to Yemen's multiple regions.
- Oversees project evaluations are commissioned in line with the UNDP evaluation policy or in addition to the requirements of the policy, if deemed relevant.

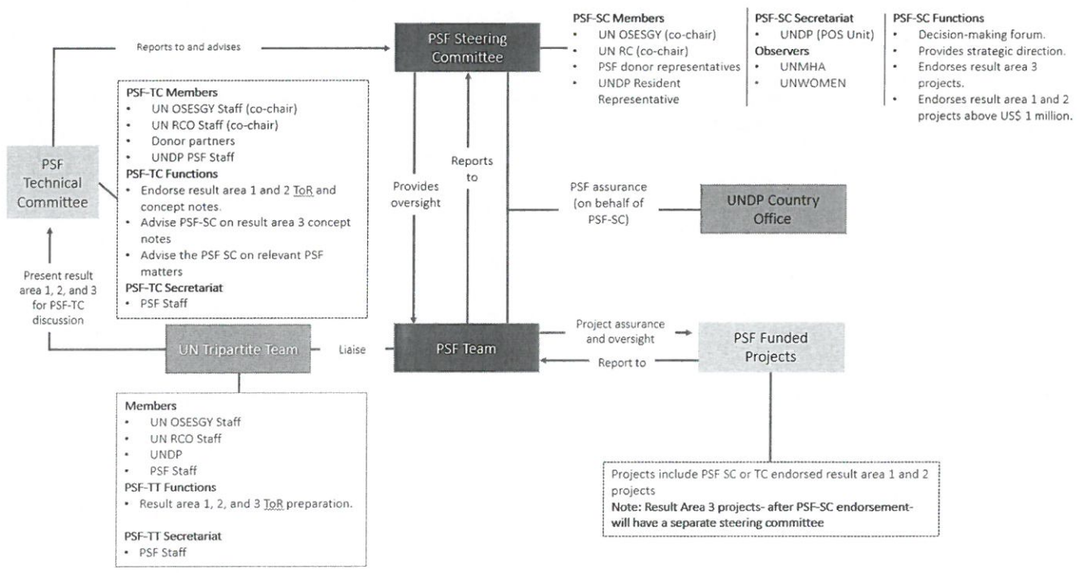
PSF Steering Committee **members** are:

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

Observers are:

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

FIGURE 2: OVERVIEW OF THE UN PSF GOVERNANCE AND MANAGEMENT STRUCTURE



PSF Technical Committee

The UN PSF Technical Committee meets monthly, or as needed (including virtual meetings). It reports to the UN PSF Steering Committee, which delegates the authority to review and endorse initiatives up to US$ 1 million submitted under result area 1 and 2. As experienced throughout Phase 2, the technical committee provides a forum for UN PSF Update, and for presenting, discussing, and evaluation interventions. The practice of receiving endorsement from technical committee members via emails was adopted in late 2024

and will be continued into phase 3, to ensure accountability of the members and to record any comments, risks, and reflections on specific interventions.

See appendix 4 for Steering Committee's TOR, including endorsement mechanism. In addition, the Technical Committee:

- Ensures, to the extent possible, that PSF balances support to Yemen's multiple regions.[13]
- Advises (upon request) the PSF Steering Committee on matters related to all three result areas.
- Ensures, to the extent possible that all PSF projects are inclusive and gender-sensitive by ensuring that (a) outreach to women's organisations and different constituencies takes place in a timely way; (b) there are targets set in terms of projects from women's organisations and different constituencies; and (c) there is a balance in terms of project support; (d) a gender analysis contributes to project design.
- Ensures close coordination with other peacebuilding and stabilisation initiatives.
- Endorses ToR for result area 1 and 2 initiatives up to US$1 million.
- Ranks and selects proposals (including from the Small Grants Mechanism).
- Approves adaptations to the annual PSF workplan and ongoing initiatives during the year, as required.
- Ensure that the strategic direction of the steering committee is adhered to.

The PSF Technical Committee **members** are:

- OSESGY staff (Co-chair)
- RCO staff (Co-chair)
- UNDP Yemen Representative
- UN PSF Representative
- Two PSF donor partners as defined in the ToR of the PSF Technical Committee (appendix 4).

The UN Tripartite Team

The UN Tripartite Team is convened at both the senior and technical levels. It comprises representatives from OSESGY, RCO and UNDP. The forum provides an intra-UN venue to increase coherence between OSESGY, RCO and UNDP regarding the identification and implementation of initiatives under the UN PSF. At the technical level, the UN Tripartite Team furthermore engages as part of the PSF Technical Committee that includes Steering Committee representatives for decision making on result area 1 and 2 proposals.

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

The technical UN Tripartite Team meets when required. It will be consulted by the UN PSF team in preparation of the annual planning and budgeting process, on the design or strengthening of proposed initiatives.

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

Key functions of the UN Tripartite Team at technical level:

- Formulates CfPs, ToRs, and review concept notes and project documents, if required.
- Acts as a resource in the further development of ToR and project proposals.
- Consults on ToR and proposals within their respective organisations or networks, as appropriate.

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[13] Noting that interventions in DFA-controlled areas will be endorsed on a case-by-case basis and the statement from the UN Secretary General that only life-saving activities should be initiated.

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

The UN Tripartite Team will comprise:

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

6.2 PSF Management

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

- Local NGOs/CSOs are involved whenever possible, and their capacities are capitalised on and increased whenever possible.
- PSF has the agility that is inherently needed given its mandate and design.
- Economy of scale is achieved.
- The UN PSF team remains as lean and cost-effective as possible, allowing for quick turn-around on strategic, big-ticket issues, while also making sure that PSF obtains small, but instrumental wins on the ground.
- The risks the PSF team is exposed to is well managed.

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

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

OSESGY & RCO liaison capacities

To ensure alignment between OSESGY, the RCO, and the strategic and programmatic direction of the UN PSF, a focal point within OSESGY and the UN RCO will be appointed by each agency.

The key functions of the focal point include:

- Is considered a member of the overall UN PSF Team focusing on coordination and planning.
- Serves as a member of the UN PSF Tripartite Team.

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

The PSF Project Team

The PSF Project Team, overseen by UNDP Yemen and led by a dedicated Project Manager located in the Governance and Recovery Unit of UNDP, will be responsible for the day-to-day implementation of phase 3. The team is in Yemen and Jordan (Amman), based on several factors including proximity to partners, contact with the developments on the ground, cost of operating in conflict areas, staff rest and recuperation provisions and availability of secure working and living premises. The location of PSF Project team members can be adjusted between UNDP's suboffices as needed. If necessary, positions can be roving between Yemeni locations to ensure adequate presence and follow-up in all geographic zones of intervention.

PSF Team functions

Overall, the UN PSF Project Team is responsible for the implementation of the Phase 3 annual workplans. Its detailed functions can be structured into three main clusters:

1) Coordination and Planning:

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

2) Programme:

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

3) Operational Support:

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

The international staff covering the operational support cluster will be based in Amman for reasons of cost-effectiveness and office space/and accommodation availability, space and the UNDP compound limited office space. The functions listed as part of the operational cluster will also rely on the operational staff of UNDP Yemen Country Office. During Phase 2, a cost-efficient staffing plan was implemented which will largely be kept intact.

The three function clusters are matched with required human capacities as further described in the following section. In addition to these capacities, the PSF team will draw on virtual, temporary stand-by capacities as and when needed. Two capacity pools will be pre-positioned for this purpose within UNDP's corporate Express Roster, in addition to existing UNDP technical capacities in New York and Amman, which were both relied on extensively during phase 2.

Pool of technical experts who can:

- Supply technical expertise on implementation of projects.[14]
- Support the evaluation of concept notes and project proposals.
- Develop Concept Notes and Project Documents.
- Conduct feasibility studies for more complex and large projects.

A pool of operational experts who can:

[14] During phase 2, the UNDP Regional Bureau for Arab States (RBAS)'s Gender, Governance, and Transitional Justice Team, were facilitated to provide technical input on various interventions.

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

PSF Staffing

During phase 2, the Facility's staffing structure was balanced and settled on model were workload and project management cost are in equilibrium. To preserve the facility's effectiveness, the project continues to rely on the operational capacity of UNDP country office. The staffing structure can be increased if additional staff capacities are required in accordance with the need from new projects. As such, the UN PSF staffing arrangement is financially viable, flexible, in line with the adaptive design of the facility and quickly deployable.

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

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

Two technical UNDP staff are current based at the OSESGY-office in Amman to support the implementation of PSF activities related to the ceasefire mechanism.

The proposed staffing structure presented below illustrates two scenarios, if the UN PSF only received funding from the EU, and a scenario where the UN PSF is fully funded.

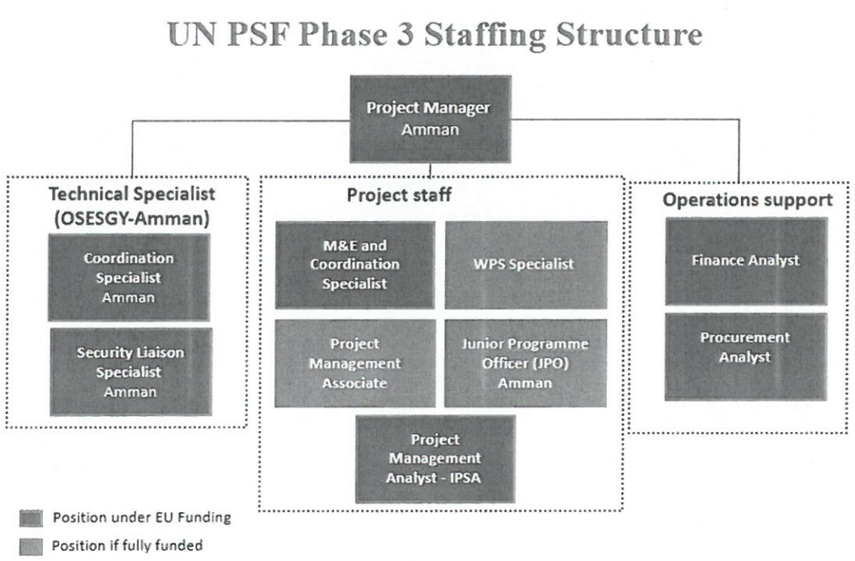


FIGURE 3: OVERVIEW OF THE UN PSF STAFF

STAFF COMPOSITIONS:

Project Management	• Project Manager • Project Management Analyst
Programme staff	• M&E and Coordination Specialist • WPS Specialist (If fully funded)

	• Project Management Associate (If fully funded)
Project Management Team	• Procurement Analyst • Finance Analyst
Technical specialists	• Coordination Specialist • Security Liaison Specialist

7 Funding

7.1 Resource Requirements

Phase 2 relied on three main donors (EU, Germany and Norway) and carry-over funding from Phase 1 (Canda, Denmark, Italy). Phase 3 is designed for scalable funding as it is currently only the EU has a confirmed commitment and in the process of signing a contribution agreement. Germany and Norway have both indicated interest, and resource mobilisation will continue.[15] The scalability refers to both staffing structure (see illustrated in figure 3) and activity levels. A fully funded Facility, US$ 6.2 million, will allow for smooth functioning, while remaining flexible and adaptable to implement the strategic priorities.

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

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

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

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

Operational resources. The UN PSF will benefit from the oversight, programme assurance and operational support of UNDP Yemen Country Office and UNDP. The Facility will be billed at the annually determined rate for Delivery Enabling Services, current at 5.9% of total project budget.

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

PSF Project Office Costs. The Budget for the Action also provides for the office rental costs, assets for the operation of the office, maintenance and repair contracts, furniture, consumables and supplies for the operation of the office, costs of IT and telecommunication services, costs of electricity and water, facility management, vehicles costs and insurance costs as well as local and international travel

[15] Denmark, Japan, Korea, the Netherlands, and Spain, have previously shown interests in supporting the UN PSF.

Strategic ambition. Due to current funding commitments, the proposed project document spans two years, ending October 2027. The strategic priorities for 2026 and 2027 are outlined the UN PSF Phase 3 Strategic Direction (appendix 7). To fulfil the UN PSF's mandate and mission of supporting the national peace process with an agile and flexible tool for implementation along the three result areas, the project was designed as a facility with additional funding being added throughout the project. A resource mobilisation strategy was formulated in 2025 and will continue to be updated.

7.2 Funding arrangement

Partners can contribute funding to the PSF through standardised contribution agreements, in line with their rules and regulations. To maintain the programmatic integrity of the facility and to make sure the UN PSF can act with the required speed and agility, earmarking of contributions is only possible in exceptional cases. Instead, the contributing partners will pro-actively be engaged in the annual priority setting and budget planning in the UN PSF Technical Committee. Resources separately allocated to result area 3 will be managed through dedicated arrangements and a governance structure defined in a separate project document.

TABLE 1: OVERVIEW OF ROLES OF PSF IMPLEMENTATION STAKEHOLDERS

Quick Overview: Who does what?			
OSESGY	**RCO**	**UNDP UN PSF team**	**UNDP Country Office & Sub-Offices**
Management and governance-related functions: • The Special Envoy co-chairs the Steering Committee. • Co-chair of the Technical Committee • Member of the UN Tripartite Team. • Depending on the initiative, the Special Envoy may co/chair a result area 3 Project Board. **Project identification stage:** • Prepares ToRs, proposes and reviews proposals for all result areas. **Outreach and communication:** • In close coordination with RCO and UNDP, leads the outreach and communication efforts for result areas 2 initiatives with local level organisations. • Supports the outreach and communication efforts for gender specific initiatives under result area 2 **Small Grants Mechanism:** • Provides feedback & reviews the SMG Concept Note. • Propose Concept Notes for implementation.	**Management and governance-related functions:** • The Resident Coordinator co-chairs the Steering Committee. • Co-chair of the Technical Committee • Member of the UN Tripartite Team. • Depending on the initiative, the Resident Coordinator may co/chair a result area 3 Project Board. **Project identification stage:** • Prepares ToRs, proposes and reviews proposals for all result areas. **Outreach and Communication:** • In close coordination with OSESGY and UNDP, leads the outreach and communication efforts for result areas 1, 2, and 3 initiatives with local level organisations. • Supports the outreach and communication efforts for gender specific initiatives under result area 2 **Project appraisal stage:** • Review of result area 1 and 2 proposals - supports with the identification of possible overlaps or synergies with the work of other UN agencies, using for example, the UN Cooperation Framework in Yemen.	**Management and governance-related functions:** • Member of the Technical Committee. • Member of the UN Tripartite team. • Provides Secretariat to Steering and Technical Committees. • Ensures effective day-to-day operational functioning and implementation of the UN PSF. • Conducts annual planning for activities and operational needs to ensure an effective and efficient operational and financial management of the UN PSF. • Is the main responsible, in close cooperation and coordination with OSESGY and RCO, of donor communication and donor engagement **Project identification stage:** • Prepares ToRs, proposes and reviews proposals for all result areas. • Collaborates with OSESGY, RCO and contributing partners with the identification of priority interventions. **Outreach and communication:** • In close coordination with OSESGY and RCO, leads the outreach and communication efforts for gender-specific initiatives under result area 2, and supports on communication across all the result areas • Supports the outreach and communication efforts for general initiatives under result area 2.	**Management and governance-related functions (of the UNDP Resident Representative):** • Member of the Steering Committee. • Member of the Technical Committee. • Day-to-day programmatic and operational oversight of the UN PSF. Provides operational and programmatic implementation support. • Reviews ToRs and conduct call for proposals. • Manages short lists and rosters of implementing partners. • Depending on the initiative, the Resident Representative may co/chair a result area 3 Project Board. **Project appraisal stage:** • Ensures that concept papers and project documents comply with UNDP rules and regulations. • Provides thematic or area-based expertise (if available) to evaluate and revise proposals submitted under result area 1 and 2. • Organise LPACs to approve project documents under result area 3 when applicable. • Provides expert advice on the development of project documents and concept papers ensuring compliance

	Small Grants Mechanism: • Reviews and provides feedback on the SGM Concept Note. • Propose Concept Notes for implementation.	**Project appraisal stage:** • Works with OSESGY and RCO to review ToRs submitted under result area 1 and 2, before sending them to the Technical Committee or OST for advertisement of a call for proposals. **Project development stage:** • In collaboration with OSESGY and RCO, prepares result area 1 and 2 and 3 to develop project documents when necessary. **Small Grants Mechanism:** • Provides guidance to result area 2 implementing partners. • Reviews and provides feedback on the SGM Concept Note. • Propose Concept Notes for implementation. • Issues and manages contracts.	with UNDP rules, regulations and standards. **Project monitoring:** • Ensures effective monitoring of UN PSF results progress and compliance. • Supports (wherever possible) with project monitoring for result area 1 and 2 initiatives.
As the UN Tripartite Team: • Undertake a detailed risk and feasibility assessment for result area 1, 2, and 3 proposals. • Clarify the three agencies' roles and responsibility for specific result area 1,2 and 3 project prior to implementation ensuring collective shouldering of risk. **As part of the Technical Committee** • Champion and support the proposals tabled under result area 1, 2, and 3. • Advise (upon request) the Steering Committee on matters related to result area 3 projects. • Vet the short-listed proposals and NGOs/CSOs under the SGM.			

8 Results Framework

All initiatives implemented by the PSF under result area 1 and 2 will contribute to more indicators of the attached results framework (see annex VII – Result Framework) and will regularly collect and provide data to that effect. Moreover, interventions will develop additional project-specific output indicators, as relevant for their activities and results logic. The SGM will also feature its own set of specific results indicators for each funding round, while at the same time contributing to the lead indicators. In line with adaptive management principles, the lead indicators used by the UN PSF were designed to measure outcome and output-level results achievement in a politically and operationally complex environment, while contributing to impact. This will ensure continuous monitoring of the extent to which the UN PSF interventions are aligned with its strategic objectives and allow for adaptations as and when needed. The results framework has adopted the EU Global Europe Results Framework (GERF)

9 Monitoring and Evaluation

The UN PSF Team will prepare concise quarterly narrative updates to the facility's donor partners, focusing on situational updates, progress of key initiatives, strategic issue, major breakthroughs, impact stories from the field, summary of technical committee meetings, and brief financial update. The annual report (narrative and financial) will focus on results and the extent to which the facility is supporting the peace negotiations process, to measure intended results, UNDP will annually conduct qualitative and quantitative analysis required to report on the results framework. This approach will also help with the identification and scaling of best practices, for instances among the local-level CSO-led initiatives and allow for adaptations as and when needed.

During the initial period of phase 3 and when the planning process allows, the UN PSF team will develop a dedicated M&E manual considering the following mechanisms:

- **Perception surveys and focus groups** (using private sector expertise contracted/ previously tested by the UNDP Yemen CO such as Moore Yemen, Apex, Prodigy or other competitive partner) that can be also applied to people who are not connected to the internet.
- **Micro-narrative research** that analyses day-to-day behaviours and stories of people on the ground. This mechanism can be used to evaluate the impact of specific interventions but can also be used in the spirit of agile management to test assumptions and collect insights for programmatic design (see an example of how this methodology was used in Yemen here). Such a tool is suitable to understand more nuanced, sensitive topics, such as women's empowerment to participate in the peace process – a topic where averages and percentages may hide critical information.

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

9.1 PSF Monitoring Plan

Activity	Purpose	Frequency	Expected Action	Partners
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.	Annually	Slower than expected progress will be addressed by project management.	PSF team, IPs, UNDP Yemen Country Office & Sub-Offices
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 the UN PSF team in collaboration with UNDP CO and UN TT and actions are taken to manage risk. The risk log is actively maintained.	UN Tripartite Team UN PSF team UNDP CO
Learn	Knowledge, good practices and lessons learned will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	Quarterly, as part of PSF TC strategic reflections	Relevant lessons are captured by the project team and used to inform management decisions, including strategic allocation of funds, prioritisation of topics/areas for intervention.	PSF Technical Committee Members
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.	UN Tripartite Team, PSF SC
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 PSF team and used to make course corrections.	UN Tripartite Team, PSF Team
Project Report	The UN PSF team send a quarterly report that includes narrative updates and a brief financial update. A detailed project report, including a narrative section, focusing on results and the extent to which the facility is supporting the	Quarterly Report Annual Report Final Report		PSF SC members

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

9.2 PSF Evaluation Plan

Evaluation Title	Partners (if joint)	Strategic Plan Output	UNSDCF/CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Funding
Final evaluation	OSESGY, RCO	**No. 3:** Resilience built to respond to systemic uncertainty and risk.	No. 2: "By 2026, 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."	September 2027	UN Tripartite Team, IPS/RPs, SGM Managing Agent(s)	$80,000 PSF Funding

10 Multi-Year Work Plan

The below multi-year workplan has been developed assuming an initial contribution from the EU of US$ 3.1 million. It provides an indicative action plan for activities allocated across the result areas and outputs. It will be adjusted annually or as needed in view of changing capitalisation and priorities. In annex III, the budget that accounts for only the EU contribution and the fully funded UN PSF are included. In alignment with adaptive management best practices, the work plan purposefully does not include activity-level details. Instead, PSF planning and ongoing initiatives as well as the PSF Theory of Change will be adapted as necessary, based on regular context scans, lessons learned and joint strategic reflections with the PSF Technical Committee.

OUTPUTS	Gender Marker	PLANNED ACTIVITIES	Year 1				Year 2				Implementor
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Result Area 1: Confidence Building and Peace Incentives											
Output 1: Strengthen capacity and leverage of OSESGY and UN RCO to engage with decisions markers	2	Support to Roads opening									RP/IP
	2	Support to confidence building initiatives and peace incentives									RP/IP
	2	Multi-level Yemen Ceasefire Mechanism (Security Liaison Staff).									UNDP
	2	Multi-level Yemen Ceasefire Mechanism (Coordination Specialist).									UNDP
	2	Multi-level Yemen Ceasefire Mechanism.									IP/RPs
	1	Feasibility Study									UNDP
	1	Finalizing support to Port of Hodeidah									UNDP
Result Area 2: Subnational Peacebuilding											
Output 2: Strengthened capacities of local leaders, officials, CSOs and NGOs in local conflict resolution	2	Support to Subnational Peacebuilding: Small Grant Mechanism/ Round 3 and 4									UNDP
	2	Support to Subnational Peacebuilding: Scaled-up peacebuilding Initiatives									SYF, WYBOD, SOS Foundation.
	2	Support to Subnational Peacebuilding: Pillars of Peace-Phase 3									DeepRoot
	2	Support to Subnational Peacebuilding: Emerging Opportunities									RP/IP
Output 3: Strengthened capacities of women-led CSO and NGOs to promote gender equality / the WPS agenda in the peace processes	3	Support the Women, Peace, and Security Agenda: Peacebuilding Network									WRTC
	3	Support the Women, Peace, and Security Agenda: Support women in Mediation									RP/IP

11 Legal Context

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

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

12 Risk Management

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

2. Each responsible party, subcontractor and sub-recipient (each a "sub-party" and together "sub-parties") acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the sub-parties, and other entities involved in Project implementation, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Project Document.
3. In the implementation of the activities under this Project Document, each sub-party shall comply with the standards of conduct set forth in the Secretary General's Bulletin ST/SGB/2003/13 of 9 October 2003, concerning "Special measures for protection from sexual exploitation and sexual abuse" ("SEA").
4. Moreover, and without limitation to the application of other regulations, rules, policies and procedures bearing upon the performance of the activities under this Project Document, in the implementation of activities, each sub-party, shall not engage in any form of sexual harassment ("SH"). SH is defined as any unwelcome conduct of a sexual nature that might reasonably be expected or be perceived to cause offense or humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment. SH may occur in the workplace or in connection with work. While typically involving a pattern of conduct, SH may take the form of a single incident. In assessing the reasonableness of expectations or perceptions, the perspective of the person who is the target of the conduct shall be considered.
5. In the performance of the activities under this Project Document, each sub-party shall (with respect to its own activities) and shall require from its sub-parties (with respect to their activities) that they have minimum standards and procedures in place or a plan to develop and/or improve such standards and procedures in order to be able to take effective preventive and investigative action. These should include: policies on sexual harassment and sexual exploitation and abuse; policies on whistleblowing/protection against retaliation; and complaints, disciplinary and investigative mechanisms. In line with this, sub-parties will and will require that their respective sub-parties will take all appropriate measures to:

   (i) Prevent its employees, agents or any other persons engaged to perform any services under this Project Document, from engaging in SH or SEA;

   (ii) Offer employees and associated personnel training on prevention and response to SH and SEA, where sub-parties have not put in place its own training regarding the prevention of SH and SEA, sub-parties may use the training material available at UNDP;

   (iii) Report and monitor allegations of SH and SEA of which any of the sub-parties have been informed or have otherwise become aware, and status thereof;

   (iv) Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and

   (v) Promptly and confidentially record and investigate any allegations credible enough to warrant an investigation of SH or SEA. Each sub-party shall advise UNDP of any such allegations received and investigations being conducted by itself or any of its sub-parties with respect to their activities under the Project Document, and shall keep UNDP informed during the investigation by it or any of such sub-parties, to the extent that such notification (i) does not jeopardize the conduct of the investigation, including but not limited to the safety or security of persons, and/or (ii) is not in contravention of any laws applicable to it. Following the investigation, the relevant sub-party shall advise UNDP of any actions taken by it or any of the other entities further to the investigation.

6. Each sub-party shall establish that it has complied with the foregoing, to the satisfaction of UNDP, when requested by UNDP or any party acting on its behalf to provide such confirmation. Failure of the relevant sub-party to comply of the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Project.
7. Each responsible party, subcontractor and sub-recipient will ensure that any project activities undertaken by them will be implemented in a manner consistent with the UNDP Social and Environmental Standards and shall ensure that any incidents or issues of non-compliance shall be reported to UNDP in accordance with UNDP Social and Environmental Standards.
8. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud, corruption or other financial irregularities, by its officials, consultants, subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. It will ensure that its financial management, anti-corruption, anti-fraud and anti-money laundering and countering the financing of terrorism policies are in place and enforced for all funding received from or through UNDP.

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

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

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

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

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

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

13 APPENDICES

The appendices below refer to UNDP Project Document appendices, whereas annexes using roman numerals refer to annexes to the EU Special Conditions of which this project document is Annex I- Description of Action.

- Appendix 1: Project Quality Assurance Report
- Appendix 2: Social and Environmental Screening
- Appendix 3: PSF Risk Register
- Appendix 4: Steering Committee ToR
- Appendix 5: Technical Committee ToR
- Appendix 6: LPAC Minutes
- Appendix 7 : UN PSF Strategic Direction
- Appendix 8: Gender Marker & LNOB Analysis

[redacted]

NDICI ASIA MENA/2025/488-928
Annex VII- Result Framework- UN PSF Phase 3

Results Framework

All initiatives implemented by the PSF under result area 1 and 2 will contribute to one or more indicators of the below results framework.

Moreover, projects will develop additional project-specific output indicators, as relevant for their activities and results logic.

The SGM will also feature its own set of specific results indicators for each funding round, while at the same time contributing to the below, lead indicators. In line with adaptive management principles, the lead indicators used by the UN PSF Phase 3 were designed to measure outcome and output-level results achievement in a politically and operationally complex environment. This will ensure continuous monitoring of the extent to which PSF interventions are aligned with its strategic objectives and allow for adaptations as and when needed.
Due to the open, adaptable character of result area 3, specific qualitative and quantitative output indicators will be elaborated for each funded project. Such indicators will

Intended Outcome as stated in the UNSDCF/Yemen Programme Results and Resource Framework:
Outcome 3: By 2026, 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

Outcome indicators as stated in the CPD UNDP Yemen Results and Resources Framework, including baseline and targets:
3.1. Critical infrastructure/facility and restored to facilitate implementation of peace agreements and increase citizens' confidence in the peace processes.
3.2. Capacities of communities, local institutions and civil societies enhanced to manage local conflicts and promote social cohesion
3.4. Capacity of women-led local non-governmental and community-based organisations enhanced to promote and mainstream gender equality and the Women, Peace, and Security agenda.

Applicable Output(s) from the UNDP Strategic Plan:

Project title and Quantum Project Number: UN Peace Support Facility Phase 3()

Result Area 1: Confidence Building and Peace Incentives- Strenghten collaboratoin amongst stakeholders at the national and governorate level							
EXPECTED OUTPUTS	OUTPUT INDICATORS	Data source	BASELINE		Target		DATA COLLECTION METHODS & RISKS
			Value	Year	Year 1	Year 2	
Project Output 1 Strengthened capacities of the Special Envoy Office (SEO) to collaborte with political elites and decision-makers at the national and governorate levels to engage constructively in the peace process CPD link: 3.1	**1.1:** Number of peace dividends and confidence-buildings initiatives supporting the peace process(desagregated by administrative	Internal Report	2	2025	4	6	**Quantitative & qualitative data:** - IP and Project reports - Annual PSF results assessment.
	1.2 Percentage of UN PSF stakeholders (OSESGY heads of thematic tracks,and RCO staff) reporting that their offices' leverage has been improved over the	Internal Report	N/A	2025	50%	50%	**Quantitative & qualitative data:** - IP and Project reports - Annual PSF results assessment.
	1.3: % Percentage of participants OSESGY relevant training that increase their knowledge on collaboration tools, thematic area, etc. (desaggregated by sex, age and disability status)	**Survey**	N/A	2025	80%	70%	**Quantitative data:** Survey administered by the UN PSF
Result Area 2: Subnational Peacebuilding- Increased inclusive engagemetn of local takeholderes in local conflict resolution and social cohesion activities							
Project Output 2 Strengthened capacities of local leaders, officials and grassroots organisations (including women-led NGOs and community-based organisations) in local conflict resolution CPD link: 3.1, 3.2	**2.1:** Number of subnational peacebuilding interventions	Internal Report	0	2025	3	6	**Quantitative & qualitative data:** -IP/RP reporting; PSF monitoring; insights from OSESGY, RCO and other project partners. - Third Party administered perception survey administered on a relevant population sample.
	2.2: % Local leaders, officials and grassroots organisations that participate in the training and increase their knowledge on peacebuilding (desaggregated by type of actor, sex, age and disability status)	**Survey**	N/A	2025	50% M 50% F	50% M 50% F	
	2.3: % of community members that participate in the training and increase their knowledge on peacebuilding (desaggregated by type of actor, sex, age and disability status)	**Survey**	TBD[1]	2025	70% M 70% F	70% M 70% F	
Project Output 3 Strengthened capacities of women-led NGOs and community-based organizations to promote gender equality / the Women, Peace and Security (WPS) agenda in the peace processes CPD link: 3.4	**3.1:** Number of initiatives that promote women's participation in the local and national peace process	**Internal Report**	1	2025	2	3	**Quantitative & qualitative data:** - IP/RP reporting; PSF monitoring; insights from OSESGY, RCO and other project partners.
	3.2: % Of members of women-led NGOs and community-based organisations that participate in the training and increase their knowledge to promote gender equality and the WPS agenda in the peace processes (desaggregated by type of actor, sex, age and disability status)	**Survey**	TBD[1] (M/F)	2025	20% M 30% F	20% M 30% F	**Quantitative data:** -Third Party administered perception survey administered on a relevant population sample.
[1] A *baseline survey will be conducted at the beginning of each result area 2 initiative.*							
Special initiatives with separate management arrangements and funding (Activated once relevant)							
Project Output 4: Raised awareness across the international actors (donors, private sector funds and international organisations) about critical special initiatives complementing the peace process CPD link: 3.1	4.1. % Number of international actors (donors, private sector funds and international organisation) that receive the information about critical special initiatives complementing the peace process (desagregated by type of actor). The indicators becomes relevant if a critical special initiative is identified.	**Survey**	TBD	2025	TBD	TBD	PSF Partner Survey
	4.2 Number of international actors (donors, private sector funds and international organisation) that participate in meetings about critical special initiatives complementing the peace process (desagregated by type of actor). The indicators becomes relevant if a critical special initiative is identified.	**Survey**	TBD	2025	TBD	TBD	PSF Partner Survey

PROJECT QUALITY ASSURANCE – DESIGN

UN Peace Support Facility (PSF) Phase 3.

November 2025

☒	PROJECT QA - DESIGN
	1. STRATEGIC
	1. Does the project specify how it will contribute to higher level change through linkage to the programme's Theory of Change?
☒	• 3: The project is clearly linked to the programme's theory of change. It has an explicit change pathway that explains how the project will contribute to outcome level change and why the project's strategy will likely lead to this change. This analysis is backed by credible evidence of what works effectively in this context and includes assumptions and risks.
☐	• 2: The project is clearly linked to the programme's theory of change. It has a change pathway that explains how the project will contribute to outcome-level change and why the project strategy will likely lead to this change.
☐	• 1: The project document may describe in generic terms how the project will contribute to development results, without an explicit link to the programme's theory of change. *Note: Projects not contributing to a programme must have a project-specific Theory of Change. See alternative question under the information icon for these cases.
	Evidence (Enter a short explanation and attached a document that provides evidence for your response): The project is clearly linked to the programme's Theory of Change, with a detailed change pathway, credible evidence from Phase 2, and analysis of assumptions and risks, ensuring its strategy will likely lead to outcome-level change
	2. Is the project aligned with the UNDP Strategic Plan?
☒	• 3: The project responds to at least one of the development settings as specified in the Strategic Plan[1] and adapts at least one Signature Solution[2]. The project's RRF includes all the relevant SP output indicators. (all must be true)
☐	• 2: The project responds to at least one of the development settings as specified in the Strategic Plan[3]. The project's RRF includes at least one SP output indicator, if relevant. (both must be true)
☐	• 1: The project responds to a partner's identified need, but this need falls outside of the UNDP Strategic Plan. Also select this option if none of the relevant SP indicators are included in the RRF.
	Evidence (Enter a short explanation and attached a document that provides evidence for your response): The project aligns with the UNDP Strategic Plan by addressing resilience to systemic uncertainty and risk (Strategic Plan Outcome 3 and CPD Outputs 3.1, 3.2, 3.4). It adapts Signature Solutions like gender equality and social cohesion, and its Results and Resources Framework (RRF) includes relevant SP output indicators, ensuring full alignment.
	3. Is the project linked to the programme outputs? (i.e., UNSDCF/CPD, RPD or Strategic Plan IRRF for strategic interventions not part of a programme)
☒	• Yes
☐	• No (Project QA cannot be approved by the Project QA Approver)
	Evidence (Enter a short explanation and attached a document that provides evidence for your response): The project is linked to programme outputs, specifically the UNSDCF Outcome 3 and related CPD outputs, such as enhancing community capacities, restoring critical infrastructure, and promoting gender equality through the Women, Peace, and Security agenda. These alignments are clearly outlined in the project document.

[1] *The three development settings in UNDP's 2018-2021 Strategic Plan are: a) Eradicate poverty in all its forms and dimensions; b) Accelerate structural transformations for sustainable development; and c) Build resilience to shocks and crises*

[2]

[3]

☒	PROJECT QA - DESIGN
	2. RELEVANT
	4. Does the project identity target groups, and particularly those marginalized, vulnerable and left further behind (LNOB)? [4]
☒	• 3: The target groups are clearly specified, prioritising discriminated, and marginalized groups left furthest behind, identified through a rigorous process based on evidence.
☐	• 2: The target groups are clearly specified, prioritizing groups left furthest behind.
☐	• 1: The target groups are not clearly specified.
	Evidence (Enter a short explanation and attached a **document that provides evidence for your response):** The project specifies target groups, including marginalized and vulnerable populations such as women, youth, and conflict-affected communities. It prioritizes those left furthest behind, using evidence-based approaches like perception surveys and gender-sensitive conflict analysis to identify and address their needs.
	5. Have knowledge, good practices, and past lessons learned of UNDP and others informed the project design?
☒	• 3: Knowledge and lessons learned backed by credible evidence from sources such as evaluation, corporate policies/strategies, and/or monitoring have been explicitly used, with appropriate referencing, to justify the approach used by the project.
☐	• 2: The project design mentions knowledge and lessons learned backed by evidence/sources but have not been used to justify the approach selected.
☐	• 1: There is little, or no mention of knowledge and lessons learned informing the project design. Any references made are anecdotal and not backed by evidence.
	Evidence (Enter a short explanation and attached a document that provides evidence **for your response):** The project design explicitly incorporates lessons learned from Phase 2, evaluations, and the EU's Result-Oriented Monitoring (ROM) report. It references evidence-backed practices, such as the success of the Small Grants Mechanism and gender-focused initiatives, to justify its approach and ensure strategic relevance and impact.
	6. Does UNDP have a clear advantage to engage in the role envisioned by the project vis-à-vis national / regional / global partners and other actors?
☒	• 3: An analysis has been conducted on the role of other partners in the area where the project intends to work, and credible evidence supports the proposed engagement of UNDP and partners through the project, including identification of potential funding partners. It is clear how results achieved by partners will complement the project's intended results and a communication strategy is in place to communicate results and raise visibility vis-à-vis key partners. Options for south-south and triangular cooperation have been considered, as appropriate. (all must be true)
☐	• 2: Some analysis has been conducted on the role of other partners in the area where the project intends to work, and relatively limited evidence supports the proposed engagement of and division of labour between UNDP and partners through the project, with unclear funding and communications strategies or plans.
☐	• 1: No clear analysis has been conducted on the role of other partners in the area that the project intends to work. There is risk that the project overlaps and/or does not coordinate with partners' interventions in this area. Options for south-south and triangular cooperation have not been considered, despite its potential relevance.
	Evidence (Enter a short explanation and attached a document that provides evidence for your response): The project includes a detailed analysis of partner roles, such as OSESGY, RCO, and other UN agencies, ensuring complementarity and avoiding overlap. It identifies funding partners like the EU and Germany and includes a communication strategy to raise visibility. The project also considers south south and triangular cooperation, leveraging lessons and partnerships to enhance its impact

[redacted]

☒	PROJECT QA - DESIGN
	3. PRINCIPLED
	7. Does the project apply a human rights-based approach?
☒	• 3: The project is guided by human rights and incorporates the principles of accountability, meaningful participation, and non-discrimination in the project's strategy. The project upholds the relevant international and national laws and standards. Any potential adverse impacts on enjoyment of human rights were rigorously identified and assessed as relevant, with appropriate mitigation and management measures incorporated into project design and budget. (all must be true)
☐	• 2: The project is guided by human rights by prioritizing accountability, meaningful participation and non-discrimination. Potential adverse impacts on enjoyment of human rights were identified and assessed as relevant, and appropriate mitigation and management measures incorporated into the project design and budget. (both must be true)
☐	• 1: No evidence that the project is guided by human rights. Limited or no evidence that potential adverse impacts on enjoyment of human rights were considered.
	Evidence (Enter a short explanation and attached a document that provides evidence for your response): The project is guided by human rights principles, including accountability, meaningful participation, and non-discrimination. It prioritizes marginalized groups, aligns with international human rights standards, and incorporates mitigation measures for potential adverse impacts, such as conflict-sensitive risk assessments and gender-sensitive approaches, into its design and budget.
	8. Does the project use gender analysis in the project design?
☒	• 3: A participatory gender analysis has been conducted and results from this gender analysis inform the development challenge, strategy and expected results sections of the project document. Outputs and indicators of the results framework include explicit references to gender equality, and specific indicators measure and monitor results to ensure women are fully benefitting from the project. (all must be true)
☐	• 2: A basic gender analysis has been carried out and results from this analysis are scattered (i.e., fragmented and not consistent) across the development challenge and strategy sections of the project document. The results framework may include some gender sensitive outputs and/or activities but gender inequalities are not consistently integrated across each output. (all must be true)
☐	• 1: The project design may or may not mention information and/or data on the differential impact of the project's development situation on gender relations, women and men, but the gender inequalities have not been clearly identified and reflected in the project document.
	Evidence (Enter a short explanation and attached a document that provides evidence for your response): The project uses participatory gender analysis, integrates gender-sensitive approaches into its strategy, and includes specific outputs and indicators to promote gender equality, such as supporting women-led organizations and enhancing women's roles in peace processes.
	9. Did the project support the resilience and sustainability of societies and/or ecosystems?
☒	• 3: Credible evidence that the project addresses sustainability and resilience dimensions of development challenges, which are integrated in the project strategy and design. The project reflects the interconnections between the social, economic and environmental dimensions of sustainable development. Relevant shocks, hazards and adverse social and environmental impacts have been identified and rigorously assessed with appropriate management and mitigation measures incorporated into project design and budget. (all must be true)
☐	• 2: The project design integrates sustainability and resilience dimensions of development challenges. Relevant shocks, hazards and adverse social and environmental impacts have been identified and assessed, and relevant management and mitigation measures incorporated into project design and budget. (both must be true)
☐	• 1: Sustainability and resilience dimensions and impacts were not adequately considered.
	Evidence (Enter a short explanation and attached a document that provides evidence for your response):

☒	PROJECT QA - DESIGN
	The project integrates sustainability and resilience into its strategy, addressing social, economic, and environmental dimensions. It identifies and assesses risks, such as conflict and environmental hazards, and incorporates mitigation measures. Activities like infrastructure rehabilitation, local peacebuilding, and capacity building for women-led organizations enhance societal resilience and sustainability, as outlined in the project document.
	10. Has the Social and Environmental Screening Procedure (SESP) been conducted to identify potential social and environmental impacts and risks? The SESP is not required for projects in which UNDP is Administrative Agent only and/or projects comprised solely of the preparation and dissemination of reports and communication materials; organization of events, workshops, or training; strengthening capacities of partners to participate in international negotiations and conferences; partnership coordination (including UN coordination) and management of networks; and global/regional projects with no country-level activities as well as Development Effectiveness projects and Institutional Effectiveness projects. [If SESP is not required, Select all exemption criteria that apply.]
☒	• Yes
☐	• No (Project QA cannot be approved by the Project QA Approver)
☐	• SESP not required because project consists solely of (Select all exemption criteria that apply) *Applicable only to option "SESP not required" ☐ 1: Preparation and dissemination of reports, documents and communication materials ☐ 2: Organization of an event, workshop, training ☐ 3: Strengthening capacities of partners to participate in international negotiations and conferences ☐ 4: Partnership coordination (including UN coordination) and management of networks ☐ 5: Global/regional projects with no country-level activities (e.g. activities such as knowledge management, inter-governmental processes) ☐ 6: UNDP serves as Administrative Agent ☐ 7: Development Effectiveness projects and Institutional Effectiveness projects
	Evidence (Enter a short explanation and attached a document that provides evidence for your response): The Social and Environmental Screening Procedure (SESP) has been conducted for this project. The document confirms that the project adheres to UNDP's Social and Environmental Standards (SES) and includes mechanisms for risk assessment, mitigation, and compliance monitoring.
	4. MANAGEMENT & MONITORING
	11. Does the project have a strong results framework?
☐	• 3: The project's selection of outputs and activities are at an appropriate level. Outputs are accompanied by SMART, results-oriented indicators that measure the key expected development changes, each with credible data sources and populated baselines and targets, including gender sensitive, target group focused, sex-disaggregated indicators where appropriate. (all must be true)
☒	• 2: The project's selection of outputs and activities are at an appropriate level. Outputs are accompanied by SMART, results-oriented indicators, but baselines, targets and data sources may not yet be fully specified. Some use of target group focused, sex-disaggregated indicators, as appropriate. (all must be true)
☐	• 1: The project's selection of outputs and activities are not at an appropriate level; outputs are not accompanied by SMART, results-oriented indicators that measure the expected change and have not been populated with baselines and targets; data sources are not specified, and/or no gender sensitive, sex-disaggregation of indicators. (if any is true)
	Evidence (Enter a short explanation and attached a document that provides evidence for your response): The results framework includes lead indicators designed to measure outcome and output-level achievements in a complex environment, ensuring alignment with strategic

☒	PROJECT QA - DESIGN
	objectives. Data is regularly collected, disaggregated by sex and age, and allows for adaptive management.
	12. Is the project's governance mechanism clearly defined in the project document, including composition of the project board?
☒	• 3: The project's governance mechanism is fully defined. Individuals have been specified for each position in the governance mechanism (especially all members of the project board.) Project Board members have agreed on their roles and responsibilities as specified in the terms of reference. The ToR of the project board has been attached to the project document. (all must be true)
☐	• 2: The project's governance mechanism is defined; specific institutions are noted as holding key governance roles, but individuals may not have been specified yet. The project document lists the most important responsibilities of the project board, project director/manager and quality assurance roles. (all must be true)
☐	• 1: The project's governance mechanism is loosely defined in the project document, only mentioning key roles that will need to be filled at a later date. No information on the responsibilities of key positions in the governance mechanism is provided.
	Evidence (Enter a short explanation and attached a document that provides evidence for your response): Governance is operationalized through the Steering Committee, Technical Committee, and UN Tripartite Team. Members and roles are specified, and the Steering Committee's ToR is attached
	13. Have the project risks been identified using the risk assessment tools (Project Quality Assurance, Social and Environmental Screening Procedure, Partner Capacity Assessment Tool, Harmonized Approach to Cash Transfer, Private Sector Due Diligence, etc., if applicable), with clear plans stated to manage and mitigate each risk?
☒	• 3: Project risks related to the achievement of results are fully described in the project risk register, based on comprehensive analysis drawing on the programme's theory of change, Social and Environmental Standards and screening, situation analysis, capacity assessments and other analysis such as funding potential and reputational risk. Risks have been identified through a consultative process with key internal and external stakeholders, including consultation with the UNDP Security Office as required. Clear and complete plan in place to manage and mitigate each risk, including security risks, reflected in project budgeting and monitoring plans. (both must be true)
☐	• 2: Project risks related to the achievement of results are identified in the initial project risk register based on a minimum level of analysis and consultation, with mitigation measures identified for each risk.
☐	• 1: Some risks may be identified in the initial project risk register, but no evidence of consultation or analysis and no clear risk mitigation measures identified. This option is also selected if risks are not clearly identified, no initial risk log is included with the project document and/or no security risk management process has taken place for the project.
	Evidence (Enter a short explanation and attached a document that provides evidence for your response): Risks are comprehensively identified in the risk register, drawing on tools like the Social and Environmental Standards, Partner Capacity Assessments, and dynamic risk monitoring. Mitigation plans include operational, financial, and security measures, with continuous monitoring by the Technical Committee and UN Tripartite Team. Annex 3 provides detailed risk and mitigation strategies
	5. EFFICIENT
	14. Have specific measures for ensuring cost-efficient use of resources been explicitly mentioned as part of the project design? This can include, for example: **i) Using the theory of change analysis to explore different options of achieving the maximum results with the resources available.** **ii) Using a portfolio management approach to improve cost effectiveness through synergies with other interventions.** **iii) Through joint operations (e.g., monitoring or procurement) with other partners.** **iv) Sharing resources or coordinating delivery with other projects.**

☒	PROJECT QA - DESIGN
	v) Using innovative approaches and technologies to reduce the cost of service delivery or other types of interventions.
☒	• Yes
☐	• No
	Evidence (Enter a short explanation and attached a document that provides evidence for your response): The project utilizes a portfolio management approach to enhance cost-effectiveness through synergies with other interventions, such as coordination with UNOPS, UNDP SIERY, and Berghof's SILGPY. It also emphasizes resource sharing, joint operations, and leveraging innovative approaches like remote sensing and technology-driven monitoring. The Theory of Change is used to prioritize impactful interventions, and the Small Grants Mechanism strategically scales successful initiatives.
	15. Is the budget justified and supported with valid estimates?
☒	• 3: The project's budget is at the activity level with funding sources, and is specified for the duration of the project period in a multi-year budget. Realistic resource mobilisation plans are in place to fill unfunded components. Costs are supported with valid estimates using benchmarks from similar projects or activities. Cost implications from inflation and foreign exchange exposure have been estimated and incorporated in the budget. Adequate costs for monitoring, evaluation, communications and security have been incorporated.
☐	• 2: The project's budget is at the activity level with funding sources, when possible, and is specified for the duration of the project in a multi-year budget, but no funding plan is in place. Costs are supported with valid estimates based on prevailing rates.
☐	• 1: The project's budget is not specified at the activity level, and/or may not be captured in a multi-year budget.
	Evidence (Enter a short explanation and attached a document that provides evidence for your response): The budget is detailed at the activity level, specified for the project duration in a multi-year framework, and includes funding sources. Resource mobilization plans are in place to address unfunded components.. Adequate provisions for monitoring, evaluation, communications, and security are included, as outlined in the project document and annexes
	16. Is the Country Office / Regional / Global Project fully recovering the costs involved with project implementation?
☒	• 3: The budget fully covers all project costs that are attributable to the project, including programme management and development effectiveness services related to strategic country programme planning, quality assurance, pipeline development, policy advocacy services, finance, procurement, human resources, administration, issuance of contracts, security, travel, assets, general services, information and communications based on full costing in accordance with prevailing UNDP policies (i.e., UPL, LPL.)
☐	• 2: The budget covers significant project costs that are attributable to the project based on prevailing UNDP policies (i.e., UPL, LPL) as relevant.
☐	• 1: The budget does not adequately cover project costs that are attributable to the project, and UNDP is cross-subsidizing the project.
	The budget fully covers all project costs attributable to implementation, including programme management, development effectiveness services, and operational support. It incorporates costs for finance, procurement, human resources, administration, security, travel, assets, and general services. The Delivery Enabling Services (DES) fee is set at 5.9% of the total project budget, ensuring compliance with UNDP policies. Additionally, the budget includes provisions for monitoring, evaluation, and adaptive management, ensuring full cost recovery in line with UNDP's financial regulations
	6. EFFECTIVE

☒	PROJECT QA - DESIGN
	17. Have targeted groups, and particularly those marginalized, vulnerable, and left further behind (LNOB), been engaged in the design of the project? [5]
☐	• 3: Credible evidence that all targeted groups, prioritising discriminated, vulnerable, and marginalized populations that will be involved in or affected by the project, have been actively engaged in the design of the project. The project has an explicit strategy to identify, engage and ensure the meaningful participation of target groups as stakeholders throughout the project, including through monitoring and decision-making (e.g., representation on the project board, inclusion in samples for evaluations, etc.)
☒	• 2: Some evidence that key targeted groups have been consulted in the design of the project.
☐	• 1: No evidence of engagement with targeted groups during project design.
☐	• Not Applicable
	Evidence (Enter a short explanation and attached a document that provides evidence for your response): The project ensures meaningful engagement with marginalized and vulnerable groups through the Small Grants Mechanism, which increased women's engagement in peace processes by 36%, with 90% of participants reporting influence on activities. Community consultations shape project design, while 10-15% of the budget is allocated to supporting women, youth, and marginalized groups. Capacity-building efforts further empower local organizations
	18. Does the project plan for adaptation and course correction if regular monitoring activities, evaluation, and lesson learned demonstrate there are better approaches to achieve the intended results and/or circumstances change during implementation?
☒	• Yes
☐	• No
	Evidence (Enter a short explanation and upload a document that provides evidence for your response): the project includes adaptive management, allowing adjustments based on monitoring, evaluation, and lessons learned. Regular reviews by the Technical Committee ensure course corrections to align with objectives amid changing circumstances
	19. The gender marker for all project outputs are scored at GEN2 or GEN3, indicating that gender has been fully mainstreamed into all project outputs at a minimum.
☒	• Yes
☐	• No
	Evidence (Enter a short explanation and upload a document that provides evidence for your response): The project outputs are scored at GEN2 or GEN3, indicating that gender has been fully mainstreamed. The document states that all outputs are aligned with these gender markers, ensuring gender-sensitive and inclusive approaches across all result areas
	20. Have societal digital risks and opportunities been taken into account when designing the project's approach and have digital or data technology solutions been considered to enhance the efficiency, effectiveness and scalability of project results?[6]
☐	• 3: To the extent possible, societal digital risks and opportunities have been investigated when designing the strategy and Theory of Change, and the potential use of digital or data technologies in project activities has been considered in line with UNDP's digital standards[7] and data principles[8]. (All must be true)

[5]

[6] *For a checklist and evidence template, please see the Embedding Digital Thinking into Project Design Guidelines (https://rebrand.ly/DbDProjectGuideEN).*

[7] *The ten UNDP Digital Standards are: a) Start with the need; b) Bridge the digital divide; c) Test early and often; d) (Perhaps) Don't build it; e) Do no harm; f) Form the Right Team; g) Measure What Matters; h) Follow The UNDP Data Principles; i) Default to Open; and j) Plan for the Long Term (https://www.undp.org/digital/standards).*

[8] *The eight UNDP Digital Principles are: a) Safeguard personal data; b) Uphold the highest ethical standards; c) Manage Data Responsibly; d) Make data open by default; e) Plan for reusability and interoperability; f) Empower people to work with data; g) Expand frontiers of data; and h) Be aware of data limitations (https://data.undp.org/data-principles).*

☒	PROJECT QA - DESIGN
☒	• 2: Only the potential use of digital or data solutions in project activities has been considered in line with UNDP's digital standards[9] and data principles[10], but there is no or limited evidence that aspects of inclusive digital societies have been considered in the design of the strategy or Theory of Change.
☐	• 1: Neither societal digital risks and opportunities, nor digital or data technology solutions were specifically considered in the project design or, UNDP's digital standards[11] and data principles[12] are not taken into account when intending to use digital or data technology solutions in project activities.
☐	• Digital considerations are not relevant to this project. *Applicable only to option "Digital considerations are not relevant" ☐ 1: Societal digital transformation is not a government or contextual priority ☐ 2: A non-digital approach yields higher effectiveness and efficiency ☐ 3: Other (specify in the "Evidence" section)
	Evidence (Enter a short explanation and attached a document that provides evidence for your response): **The project incorporates societal digital risks and opportunities into its strategy and Theory of Change, leveraging digital and data technologies to enhance efficiency, effectiveness, and scalability. Examples include the use of remote sensing, technology-driven monitoring, and perception surveys to inform decision-making and adapt interventions. These approaches adhere to UNDP's digital standards and data principles**
	7. SUSTAINABILITY & NATIONAL OWNERSHIP
	21. Have national / regional / global partners led, or proactively engaged in, the design of the country / regional / global project, respectively?
☐	• 3: National / regional / global partners have full ownership of the country / regional / global project and led the process of the development of the project jointly with UNDP.
☒	• 2: The project has been developed by UNDP in close consultation with national / regional / global partners.
☐	• 1: The project has been developed by UNDP with limited or no engagement with national partners.
	Evidence (Enter a short explanation and attached a document that provides evidence for your response): **The document indicates that the project was developed by UNDP in close consultation with national, regional, and global partners. The UN Tripartite Team, comprising representatives from OSESGY, the RCO, and UNDP, played a significant role in the design process, including preparing Terms of Reference (ToRs), reviewing proposals, and conducting strategic reflections.**
	22. Are key institutions and systems identified, and is there a strategy for strengthening specific / comprehensive capacities based on capacity assessments conducted?
☐	• 3: The project has a strategy for strengthening specific capacities of national institutions and/or actors based on a completed capacity assessment. This strategy includes an approach to regularly monitor national capacities using clear indicators and rigorous methods of data collection, and adjust the strategy to strengthen national capacities accordingly.
☒	• 2: A capacity assessment has been completed. There are plans to develop a strategy to strengthen specific capacities of national institutions and/or actors based on the results of the capacity assessment.
☐	• 1: Capacity assessments have not been carried out.

[9] The ten UNDP Digital Standards are: a) Start with the need; b) Bridge the digital divide; c) Test early and often; d) (Perhaps) Don't build it; e) Do no harm; f) Form the Right Team; g) Measure What Matters; h) Follow The UNDP Data Principles; i) Default to Open; and j) Plan for the Long Term (https://www.undp.org/digital/standards).

[10] The eight UNDP Digital Principles are: a) Safeguard personal data; b) Uphold the highest ethical standards; c) Manage Data Responsibly; d) Make data open by default; e) Plan for reusability and interoperability; f) Empower people to work with data; g) Expand frontiers of data; and h) Be aware of data limitations (https://data.undp.org/data-principles).

[11] The ten UNDP Digital Standards are: a) Start with the need; b) Bridge the digital divide; c) Test early and often; d) (Perhaps) Don't build it; e) Do no harm; f) Form the Right Team; g) Measure What Matters; h) Follow The UNDP Data Principles; i) Default to Open; and j) Plan for the Long Term (https://www.undp.org/digital/standards).

[12] The eight UNDP Digital Principles are: a) Safeguard personal data; b) Uphold the highest ethical standards; c) Manage Data Responsibly; d) Make data open by default; e) Plan for reusability and interoperability; f) Empower people to work with data; g) Expand frontiers of data; and h) Be aware of data limitations (https://data.undp.org/data-principles).

WA

WA

☒	PROJECT QA - DESIGN
☐	• Not Applicable
	Evidence (Enter a short explanation and attached a document that provides evidence for your response): There are plans to develop a strategy to strengthen specific capacities of national institutions and actors. The document highlights the use of tools like the Partner Capacity Assessment Tool (PCAT) and the involvement of the UN Tripartite Team in assessing and endorsing initiatives.
	23. Is there is a clear strategy embedded in the project specifying how the project will use national systems (i.e., procurement, monitoring, evaluations, etc.,) to the extent possible?
☒	• Yes
☐	• No
☐	• Not Applicable
	Evidence (Enter a short explanation and attached a document that provides evidence for your response): The project includes a clear strategy for using national systems to the extent possible. The document highlights the use of national systems for procurement, monitoring, and evaluation, including reliance on UNDP's Programme and Operations Policies and Procedures (POPP). It also emphasizes adaptive management, risk-informed planning, and leveraging local capacities, such as community monitors and local NGOs/CSOs, to ensure alignment with national systems and enhance sustainability
	24. Is there a clear transition arrangement / phase-out plan developed with key stakeholders in order to sustain or scale up results (including resource mobilisation and communications strategy)?
☒	• Yes
☐	• No
	Evidence (Enter a short explanation and attached a document that provides evidence for your response): The project includes a clear transition arrangement and phase-out plan developed with key stakeholders to sustain and scale up results. It incorporates a continuous resource mobilization strategy, ensuring scalability through annual work plans informed by stakeholder engagement and strategic prioritization. The project emphasizes sustainability by scaling successful initiatives like the Small Grants Mechanism and Pillars of Peace project, while leveraging lessons learned from previous phases.

Name and Title	*Signature and Date*	*Description*
QA Assessor: <Title>	Signature: Date:	The QA Assessor has to be accountable for project assurance, which is independent of the project manager. A UNDP programme or monitoring and evaluation officer typically holds the project assurance role on behalf of UNDP. For GEF- and GCF-financed projects, project assurance is undertaken as per the requirements of the vertical funds, and these services are covered by the fee provided by the vertical fund.
QA Approver: <Name> <Title>	Signature: Date:	The QA Approver is typically the Resident Representative, Deputy Resident Representative, or head of portfolio. The QA Approver must function at a higher level of accountability than the QA Assessor. The QA Approver cannot also be the QA Assessor.

Annex 1. Social and Environmental Screening Template

The completed template, which constitutes the Social and Environmental Screening Report, must be included as an annex to the Project Document at the design stage. Note: this template will be converted into an online tool. The online version will guide users through the process and will embed relevant guidance.

Project Information

Project Information	
1. Project Title	UN Peace Support Facility – Phase 3
2. Project Number (i.e. Quantum project ID, PIMS+)	
3. Location (Global/Region/Country)	Yemen
4. Project stage (Design or Implementation)	Design and Appraisal
5. Date	November 2025 to November 2027

Part A. Integrating Programming Principles to Strengthen Social and Environmental Sustainability

QUESTION 1: How Does the Project Integrate the Programming Principles in Order to Strengthen Social and Environmental Sustainability?
Briefly describe in the space below how the project mainstreams the human rights-based approach
The project mainstreams the human-rights-based approach by conducting human rights, risks, and conflict sensitivity assessments, and gender analysis prior to endorsing a new intervention. The project then continuously monitors the local context to inform the ongoing risks monitoring log.
Briefly describe in the space below how the project is likely to improve gender equality and women's empowerment
In line with UNDP gender policy, 15% of the UN PSF programmable budget will fund activities with Gender Marker 2 or above. This includes UN PSF gender stand-alone projects, which exclusively has a Gender Marker 3. All implementing/responsible partners will receive training on principles of gender sensitivity/analysis and prevention of Sexual Harassment (SH) and preventing of Sexual Exploitation and Abuse (PSEA). The project has furthermore worked with the Women Research and Training Center, to establish a network of peacebuilders trained in a gender sensitive approach, which under phase 3 is cascading their knowledge across the institutions, private sector, and organisations, they work for.
Briefly describe in the space below how the project mainstreams sustainability and resilience
The project continuously focuses on increasing the resilience of local communities in a highly volatile environment through capacity building and assistance in obtaining access to basic services, including water. Local ownership is a key priority. The project focuses on environmental sustainability by installing solar grids on infrastructures, when necessary, this is especially relevant for micro-projects focused on mitigating conflict over natural resources.
Briefly describe in the space below how the project strengthens accountability to stakeholders
The project ensures continuous communication with and to stakeholders through its technical committee and newsletters. Furthermore, the indicators of activities are focused on affected communities' satisfaction and increased participation in local community dialogues.

Part B. Identifying and Managing Social and Environmental Risks

QUESTION 2: What are the Potential Social and Environmental Risks? *Note: Complete SESP Attachment 1 before responding to Question 2.*	**QUESTION 3: What is the level of significance of the potential social and environmental risks?** *Note: Respond to Questions 4 and 5below before proceeding to Question 5*			**QUESTION 6: Describe the assessment and management measures for each risk rated Moderate, Substantial or High**
Risk Description (broken down by event, cause, impact)	***Impact and Likelihood (1-5)***	***Significance (Low, Moderate Substantial, High)***	***Comments (optional)***	***Description of assessment and management measures for risks rated as Moderate, Substantial or High***
Risk 1: There is a risk that rights-holders (e.g. project-affected persons) do not have the capacity to claim their rights.	I = 2 L =3	Moderate	PSF micro projects as the potential to take place in areas where rights-holders will not have the capacity to claim their rights.	Human rights assessment and gender analysis will be carried out before the implementation of any microproject.
Risk 2: The project will potentially involve construction and/or infrastructure development (e.g. roads, buildings, dams).	I = 1 L = 4	Low	The project mainly focuses on community cohesion, peacebuilding and community safety type projects, and to a lesser extend rehabilitation.	
Risk 4:				
[add additional rows as needed]				

QUESTION 4: What is the overall project risk categorization?

Low Risk	X	
Moderate Risk		
Substantial Risk		
High Risk		

QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are triggered? (check all that apply)

Question only required for Moderate, Substantial and High Risk projects

Is assessment required? (check if "yes")	☐			***Status? (completed, planned)***
if yes, indicate overall type and status		☐	Targeted assessment(s)	
		☐	ESIA (Environmental and Social Impact Assessment)	

			☐	SESA (Strategic Environmental and Social Assessment)	
	Are management plans required? (check if "yes)	☐			
	If yes, indicate overall type		☐	Targeted management plans (e.g. Gender Action Plan, Emergency Response Plan, Waste Management Plan, others)	

			☐	ESMP (Environmental and Social Management Plan which may include range of targeted plans)	
			☐	ESMF (Environmental and Social Management Framework)	
	Based on identified <u>risks</u>, which Principles/Project-level Standards triggered?		**Comments (not required)**		
	Overarching Principle: Leave No One Behind				
	Human Rights	X			
	Gender Equality and Women's Empowerment	☐			
	Accountability	☐			
	1. Biodiversity Conservation and Sustainable Natural Resource Management	☐			
	2. Climate Change and Disaster Risks	☐			
	3. Community Health, Safety and Security	X			
	4. Cultural Heritage	☐			
	5. Displacement and Resettlement	☐			
	6. Indigenous Peoples	☐			
	7. Labour and Working Conditions	☐			
	8. Pollution Prevention and Resource Efficiency	☐			

Final Sign Off

Final Screening at the design-stage is not complete until the following signatures are included

Signature	***Date***	***Description***
QA Assessor		UNDP staff member responsible for the project, typically a UNDP Programme Officer. Final signature confirms they have "checked" to ensure that the SESP is adequately conducted.
QA Approver		UNDP senior manager, typically the UNDP Deputy Country Director (DCD), Country Director (CD), Deputy Resident Representative (DRR), or Resident Representative (RR). The QA Approver cannot also be the QA Assessor. Final signature confirms they have "cleared" the SESP prior to submittal to the PAC.
PAC Chair		UNDP chair of the PAC. In some cases PAC Chair may also be the QA Approver. Final signature confirms that the SESP was considered as part of the project appraisal and considered in recommendations of the PAC.

SESP Attachment 1. Social and Environmental Risk Screening Checklist

Checklist Potential Social and Environmental Risks	
INSTRUCTIONS: The risk screening checklist will assist in answering Questions 2-6 of the Screening Template. Answers to the checklist questions help to (1) identify potential risks, (2) determine the overall risk categorization of the project, and (3) determine required level of assessment and management measures. Refer to the SES toolkit for further guidance on addressing screening questions.	
Overarching Principle: Leave No One Behind **Human Rights**	**Answer (Yes/No)**
P.1 Have local communities or individuals raised human rights concerns regarding the project (e.g. during the stakeholder engagement process, grievance processes, public statements)?	No
P.2 Is there a risk that duty-bearers (e.g. government agencies) do not have the capacity to meet their obligations in the project?	No
P.3 Is there a risk that rights-holders (e.g. project-affected persons) do not have the capacity to claim their rights?	Yes
Would the project potentially involve or lead to:	
P.4 adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of marginalized groups?	No
P.5 inequitable or discriminatory impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups, including persons with disabilities? [16]	No
P.6 restrictions in availability, quality of and/or access to resources or basic services, in particular to marginalized individuals or groups, including persons with disabilities?	No
P.7 exacerbation of conflicts among and/or the risk of violence to project-affected communities and individuals?	No
Gender Equality and Women's Empowerment	
P.8 Have women's groups/leaders raised gender equality concerns regarding the project, (e.g. during the stakeholder engagement process, grievance processes, public statements)?	No
Would the project potentially involve or lead to:	
P.9 adverse impacts on gender equality and/or the situation of women and girls?	No
P.10 reproducing discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?	No
P.11 limitations on women's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services? *For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their livelihoods and well being*	No
P.12 exacerbation of risks of gender-based violence? *For example, through the influx of workers to a community, changes in community and household power dynamics, increased exposure to unsafe public places and/or transport, etc.*	No

[16] Prohibited grounds of discrimination include race, ethnicity, sex, age, language, disability, sexual orientation, gender identity, religion, political or other opinion, national or social or geographical origin, property, birth or other status including as an indigenous person or as a member of a minority. References to "women and men" or similar is understood to include women and men, boys and girls, and other groups discriminated against based on their gender identities, such as transgender and transsexual people.

Sustainability and Resilience: Screening questions regarding risks associated with sustainability and resilience are encompassed by the Standard-specific questions below		
Accountability		
Would the project potentially involve or lead to:		
P.13	exclusion of any potentially affected stakeholders, in particular marginalized groups and excluded individuals (including persons with disabilities), from fully participating in decisions that may affect them?	No
P.14	grievances or objections from potentially affected stakeholders?	No
P.15	risks of retaliation or reprisals against stakeholders who express concernsor grievances, or who seek to participate in or to obtain information on the project?	No
Project-Level Standards		
Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management		
Would the project potentially involve or lead to:		
1.1	adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services? *For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes*	No
1.2	activities within or adjacent to critical habitats and/or environmentally sensitive areas, including (but not limited to) legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?	No
1.3	changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply, refer to Standard 5)	No
1.4	risks to endangered species (e.g. reduction, encroachment on habitat)?	No
1.5	exacerbation of illegal wildlife trade?	No
1.6	introduction of invasive alien species?	No
1.7	adverse impacts on soils?	No
1.8	harvesting of natural forests, plantation development, or reforestation?	No
1.9	significant agricultural production?	No
1.10	animal husbandry or harvesting of fish populations or other aquatic species?	No
1.11	significant extraction, diversion or containment of surface or ground water? *For example, construction of dams, reservoirs, river basin developments, groundwater extraction*	No
1.12	handling or utilization of genetically modified organisms/living modified organisms?[17]	No
1.13	utilization of genetic resources? (e.g. collection and/or harvesting, commercial development)[18]	No
1.14	adverse transboundary or global environmental concerns?	No
Standard 2: Climate Change and Disaster Risks		
Would the project potentially involve or lead to:		

[17] See the Convention on Biological Diversity and its Cartagena Protocol on Biosafety.
[18] See the Convention on Biological Diversity and its Nagoya Protocol on access and benefit sharing from use of genetic resources.

2.1	areas subject to hazards such as earthquakes, floods, landslides, severewinds, storm surges, tsunami or volcanic eruptions?	No
2.2	outputs and outcomes sensitive or vulnerable to potential impacts of climate change or disasters? *For example, through increased precipitation, drought, temperature, salinity, extreme events, earthquakes*	No
2.3	increases in vulnerability to climate change impacts or disaster risks now or in the future (also known as maladaptive or negative coping practices)? *For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population's vulnerability to climate change, specifically flooding*	No
2.4	increases of greenhouse gas emissions, black carbon emissions or other drivers of climate change?	No
Standard 3: Community Health, Safety and Security		
Would the project potentially involve or lead to:		
3.1	construction and/or infrastructure development (e.g. roads, buildings, dams)? (Note: the GEF does not finance projects that would involve the construction or rehabilitation of large or complex dams)	Yes
3.2	air pollution, noise, vibration, traffic, injuries, physical hazards, poor surface water quality due to runoff, erosion, sanitation?	No
3.3	harm or losses due to failure of structural elements of the project (e.g. collapse of buildings or infrastructure)?	No
3.4	risks of water-borne or other vector-borne diseases (e.g. temporary breeding habitats), communicable and noncommunicable diseases, nutritional disorders, mental health?	No
3.5	transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	No
3.6	adverse impacts on ecosystems and ecosystem services relevant to communities' health (e.g. food, surface water purification, natural buffers from flooding)?	No
3.7	influx of project workers to project areas?	No
3.8	engagement of security personnel to protect facilities and property or to support project activities?	No
Standard 4: Cultural Heritage		
Would the project potentially involve or lead to:		
4.1	activities adjacent to or within a Cultural Heritage site?	No
4.2	significant excavations, demolitions, movement of earth, flooding or other environmental changes?	No
4.3	adverse impacts to sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	No
4.4	alterations to landscapes and natural features with cultural significance?	No
4.5	utilization of tangible and/or intangible forms (e.g. practices, traditional knowledge) of Cultural Heritage for commercial or other purposes?	No
Standard 5: Displacement and Resettlement		
Would the project potentially involve or lead to:		
5.1	temporary or permanent and full or partial physical displacement (including people without legally recognizable claims to land)?	No

5.2	economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	No
5.3	risk of forced evictions?[19]	No
5.4	impacts on or changes to land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources?	No
Standard 6: Indigenous Peoples		
Would the project potentially involve or lead to:		
6.1	areas where indigenous peoples are present (including project area of influence)?	No
6.2	activities located on lands and territories claimed by indigenous peoples?	No
6.3	impacts (positive or negative) to the human rights, lands, natural resources, territories, and traditional livelihoods of indigenous peoples (regardless of whether indigenous peoples possess the legal titles to such areas, whether the project is located within or outside of the lands and territories inhabited by the affected peoples, or whether the indigenous peoples are recognized as indigenous peoples by the country in question)? *If the answer to screening question 6.3 is "yes", then Standard 6 requirements apply, and the potential significance of risks related to impacts on indigenous peoples must be Moderate or above.* *	No
6.4	the absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned?	No
6.5	the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	No
6.6	forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources? *Consider, and where appropriate ensure, consistency with the answers under Standard 5 above*	No
6.7	adverse impacts on the development priorities of indigenous peoples as defined by them?	No
6.8	risks to the physical and cultural survival of indigenous peoples?	No
6.9	impacts on the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices? *Consider, and where appropriate ensure, consistency with the answers under Standard 4 above.*	No
Standard 7: Labour and Working Conditions		
Would the project potentially involve or lead to: (note: applies to project and contractor workers)		
7.1	working conditions that do not meet national labour laws and international commitments?	No
7.2	working conditions that may deny freedom of association and collective bargaining?	No
7.3	use of child labour?	No
7.4	use of forced labour?	No
7.5	discriminatory working conditions and/or lack of equal opportunity?	No
7.6	occupational health and safety risks due to physical, chemical, biological and psychosocial hazards (including violence and harassment) throughout the project life-cycle?	No

[19] Forced eviction is defined here as the permanent or temporary removal against their will of individuals, families or communities from the homes and/or land which they occupy, without the provision of, and access to, appropriate forms of legal or other protection. Forced evictions constitute gross violations of a range of internationally recognized human rights.

* Note: revised July 2022 modifying presumption of risk significance from Substantial or higher to Moderate or higher.

Standard 8: Pollution Prevention and Resource Efficiency		
Would the project potentially involve or lead to:		
8.1	the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	No
8.2	the generation of waste (both hazardous and non-hazardous)?	No
8.3	the manufacture, trade, release, and/or use of hazardous materials and/or chemicals?	No
8.4	the use of chemicals or materials subject to international bans or phase-outs? *For example, DDT, PCBs and other chemicals listed in international conventions such as the Montreal Protocol, Minamata Convention, Basel Convention, Rotterdam Convention, Stockholm Convention*	No
8.5	the application of pesticides that may have a negative effect on the environment or human health?	No
8.6	significant consumption of raw materials, energy, and/or water?	No

ANNEX 2: PROJECT RISK REGISTER

Project Title: UN Peace Support Facility for Yemen –Phase 3	Project Number:	Date: 14-Oct-25

#	Event	Cause	Impact(s)	Risk Category and Sub-category *(including Risk Appetite)*	Impact, Likelihood & Risk Level *(see Annex 3 Risk Matrix)*	Risk Valid From/To	Risk Owner *(individual accountable for managing the risk)*	Risk Treatment and Treatment Owner
1	There is a risk that individual UN PSF Phase 3. projects. including gender initiatives, may not be relevant or may undermine the political peace process	As a result of sub-optimal conflict sensitivity or inappropriate risk analysis or lack of access to relevant information.	Which will impact in the PSF undermining/failing to contribute to the peace negotiation process as led by OSESGY	7. STRATEGIC (7.3. Stakeholder relations and partnerships) - UNDP Risk Appetite: OPEN TO SEEKING	Likelihood: 3 - Moderately likely Impact: 3 - Intermediate Risk level: MODERATE (equates to a risk appetite of EXPLORATORY)	From: beginning of the project To: the end of the project	PSF Team (Project Manager, Monitoring & Risk Management Specialist), OSESGY (OSESGY representatives in the Technical Committee/ Steering Committee), RCO (RCO representatives in the Technical Committee/ Steering Committee)	Risk Treatment 1.1: All initiatives funded by the project (including the Small Grants Mechanisms projects) will be reviewed by the UN Tripartite Team and endorsed by the PSF Technical Committee. Risk Treatment Owner: UNDP PSF Team Risk Treatment 1.2: The Senior UN Tripartite Team will engage regularly with key stakeholders to ensure that the UN PSF is welcomed by the parties and supported by key stakeholders Risk Treatment Owner: Senior UN Tripartite Team
2	There is a risk that UN PSF Phase 3 may support projects that duplicate the efforts of other partners present in Yemen.	As a result of the large community of peace support, humanitarian and development partners present in Yemen and of potential miscommunication/ unawareness of existing similar initiatives.	Which will impact in ineffective use of PSF funds and resources.	2. FINANCIAL (2.2. Value for money) - UNDP Risk Appetite: MINIMAL TO CAUTIOUS	Likelihood: 3 - Moderately likely Impact: 2 - Minor Risk level: LOW (equates to a risk appetite of CAUTIOUS)	From: beginning of the project To: the end of the project	PSF Project Manager; PSF Monitoring & Risk Management Specialist	Risk Treatment 2.1: Close collaboration with RCO and donor partners to check for possible duplications. The RCO is best placed to signal from the earliest stages of project formulation potential duplication risks, given their knowledge of the work of the entire UN family (20+agencies) in Yemen, including through the UN Cooperation Framework and the joint action plans developed by the RCO.

#	Event	Cause	Impact(s)	Risk Category and Sub-category *(including Risk Appetite)*	Impact, Likelihood & Risk Level *(see Annex 3 Risk Matrix)*	Risk Valid From/To	Risk Owner *(individual accountable for managing the risk)*	Risk Treatment and Treatment Owner
								Risk Treatment Owner: UN Tripartite team (especially RCO), PSF Technical Committee Risk Treatment 2.2: The PSF will use clear eligibility criteria ensuring that the facility will only fund projects and initiatives that offer a clear and tangible peace dividend/support the peace process at the national or local levels. Risk Treatment Owner: UNDP PSF team, PSF Technical Committee.
3	There is a risk that certain projects may be delayed or implemented inadequately	As a result of the complex and volatile political and security environment in Yemen	Which will impact in an inefficient allocation of funding, possible inability of the PSF to deliver important services, works and support, and ultimately affecting partners' trust in the ability of Facility to deliver	4. ORGANIZATIONAL (4.2. Execution capacity) - UNDP Risk Appetite: EXPLORATORY TO OPEN 5. REPUTATIONAL (5.5. Stakeholder management) - UNDP Risk Appetite: CAUTIOUS	Likelihood: 4 - Highly likely Impact: 2 - Minor Risk level: SUBSTANTIAL (equates to a risk appetite of OPEN)	From: the beginning of the project To: the end of the project	PSF Project Manager; PSF Monitoring & Risk Management Specialist	Risk Treatment 3.1: Consistent use of risk and feasibility assessments of proposed initiatives, thorough selection and capacity assessment of implementing partners and continuous implementation monitoring. Risk Treatment Owner: UNDP PSF team
4	There is a risk that sexual exploitation and abuse (SEA) will be incurred by RPs	As a result of the unbalanced power, lack of awareness on SEA and inadequate SEA policy standards	Which will impact the project reputation and risk sustainability	1.SOCIAL AND ENVIRONMENTAL (1.13. Sexual exploitation and abuse) 5. REPUTATIONAL (5.3. Code of conduct and ethics) - UNDP Risk Appetite: CAUTIOUS	Likelihood: 3 - Moderately likely Impact: 4 - Extensive Risk level: SUBSTANTIAL (equates to a risk appetite of OPEN)	From: the beginning of the project To: the end of the project	PSF Project Manager; Procurement Specialist	Risk Treatment 4.1: Consistent use of risk and feasibility assessments of proposed initiatives, thorough selection and capacity assessment of implementing partners and continuous implementation monitoring and provision of capacity building Risk Treatment Owner: UNDP PSF team

#	Event	Cause	Impact(s)	Risk Category and Sub-category *(including Risk Appetite)*	Impact, Likelihood & Risk Level *(see Annex 3 Risk Matrix)*	Risk Valid From/To	Risk Owner *(individual accountable for managing the risk)*	Risk Treatment and Treatment Owner
5	There is a risk that funds may be used inappropriately by third parties (potential implementing partners/ responsible parties).	As a result of fraud, improper spending of resources or corruption.	Which will impact in diverting much needed resources from where they are needed, diminished donor partners' trust and even possibly undermining peace negotiation efforts	2. FINANCIAL (2.3. Corruption and fraud) - UNDP Risk Appetite: MINIMAL TO CAUTIOUS	Likelihood: 2 - Low likelihood Impact: 4 - Extensive Risk level: MODERATE (equates to a risk appetite of EXPLORATORY)	From: the beginning of the project To: the end of the project	PSF Project Manager; PSF Monitoring & Risk Management Specialist	Risk Treatment 5.1: The PSF team will organize spot checks and apply to UNDP CFT/AML process. Risk Treatment Owner: UNDP PSF team with the support, as needed, from UNDP Yemen CO/SOs. Risk Treatment 5.2: The PSF team, with the support of relevant UNDP colleagues, will conduct IP/RP capacity assessment and organize capacity building and trainings on fraud detection for IPs/RPs. Risk Treatment Owner: UNDP PSF team Risk Treatment 5.3: The UNDP 24/7 fraud reporting line will be promoted and monitored. Risk Treatment Owner: UNDP PSF team
6	There is a risk that assets and work sites may be damaged, transports and works may be delayed/blocked or put at risk	As a result of violent conflict/ insecurity	Which will impact in delayed/damaged assets/work sites and possible safety risks for the people involved in delivering the respective activities.	8. SAFETY AND SECURITY (8.1. Armed conflict) - UNDP Risk Appetite: CAUTIOUS	Likelihood: 3 - Moderately likely Impact: 4 - Extensive Risk level:	From: the beginning of the project To: the end of the project	UNDP PSF Project Manager, PSF Monitoring & Risk Management Specialist, Senior UN Tripartite Team	Risk Treatment 6.1: The Resident Coordinator, the UN Special Envoy, and the UNDP Resident Representative will provide support as needed to liaise with relevant authorities to unblock such situations and allow for the

#	Event	Cause	Impact(s)	Risk Category and Sub-category *(including Risk Appetite)*	Impact, Likelihood & Risk Level *(see Annex 3 Risk Matrix)*	Risk Valid From/To	Risk Owner *(individual accountable for managing the risk)*	Risk Treatment and Treatment Owner
					SUBSTANTIAL (equates to a risk appetite of OPEN)			implementation of PSF initiatives on the ground. Risk Treatment Owner: Senor UN Tripartite Team Risk Treatment 6.2: If needed, the UNDP Continuity Plan will be activated, ensuring that critical office functions can be performed from alternate locations if necessary. Risk Treatment Owner: UNDP senior management
7	There is a risk that the UN PSF Phase 3 may be undercapitalised as compared to actual funding needs.	As a result of unsuccessful resource mobilisation efforts, poor communication and competing funding priorities.	Which will impact in the UN PSF Phase 3 losing its credibility and efficiency	2. FINANCIAL (2.6. Budget availability and cash flow) - UNDP Risk Appetite: MINIMAL TO CAUTIOUS	Likelihood: 2 - Low likelihood Impact: 4 - Extensive Risk level: MODERATE (equates to a risk appetite of EXPLORATORY)	From: the beginning of the project To: the end of the project	PSF Project Manager	Risk Treatment 7.1: The UN Tripartite Team will work closely with donors to identify and prioritise high-impact initiatives that require PSF funding. The UN Tripartite team will maintain substantive and constant communication with donors, the PSF Team will ensure adequate results reporting. Risk Treatment Owner: UN Tripartite Team Risk Treatment 7.2: The UN PSF Phase 3 budget will developed with inherent scalability based on funding levels. Risk Treatment Owner: PM

#	Event	Cause	Impact(s)	Risk Category and Sub-category *(including Risk Appetite)*	Impact, Likelihood & Risk Level *(see Annex 3 Risk Matrix)*	Risk Valid From/To	Risk Owner *(individual accountable for managing the risk)*	Risk Treatment and Treatment Owner
8	There is a risk that the PSF may be perceived by the parties or the international community as biased	As a result of attempted involvement of authorities and political actors trying to influence the selection of sites/implementation partners/ allocation of resources	Which will impact in compromising the Facility's image of political neutrality, making it unusable for OSESGY.	7. STRATEGIC (7.3. Stakeholder relations and partnerships) - UNDP Risk Appetite: OPEN TO SEEKING	Likelihood: 2 - Low likelihood Impact: 4 - Extensive Risk level: MODERATE (equates to a risk appetite of EXPLORATORY)	From: the beginning of the project To: the end of the project	UNDP Project Manager, PSF Monitoring & Risk Management Specialist	Risk Treatment 8.1: The Resident Coordinator, the UN Special Envoy, and the UNDP Resident Representative will provide support as needed to liaise with relevant authorities to unblock such situations. Risk Treatment Owner: Senior UN Tripartite Team. Risk Treatment 8.2: The PSF will pursue geographic balance, to reflect the political neutrality of the Facility. Risk Treatment Owner: The UN Tripartite Team.
9	There is a risk that the Donors decrease funding to the PSF.	As a result of the lack of result of the PSF stemming from contextual and institutional obstacles.	Which will impact in PSF's capitalization will decrease and impact will be lower	2. FINANCIAL (2.6. Budget availability and cash flow) - UNDP Risk Appetite: MINIMAL TO CAUTIOUS	Likelihood: 3 - Moderately likely Impact: 4 - Extensive Risk level: SUBSTANTIAL (equates to a risk appetite of OPEN)	From: the beginning of the project To: the end of the project	Project Manager, RCO & OSESGY.	Risk Treatment 9.1: Rapid implementation during the Q1 and Q2 of 2023 to demonstrate value, along with increase communication efforts to display the results. Risk Treatment Owner: The UN Tripartite Team.
10	There is a risk that Banks have low liquidity.	As a result of country's economic collapse.	Which will impact in the payments to beneficiaries, partners and contractors are negatively impacted.	2. FINANCIAL (2.4. Fluctuation in credit rate, market, currency) - UNDP Risk Appetite: MINIMAL TO CAUTIOUS	Likelihood: 3 - Moderately likely Impact: 4 - Extensive Risk level: SUBSTANTIAL (equates to a risk appetite of OPEN)	From: the beginning of the project To: the end of the project	UNDP PM	Risk Treatment 10.1: All payment are processed in US dollars. Risk Treatment Owner: UNDP

#	Event	Cause	Impact(s)	Risk Category and Sub-category *(including Risk Appetite)*	Impact, Likelihood & Risk Level *(see Annex 3 Risk Matrix)*	Risk Valid From/To	Risk Owner *(individual accountable for managing the risk)*	Risk Treatment and Treatment Owner
								Risk Treatment 10.2: Risk Treatment Owner: UNDP
11	There is a risk that PSF Result Area 2 projects lack sufficient linkage with or do not contribute directly to the national peace process.	As a result of a lack of clarity, either at strategic or practical level, on how projects may contribute to or are a linked to the peace process.	Which will impact the overall effectiveness of PSF projects.	3. OPERATIONAL (3.5. Partners' engagement) - UNDP Risk Appetite: EXPLORATORY TO OPEN	Likelihood: 4 - Highly likely Impact: 4 - Extensive Risk level: SUBSTANTIAL (equates to a risk appetite of OPEN)	From: the beginning of the project To: the end of the project	UN Tripartite	Risk Treatment 11.1: Ensure project planning at all stages allows for the linkages between RA-2 projects and the national peace process are well articulated; including through a careful project selection process that is based on activity and actor mappings on the ground. Risk Treatment Owner: UNDP; UN Tripartite.
12	There is a risk that PSF does not attract a sufficiently diverse network of implementing partners	As a result of an exclusive identification process of implementing partners .	Which will impact in results area 2 projects does not have the expected impact.	3. OPERATIONAL (3.5. Partners' engagement) - UNDP Risk Appetite: EXPLORATORY TO OPEN	Likelihood: 4 - Highly likely Impact: 4 - Extensive Risk level: SUBSTANTIAL (equates to a risk appetite of OPEN)	From: the beginning of the project To: the end of the project	UN Triparite	Risk Treatment 12.1: UNDP selection process and procedures should be applied, including facilitating UNDP roster of partners. Risk Treatment Owner: UN Tripartite.
13	There is a risk that local ownership by Yemeni partners is limited by lack of confidence in the UN-led peace process	As a result of identification of initiatives not done in full consultation with national and local stakeholders, and their buy-in is not secured, or a change in local	Which will impact in the delivery of PSF interventions is hampered by limited partners' collaboration	3. OPERATIONAL (3.5. Partners' engagement) - UNDP Risk Appetite: EXPLORATORY TO OPEN	Likelihood: 3 - Moderately likely Impact: 3 - Intermediate Risk level:	From: the beginning of the project To: the end of the project	RC, RR, OSESGY	Risk Treatment 13.1: Initiatives are being implemented in North and the South and go through a rigours conflict sensitivity and gender analysis prior to implementation. Risk Treatment Owner: UNDP PSF Team.

#	Event	Cause	Impact(s)	Risk Category and Sub-category *(including Risk Appetite)*	Impact, Likelihood & Risk Level *(see Annex 3 Risk Matrix)*	Risk Valid From/To	Risk Owner *(individual accountable for managing the risk)*	Risk Treatment and Treatment Owner
		attitude towards the UN			MODERATE (equates to a risk appetite of EXPLORATORY)			
14	There is a risk that perception by the parties of partiality and unfairness of project activities	As a result of PSF initiatives are not well geographically and politically balanced	Which will impact in the credibility of the project will be affected, as well as its delivery capacity	5. REPUTATIONAL (5.1. Public opinion and media) - UNDP Risk Appetite: CAUTIOUS	Likelihood: 2 - Low likelihood Impact: 4 - Extensive Risk level: MODERATE (equates to a risk appetite of EXPLORATORY)	From: the beginning of the project To: the end of the project	RC, RR, OSESGY	Risk Treatment 14.1: Initiatives are being implemented in North and the South and go through a rigorous conflict sensitivity and gender analysis prior to implementation. Risk Treatment Owner: UNDP PSF Tema
15	There is a risk that the absence of formalized peace, space for peace support initiatives remains limited	As a result of parties to the conflict do not reach a peace agreement nor make progress on negotiations.	Which will impact in parties do not agree on initiatives to be implemented by the PSF	7. STRATEGIC (7.6. Change/turnover in government) - UNDP Risk Appetite: OPEN TO SEEKING	Likelihood: 3 - Moderately likely Impact: 3 - Intermediate Risk level: MODERATE (equates to a risk appetite of EXPLORATORY)	From: the beginning of the project To: the end of the project	Project Manager, RR, RC and SE	Risk Treatment 15.1: Implementation of the Result Area 2 focusing on initiatives to build confidence and support dialogue at community level rather than relying on national level. Risk Treatment Owner:
16	There is a risk that the escalation of violence close to project locations	As a result of degeneration of political and military dynamics	Which will impact in staff deployment, mobility, face to face consultations with stakeholders is prevented, and project implementation on the ground forced on standby.	8. SAFETY AND SECURITY (8.1. Armed conflict) - UNDP Risk Appetite: CAUTIOUS	Likelihood: 3 - Moderately likely Impact: 3 - Intermediate Risk level: MODERATE (equates to a risk appetite of EXPLORATORY)	From: the beginning of the project To: the end of the project	UN Tripartite	Risk Treatment 16.1: Continues update risk log, identify NGO on the ground who can carry out activities where UN cannot deploy staff. Risk Treatment Owner: PM

ANNEX 3: ALIGNING THE RISK APPETITE TO RISK SIGNIFICANCE IN THE RISK MATRIX

Risk Appetite scale:



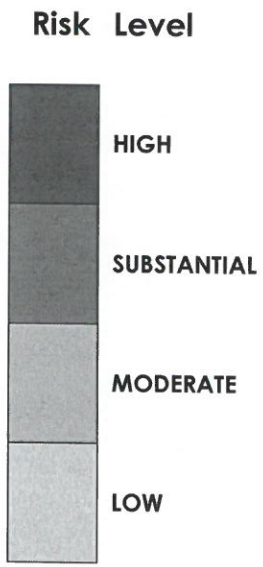
Minimal Cautious Exploratory Open Seeking

- **Minimal risk appetite**: Areas where UNDP will apply a strong control environment to reduce or minimize the likelihood that a risk will occur and/or reduce the impact of any risk.
- **Cautious risk appetite**: Areas where UNDP seeks low-risk delivery options and will pilot innovation only in a controlled environment.
- **Exploratory risk appetite**: Areas where UNDP strikes a balance between the potential upside benefits and downside risks of a decision and explores new solutions and options for delivery.
- **Open risk appetite**: Areas where UNDP has determined that the potential upside benefits outweigh the risks and will take informed risks. All potential options are considered.
- **Seeking risk appetite**: Areas where UNDP takes risks by working with new ideas and approaches, looking for innovation and recognizing that failures are an opportunity for learning and improving.

Risk Matrix:

Impact					
5	Exploratory	Open	Open	Seek	Seek
4	Cautious	Exploratory	Open	Open	Seek
3	Cautious	Exploratory	Exploratory	Exploratory	Open
2	Minimal	Minimal	Cautious	Exploratory	Exploratory
1	Minimal	Minimal	Cautious	Cautious	Cautious
	1	2	3	4	5

Likelihood



ERM RISK CATEGORIES AND SUB-CATEGORIES

.Social and Environmental	2. Financial	3. Operational	4. Organizational	5. Reputational	6. Regulatory	7. Strategic	8. Safety and Security
1.1. Human rights 1.2. Gender equality and women's empowerment 1.3. Grievances (Accountability to stakeholders) 1.4. Biodiversity conservation and sustainable natural resource management 1.5. Climate change and disaster risks 1.6. Community health, safety and security 1.7. Cultural heritage 1.8. Displacement and resettlement 1.9. Indigenous peoples 1.10. Labour and working conditions 1.11. Pollution prevention and resource efficiency 1.12. Stakeholder engagement 1.13. Sexual exploitation and abuse	2.1. Cost recovery 2.2. Value for money 2.3. Corruption and fraud 2.4. Fluctuation in credit rate, market, currency 2.5. Delivery 2.6. Budget availability and cash flow	3.1. Responsiveness to audit and evaluations (Delays in the conduct of and implementation of recommendations) 3.2. Leadership and management 3.3. Flexibility and opportunity management 3.4. Reporting and communication 3.5. Partners' engagement 3.6. Transition and exit strategy 3.7. Occupational safety, health and well-being 3.8. Capacities of the partners	4.1. Governance 4.2. Execution capacity 4.3. Implementation arrangements 4.4. Accountability 4.5. Monitoring and oversight 4.6. Knowledge management 4.7. Human Resources 4.8. Internal control 4.9. Procurement	5.1. Public opinion and media 5.2. Engagement with private sector partnership 5.3. Code of conduct and ethics 5.4. Communications 5.5. Stakeholder management	6.1. Changes in the regulatory framework within the country of operation 6.2. Changes in the international regulatory framework affecting the whole organization 6.3. Deviation from UNDP internal rules and regulations	7.1. Alignment with UNDP strategic priorities 7.2. UN system coordination and reform 7.3. Stakeholder relations and partnerships 7.4. Competition 7.5. Government commitment 7.6. Change/turnover in government 7.7. Alignment with national priorities 7.8. Innovating, piloting, experimenting	8.1. Armed conflict 8.2. Political instability 8.3. Terrorism 8.4. Crime 8.5. Civil unrest 8.6. Natural hazards 8.7. Manmade hazards 8.8. Cyber security and threats

Annex 5. Terms of Reference PSF Technical Committee

1. Mandate and Purpose

1.2 The United Nations Peace Support Facility (PSF) for Yemen is governed by a Steering Committee which holds executive and decision-making authority on the overall work, priorities and strategic directions of the Facility. The Steering Committee provides strategic direction to and oversight of the Facility and ensures that the interventions funded through the Facility are in line with the aim and strategic priorities of the facility.

1.3 UN PSF's Steering Committee delegates the following authority to the PSF Technical Committee:

1.3.1 Review and endorse interventions under result area 1 and 2 up to US$ 1 million.

1.3.2 Advise on interventions submitted and initiatives suggested under Result Area 3, and interventions above US$ 1 million submitted under Result Area 1 and 2.

2. Objective and Responsibilities

2.2 The Technical Committee have the following objectives and responsibilities:

2.2.1 Ensures to the extent possible that the UN PSF balances support to Yemen's multiple regions.

2.2.2 Advises, upon request, the UN PSF Steering Committee on matters related to interventions submitted and suggested under Result Area 1, and on special projects suggested under Result Area 3.

2.2.3 Regularly liaises with the UN PSF Project Team on matters relevant to the PSF Steering Committee and the implementation of Result Area 2 projects.

2.2.4 Ensures, to the extent possible, all PSF projects are inclusive and gender-sensitive by ensuring that (a) outreach to women's organizations and different constituencies takes place in a timely way; (b) there are targets set in terms of projects from women's organizations and different constituencies; and (c) there is a balance in terms of project support.

2.2.5 Ensures, to the extent possible, a close coordination with peacebuilding and stabilisation initiatives implemented by other donors, including members of the Technical Committee.

3. Secretariat

3.2 The UN PSF Team will serve as the Secretariat for the Technical Committee.

3.3 The UN PSF Team, in close collaboration with the Technical Committee Co-Chairs, are expected to:

3.3.1 Organize Technical Committee meetings, including suggest meeting agenda, draft and circulate minutes of meetings and provide updates on implementation of UN PSF interventions.

3.3.2 Facilitate the provision of external expert advice on matters relevant for the Technical Committee, including coordination with the UN PSF Team, UNDP Country Office, OSESGY and/or RCO.

4. Composition

4.2 The membership of the Technical Committee is composed of:

4.2.1 OSESGY staff (Co-chair)

4.2.2 UN RCO staff (Co-chair)

4.2.3 UN PSF Representative

4.2.4 UNDP Yemen Representative

4.2.5 Donor representatives:

4.2.5.1 Two donor representatives will be appointed by the Steering Committee.

4.2.5.2 The two donor representatives will serve on the Technical Committee for a period of six months or until the next Steering Committee meeting.

4.2.5.3 Each donor representative can be appointed for an additional six month at the Steering Committee Meeting. There is no upper limit of periods for which a donor representative can be on the Technical Committee.

4.2.5.4 The Technical Committee consults with and advises the Steering Committee at the bi-annual Steering Committee meetings. Ad-hoc consultations between the Technical and Steering Committee are expected to take place to minimize delays in the project endorsement process.

4.2.5.5 The two donor representatives are selected, or re-selected, by the donor group prior to the biannual steering committee.

4.3 The UN PSF Team will perform the secretariat role for the Technical Committee (Secretariat of the Technical Committee).

4.4 External participation:

4.4.1 The Technical Committee can invite experts, other UN agencies, Yemeni organizations, etc. to participation at Technical Committee meetings as needed for the purpose of presenting relevant material on the context in Yemen, programmatic issues, etc.

5. Frequency of Meetings

5.2 The Technical Committee meets once a month, or as often as necessary.

5.3 The co-chairs may call for additional meetings if required.

5.4 The Secretariat in consultation with the Technical Committee members may cancel the monthly meetings in the absence of agenda items.

5.5 Meetings may be held virtually, in-person, or in hybrid format.

6. Endorsement and Approval Procedure

6.2 Endorsement and approval by the Technical Committee is based on consensus amongst its members.

6.3 Technical Committee meetings should strive for full participation, but meetings can be held if at least two members of the UN Tripartite are present and at least one donor representative.

6.4 Endorsement of UN PSF interventions by technical committee is to be provided via email.

6.5 Invited external participants will not have power of endorsement.

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UN PSF
DRAFT Strategic Approach to Peacebuilding DRAFT
28 September 2025

Contents

1. Introduction and Strategic Rationale 1
2. Result Area 1 2
3. Result Area 2 3

1. Introduction and Strategic Rationale

The strategic approach pursued under UN Peace Support Facility (PSF) Phase 3 acknowledges that the Yemeni peace process is facing challenges at the national level, despite the breakthrough of the truce in 2022. The peace process in Yemen has been increasingly linked to the escalations in the Red Sea and the conflict in Gaza, and the situation that is made further complex by the presence of multiple and fragmented Yemeni actors and influential regional players. As evident from UN PSF Phase 2, several local and subnational peace opportunities exist. These require support from the international community and could benefit from stronger linkages to the UN-led peace process to ensure sustained impact. Phase 3 of the UN PSF is therefore designed to: 1) Increase the capacity and leverage of the Office of the Special Envoy of the Secretary-General for Yemen (OSESGY) and the UN Resident Coordinator's Office (RCO) to engage with decision makers. This acknowledges that while there are challenges to the national level of the peace process, there is opportunity for the two leading UN-agencies to strengthen their capacity and prepare for a more conducive environment; 2) Pursue and support the local peace opportunities, ensuring their inclusivity and sustainability. The vertical link to the national peace process via the UN PSF, increases the creditability of the national peace process and vice versa, while providing input to the process; 3) lastly, the dynamic nature of the Yemeni context requires a mechanism that can launch larger scale special initiatives supported by multiple donors.
To achieve this, the UN Peace Support Facility (PSF) is structured around the three interdependent result areas established under phase 2. They enable flexible programming that responds to emerging opportunities while maintaining coherence across the political, security, and economic tracks of the peace process.

- Result Area 1 focuses on strengthening the capacity and leverage of the OSESGY and the UN RCO to engage with decision makers. Initiatives will include ceasefire planning, confidence-building measures, and strategic analysis.

- Result Area 2 strengthens subnational peacebuilding and aims to increase inclusive engagement of local stakeholder in local conflict resolution and social cohesion activities, while increasing the trust and provides input to the national UN-led peace

process. Initiatives, such as the Pillars of Peace, the Small Grants Mechanism, Insider Mediation Support, and the Gender-Inclusive Peacebuilding Network, are supported under this result area. Collectively they foster inclusive dialogue, build local capacities that feed into national-level mediation efforts, and increase trust between the UN-agencies leading on the national peace process and local stakeholders.

- Result Area 3 enables special initiatives that demand broad engagement and complement the peace process.

The results areas are designed to reinforce one another. Together, the three areas ensure that the peace process is inclusive, grounded in local realities, and responsive to the evolving political and security landscape in Yemen, while providing enough flexibility to launch special large-scale stand-alone projects if needed. The first two result areas consist of core engagement and complimentary emergent and temporary initiatives, while the result areas 3 is placeholder that enables flexibility to launch larger-scale peace initiatives when needed and the context allows. Complementarity is for example achieved by result area 2, including local mediation efforts and civil society engagements, that generate insights and trust-building dividends that directly inform ceasefire planning under Result Area 1. Similarly, Result Area 3 supports the operationalization of both national and subnational larger-scale special initiatives that support the peace process, if and when they become necessary.

2. Result Area 1

The three core engagements under Result Area 1 are:

- Support to Roads Openings

One of the major confidence building initiatives currently possible to pursue is Roads Opening. During UN PSF Phase 2 support was provided to the Al Qasr Road in Taiz in the form of safety equipment, making waiting time at the checkpoints shorter. Some equipment was not provided due to limited funding, and lessons were learned that will improve support to other road openings. The initial road openings that will be supported continue to be supported are Taiz, and initiating support to the Adalea Road, based on a needs assessment that relies partially on an initial assessment by UNOPS. If other road openings become possible to support, the UN PSF will be ready to do so.

These initiatives clearly demonstrate the commitment from the international community to peace in Yemen, when possible, thereby increasing the leverage held by OSESGY and the UN RCO to further engage with decision makers.

- Multi-level Ceasefire Mechanism

During Phase 2, the Facility developed software that can actively monitor a potential ceasefire. It's directly linked to the Military Coordination Committee as the two parties can report into the system. The system is furthermore linked to the Pillars of Peace project under result area 2, as the project allows for coordination with local civil society, amongst others through the Rakaez network in Taiz and Marib. To pursue these two levels of engagement (National and Subnational), the Facility supports a coordination specialist, and a security liaison specialist

embedded with OSESGY. Collectively, the initiatives significantly increase the capacity of OSESGY to engage with national and subnational decision makers.

- Strategic Analysis

During Phase 2, the Facility established a research portfolio that generally increased the knowledge base and capacity of OSESGY and the UN RCO, and hence their ability to engage with national stakeholders. However, during phase 2 it became evident that more action-oriented research has more impact. Phase 3 therefore focuses on analysis that creates direct actionable outputs, like the needs assessment of Adealea road. The products will directly increase the capacity of OSESGY, and hence their leverage.

Emergent and temporary initiatives provide the facility with flexibility to implement in a dynamic context and sustain crucial initiatives from phase 1, which if cancelled might negatively impact leverage of the UN RCO and OSESGY, they include:

- Confidence building initiatives and peace incentives

During phase 2, initiatives emerged that clearly pursued the objectives of result area 1 but could not have been identified in advance; this includes the road opening portfolio. Going forward, it is inherent for flexibility of the Facility to have a placeholder in the programmatic design for such activities.

- Port of Hodeidah

The Facility has been supporting the Port of Hodeidah since phase 1, but the initiative remains uncompleted: provision of a Pilot Boat. The boat is currently stored in the Port of Aden and will remain until it is feasible both politically and economically to deliver it to Hodeidah. The issue is politically sensitive and will require collective assessment and decision by the UN PSF steering committee.

3. Result Area 2

Result Area 2 of the UN Peace Support Facility (PSF) supports inclusive subnational peacebuilding efforts that reinforce and prepare the ground for a future Yemeni political process under UN auspices. The Facility does not simply fund stand-alone initiatives, but ensures that diverse efforts, from structured dialogue platforms to small grants, work in complementarity to collectively advance the peace process.

The approach reflects the need for both flexibility and coherence. On one hand, the Facility must be able to respond rapidly to new opportunities for impactful dialogue, mediation, and engagement. On the other hand, activities must form part of a cohesive portfolio that contributes to national peace efforts and avoids duplication.

Strategic Objectives
Result Area 2 will pursue four interlinked objectives:

1. *Strengthen the capacity of Yemeni stakeholders to participate* in dialogue and peacebuilding, in support of preparations for future peace agreements.
2. *Promote inclusive participation* by ensuring women, youth, and marginalized groups are engaged meaningfully in peacebuilding and political dialogue.
3. *Bridge subnational and national efforts* by linking community-level initiatives to broader peace process preparations.
4. *Maintain adaptive capacity* so the Facility can respond swiftly to emerging opportunities in a conflict-sensitive manner.

Core engagements and their complementarity

- The Pillars of Peace

The initiative represents a structured platform for sustained engagement with mediators, community leaders, and civil society representatives in priority governorates. Through regular dialogue and capacity-building, the initiative supports community safety, local problem-solving, and inclusive dialogue processes. While initially piloted in Taiz and Marib, its approach is scalable and designed to benefit multiple dimensions of the peace process, political, security, and economic, by fostering regular dialogue and collaboration between local initiatives and national efforts. In addition to supporting local security arrangements and trust-building, the Pillars of Peace plays a strategic role in informing and assisting the UN-led peace process. By fostering sustained engagement with local mediators, civil society, and security actors in priority areas, the initiative helps to highlight local security concerns and confidence-building efforts that directly impact the design and implementation of a nationwide ceasefire. PoP activities serve as a critical bridge between subnational de-escalation and national-level mediation. These activities lay the groundwork for local support to future ceasefire structures and support the development of ceasefire arrangements that are rooted in local priorities and lessons learned.

Commented [KK1]: As mentioned by Charlotte, this project is linked to ceasefire and local engagement, and in extension the national level peace proces. This should be made clear.

Commented [KK2R1]: I suggest that the subnational scale-up initiatives are linked to this.

- The *Small Grants Mechanism*

The Mechanism provides catalytic funding to Yemeni civil society organizations, including those with lower institutional capacity. By supporting a diversity of initiatives across tracks, from political dialogue to advocacy, community resilience, and social cohesion, the Mechanism generates lessons and highlights promising initiatives that can inform and strengthen broader peacebuilding efforts. This includes building synergies with platforms such as Pillars of Peace, contributing to other Result Area 2 initiatives, and identifying local priorities that can serve as peace incentives under Result Area 1 and informing national-level preparations. Building on lessons learnt from Phase 2, the grants will be more targeted to better meet expectations of Yemeni civil society and provide more capacity building.

Commented [KK3]: I suggest to see the SGM as a core engagement to a wider group of smaller CSOs- stakeholders.

Initiatives that proved successful under Phase 2, will have the possibility to be scaled up based on the final evaluation report and how they strategically align with the ongoing planning of the UN RCO and OSESGY.

- The *Insider Mediation*

The program builds skills for Yemeni mediators and applies them to community-level disputes, such as those related to water resources and livelihoods. These initiatives help reduce tensions and create confidence-building dividends that are directly relevant to national mediation. By

addressing local disputes that often carry wider political or economic implications, the program complements structured dialogue initiatives, strengthens the evidence base for peace incentives under Result Area 1, and broadens the thematic reach of Result Area 2. During phase 2, the Facility developed key engagements that will be built on. An insider mediation strategy will be launch that outlines the main strategic opportunities for national and international partners working on Insider Mediation, while a report on women's roles as mediators will outline how women has played a role in mediation at both local, subnational, and national level. The report will provide key lessons learnt for supporting mediators and is strongly anchored in OSESGY's approach to inclusive mediation. Lastly, the next stage of the insider mediation project will be launched and play a key role in further supporting mediators in Yemen with training, simulations, technical support, and recording of lessons learnt for wider distribution. During the first stage of the insider mediation project, the Facility worked closely with Clingendael to establish a cohort of mediation trainers, during the phase 3 collaboration with Clingendael will continue and the cohort will be broadened to include more trainers. The mediation project will be a support facility that can capacitate the UN PSF partners working on the Pillars of Peace project and the Small Grant Mechanism, while providing support to mediators outside the project.

Commented [KK4]: This could be seen as complementary and linking the various mediation initiatives, potentially providing support to mediation efforts.

- The *WPS Research Network at Aden University*

The Network sustains engagement with Yemeni women and civil society, supporting inclusive networks and producing research that reflects diverse perspectives. The findings and activities of the network contribute not only to Result Area 2 but also to the broader incentive structure for peace by ensuring that women's priorities are integrated into dialogue, ceasefire preparations, and economic recovery discussions. By linking women's perspectives into ongoing peacebuilding work, the WPS network enriches cross-track efforts, while reinforcing inclusivity as a peace incentive in its own right. Under Phase 3, the Network will support the other core initiatives with capacity building on inclusive peacebuilding.

Lasty the Facility will continue to hold space for emergent subnational peacebuilding opportunities. During Phase 2, opportunities rose that could not have been identified in advance. Examples include the water collaboration across frontlines in Taiz the one of the implementors of the Grants Mechanism received further support to finalize. Having a placeholder for these initiatives provides the Facility with built-in flexibility.

Together, the core engagements and complementary mechanisms provide the PSF with a balanced and integrative approach that avoids duplication and ensures Result Area 2 covers both depth and breadth.

4. Ensuring Linkages Between Subnational and National Efforts

A defining purpose of Result Area 2 is to ensure that local peacebuilding initiatives are not isolated but actively inform and complement national peace efforts. This is essential both during the current preparations phase and in anticipation of later negotiations and agreement implementation. Linkages will be pursued through:

- Structured feedback loops: Analysis and lessons from local initiatives will be systematically shared to inform national-level discussions.
- Cross-track integration: Subnational activities will be aligned with political, economic, and security priorities, ensuring that outcomes can be scaled or echoed in national processes.

- Joint convenings: Where feasible, local and national stakeholders will be brought together (e.g. civil society briefings, joint workshops) to create continuity between community-level experience and higher-level dialogue.
- Thematic framing: Local peacebuilding activities will focus on issues, such as road access, resource management, or women's participation, that are central to the broader peace agenda.

The result area will furthermore be expected to support OSESGY's work on Track 1 by:

- ***Deepen Inclusion and Ownership:*** *Provide a platform to address safety and security arrangements at the local level. Ensuring that security dialogue is happening on both sub-national and national levels, while creating space for women and youth to join the conversation and promote options that are tailored to local contexts and further local ownership and support.*
- ***Build Confidence in Peace Process:*** *Further community engagement and build support for an inclusive peace process that involves the wider society, as well as the parties.*
- ***Create Capacity for Implementation:*** *Build capacities of interlocutors to plan and implement a sustainable ceasefire. Build the capacity of communities and local leaders to participate in ceasefire implementation and de-escalation mechanisms if appropriate.*
- ***Construct Peace Dividends:*** *Empower citizens, especially women and youth, to promote and advocate for civilian safety, thus helping to ensure that the peace process secures dividends at both national and community levels.*

5. Indicative Activities Across UN Sections and Units

Result Area 2 is intended as an integrative framework. Each participating entity, including the UN RCO, OSESGY, and UNDP, contributes to distinct but complementary activities, ensuring that subnational peacebuilding efforts benefit all mediation tracks. Indicative activities include:

- **Political Track:** Facilitate subnational dialogues that inform political preparations; support local political actors and community groups; ensure grant-funded initiatives contribute analysis to broader peace discussions.
- **Economic Track**: Research and consultations on economic peace dividends at community level; engagement with business networks and CSOs; analysis of local grievances and service delivery.
- **Security Track**: Deepen and consolidate Pillars of Peace; support community-level dialogues and confidence-building measures; draw on local initiatives to inform preparations for ceasefire arrangements.
- **Gender and Inclusion**: Expand the WPS Research Network; support women's participation in mediation and peacebuilding; mainstream gender and inclusion across all Result Area 2 mechanisms.
- **Strategic Communications**: Support peace advocacy by amplifying local voices; enhance communications capacity of CSOs; ensure lessons from local peacebuilding are shared nationally, regionally, and internationally.

6. Operating Context and Adaptability

The approach recognizes the complex and evolving operating environment in Yemen. Result Area 2 will focus on areas where programming is currently feasible, while maintaining the agility to adapt as national dynamics evolve.

Rather than committing to fixed geographic footprints, the approach emphasizes flexible modalities, including dialogue platforms, small grants, mediation support, and inclusive networks, that can be scaled or redirected as circumstances allow. This ensures that the Facility is able to respond to new opportunities in a timely, conflict-sensitive, and principled manner, while preserving options for broader engagement when conditions are conducive.

7. Two-Year Horizon: Preparing While Remaining Ready to Shift

The peace process is currently in a preparations phase, with emphasis on building networks, strengthening capacities, and creating entry points for dialogue. Over the next two years, Result Area 2 will continue to consolidate and scale these efforts, making initiatives more cohesive and complementary across tracks.

At the same time, the strategy is designed to remain nimble and adaptive. The political and security landscape in Yemen can shift rapidly, requiring the PSF to reorient activities at short notice. Result Area 2 therefore combines sustained investment in preparatory measures with the flexibility to pivot toward direct support for negotiations or agreement implementation as soon as openings arise.

8. Risks and Mitigation

- Fragmentation of initiatives will be mitigated by a unified results framework and regular coordination across participating entities.
- Capacity gaps in civil society will be addressed through differentiated grant modalities and technical accompaniment.
- Political sensitivities will be managed through conflict-sensitive programming, principled engagement, and donor dialogue, including through the PSF's Technical Committee.
- Evolving conflict dynamics will be mitigated by flexibility in programming and readiness to adapt.

Review of the draft Project document for Gender/Leaving no one behind coding

Name: Klaus Kristensen
Date: 27 October 2025
Proposed Gender Marker: 2

Note: This tool should be filled by the project developer and submitted with the prodoc to the LPAC.

	Question	Analysis YES/NO/ extent	Assessment by the LPAC
Project document	**Development challenge**		
	Does the development challenge analysis consider the different social, economic, and cultural situations of men and women including the extreme poor (below $1.90 / day), unemployed / under-employed, youth aged 15-24, elderly, displaced, marginalized, minorities (e.g. race, ethnicity, religion), people living with HIV (PLHIV), persons with disabilities (PwD) and others ? Does the analysis reflect an awareness of the gender-differentiated impacts of socio-economic and development processes taking into consideration the above-mentioned different vulnerabilities, particularly in the context of the proposed project?	Yes	
	Data and statistics		
	Have data and statistics provided as background and/or justification for the project been disaggregated by sex, age, status, disabilities, level of income, area (urban/rural/semi, conflicted/disaster affected), etc. ? If not, has a reason (e.g., non-availability of such data, inappropriateness of disaggregation against a particular indicator) been given? Is it proposed to address gender gaps in data as one of the activities under the project? For instance, has collection of sex, age, status, disabilities, level of income, area (urban/rural/semi, conflicted/disaster affected), etc. -disaggregated data been specified in the proposal for baseline survey?	Extent	
	Strategy		
	Does the proposed strategy specify how it will address the dimensions of gender inequality taking into consideration different vulnerabilities (the extreme poor (below $1.90 / day), unemployed / under-employed, youth aged 15-24, elderly, displaced, marginalized, minorities, people living with HIV, persons with disabilities (PwD) and others) described in the analysis? If not, is there an explanation given of why this aspect has not been considered? Does the strategy include any measures to mitigate any possible negative gender impacts of the project? Is gender integrated in the risk analysis and mitigation?	Yes	
	Monitoring Indicators		
	Does the monitoring framework include measurable gender indicators appropriate to the intervention and assess the gender transformational impact and not only level of participation? Are all the monitoring framework indicators disaggregated by age, status, disabilities, level of income, area (urban/rural/semi, conflicted/disaster affected), etc ?	Yes	
	Implementation		
	Have specific actions for gender equality been mandated (e.g., specified percentage of seats reserved for women in decision-making bodies set up under the project, training programmes, study tours and other learning opportunities, job opportunities, equal wages)? [1] Has it taken into consideration different vulnerabilities (the extreme poor (below $1.90 / day), unemployed / under-employed, youth aged 15-24, elderly, displaced, marginalized, minorities, people living with HIV, persons with disabilities (PwD) and others)?	Yes	

[1] GEN3 output 100% of gender specific action. GEN2 output at least 15% of gender specific action and 85% of gender mainstreaming

	Stakeholders and Partners		
	Are women's organisations or women/gender units within larger institutions, gender academies, national women union, women Coalitions/networks, PWDs institution included among the stakeholders? Who are the implementing partners? Do they have experience/competence in implementing gender-responsive programmes and leaving no one behind approach? If not, then how is the capacity gap going to be addressed?	Yes	
	Communications and Knowledge Products		
	Does the project planning to produce communication and knowledge materials on gender equality and women's empowerment through intersectional lens ? Does the project plan for at least 15% of gender equality and women's empowerment messages in social media?	Yes	
	Capacities and Resources		
	Do key staff members have knowledge/expertise around gender issues and leaving no one behind approach? Is gender and social safeguards officer included in the project management team?	Yes	
	Budget		
	Have adequate resources been provided for the proposed gender and leaving no one behind activities? [2] Will it be possible to track the flow of these resources?	yes	

[2] GEN3 output 100% of gender expenditures. GEN2 at least 15% of expenditures to GEWE and 85% for gender mainstreaming

Annex1:

GENDER CODING GUIDELINES AND DESCRIPTION

Gender Marker Code	Description
GEN 3:	The **achievement of gender equality and/or the empowerment of women are an explicit objective** of the output and the main reason that this output was planned. Narrowing gender inequalities or empower women is the main reason this initiative is being undertaken. E.g., A gender-based violence resource centre is established. **[Motivation for rating:** Provides support to survivors of gender-based violence; increased awareness, advocacy for reduction of gender-based violence.]
GEN 2:	Gender equality is not the *main* objective of the expected output, but **the output promotes gender equality in a *significant* and consistent way**. Must be evidence that a gender analysis has been done, that there will be change related to gender equality/women's empowerment and there are indicators to measure/track this change. Sometimes called "gender mainstreamed9" initiatives, where gender equality is adequately integrated as a cross-cutting issue by the rationale, activities, indicators and budget associated with the output. E.g., Post-crisis community security and cohesion is restored. [**Motivation for rating**: Restoring security and cohesion for the whole community is the principal objective of the project. The project ensures that those women make decisions and benefit from the project, survivors of gender-based violence are reintegrated into their families and communities, etc.]
GEN 1:	Output at the project level **contributes in a *limited* way to gender equality**, but not significantly. Gender equality is not consistently mainstreamed and has not been critical in the project design. Nevertheless, some aspect(s) of the output at the project level (i.e., one or more of its activities) are expected to promote gender equality but not in a consistent way. E.g., New systems and procedures are established to enhance efficiency and transparency in public service. [**Motivation for rating:** The main objective of most of the activities that constitute this output is to promote government accountability and transparency in public service. One or two of the activities includes some punctual activities that will focus on promoting gender equality, for example, by organizing a training to share information with women organizations.]
GEN 0:	**Outputs at the project level are *not contributing* to gender equality**. No activities or components of the output contribute to the promotion of gender equality. GEN0 output at the project levels are "gender blind10" and it is therefore recommended to reduce as much the GEN0 rated outputs. AIDS responses are integrated into poverty reduction strategies. **[Motivation for rating**: The planned activities that make up this output do not take the different needs and interests of women and men into account. Activities are planned in a way that assumes that services "for people" will meet the needs of everyone.]

Annex2: For Reference Only

LNOB Matrix: the 'Why's, 'Who's and 'Where's

Primary basis for being left behind (Why?)
Identity
Political and economic exclusion
Geography and physical location
Shocks
Other
Target Groups (Who?)
Extreme Poor (below $1.90 / day)
Unemployed / Under-employed
Women / girls
Youth aged 15-24
Elderly
Displaced
Indigenous
Minorities (e.g., race, ethnicity, religion)
People living with HIV (PLHIV)
Persons with disabilities (PwD)
Other
Development Context (Where?)
NCC
H-MIC
MIC
LIC
LDC
Disaster affected countries
Conflict affected countries
Countries in protracted crisis
Countries/regions affected by cross-border spillover effects
Other
Geographic (Where?)
Urban
Rural
Other

ANNEX II - General Conditions for Contribution Agreements

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Article 1: Definitions

Action:	the cooperation programme or project partly or wholly financed by the EU, which is carried out by the Organisation as described in Annex I. Where reference is made to the Action or part of the Action financed by the EU Contribution, this refers both (i) to activities exclusively financed by the EU Contribution and (ii) to activities jointly co-financed by the EU.
Contractor:	a natural or legal person with whom a Procurement Contract has been signed.
Days:	calendar days.
Early Detection and Exclusion System:	a system set up by Regulation (EU, Euratom) No 2015/1929 of 28 October 2015 on the financial rules applicable to the general budget of the Union (OJ L 286/1, 30.10.2015), which includes information on the early detection of risks threatening the EU financial interests, on the cases of exclusion from EU funding of legal and natural persons and on the cases of imposition of financial penalties.
End Date:	the date by which the Agreement ends, i.e. the moment of the payment of the balance by the Contracting Authority in accordance with Article 17 or when the Organisation repays any amounts paid in excess of the final amount due pursuant to Article 18. If any of the Parties invokes a dispute settlement procedure in accordance with Article 13, the End Date shall be postponed until the completion of such procedure.
EU Financial Regulation:	Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules appliable to the general budget of the Union (OJ L, 2024/2509, 26.9.2024).
Ex-ante Pillar-Assessment:	an assessment of the systems, rules and procedures carried out in order to check whether such entity demonstrates a level of protection of the EU financial interests equivalent to that existing when the European Commission implements the budget itself.
Final Beneficiary:	a natural or legal person ultimately benefitting from the Action.
Force Majeure:	any unforeseeable and exceptional situation or event beyond the Parties' control which prevents either of them from fulfilling any of their obligations under the Agreement, which may not be attributed to error or negligence on either part (or on the part of the Grant Beneficiaries, Partners, Contractors, agents or staff), and which could not have been avoided by the exercise of due diligence. Defects in equipment or material or delays in making them available cannot be invoked as force majeure, unless they stem directly from a relevant case of force majeure. Labour disputes, strikes or financial problems of the Organisation cannot be invoked as force majeure by the defaulting Party.
Grant:	a direct financial contribution by way of donation given by the Organisation or a Partner to finance third parties activities, including sub-granting and procurement for the implementation of these activities.
Grant Beneficiary:	a natural or legal person to whom a Grant has been awarded.
Grave Professional	

Misconduct:	any of: a violation of applicable laws or regulations, in particular the Organisation's Regulations and Rules, or ethical standards of the profession to which a person or entity belongs, including any conduct leading to sexual or other exploitation or abuse and/or sexual harassment, or any wrongful conduct of a person or entity which has an impact on its professional credibility where such conduct denotes wrongful intent or gross negligence.
Impact:	the overall objective of the Action entailing positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended.
Indicator:	the quantitative and/or qualitative factor or variable that provides a simple and reliable means to measure progress in the achievement of the relevant Results of the Action. An indicator must have an agreed baseline, target and source of data.
Internal Control System:	a process applicable at all levels of management designed to provide reasonable assurance of achieving the following objectives: a) effectiveness, efficiency and economy of operations; b) reliability of reporting; c) safeguarding of assets and information; d) prevention, detection, correction and follow-up of fraud and irregularities; e) adequate management of the risks relating to the legality and regularity of the financial operations, taking into account the multiannual character of programmes as well as the nature of the payments concerned.
International Organisation:	an international public-sector organisation set up by international agreement (including specialised agencies set up by such organisations), or an organisation assimilated to international organisations in accordance with the EU Financial Regulation. However, for the purpose of Article 13, 'International Organisation' shall not be construed as encompassing an organisation assimilated to international organisations in accordance with the EU Financial Regulation.
Member State Organisation:	an entity established in a Member State of the European Union as a public law body or as a body governed by private law entrusted with a public service mission and provided with adequate financial guarantees from the Member State.
Multi-Donor Action:	an Action co-financed by the EU Contribution (whether or not earmarked) and other donor(s).
Outcome:	the specific objective of the Action entailing the likely or achieved short-term and medium-term effects of an Action's Outputs. For non-EU external actions "Outcomes" are synonymous of Results.
Output:	the products, capital goods and services which result from an Action's activities.
Partner:	an entity implementing part of the Action and being a party to the relevant Contribution Agreement together with the Organisation.

Procurement Contract: a contract signed between the Contractor and either the Organisation or a Partner under which the Contractor provides services, supplies or works.

Regulations and Rules: regulations, rules, organisational directives, instructions and other parts of the regulatory framework of the Organisation.

Result: the Output, Outcome or Impact of an Action.

Sound Financial Management: a principle overarching the implementation of this Agreement, namely economy, effectiveness and efficiency (including all aspects of internal control). The principle of economy requires that resources used in the pursuit of the implementation of the Action shall be made available in due time, in appropriate quantity and quality and at the best price. The principle of effectiveness concerns the attainment of the specific objectives and the achievement of the intended results. The principle of efficiency concerns the best relationship between resources employed and results achieved.

System: the Electronic Exchange System used for the electronic management of this Agreement, pursuant to the EU Financial Regulation, the "Single Electronic Data Interchange Area" (SEDIA), accessible via the "EU Funding & Tenders" portal.

Article 2: General obligations

Implementation of the Action

2.1 The Organisation is responsible for the implementation of the Action described in Annex I, regardless of whether the activities are performed by the Organisation itself, a Contractor or a Grant Beneficiary. Both Parties will endeavour to strengthen their mutual contacts with a view to foster the exchange of information throughout the implementation of the Action. To this end, the Organisation and the Contracting Authority shall participate in coordination meetings and other jointly organised common activities, and the Organisation shall invite the European Commission to join any donor committee which may be set up in relation to the Action.

2.2 In the performance of the activities and subject to ad-hoc provisions and specific conditions stipulated in the Special Conditions, if any, the Organisation shall apply its own rules and procedures, which have been subject to the Ex-ante Pillar-Assessment, as regards:

a) internal control;

b) accounting system;

c) independent external audit;

d) exclusion from access to funding;

e) publication of information on recipients;

f) protection of personal data.

The Organisation may apply its own rules and procedures as regards the award and management of Grants and/or Procurement Contracts only if and to the extent provided for by the Special Conditions, including any ad hoc measures and specific conditions.

As regards the publication of information on recipients, the Organisation shall authorise the publication of the website where it publishes the information referred to in Article 3.8 d) on the European Commission's website.

2.3 Where the Organisation has been fully or partially exempted, by the European Commission, from undergoing the Ex-ante Pillar Assessment, it may apply its own rules and procedures in

the areas provided for under Article 2.2, subject to ad-hoc provisions and specific conditions stipulated in the Special Conditions, if any.

2.4 The Organisation may use any Regulations and Rules which have not been subject to an Ex-ante Pillar Assessment to the extent that these Regulations and Rules are not in conflict with the provisions of this Agreement and with the rules and procedures which have been subject to the Ex-ante Pillar-Assessment.

Responsibility

2.5 The Organisation shall be responsible for the performance of the obligations under this Agreement with a due degree of professional care and diligence, which means that it shall apply the same level of duty and care which it applies in managing its own funds. The Organisation shall respect the principles of Sound Financial Management, transparency, non-discrimination and visibility of the European Union in the implementation of the Action.

2.6 The Organisation shall have full financial responsibility towards the Contracting Authority for all funds, including those unduly paid to or incorrectly used by Contractors or Grant Beneficiaries. The Organisation shall take measures to prevent, detect and correct irregularities and fraud when implementing the Action. To this end, the Organisation shall carry out, in accordance with the principle of proportionality and its positively assessed Regulations and Rules, ex-ante and/or ex-post controls including, where appropriate, on-the-spot checks on representative and/or risk-based samples of transactions, to ensure that the Action financed by the EU Contribution is effectively carried out and implemented correctly. The Organisation shall inform the European Commission and the Contracting Authority without delay of cases of established fraud and irregularities and their follow-up as well as of any information relating to suspected cases of fraud, corruption or any other illegal activity affecting the financial interests of the Union. Where funds have been unduly paid to or incorrectly used by Contractors or Grant Beneficiaries, the Organisation shall take all applicable measures in accordance with its own Regulations and Rules to recover those funds, including, where appropriate, by bringing legal proceedings and by endeavouring to assign claims against its Contractors or Grant Beneficiaries to the Contracting Authority or the European Commission. Where the Organisation has exhausted such measures and the non-recovery is not the result of error or negligence on the part of the Organisation, the Contracting Authority will consider the amounts that could not be recovered from Contractors and/or Grant Beneficiaries as eligible costs.

Other obligations

2.7 The Organisation undertakes to ensure that the obligations stated in this Agreement under Article 2.9, the second and third subparagraphs of Article 2.10, and Article 2.11-Other obligations, Article 5-Conflict of interests, Article 7-Visibility, Article 8.7 and Article 15-Archiving, access and financial checks apply, where applicable, to all Contractors and Grant Beneficiaries.

In addition, the Organisation also undertakes to require Contractors and Grant Beneficiaries to: (i) comply with the relevant national laws and regulations as regards protection of personal data, and (ii) ensure accurate and regular records and accounts.

2.8 The Organisation shall notify the Contracting Authority and the European Commission without delay of any substantial change in the rules, procedures and systems applied in the implementation of the Action. This obligation concerns in particular (i) substantial changes affecting the Ex-ante Pillar Assessment undergone by the Organisation or affecting the rules and procedures which have been assessed by the European Commission for the purpose of granting an exemption from the obligation to undergo an Ex-ante Pillar Assessment, or (ii) those that may affect the conditions for eligibility provided for in the applicable legal

instruments of the EU. The Parties shall use their best efforts to resolve amicably any issues resulting from such changes. The Contracting Authority reserves the right to adopt or require additional measures in response to such changes. In the event an agreement on such measures or other solutions cannot be reached between the Parties, either Party may terminate the Agreement in accordance with Article 12.3.

2.9 The Organisation shall respect the applicable environmental legislation including multilateral environmental agreements, as well as internationally agreed core labour standards. The Organisation shall not support activities that contribute to money laundering, terrorism financing, tax avoidance, tax fraud or tax evasion.

2.10 The Contracting authority and the Organisation have a zero tolerance for inaction approach to tackling sexual exploitation and abuse, as well as to sexual harassment.

The Organisation shall take all reasonable steps to prevent sexual exploitation and abuse and/or sexual harassment (hereinafter referred to 'SEA-H') and will respond appropriately when reports of SEA-H arise, in accordance with the legal framework applicable to it, including its Regulations and Rules.

When the Organisation becomes aware of reasonable suspicions, complaints or reports of SEA-H in relation to the implementation of the Action, it will, as appropriate under the legal framework applicable to it, including its Regulations and Rules, take reasonable, swift and appropriate action to stop harm occurring, investigate and report to relevant authorities, as appropriate and when safe to do so, after considering the wishes of the victim/survivor.

The Organisation shall promptly report to the Contracting Authority all allegations of SEA-H, credible enough to warrant an investigation, that are directly related to the activities funded under this Agreement or would have a significant impact on the partnership between the Organisation and the Contracting Authority. Upon request by the Contracting Authority, the Organisation shall provide all available information concerning such allegations, including information on the subsequent measures taken by the Organisation.

The Organisation shall report and provide all available information in accordance with the legal framework applicable to it, including its Regulations and Rules, in particular those on disclosure of information and confidentiality, with due care not to compromise the safety, security, privacy and due process rights of any concerned persons.

Any information or documentation provided in accordance with these provisions will be treated by the Contracting Authority with the utmost discretion in order to ensure, *inter alia*, the probity of any investigation, protect sensitive information, ensure the safety and security of persons and respect the due process rights of all involved. The Contracting Authority will presume information/documentation to be confidential, deliberative, and investigatory and will ensure that information/documentation provided to the Contracting Authority will be available solely to those who strictly require access to such information/documentation according to its own regulations, rules and procedures. Any disclosure of such information/documentation beyond such personnel will require notification and consultation with the Organisation. The Contracting Authority will obtain the express written authorisation of the Organisation before disclosing any such information/documentation in a judicial proceeding or to the public, unless disclosure is otherwise required by the regulations, rules and procedures applicable to the Contracting Authority. It is understood that, for this purpose, the Organisation shall require Contractors and Grant Beneficiaries to report such allegations and provide all available information to the Organisation.

2.11 The Organisation shall ensure that the Action is implemented with respect for human dignity, freedom, democracy, equality, the rule of law and human rights, including the rights of persons belonging to minorities.

2.12 Where the European Commission is not the Contracting Authority, it shall not be a party to this Agreement, with the consequence that rights and obligations are conferred upon it only where explicitly stated. This is without prejudice to the European Commission's role in promoting a consistent interpretation of the terms of this Agreement.

2.13 The Organisation acknowledges that the European Commission is progressively introducing the System for the electronic management of this Agreement. The European Commission shall inform the Organisation at least three months prior to the date on which other documents and processes related to this Agreement (including electronic payment requests and communications) are to be processed via the System.

Article 3: Obligations regarding information and reporting

General issues

3.1 The Organisation shall provide the Contracting Authority with full information on the implementation of the Action. To that end, the Organisation shall include in Annex I a work plan at least for the first year of the Implementation Period (or the whole Implementation Period where it is less than one (1) year). The Organisation shall submit to the Contracting Authority progress report(s) and a final report in accordance with the provisions below. These reports shall consist of a narrative part and a financial part. Progress and final reports, as referred to in this Article, shall be submitted through the System.

3.2 Every report, whether progress or final, shall provide a complete account of all relevant aspects of the implementation of the Action for the period covered. The report shall describe the implementation of the Action according to the activities envisaged in Annex I as well as the degree of progress towards the achievement of its Results (Outputs, Outcomes and if possible Impact) as measured by corresponding Indicators. The report shall be drafted in such a way as to allow monitoring of the Results, the means envisaged and employed. The level of detail in any report shall match that of Annexes I and III.

3.3 Where the overall action of the Organisation lasts longer than the Implementation Period of this Agreement, the Contracting Authority may request – in addition to the final reports to be submitted pursuant to Article 3.8 - the final reports of the overall action, once available. The Special Conditions shall lay down the rules concerning any remaining funds.

3.4 Any alternative or additional reporting requirement shall be set out in the Special Conditions.

3.5 The Contracting Authority may request additional information at any time, providing the reasons for that request. Subject to the Organisation's Regulations and Rules, such information shall be supplied within thirty (30) Days of receipt of the request. The Organisation may submit a duly motivated request to extend the 30-Day deadline.

3.6 The Organisation shall notify the Contracting Authority without delay of any circumstances likely to adversely affect the implementation and management of the Action, or to delay or jeopardise the performance of the activities, including any credible allegations of violations of human rights.

Content of the reports

3.7 The progress report(s) shall relate directly to this Agreement and shall at least include:

a) summary and context of the Action;

b) actual Results: an updated table based on a logical framework matrix (as included in Annex I) including reporting of Results achieved by the Action (Outputs, Outcomes, and if possible, Impact) as measured by their corresponding Indicators, against agreed baselines and targets, and relevant data sources;

c) information on the activities directly related to the Action as described in Annex I and carried out during the reporting period;

d) information on the difficulties encountered and measures taken to overcome problems and eventual changes introduced;

e) information on measures taken to identify the EU as source of financing, in accordance with Article 7;

f) a breakdown of the total costs, following the structure set out in Annex III, incurred from the beginning of the Action as well as the legal commitments entered into by the Organisation during the reporting period;

g) a summary of controls carried out and available final audit reports in line with the Organisation's policy on disclosure of such controls and audit reports. Where errors and weaknesses in systems were identified, an analysis of their nature and extent, as well as information on corrective measures taken or planned, shall also be provided;

h) where applicable, a request for payment;

i) work plan and budget forecast for the next reporting period.

3.8 The final report shall cover the entire Implementation Period and include:

a) all the information requested in Article 3.7 a) to h);

b) a summary of the Action's receipts, payments received and of the eligible costs incurred;

c) where applicable, an overview of any funds unduly paid or incorrectly used which the Organisation could or could not recover itself;

d) the exact link to the website referred to in last subparagraph of Article 2.2;

e) if relevant, details of transfers of equipment, vehicles and remaining major supplies mentioned in Article 8;

f) where the Action is a Multi-Donor Action and the EU Contribution is not earmarked, a confirmation from the Organisation that an amount corresponding to that paid by the Contracting Authority has been used in accordance with the obligations laid down in this Agreement and that costs that were not eligible for the EU Contribution have been covered by other donors' contributions;

g) where applicable, a request for payment.

3.9 The Organisation shall submit a report for every reporting period as specified in the Special Conditions starting from the commencement of the Implementation Period, unless otherwise specified in the Special Conditions[1]. Reporting, narrative as well as financial, shall cover the whole Action, regardless of whether this Action is entirely or partly financed by the EU Contribution. Unless otherwise specified in the Special Conditions, progress reports shall be submitted within sixty (60) Days after the period covered by such report and the final report shall be submitted, at the latest, six (6) months after the end of the Implementation Period.

Management declaration

3.10 Every progress and final report shall be accompanied by a management declaration in accordance with the template included in Annex V, unless Article 1.5 of the Special Conditions states that a global management declaration shall be sent annually to the European Commission headquarters, separately from the reports provided under this Agreement.

Audit or control opinion for organisations other than International Organisations/Member State Organisations

[1] By default, the reporting period is every twelve (12) months as from the commencement of the Implementation Period.

3.11 In case the Organisation is neither an International Organisation, nor a Member State Organisation, the Organisation shall provide an audit or control opinion in accordance with internationally accepted audit standards, establishing whether the accounts give a true and fair view, whether the control systems in place function properly, and whether the underlying transactions are managed in accordance with the provisions of this Agreement. The opinion shall also state whether the audit work puts in doubt the assertions made in the management declaration mentioned above.

3.12 Such audit or control opinion shall be provided up to one (1) month following the management declaration sent with every progress or final report, unless Article 1.5 of the Special Conditions states that the global management declaration and the global audit or control opinion shall be sent annually to the European Commission headquarters separately from the reports provided under this Agreement.

Currency for reporting

3.13 The reports shall be submitted in the Currency of the Agreement as specified in Article 2 of the Main Conditions.

3.14 The Organisation shall convert legal commitments, the Action's receipts and costs incurred in currencies other than the accounting currency of the Organisation according to its usual accounting practices.

Failure to comply with reporting obligations

3.15 If the Organisation is unable to present a progress or final report, together with the accompanying documents, by the deadline set out in Article 3.9, the Organisation shall inform the Contracting Authority in writing of the reasons. The Organisation shall also provide a summary of the state of progress of the Action and, where applicable, a provisional work plan for the next period. If the Organisation fails to comply with this obligation for two (2) months, following the deadline set out in Article 3.9, the Contracting Authority may terminate the Agreement in accordance with Article 12, refuse to pay any outstanding amount and recover any amount unduly paid.

Article 4: Liability towards third parties

4.1 The European Commission shall not, under any circumstances or for any reason whatsoever, be held liable for damage or injury sustained by the staff or property of the Organisation while the Action is being carried out, or as a consequence of the Action. The European Commission shall not therefore accept any claim for compensation or increase in payment in connection with such damage or injury.

4.2 The European Commission shall not, under any circumstances or for any reason whatsoever, be held liable towards third parties, including liability for damage or injury of any kind sustained by them in respect of or arising out of the implementation of the Action.

4.3 The Organisation shall discharge the European Commission of all liability associated with any claim or action brought as a result of an infringement of the Organisation's Regulations and Rules committed by the Organisation or Organisation's employees or individuals for whom those employees are responsible, or as a result of a violation of a third party's rights in the context of the implementation of the Action.

Article 5: Conflict of interests

5.1 The Organisation shall refrain, in accordance with its Regulations and Rules, from any action which may give rise to a conflict of interests.

5.2 A conflict of interest shall be deemed to arise where the impartial and objective exercise of the functions of any person implementing the Agreement is compromised.

Article 6: Confidentiality

6.1 The Contracting Authority and the Organisation shall both preserve the confidentiality of any document, information or other material directly related to the implementation of the Action that is communicated as confidential. The confidential nature of a document shall not prevent it from being communicated to a third party on a confidential basis when the rules binding the Parties, or the European Commission when it is not the Contracting Authority, so require. In no case can disclosure put in jeopardy the Parties' privileges and immunities or the safety and security of the Parties' staff, Contractors, Grant Beneficiaries or the Final Beneficiaries of the Action.

6.2 The Parties shall obtain each other's prior written consent before publicly disclosing such confidential information unless:

a) the communicating Party agrees in writing to release the other Party from the earlier confidentiality obligations; or

b) the confidential information becomes public through other means than in breach of the confidentiality obligation by the Party bound by that obligation; or

c) the disclosure of confidential information is required by law or by Regulations and Rules established in accordance with the basic constitutive document of any of the Parties.

6.3 The Parties shall remain bound by confidentiality for five (5) years after the End Date of the Agreement, or longer as specified by the communicating Party at the time of communication.

6.4 Where the European Commission is not the Contracting Authority, it shall nonetheless have access to all documents communicated to the Contracting Authority, and shall maintain the same level of confidentiality.

Article 7: Visibility

Visibility

7.1 Unless the European Commission requests or agrees otherwise, the Organisation shall take all appropriate measures to publicise the fact that the Action has received funding from the EU. Such measures shall be carried out in accordance with the Visibility Requirements for EU External Action[2], as in effect at the time of entry into force of this Agreement or with any other guidelines agreed between the European Commission and the Organisation.

7.2 If, during the implementation of the Action, equipment, vehicles or major supplies are purchased using the EU Contribution, the Organisation shall display appropriate acknowledgement on such vehicles, equipment or major supplies, including the display of the EU emblem (twelve yellow stars on a blue background). Where such display could jeopardise the Organisation's privileges and immunities or the safety of the Organisation's staff or of the Final Beneficiaries, the Organisation shall propose appropriate alternative arrangements. The acknowledgement and the EU emblem shall be of such a size and prominence as to be clearly visible in a manner that shall not create any confusion regarding the identification of the Action as an activity of the Organisation, nor the ownership of the equipment, vehicles or major supplies by the Organisation.

7.3 If, pursuant to Article 8.5, the equipment, vehicles or remaining major supplies purchased with the EU Contribution have not been transferred to the local authorities, local Grant Beneficiaries or Final Beneficiaries when submitting the final report, the visibility requirements as regards

[2] Visibility in EU-financed external actions – Requirements for implementing partners (Projects), available at: https://ec.europa.eu/intpa/comm-visibility-requirements_en.

this equipment, vehicles or major supplies (in particular display of the EU emblem) shall continue to apply between submission of the final report and the end of the overall action, if the latter is longer. Where the Organisation retains ownership in accordance with Article 8.6, the visibility requirements shall continue to apply as long as the relevant equipment, vehicles or remaining major supplies are used by the Organisation.

7.4 Unless otherwise provided in the Special Conditions, if disclosure risks threatening the Organisation's safety or harming its interests, the European Commission and the Contracting Authority (if other than the European Commission) may publish in any form and medium, including on its websites, the name and address of the Organisation, the purpose and amount of the EU Contribution.

7.5 The Organisation shall ensure that reports, publications, press releases and updates relevant to the Action are communicated to the addresses stated in the Special Conditions upon their issuance.

7.6 The Parties will consult immediately and endeavour to remedy any detected shortcomings in implementing the visibility requirements set out in this Article. This is without prejudice to measures the Contracting Authority may take in case of substantial breach of an obligation.

Communication

7.7 In addition to the obligations stipulated under Article 7.1 to 7.6, the Organisation shall implement, if applicable, communication activities as described in Annex I.

Article 8: Right to use results and transfer of equipment

Right to use

8.1 Ownership of the results of the Action shall not vest in the Contracting Authority. Subject to Article 6, the Organisation shall grant, and shall act to ensure that any third party concerned grants the Contracting Authority (and the European Commission where it is not the Contracting Authority) the right to use free of charge the results of the Action, including the reports and other documents relating to it, which are subject to industrial or intellectual property rights.

8.2 Where the results mentioned in Article 8.1 include pre-existing rights and the Organisation cannot warrant the Contracting Authority (and the European Commission where it is not the Contracting Authority) the right to use such results, the Organisation shall inform in writing the Contracting Authority (and the European Commission, where it is not the Contracting Authority) accordingly.

Transfer

8.3 The equipment, vehicles and remaining major supplies purchased with the EU Contribution shall be transferred to or remain with local authorities, local Grant Beneficiaries or Final Beneficiaries, at the latest when submitting the final report.

8.4 The documentary proof of those transfers shall not be presented with the final reports, but shall be kept for verification for the duration and along with the documents mentioned in Article 15.1.

8.5 By way of derogation from Article 8.3, the equipment, vehicles and remaining major supplies purchased with the EU Contribution in the framework of actions which continue after the end of the Implementation Period may be transferred at the end of the overall action. The Organisation shall use the equipment, vehicles and remaining major supplies for the benefit of the Final Beneficiaries. The Organisation shall inform the Contracting Authority on the end use of the equipment, vehicles and remaining major supplies in the final report.

8.6 In the event that there are no local authorities, local Grant Beneficiaries or Final Beneficiaries to whom the equipment, vehicles and remaining major supplies could be transferred, the Organisation may transfer them to another action funded by the EU or - exceptionally - retain ownership of the equipment, vehicles and remaining major supplies at the end of the Action or the overall action. In such cases, it shall submit a justified written request with an inventory listing of the items concerned and a proposal concerning their use in due course and - at the latest – together with the submission of the final report. In no event may the end use jeopardize the sustainability of the Action.

8.7 The equipment, vehicles and remaining major supplies purchased with the EU Contribution shall be used, including after the End Date, with respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities.

Where the equipment, vehicles and remaining major supplies purchased with the EU Contribution are transferred to any of the entities referred to in Article 8.3 the Organisation undertakes to require such entity(ies) to comply with the obligations set forth in the preceding subparagraph.

Article 9: Monitoring and evaluation of the Action

9.1 Keeping in mind the commitment of the Parties to the effective and efficient operation of the Agreement, the Organisation shall invite representatives of the European Commission and the Contracting Authority (if other than the European Commission) to participate at their own costs to the main monitoring missions and evaluation exercises related to the performance of the Action. Participation in evaluation exercises should be ensured by requesting comments from the European Commission and the Contracting Authority on the terms of reference before the exercise takes place, and on the different deliverables related to an evaluation exercise prior to their final approval (as a minimum, on the final report). The Organisation shall send all monitoring and evaluation reports relating to the Action to the European Commission and the Contracting Authority once issued, subject to confidentiality.

9.2 Article 9.1 is without prejudice to any monitoring mission or evaluation exercise, which the European Commission as a donor, or the Contracting Authority, at their own costs, may wish to perform. Monitoring and evaluation missions by representatives of the European Commission or the Contracting Authority shall be planned ahead and completed in a collaborative manner between the staff of the Organisation and the European Commission's (or Contracting Authority's) representatives, keeping in mind the commitment of the Parties to the effective and efficient operation of the Agreement. The European Commission (or the Contracting Authority) and the Organisation shall agree on procedural matters in advance. The European Commission (or the Contracting Authority) shall make available to the Organisation the terms of reference of the evaluation exercise before it takes place, as well as the different deliverables (as a minimum, the draft final report) for comments prior to final issuance. The European Commission (or the Contracting Authority) shall send the final monitoring and evaluation report to the Organisation once issued.

9.3 In line with the spirit of partnership, the Organisation and the European Commission (and the Contracting Authority, if applicable), may also carry out joint monitoring and/or evaluation. Such arrangements will be discussed and agreed in due time, planned ahead and completed in a collaborative manner.

9.4 Representatives of the relevant partner country may, whenever possible, be invited to participate at their own costs in the main monitoring missions and evaluation exercises, unless such participation would be detrimental to the objectives of the Action or threaten the safety or harm the interests of Partners, Grant Beneficiaries or Final Beneficiaries.

Article 10: Amendment to the Agreement

10.1 Without prejudice to Articles 10.3 to 10.6, any amendment to this Agreement, including its annexes, shall be concluded electronically in the System. This Agreement can only be amended before the End Date.

10.2 The requesting Party shall request through the System any amendment at least thirty (30) Days before the amendment is intended to enter into force and no later than thirty (30) Days before the End Date, unless there are special circumstances, duly demonstrated by it, and accepted by the other Party. The other Party shall approve or reject, through the System, the amendment proposed in due time and in any case no later than thirty (30) Days after the date when the amendment request was initiated in the System.

10.3 By way of derogation from Articles 10.1 and 10.2, where an amendment to Annex I and/or Annex III does not affect the main purpose of the Action and the financial impact is limited to a transfer within a single budget heading, including cancellation or introduction of an item, or a transfer between budget headings involving a variation (as the case may be in cumulative terms) of 25 % or less of the amount originally entered (or as amended by an amendment concluded in the System) in relation to each concerned heading, the Organisation may unilaterally amend Annex I and/or Annex III and shall inform the Contracting Authority accordingly in writing, at the latest in the next report.

10.4 The method described in Article 10.3 shall be used neither to amend the contingency reserve referred to under Article 16.2, the rate for remuneration, nor the agreed methodology or fixed amounts/rates of simplified cost options.

10.5 The Organisation may, in agreement with the Contracting Authority and before the modification takes place, change the following without a formal addendum to the Agreement:

(a) Outputs, the Indicators and their related targets, baselines and sources of verification described in Annex I and in the logical framework if the change does not affect the main outcome of the Action;

(b) Communication activities described in Annex I.

Approved changes must be explained in the next report.

10.6 Changes of address and of bank account shall be made by the Organisation through the System. The Organisation shall be responsible for ensuring that its address and bank account present in the System are accurate and up to date.

Any change of the bank account referred to in Article 4 of the Main Conditions shall be processed through an amendment as described under Article 10.2.

Article 11: Suspension

Suspension of the time limit for payment

11.1 The Contracting Authority may suspend the time limit for payment following a single payment request by notifying the Organisation that either:

a) the amount is not due; or

b) the appropriate supporting documents have not been provided and therefore the Contracting Authority needs to request clarifications, modifications or additional information to the narrative or financial reports. Such clarifications or additional information may notably be requested by the Contracting Authority if it has doubts about compliance by the Organisation with its obligations in the implementation of the Action; or

c) credible information has come to the notice of the Contracting Authority that puts in doubt the eligibility of the reported expenditure; or

d) credible information has come to the notice of the Contracting Authority that indicates a significant deficiency in the functioning of the Internal Control System of the Organisation or that the expenditure reported by the Organisation is linked to a serious irregularity and has not been corrected. In this case, the Contracting Authority may suspend the payment deadline if it is necessary to prevent significant damage to the EU's financial interests.

11.2 In the situations listed in Article 11.1, the Contracting Authority shall notify the Organisation as soon as possible, and in any case within thirty (30) Days from the date on which the payment request was received, of the reasons for the suspension, specifying - where applicable - the additional information required. Suspension shall take effect on the date when the Contracting Authority sends the notification stating the reasons for the suspension. The remaining payment period shall start to run again from the date on which the requested information or revised documents are received or the necessary further checks are carried out. If the requested information or documents are not provided within the deadline fixed in the notification or are incomplete, payment may be made on the basis of the partial information available.

Suspension of the Agreement by the Contracting Authority

11.3 The Contracting Authority may suspend the implementation of the Agreement, fully or partly, if:

a) the Contracting Authority has proof that irregularities, fraud, corruption or any other illegal activities or breach of substantial obligations have been committed by the Organisation in the procedure of its selection, in its Ex-ante Pillar Assessment or in the implementation of the Action;

b) the Contracting Authority has proof that irregularities, fraud, corruption or any other illegal activities or breach of obligations have occurred which call into question the reliability or effectiveness of the Organisation's Internal Control System or the legality and regularity of the underlying transactions;

c) the Contracting Authority has proof that the Organisation has committed irregularities, fraud, corruption or any other illegal activities or breaches of obligations under other agreements funded by EU funds provided that those irregularities, fraud, corruption or illegal activities or breaches of obligations have a material impact on this Agreement.

11.4 Before suspension, the Contracting Authority shall formally notify the Organisation of its intention to suspend, inviting the Organisation to make observations within ten (10) Days from the receipt of the notification. If the Organisation does not submit observations, or if - after examination of the observations submitted by the Organisation - the Contracting Authority decides to pursue the suspension, the Contracting Authority may suspend all or part of the implementation of this Agreement serving seven (7) Days' prior notice. In case of suspension of part of the implementation of the Agreement, upon request of the Organisation, the Parties shall enter into discussions in order to find the arrangements necessary to continue the part of the implementation that is not suspended. Any expenditures or costs incurred by the Organisation during the suspension and related to the part of the Agreement suspended shall not be reimbursed, nor be covered by the Contracting Authority. Following suspension of the implementation of the Agreement, the Contracting Authority may terminate the Agreement in accordance with Article 12.2, recover amounts unduly paid and/or, in agreement with the Organisation, resume implementation of the Agreement. In the latter case, the Parties will amend the Agreement where necessary.

Suspension for exceptional circumstances

11.5 The Organisation may decide to suspend the implementation of all or part of the Action if exceptional and unforeseen circumstances beyond the control of the Organisation make such

implementation impossible or excessively difficult, such as in cases of Force Majeure. The Organisation shall inform the Contracting Authority immediately and provide all the necessary details, including the measures taken to minimise any possible damage, and the foreseeable effect and date of resumption.

11.6 The Contracting Authority may also notify the Organisation of the suspension of the implementation of the Agreement if exceptional circumstances so require, in particular:

a) when a relevant EU Decision identifying a violation of human rights has been adopted; or

b) in cases such as crisis entailing a change of EU policy.

11.7 Neither of the Parties shall be held liable for breach of its obligations under the Agreement if Force Majeure or exceptional circumstances as set forth under Articles 11.5 and 11.6 prevent it from fulfilling said obligations, and provided it takes any measures to minimise any possible damage.

11.8 In the situations listed in Articles 11.5 and 11.6, the Parties shall minimise the duration of the suspension and shall resume implementation once the conditions allow. During the suspension period, the Organisation shall be entitled to the reimbursement of the minimum costs, including new legal commitments, necessary for a possible resumption of the implementation of the Agreement or of the Action. The Parties shall agree on such costs, including the reimbursement of legal commitments entered into for implementing the Action before the notification of the suspension was received which the Organisation cannot reasonably suspend, reallocate or terminate on legal grounds. This is without prejudice to any amendments to the Agreement that may be necessary to adapt the Action to the new implementing conditions, including, if possible, the extension of the Implementation Period or to the termination of the Agreement in accordance with Article 12.3. In case of suspension due to Force Majeure or if the Action is a Multi-Donor Action, the Implementation Period is automatically extended by an amount of time equivalent to the duration of the suspension.

Article 12: Termination

12.1 Without prejudice to any other provision of these General Conditions or penalties foreseen in the EU Financial Regulation, where applicable, and with due regard to the principle of proportionality, the Contracting Authority may terminate the Agreement if the Organisation:

a) fails to fulfil a substantial obligation incumbent on it under the terms of the Agreement;

b) is guilty of misrepresentation or submits false or incomplete statements to obtain the EU Contribution or provides reports that do not reflect reality to obtain or keep the EU Contribution without cause;

c) is bankrupt or being wound up, or is subject to any other similar proceedings;

d) is guilty of Grave Professional Misconduct proven by any justified means;

e) fails to comply with the reporting obligations in accordance with Article 3.15;

f) has committed any of the failings described in Article 11.3 on the basis of proof in the possession of the Contracting Authority.

12.2 Before terminating the Agreement in accordance with Article 12.1, the Contracting Authority shall formally notify the Organisation of its intention to terminate, inviting the Organisation to make observations (including proposals for remedial measures) within thirty (30) Days from the receipt of the notification. During this period, and until the termination takes effect, the Contracting Authority may suspend the time limit for any payment in accordance with Article 11.2 as a precautionary measure informing the Organisation immediately in writing. If the Organisation does not submit observations, or if, after examination of the observations submitted by the Organisation, the Contracting Authority decides to pursue the termination, the Contracting Authority may terminate the Agreement serving seven (7) Days' prior notice.

During that period, the Organisation may refer the matter to the responsible director in the European Commission. Where the Contracting Authority is the European Commission, the termination will take effect if and when confirmed by the director. Where the Contracting Authority is not the European Commission, the referral to the responsible director in the European Commission will not suspend the effects of the decision of the Contracting Authority. In case of termination, the Contracting Authority may demand full repayment of any amounts paid in excess of the final amount determined in accordance with Article 18 after allowing the Organisation to submit its observations. Neither Party shall be entitled to claim indemnity by the other Party on account of the termination of this Agreement.

12.3 If, at any time, either Party believes that the purpose of the Agreement can no longer be effectively or appropriately performed, it shall consult the other Party. Failing agreement on a solution, either Party may terminate the Agreement by serving sixty (60) Days written notice. In this case, the final amount shall cover:

a) payment only for the part of the Action carried out up to the date of termination;

b) in the situations described in Articles 11.5 and 11.6, the unavoidable residual expenditures incurred during the notice period; and,

c) in the situations described in Articles 11.5 and 11.6, reimbursement of legal commitments the Organisation entered into for implementing the Action before the written notice on termination was received by it and which the Organisation cannot reasonably terminate on legal grounds.

The Contracting Authority shall recover the remaining part in accordance with Article 14.

12.4 In the event of termination, a final report and a request for payment of the balance shall be submitted in accordance with Articles 3 and 17. The Contracting Authority shall not reimburse or cover any expenditure or costs which are not included or justified in a report approved by it.

Article 13: Applicable law and settlement of disputes

13.1 The Parties shall endeavour to settle amicably any disputes or complaints relating to the interpretation, application or validity of the Agreement, including its existence or termination.

13.2 Where the Organisation is not an International Organisation, and the European Commission is the Contracting Authority, this Agreement is governed by EU law, complemented - if necessary - by the relevant provisions of Belgian law. In the absence of an amicable settlement in accordance with Article 13.1 above, the General Court, or on appeal the Court of Justice of the European Union, has sole jurisdiction. Such actions must be brought under Article 272 of the Treaty on the Functioning of the EU (TFEU). Notwithstanding the foregoing sentence, where the Organisation is not established or incorporated in the EU, any of the Parties may bring before the Brussels courts any dispute between them concerning the interpretation, application or validity of the Agreement, if such dispute cannot be settled amicably. Where one party has brought proceedings before the Brussels courts, the other party may not bring a claim arising from the interpretation, application or validity of the Agreement in any other court than the Brussels courts before which the proceedings have already been brought.

13.3 Where the Organisation is not an International Organisation and the European Commission is not the Contracting Authority, the Agreement shall be governed by the law of the country of the Contracting Authority and the courts of the country of the Contracting Authority shall have exclusive jurisdiction, unless otherwise agreed by the Parties. The dispute may, by common agreement of the Parties, be submitted for conciliation to the European Commission. If no settlement is reached within one hundred and twenty (120) Days of the opening of the conciliation procedure, each Party may notify the other that it considers the procedure to have failed and may submit the dispute to the courts of the country of the Contracting Authority.

13.4 Where the Organisation is an International Organisation:

a) nothing in the Agreement shall be interpreted as a waiver of any privileges or immunities accorded to any Party by its constituent documents, privileges and immunities agreements or international law;

b) in the absence of an amicable settlement pursuant to Article 13.1 above, any dispute, controversy or claim arising out of or in relation to this Agreement, or the existence, interpretation, application, breach, termination, or invalidity thereof, shall be settled by final and binding arbitration in accordance with the 2012 Permanent Court of Arbitration Rules for Arbitration, as in effect on the date of entry into force of this Agreement. The appointing authority shall be the Secretary General of the Permanent Court of Arbitration. The arbitration proceedings must take place in the Hague and the language used in the arbitral proceedings will be English. The arbitrator's decision shall be binding on all Parties and there shall be no appeal.

Article 14: Recovery

14.1 Where an amount is to be recovered under the terms of the Agreement, the Organisation shall repay the amount due to the Contracting Authority.

14.2 Before recovery, the Contracting Authority shall formally notify the Organisation of its intention to recover any undue amount, specifying the amount and the reasons for recovery and inviting the Organisation to make any observations within 30 Days from the date of receipt of the notification. If, after examination of the observations submitted by the Organisation or if the Organisation does not submit any observations, the Contracting Authority decides to pursue the recovery procedure, it may confirm recovery by formally notifying the Organisation. If there is a disagreement between the Organisation and the Contracting Authority on the amount to be repaid, the Organisation may refer the matter to the responsible director in the European Commission within thirty (30) Days. Where the Contracting Authority is the European Commission, a debit note specifying the terms and the date for payment may be issued after the deadline for the referral to the director. Where the Contracting Authority is not the European Commission, the referral to the responsible director in the European Commission will not prevent the Contracting Authority from issuing the debit note.

14.3 If the Organisation does not make the payment by the date specified in the debit note, the Contracting Authority shall recover the amount due:

a) by offsetting it against any amounts owed to the Organisation by the EU;

b) by taking legal action pursuant to Article 13;

c) in exceptional circumstances justified by the necessity to safeguard the financial interests of the EU, the Contracting Authority may, when it has justified grounds to believe that the amount due would be lost, recover by offsetting before the deadline specified in the debit note without the Organisation's prior consent.

14.4 If the Organisation fails to repay by the due date, the amount due shall be increased by late payment interest calculated at the rate indicated in Article 17.7(a). The interest shall be payable for the period elapsing from the day after the expiration of the time limit for payment up to and including the date when the Contracting Authority actually receives payment in full of the outstanding amount. Any partial payment shall first cover the interest.

14.5 Where the European Commission is not the Contracting Authority, it may, if necessary, proceed itself to the recovery.

14.6 The European Commission may waive the recovery in accordance with the principle of Sound Financial Management and proportionality or it shall cancel the amount in the event of a mistake.

Article 15: Archiving, access and financial checks

15.1 For a period of five (5) years from the End Date and in any case until any on-going audit, verification, appeal, litigation or pursuit of claim or investigation by the European Anti-Fraud Office (OLAF) or the European Public Prosecutor's Office (EPPO), if notified to the Organisation, has been disposed of, the Organisation shall keep and make available according to this Article all relevant financial information (originals or copies) related to the Agreement and to any Procurement Contracts and Grant agreements financed by the EU Contribution.

15.2 The Organisation shall allow the European Commission, or any authorised representatives, to conduct desk reviews and on-the-spot checks on the use made of the EU Contribution on the basis of supporting accounting documents and any other document related to the financing of the Action.

15.3 The Organisation agrees that OLAF may carry out investigations, including on-the-spot checks and inspections, in accordance with the provisions laid down by EU law for the protection of the financial interests of the EU against fraud, corruption and any other illegal activity.

15.4 The Organisation agrees that the execution of this Agreement may be subject to scrutiny by the Court of Auditors when the Court of Auditors audits the European Commission's implementation of EU expenditure. In such case the Organisation shall provide to the Court of Auditors access to the information that is required for the Court to perform its duties.

15.5 To that end, the Organisation undertakes to provide officials of the European Commission, OLAF, EPPO and the European Court of Auditors and their authorised agents, upon request, information and access to any documents and computerised data concerning the technical and financial management of operations financed under the Agreement, as well as grant them access to sites and premises at which such operations are carried out. The Organisation shall take all necessary measures to facilitate these checks in accordance with its Regulations and Rules. The documents and computerised data may include information that the Organisation considers confidential in accordance with its own established Regulations and Rules or as governed by contractual agreement. Such information once provided to the European Commission, OLAF, EPPO, the European Court of Auditors, or any other authorised representatives, shall be treated in accordance with EU confidentiality rules and legislation and Article 6. Documents must be accessible and filed in a manner permitting checks, the Organisation being bound to inform the European Commission, OLAF, EPPO or the European Court of Auditors of the exact location at which they are kept. Where appropriate, the Parties may agree to send copies of such documents for a desk review.

15.6 Where applicable, the desk reviews, investigations, on-the-spot checks and inspections referred to in Article 15.2 to 15.5 shall refer to a verification that shall be performed in accordance with the verification clauses agreed between the Organisation and the European Commission. This is without prejudice to any cooperation arrangement between OLAF or EPPO and the Organisation's anti-fraud bodies.

15.7 The European Commission shall inform the Organisation of the planned on-the-spot missions by agents appointed by the European Commission in due time in order to ensure adequate procedural matters are agreed upon in advance.

15.8 Failure to comply with the obligations set forth in Article 15 constitutes a case of breach of a substantial obligation under this Agreement.

Article 16: Eligibility of costs

16.1 Direct costs are eligible for EU financing if they meet all the following criteria:

a) they are necessary for carrying out the Action, directly attributable to it, arising as a direct consequence of its implementation and charged in proportion to the actual use;

b) they are incurred in accordance with the provisions of this Agreement;

c) they are actually incurred by the Organisation, i.e. they represent real expenditure definitely and genuinely borne by the Organisation, without prejudice to Article 16.6;

d) they are reasonable, justified, comply with the principle of Sound Financial Management and are in line with the usual practices of the Organisation regardless of their source of funding;

e) they are incurred during the Implementation Period with the exception of costs related to final report, final evaluation, audit and other costs linked to the closure of the Action which may be incurred after the Implementation Period;

f) they are identifiable and backed by supporting documents, in particular determined and recorded in accordance with the accounting practices of the Organisation;

g) they are covered by one of the sub-headings indicated in the estimated budget in Annex III and by the activities described in Annex I; and

h) they comply with the applicable tax and social legislation taking into account the Organisation's privileges and immunities.

16.2 A reserve for contingencies and/or possible fluctuations in exchange rates - not exceeding 5 % of the direct eligible costs - may be included in Annex III to allow for adjustments necessary in the event of unforeseeable changes of circumstances on the ground. In such case, the reserve can be used only with the prior written authorisation of the Contracting Authority, upon a duly justified request from the Organisation.

16.3 The following costs may not be considered eligible direct costs, but may be charged as part of the remuneration: all eligible costs that, while necessary and arising as a consequence of implementation, are supporting the implementation of the Action and not considered part of the activities that the European Union finances as described in Annex I, including corporate management costs or other costs linked to the normal functioning of the Organisation, such as horizontal and support staff, office or equipment costs (except when duly justified and described in Annex I, such as a project office).

16.4 The remuneration shall be declared on the basis of a flat-rate which shall not exceed 7% of the total eligible direct costs to be reimbursed by the Contracting Authority. The remuneration does not need to be supported by accounting documents. For Multi-Donor and comparable actions, the remuneration shall not be higher than that charged by the Organisation to comparable contributions.

16.5 The following costs are ineligible for EU financing:

a) bonuses, provisions, reserves or non-remuneration related costs. Employers' contributions to pension or to any other employee insurance funds run by the Organisation shall only be eligible to the extent they do not exceed the cost incurred during the reporting period, calculated following applicable international accounting standards;

b) full-purchase cost of equipment and assets unless the asset or equipment is specifically purchased for the Action and ownership is transferred in accordance with Article 8;

c) duties, taxes and charges, including VAT, that are recoverable/deductible by the Organisation;

d) return of capital;

e) negative remuneration (otherwise referred to as 'negative interest') charged by banks or other financial institutions;

f) debts and debt service charges;

g) provision for losses, debts or potential future liabilities;

h) banking charges for the transfers from and to the Contracting Authority[3];

i) costs incurred during the suspension of the implementation of the Agreement except the minimum costs agreed on in accordance with Article 11.8;

j) costs declared by the Organisation under another agreement financed by the European Union budget (including through the European Development Fund);

k) in kind contributions. The cost of staff assigned to the Action and actually incurred by the Organisation is not an in kind contribution and may be declared as a direct eligible cost if it complies with the conditions set out in Article 16.1; and

l) costs of purchase of land or buildings, unless otherwise provided in the Special Conditions.

Simplified cost options

16.6 Direct eligible costs may also be declared by using any or a combination of unit costs, lump sums and flat-rate financing.

16.7 The methods used by the Organisation to determine unit costs, lump sums or flat-rates shall comply with the principles provided in Articles 16.1, 16.3 and 16.5, be clearly described and substantiated in Annex III, shall avoid double funding of costs and shall respect the principle of Sound Financial Management. These methods shall be based on the Organisation's historical or actual accounting data, its usual accounting practices, an expert judgment or on statistical or other objective information where available and appropriate.

16.8 Costs declared under simplified cost options do not need to be backed by accounting or supporting documents except if they are necessary to demonstrate that the costs have been declared according to the declared method or cost accounting practices and that the qualitative and quantitative conditions defined in Annex I and III have been respected.

16.9 Simplified cost options not linked to the achievement of concrete Results shall only be eligible if they have been ex ante-assessed by the European Commission.

16.10 If a verification reveals that the methods used by the Organisation to determine unit costs, lump sums or flat-rates are not compliant with the conditions established in this Agreement, the Contracting Authority shall be entitled to recover proportionately up to the amount of the unit costs, lump sums or flat-rate financing.

Article 17: Payments

17.1 Payment procedures shall be as follows:

a) the Contracting Authority shall provide a first pre-financing instalment as set out in Article 4.1 of the Special Conditions within thirty (30) Days of receiving the Agreement signed by both Parties. If the Implementation Period starts later than the entry into force of the

[3] The party causing a repetition of a transfer bears all costs of the repeated transfer.

Agreement, the Contracting Authority shall provide the first pre-financing instalment within thirty (30) Days of receiving a payment request from the Organisation. The Organisation shall not send such payment request before the effective starting date of the Implementation Period;

b) the Organisation may submit a request for further pre-financing instalment for the following reporting period in accordance with Article 4 of the Special Conditions; the following provisions apply:

   i) the reporting period is intended as a twelve-month period, unless otherwise provided for in the Special Conditions. When the remaining period to the end of the Action is up to eighteen (18) months, the reporting period shall cover it entirely;

   ii) if at the end of the reporting period less than 70% of the last payment (and 100% of previous payments, if any) has been paid by the Organisation to its staff or otherwise subject to a legal commitment with a third party, the further pre-financing payment shall be reduced by the amount corresponding to the difference between the 70 % of the immediately preceding pre-financing payment (and 100% of previous payments, if any) and the part of the previous pre-financing payments which has been paid by the Organisation to its staff or has been subject to a legal commitment with a third party;

   iii) the Organisation may submit a request for further pre-financing payment before the end of the reporting period, once more than 70 % of the immediately preceding payment (and 100% of previous payments, if any) has been paid by the Organisation to its staff or otherwise subject to a legal commitment with a third party. In this case, the following reporting period starts anew from the end date of the period covered by this payment request;

c) at the end of the Implementation Period, the Organisation shall submit a payment request for the balance, where applicable, together with the final report. The amount of the balance shall be determined according to Article 18 and following approval of the request for payment of the balance and of the final report; and

d) the Contracting Authority shall pay the further pre-financing instalments and the balance within ninety (90) Days of receiving a payment request accompanied by a progress or final report, unless the time limit for payment was suspended according to Article 11 or 12.

17.2 Payment requests shall be accompanied by narrative and financial reports presented in accordance with Article 3. The requests for pre-financing payments and the request for the balance shall be drafted in the Currency of the Agreement as specified in Article 2 of the Main Conditions. Except for the first pre-financing instalment, the payments shall be made upon approval of the payment request accompanied by a progress or final report. The final amount shall be established in line with Article 18. If the balance is negative, the payment of the balance takes the form of recovery.

17.3 Approval of the requests for payment and of the accompanying reports shall not imply recognition of the regularity or of the authenticity, completeness and correctness of the declarations and information contained therein.

17.4 The Contracting Authority shall make payments in the Currency of the Agreement as specified in Article 2 of the Main Conditions to the bank account referred to in Article 4 of the Main Conditions.

17.5 Payment arrangements for financing not linked to costs in accordance with Article 19 shall be set out in Article 4 of the Special Conditions and Annex I.

17.6 If no payment has been made by the Contracting Authority within two (2) years of the entry into force of the Agreement, the Agreement shall be terminated.

Late payment interest

17.7 In case of late payment of the amounts stated in Article 4 of the Special Conditions the following conditions apply:

a) upon expiry of the time limits for payments specified in Article 17.1, if the Organisation is not a Member State Organisation, it shall receive interest on late payment based on the rate applied by the European Central Bank for its main refinancing operations in Euros (Reference Rate), increased by three and a half percentage points. The Reference Rate shall be the rate in force on the first day of the month in which the time limit for payment expires, as published in the C series of the Official Journal of the EU;

b) the suspension of the time limit for payment by the Contracting Authority in accordance with Article 11 or 12 shall not be considered as late payment;

c) interest on late payment shall cover the period running from the day following the due date for payment, up to and including the date of actual payment as established in Article 17.1. Any partial payment shall first cover the interest;

d) by way of exception to point (c), when the interest calculated in accordance with this provision is lower than or equal to EUR 200, the Contracting Authority shall pay such interest to the Organisation only upon request from the Organisation submitted within two (2) months of it receiving late payment;

e) by way of exception to point (c), when the Contracting Authority is not the European Commission, and the European Commission does not make the payments, the Organisation shall be entitled to late payment interest upon its request submitted within two (2) months of it receiving late payment.

Article 18: Final amount of the EU Contribution

18.1 The Contracting Authority shall determine the final amount of the EU Contribution when approving the Organisation's final report. The Contracting Authority shall then determine the balance:

a) to be paid to the Organisation in accordance with Article 17 where the final amount of the EU Contribution is higher than the total amount already paid to the Organisation; or

b) to be recovered from the Organisation in accordance with Article 14 where the final amount of the EU Contribution is lower than the total amount already paid to the Organisation.

18.2 The final amount shall be the lower of the following amounts:

a) the maximum EU Contribution referred to in Article 2 of the Main Conditions in terms of absolute value;

b) the amount obtained after reduction of the EU Contribution in accordance with Article 18.3.

18.3 Where the Action (i) is not implemented, (ii) is not implemented in line with the Agreement or (iii) is implemented partially or late, the Contracting Authority may, after allowing the Organisation to submit its observations, reduce the EU Contribution in proportion to the seriousness of the above mentioned situations. If there is a disagreement between the Organisation and the Contracting Authority on the reduction, the Organisation may refer the matter to the responsible director in the European Commission.

Article 19: Financing not linked to costs

19.1 The payment of the EU Contribution may be partly or entirely linked to the achievement of Results measured by reference to previously set milestones or through performance Indicators. Such financing not linked to costs is not subject to Article 16. The relevant Results and the means to measure their achievement shall be clearly described in Annex I.

19.2 The amount to be paid per achieved Result shall be set out in Annex III.

19.3 The Organisation shall not be obliged to report on costs linked to the achievement of Results. However, the Organisation shall submit any necessary supporting documents, including where relevant accounting documents, to prove that the Results triggering the payment as defined in Annex I and III have been achieved.

19.4 Articles 3.7 f), 3.8 b), 3.8 f), 10.3 and 10.5 do not apply to the part of the Action supported by way of financing not linked to costs.

Article 20: Contracting and Early Detection and Exclusion System

Contracting

20.1 Unless otherwise provided for in the Special Conditions, the origin of the goods and the nationality of the organisations, companies and experts selected for carrying out activities in the Action shall be determined in accordance with the Organisation's relevant rules. However, and in any event, goods, organisations, companies and experts eligible under the applicable regulatory provisions of the European Union shall be eligible. Without prejudice to the foregoing or to the Organisation's assessed Regulations and Rules, the Organisation shall promote the use of local contractors when implementing the Action.

Early Detection and Exclusion System

20.2 The Organisation shall inform the European Commission if, in relation to the implementation of the Action, it has detected a situation of exclusion pursuant to its rules and procedures referred to in Article 2.2 d) and any ad hoc measure stipulated in the Special Conditions or in case of established fraud and irregularities or if it has any information relating to suspected cases of fraud, corruption or any other illegal activity affecting the financial interests of the Union pursuant to Article 2.6. This information may be used by the European Commission for the purpose of the Early Detection and Exclusion System. The Organisation shall inform the European Commission when it becomes aware that transmitted information needs to be rectified updated or removed. The Organisation shall ensure that the entity concerned is informed that its data was transmitted to the European Commission and may be included in the Early Detection and Exclusion System and be published on the website of the European Commission. These requirements cease at the end of the Implementation Period.

20.3 Without prejudice to the power of the European Commission to exclude a person or an entity from future procurement contracts and grants financed by the EU and/or to impose financial penalties according to the EU Financial Regulation, the Organisation may impose sanctions on third parties according to its own Regulations and Rules ensuring, where applicable, the right of defence of the third party.

20.4 The Organisation may take into account, as appropriate and on its own responsibility, the information contained in the Early Detection and Exclusion System, when implementing the EU Contribution. Access to that information can be provided through the authorised persons or via consultation with the European Commission as referred in Article 5.5 of the Special Conditions.

Annex III- Budget of Action
NDICI ASIA MENA/2025/488-928

The budget presented below is based on only receiving funding from the European Union.
The yellow-highligthed activities have increased budget if the UN PSF is fully funded, while the none-hihglighted activities's budget remain intact even if further ressources are mobilized.

EXPECTED OUTPUTS	Gender Marker	PLANNED ACTIVITIES	Planned Budget by Year		RP / IP	PLANNED BUDGET	Amount
			Year 1	Year 2		Funding Source	
Budget Heading 1: Activities							
Result Area 1: Confidence Building and Peace Incentives							
Output 1: Strengthen capacity and leverage of OSESGY and UN RCO to engage with decisions markers	2	Support to Roads opening	190,000.00	100,000.00	RP/IP	EU	290,000.00
	2	Support to confidence buidling initiatives and peace incentives		-		Donors	-
	2	Multi-level Yemen Ceasefire Mechanism (Security Liaison Staff).	73,986.06		UNDP	EU	73,986.06
	2	Multi-level Yemen Ceasefire Mechanism (Coordination Specialist).	196,000.00		UNDP	EU	196,000.00
	2	Multi-level Yemen Ceasefire Mechanism.	10,000.00		IP/RPs	EU	10,000.00
	1	Stratetgic Analysis	30,000.00	55,000.00	UNDP	EU	85,000.00
	1	Finalizing support to Port of Hodeidah	42,441.92		UNDP	EU	42,441.92
Subtotal results area 1			**542,427.98**	**155,000.00**			**697,427.98**
Result Area 2: Subnational Peacebuilding							
Output 2: Strengthened capacities of local leaders, officials, CSOs and NGOs in local conflict resolution	2	Support to Subnational Peacebuilding: Small Grant Mechanism		300,000.00	UNDP	EU	300,000.00
	2	Support to Subnational Peacebuilding: Scaled-up peacebuilding Initiatives	200,000.00	319,000.00	SYF, WYBOD, SOS Foundation.	EU	519,000.00

	2	Support to Subnational Peacebuilding: Pillars of Peace-Phase 3	100,000.00	50,000.00	DeepRoot	EU	150,000.00
	2	Support to Subnational Peacebuilding: Emerging Opportunities		-		Donors	-
Subtotal output 2			**300,000.00**	**669,000.00**			**969,000.00**
Output 3: Strengthened capacities of women-led CSO and NGOs to promote gender equality / the WPS agenda in the peace processes	3	Support the Women, Peace, and Security Agenda: Peacebuilding Network	50,000.00	50,000.00	WRTC	EU	100,000.00
	3	Support the Women, Peace, and Security Agenda: Support women in Mediation		-		Donors	-
Subtotal output 3			**50,000.00**	**50,000.00**			**100,000.00**
Subtotal for budget heading 1: activities			**892,427.98**	**874,000.00**			**1,766,427.98**
Budget Heading 2: Project Management							
PSF Staffing		As per detailed staffing plan	371,800.17	233,833.07	UNDP	EU	605,633.24
PSF Operational Costs (Premises, Transport, Security, etc.)		As per Prodoc/DoA provisions	98,308.91	60,785.35	UNDP	EU	159,094.26

Delivery Enabling Services (DES) Cost share CO Staff and Office Support		As per Prodoc/DoA provisions	100,000.00	83,991.50	UNDP	EU	183,991.50
PSF Monitoring & Evaluation		As per M&E plan	64,339.00	50,000.00	UNDP / IPs/ Vendor	EU	129,339.00
Project Support (Support to office supplies, ICT equipment, fundraising efforts, etc.)		As per Prodoc/DoA provisions	25,000.00	15,000.00	UNDP	EU	40,000.00
Project Audit		As per Prodoc/DoA provisions	10,000.00	10,000.00	Vendor	EU	30,000.00
Subtotal budget heading 2: Project Management			**681,948.08**	**466,109.92**			**1,148,058.00**
Total Direct Costs			1,574,376.06	1,340,109.92			2,914,485.98
Indirect Costs		7% for the EU of total direct costs	110,206.32	93,807.69	UNDP		204,014.02
Grand TOTAL			**1,684,582.39**	**1,433,917.61**			**3,118,500.00**

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FINANCIAL IDENTIFICATION

PRIVACY STATEMENT http://ec.europa.eu/budget/contracts_grants/info_contracts/financial_id/financial_id_en.cfm#en

Please use CAPITAL LETTERS and LATIN CHARACTERS when filling in the form.

BANKING DETAILS ①

ACCOUNT NAME ②	UNDP CONTRIBUTIONS ACCOUNT
IBAN/ACCOUNT NUMBER ③	02100008936349562/36349562
CURRENCY	US DOLLAR
BIC/SWIFT CODE	CITIUS33
BRANCH CODE ④	NY-940
BANK NAME	CITIBANK

ADDRESS OF BANK BRANCH

STREET & NUMBER	399 PARK AVENUE
TOWN/CITY	NEW YORK/NEW YORK
POSTCODE	1022-4617
COUNTRY	UNITED STATES OF AMERICA

ACCOUNT HOLDER'S DATA

AS DECLARED TO THE BANK

ACCOUNT HOLDER	UNITED NATIONS DEVELOPMENT PROGRAMME
STREET & NUMBER	ONE UNITED NATIONS PLAZA
TOWN/CITY	NEW YORK/ NEW YORK
POSTCODE	10017
COUNTRY	UNITED STATES OF AMERICA

REMARK

BANK STAMP + SIGNATURE OF BANK REPRESENTATIVE ⑤

Tiffany Allman, AVP
Citi
Incorporate Client Service
One Penn's Way
New Castle, DE 19720
302-323-2444

DATE (Obligatory) 28/07/2020

SIGNATURE OF ACCOUNT HOLDER (Obligatory)
Paul Gravenese , Treasurer

① Enter the final bank data and not the data of the intermediary bank.

② This does not refer to the type of account. The account name is usually the one of the account holder. However, the account holder may have chosen to give a different name to its bank account.

③ Fill in the IBAN Code (International Bank Account Number) if it exists in the country where your bank is established

④ Only applicable for US (ABA code), for AU/NZ (BSB code) and for CA (Transit code). Does not apply for other countries.

⑤ It is preferable to attach a copy of RECENT bank statement. Please note that the bank statement has to confirm all the information listed above under 'ACCOUNT NAME', 'ACCOUNT NUMBER/IBAN' and 'BANK NAME'. With an attached statement, the stamp of the bank and the signature of the bank's representative are not required. The signature of the account-holder and the date are ALWAYS mandatory.

ANNEX <INSERT HERE THE NUMBER OF THE ANNEX>

Request for payment for Contribution Agreement

Date of the request for payment <insert date>

For the attention of
<insert address of the Contracting Authority>
<financial unit indicated in the Contribution Agreement>[1]

Reference number of the Contribution Agreement: <insert reference number>

Title of the Contribution Agreement: <insert title >

Name and address of the Organisation: <insert address >

Request for payment number: In case this request for payment is sent to the Contracting Authority for the purpose of receiving the **first pre-financing payment**, insert: [1] in all other cases: <insert the sequential number of the payment request>

Period covered by the request for payment: <insert period>

In case this request for payment is sent to the Contracting Authority for the purpose of receiving the **first pre-financing payment**, please insert:

[Dear Sir/Madam,

I hereby request payment of the first pre-financing under the Contribution Agreement mentioned above.

The amount requested is select the appropriate option: [,in accordance with Article 4 of the Special Conditions of the Contribution Agreement, <insert the requested amount>] [<insert the requested amount>.]

The payment should be made to the following bank account: <insert bank account>.[2]

Please when making the payment indicate the following communication: <insert bank account>.]

In all other cases, please insert:

[Dear Sir/Madam,

I hereby request payment of the [further pre-financing] [balance] under the Contribution Agreement mentioned above.

---

1 If applicable, please do not forget to address a copy of this letter to the address mentioned in the Special Conditions of the Contribution Agreement.

2 Indicate the account number shown on the financial identification form annexed to the Contribution Agreement or indicated in the Main Conditions. In the event of change of bank account, please process such change in line with the General Conditions of the concerned Contribution Agreement.

N.B.: Payment of further pre-financing and of the balance shall be made upon approval of the payment request accompanied by a progress or final report (see Article 17 of the General Conditions of Contribution Agreement).

ANNEX <INSERT HERE THE NUMBER OF THE ANNEX>

The amount requested is select the appropriate option: [,in accordance with Article 4 of the Special Conditions of the Contribution Agreement, <insert the requested amount>] [<insert the requested amount>]

Please find attached the following supporting documents:

- for further pre-financing payments, insert: [narrative and financial progress report]
- for the balance payment, insert: [final narrative and financial report]

The payment should be made to the following bank account: <insert bank account>.[3]

Please when making the payment indicate the following communication: <insert bank account>.

I hereby certify on honour that the information contained in this request for payment is full, reliable and true, that the costs incurred can be considered eligible in accordance with the Agreement and that this request for payment is substantiated by adequate supporting documents that can be checked.]

Yours faithfully,

<signature>

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[3] Indicate the account number shown on the financial identification form annexed to the Contribution Agreement or indicated in the Main Conditions. In the event of change of bank account, please process such change in line with the General Conditions of the concerned Contribution Agreement.

N.B.: Payment of further pre-financing and of the balance shall be made upon approval of the payment request accompanied by a progress or final report (see Article 17 of the General Conditions of Contribution Agreement).

Annex <insert here the number of the annex> [Global] Management Declaration

I, the undersigned, <insert forename and surname>, in my capacity as <insert function in the entrusted entity or person>, confirm that in relation to the Insert/complete in case an individual Management Declaration for one Contribution / Guarantee Agreement is submitted: [[Contribution Agreement] [Contribution Agreement for Financial Instruments] [Guarantee Agreement] <insert reference of the concrete Agreement>, (the "Agreement")] Insert in case a global Management Declaration covering all the Contribution Agreements and/or Contribution Agreements for Financial Instruments and/or Guarantee Agreement(s) between the Contracting Authority[1] and the Organisation is presented:[Agreements listed below], based on my own judgement and on the information at my disposal, including, inter alia, the results of the audits and controls carried out:

1. The information submitted For Contribution Agreements/Contribution Agreements for Financial Instruments insert: under Article 3 of the General Conditions of the Agreement[s] For Guarantee Agreements, if applicable, insert: [and] pursuant to the financial reporting requirements of the Guarantee Agreement[s] for the financial period dd/mm/yyyy to dd/mm/yyyy is properly presented, complete and accurate Insert/complete in case a global Management Declaration covering all the Contribution Agreements and/or Contribution Agreements for Financial Instruments and/or Guarantee Agreement(s) between the Contracting Authority and the Organisation is presented: [for the following Agreements:

    1. <insert references of the Agreement>; add below as necessary
    2. <…>.]

    If at the time of signature of this Management Declaration, there were ongoing Agreements for which there was not yet reporting obligation; insert: [To be noted that at the time of signature of this Management Declaration, the following Agreements were not yet subject to submission of reporting in accordance with the contractual conditions:

    1. <insert references of the Agreement>; add below as necessary
    2. <…>.]

2. In case this Management Declaration covers Contribution Agreement(s) and/or Contribution Agreement(s) for Financial Instruments, insert: The [expenditure] [and] In case this Management Declaration covers Guarantee Agreement(s), insert: [amounts made available under the Guarantee] [were] [was] used for [its] [their] intended purpose as defined in the Agreement[s].

3. The control systems put in place give the necessary assurances that the underlying transactions were managed in accordance with the provisions of the Agreement[s].

4. The Organisation performed the activities in compliance with the obligations laid down in the Agreement[s] and applying its own rules and procedures, where applicable, subject to the ad hoc measures agreed upon with the European Commission, as regards:
    a) internal control;
    b) accounting system;
    c) independent external audit;
    d) exclusion from access to funding;
    e) publication of information on recipients;
    f) protection of personal data;

    Add one or more of the following options, as applicable:

    g) [award and management of Grants;]
    h) [award and management of Procurement Contracts;]

[1] For the avoidance of doubt, references to 'Contracting Authority' in this annex shall be understood as referring to the European Commission for the purpose of Contribution Agreements for Financial Instruments and Guarantee Agreements.

i) [Financial Instruments] In case any the optional sub pillars 6b and/or 6c have been assessed and if applicable, add as required: [, including [Tax Avoidance and Non-Cooperative Jurisdictions][and][Anti-Money Laundering and Countering Terrorism Financing]].

5. No substantial changes, which have not already been communicated to the European Commission, affect the rules and procedures which have been [subject to the Ex-ante Pillar-Assessment] / [assessed by the European Commission for the purpose of granting an exemption to the obligation to undergo the Ex-ante Pillar Assessment].

6. The Organisation has informed the European Commission and the Contracting Authority without delay, in relation to the management of the EU Contribution provided under the Agreement[s], of cases of established fraud and irregularities and their follow-up as well as of any information relating to suspected cases of fraud, corruption or any other illegal activity affecting the financial interests of the Union.

7. The Organisation has informed the European Commission, in relation to the implementation of the Agreement[s] and during [its] [their] implementation period, if it has detected a situation of exclusion, pursuant to its rules and procedures and any ad hoc measure stipulated in the Agreement[s] or become aware that transmitted information needs to be rectified, updated, or removed.

Furthermore, I confirm that I am not aware of any undisclosed matter which could harm the interests of the European Union.

[*However, the following reservation(s) should be noted:*
<present and explain reservation(s)>][2]

<insert place and date>

.....

(signature)

<Insert forename and surname>

[2] Option to be used in case of reservations.