

EUROPEAN UNION CONTRIBUTION AGREEMENT

MIDEAST/2020/416-174

(the "Agreement")

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

and

United Nations Development Programme
International Organisation
One United Nations Plaza
New York
NY 10017
United States of America
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 "***Strengthening Institutional and Economic Resilience in Yemen (SIERY)***" 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 fully financed by the EU Contribution.
- 1.3 In the performance of the activities, the Organisation shall:
 - a) apply its own accounting, internal control and audit systems which have been positively assessed in the ex-ante pillar assessment.
 - b) apply its own procurement procedures and its own rules for the award of Grants as assessed in the ex-ante pillar assessment.

The Organisation is free to 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.
- 1.4 The Action is financed under Development Cooperation Instrument.
- 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 between the European Union represented by the European Commission and the

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United Nations" (FAFA), signed on the 29 April 2003 and amended on the 26 February 2014 and 31 December 2018.

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 36 months.

Article 3 - Financing the Action

3.1 The total cost of the Action¹ is estimated at **USD** ("Currency of the Agreement") **81,966,140**, as set out in Annex III. The Contracting Authority undertakes to provide a contribution up to a maximum of **EUR 69,800,000**, which is estimated at **USD 81,966,140** (the "EU Contribution").

The final amount will be established in accordance with Articles 18 to 20 of Annex II.

3.2 The remuneration of the Organisation by the Contracting Authority for the implementation of 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.

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%²

4.2 Payments shall be made in accordance with Article 19 of Annex II. The following amounts are applicable, all subject to the provisions of Annex II:

First pre-financing instalment: **USD 23,088,605.47**

Further pre-financing instalments: **USD 58,877,534.53** following the end of the 1st and 2nd reporting period from the commencement date of the implementation period, corresponding to the Contracting Authority's part of the forecast budget for the subsequent 12 months.

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

These amounts are indicative and subject to modification in accordance with the provisions of Article 19 of Annex II.

The sum of the payments in the accounting currency of the Organisation shall not exceed the total EU Contribution in EUR.

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

² The Parties have to agree on a pre-financing rate (X%). The determination of the amount of the pre-financing instalments corresponds to X% of the part of the forecast budget for the following reporting period of the Action which is being financed by the EU (excluding not authorised contingencies). Subject to the provisions of Article 19 of Annex II, each further instalment of pre-financing will thus consist of the remaining part of the budget financed by the EU for the previous period (where pre-financing rate is less than 100%) and the new pre-financing for the forecast budget for the subsequent 12 months, the latter at the pre-financing rate stated in Article 4.1. In the case of blending facilities/platforms, it is always 100%.

- 4.3 The Commission intends to progressively introduce an electronic exchange system for the e-management of contracts and agreements (the "System"). The Organisation will be required to register in and use the System to allow for the e-management of Contribution Agreements. The Commission will inform the Organisation in writing at least three months prior to the date of application of the individual components of the System.

As a first step, the information to be provided in accordance with Article 3.7 b) of Annex II has to be processed via the System for all reports once the system is operational for the reporting on results (as of when it becomes applicable to the UN).

As a second step, all documents related to this Agreement (including reports, payment requests and formal amendments as per Article 11.1 of Annex II) will have to be processed via the System (as of when it becomes applicable to the UN).

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 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.
- 5.3 Any communication relating to the Agreement, including payment requests and attached reports, and requests for changes to bank account arrangements shall be sent to:

For the Contracting Authority

Mr Ole PHILLIP
Head of Finance, Contracts and Audit Iraq/Yemen
c/o Delegation of the European Union to the Hashemite Kingdom of Jordan
Al-Ameerah Basma Street
11185 North Abdoun, Amman, Jordan
P.O. Box: 852099
Email: DELEGATION-YEMEN@ec.europa.eu

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

Ms Karolina Hedstrom
Head of Cooperation Yemen
c/o Delegation of the European Union to the Hashemite Kingdom of Jordan
Al-Ameerah Basma Street
11185 North Abdoun, Amman, Jordan
P.O. Box: 852099
Tel: +962-6-590-29-29

For the Organisation

Auke Lootsma
Resident Representative
UNDP Yemen
UNDP P.O. Box 551 Sana'a – Yemen
Email: auke.lootsma@undp.org

- 5.4 Ordinary mail shall be deemed to have been received on the date on which it is officially registered at the address referred to above.
- 5.5 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: The Office of Audit and Investigations, Head of Investigation

Section, United Nations Development Programme, One United Nations Plaza, 4th floor New York, NY 10017 USA.

- 5.6 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: Auke Lootsma, Resident Representative, UNDP Yemen, UNDP P.O. Box 551 Sana'a – Yemen

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: Communication and Visibility Plan
 - Annex VII: 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 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 18.1 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 declares 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 in three originals in the English language, two for the Contracting Authority and one for the Organisation.

For the Organisation

Name Auke Lootsma
Position Resident Representative
Signature *Auke Lootsma*
Date 30 August 2020

For the Contracting Authority

Name Hans GRUNDBERG
Position Head of Delegation
Signature *[Signature]*
Date 19/08/2020

UNITED NATIONS DEVELOPMENT PROGRAMME

PROJECT DOCUMENT**Yemen**

Empowered lives.
Resilient nations.

Project Title: Strengthening Institutional and Economic Resilience in Yemen (SIERY)

Implementing Partner: UNDP

Brief Description

The **Strengthening Institutional and Economic Resilience in Yemen (SIERY)** project has been designed to buttress the resilience of local governance systems in Yemen. The Project is based on the assessment that, in a context of protracted conflict and massive population displacements across the country, which negatively affect women, children and youth disproportionately, the resilience and recovery of local populations cannot depend only on their self-help capacities or on foreign aid: it needs also local authorities to fulfil more effectively their mission, in terms of core functions, basic service delivery, emerging needs (conflict resolution, humanitarian aid, disaster management, internally displaced people) and economic recovery. Local authorities in Yemen have proven remarkably resilient in the face of the prolonged effects of the conflict but their situation is precarious. Further deterioration will have serious implications for the sustainability of aid and recovery and the viability of any future political settlement and transition. Moreover, the growing gap in terms of capacities, resources and outcomes of local governance systems between the different areas of the country creates severe institutional and economic resilience unbalances and opens up new conflict liabilities, thereby threatening to perpetuate the conflict. Therefore, local authorities in Yemen need structured and systematic attention and support to maintain, enhance and expand their performance. At the same time, small and medium enterprises (SMEs) and entrepreneurs are crucial for tracing new paths to more sustainable and inclusive growth, thanks to their role in providing employment and decent work for all as well as reducing income inequalities. However, they can only fulfil this role if there is an enabling institutional environment and they can obtain the finance necessary to start and grow their businesses.

SIERY is a 3-year initiative that aims to **improve economic and social wellbeing for Yemeni, in particular for the poorest and most vulnerable (overall objective)**. SIERY responds to some of crucial development challenges highlighted above and is fully aligned with the EU's **Global Strategy** which includes building resilience by supporting good governance, strengthening Humanitarian-Development Nexus and supporting Private Sector Development. The strategy pursued by SIERY rests on two components:

The first component focuses on institutional resilience, which caters for service delivery needs of local populations and considers the role that responsive and legitimate local governance can play in rebuilding peace and stability from below (specific objective 1). SIERY will provide district authorities with technical support and discretionary funding to devise and implement, in partnership with communities, the private sector and local influential actors, recovery plans, including basic service delivery, managing population influx, emergency responses, humanitarian aid and economic recovery, and to fulfil their missions in a more participatory, inclusive and accountable manner. SIERY will also foster the emergence of a nation-wide compact for recovering the Yemeni local governance system in a way that can support peace- and state-building. In line with the Agenda 2030, the imperative of **leaving-no-one-behind**, and in particular women, children and youth, by supporting innovative and effective approaches to address vulnerabilities in all aspects of local governance, is inherent to SIERY approach.

The second component focuses on economic resilience and aims to improve business environment for economy recovery and employment opportunities (specific objective 2). This component empowers private sector players (SMEs and microfinance service providers), working on selected value chains, for skills development, capital support, job creation, and employment. SIERY will rehabilitate or reconstruct community-prioritised infrastructure, support small and medium enterprises for the expansion and scale-up of businesses. It will enable and engage micro finance service providers and network, private sector or business associations and regulators to support producers, private sectors and local authorities to de-risk unstable market environment.

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ACRONYMS

BARC	Business Advisory Resource Center
BRAVE	Business Resilience Assistance for Value-adding Enterprises
COCA	Central Organization for Control & Auditing
COC	Chambers of Commerce
CGF	Core Government Functions
CPD	UNDP Country Programme Document
CSO	Central Statistical Organization
CSOs	Civil Society Organizations
DA	District Authority
DCDP	District Capacity Development Plan
DCT	District Core Team
DEO	District Executive Office
DFT	District Facilitation Team
DLDSP	Decentralization and Local Development Support Programme
DMP	District Multi-stakeholder Platform
D-SEO	District Sector Executive Organ
YECRP	Yemen Emergency Crisis Response Project
ERRY	Enhanced Rural Resilience in Yemen
FSAC	Food Security and Agriculture Cluster
GA	Governorate Authority
HRP	Humanitarian Response Plan
IRC	Intermediary Representative Committee
LAL	Local Administration Law (Law 4/2000)
MSMEs	Micro, Small & Medium Enterprises
MFI	Microfinance Institutions
NDC	National Dialogue Conference
OSESGY	Office of the Special Envoy of the Secretary-General for Yemen
PSC	Private Sector Cluster
PS	Private Sector
RLGD	Rapid Local Governance Diagnostic
SCPRP	Social Protection for Community Resilience in Yemen Project
SMEPS	The Small and Micro Enterprise Promotion Service
VCA	Value Chain Approach
YBA	Yemen Business Association
YLHS	Yemen Livelihood and Human Security Project
YMN	Yemen Microfinance Network

I. DEVELOPMENT CHALLENGE¹

The development challenge: The resilience of local authorities in Yemen to absorb the prolonged effects of the conflict, including the increased violence, destruction and political instability, and the disruption in the central government's (financial) support, is under threat. At the same time, in a protracted conflict situation as in today's Yemen, the resilience of local communities, and in particular of the most vulnerable to the conflict's impacts, depends to a large degree on the role played by local authorities and on the services they deliver. The discrepancies in terms of capacities and access to resources for service delivery and in the quality of local governance across the different areas of the country has reached unprecedented levels. It exacerbates the vulnerability of the most conflict-affected areas and creates new sub-national conflict liabilities. If Yemen's local authorities are allowed to fail, there will be little state capacity left across the country by the time there is a transition process to implement – which would highly jeopardize the chance of stabilizing the country and putting it back on a path to recovery.

In addition, local economies have also been severely affected. With rapidly diminishing income opportunities, negative coping strategies, including recruitment by armed groups, child labour and child marriages, are becoming more prominent. As a result, there is no platform to bring together public and private sector actors around shared and inclusive economic growth objectives and protect local economies from further decay and put them on a recovery track.

1.1. The context:

The current conflict in Yemen, with deep roots in the country's troubled history, broke out at the turn of 2015. The conflict has resulted in nearly 100,000 people killed, including 12,000 civilians,² and created the world's current worst humanitarian crisis. Over 3 million people are displaced, 24 million (or 80%) need humanitarian assistance and 14.3 million find themselves in a critical situation.³ An untold number of Yemenis have died from second-order effects, including the collapse of the health system and shortages of food, water, and medicine. An estimated 2 million children have also dropped out of school since 2015.⁴ Conflict, displacement, economic decline, and their fiscal and institutional consequences, have further eroded the capacity of the traditionally weak central Yemeni state to fulfil its core functions, and hampered its ability to address newly emerging one, such as humanitarian aid, disaster management, economic recovery, etc. In the likely scenario of continued and protracted conflict, the resilience of all local layers of Yemeni society needs to be strengthened. Support must go beyond humanitarian assistance and community self-help initiatives.

The rise of the local

The conflict has shaken the **distribution of power and resources in Yemen and has given more prominence to local authorities**, including decentralized branches of the central administration, in assuming core state functions (maintaining security, delivering services and raising revenues). Central authority has fragmented into different blocks competing to maintain and extend territorial control. At community level, homegrown or donor-driven⁵ committees gathering various sectors of society have proliferated and have become effective spaces for collective decision-making and conflict management (while providing new avenues for women and youth participation).⁶ These informal structures play an invaluable role in cushioning the impact of the conflict – but their limited organizational capacities and financial resources mean that they cannot, alone, prevent further degradation of living nor address collective action issues such as climate change, disaster management, internally displaced persons (IDPs) management and economic recovery. Formal local authorities at district and/or governorate level have endured⁷, and constructive collaboration between local authorities and local stakeholders is emerging, especially in humanitarian assistance and local conflicts resolution. Although the presence of *elected* local councils has

¹ Please note: much of recent evidence drawn into this section comes from the **Rapid Local Governance Diagnostic** conducted by UNDP Yemen in April – May 2019 in 6 governorates and 18 districts. Findings from the Diagnostic used in this document are referenced with the "(RLGD)" note.

² [Yemen Snapshots 2015-2019](#) (ACLEDA, 2019).

³ OCHA. *Humanitarian Response Plan 2019*.

⁴ OCHA Yemen (2019). *Humanitarian Needs Overview 2019*.

⁵ Such as the Village Cooperative Committees (VCCs), established through the donor-funded Tamkeen programme of the Social Fund for Development.

⁶ UNDP Yemen (2019). *Local Governance and Social Cohesion Interventions Assessment*. The Enhanced Rural Resilience in Yemen (ERRY) Joint Programme. Sanaa, 2019.

⁷ The only such occurrence happened in Hadramout with the short-lived reign of Al Qaida in the Arabic Peninsula (AQAP) in 2015-2017.

been severely affected by the political crisis⁸, all other arms of local authorities persist. District authorities have retained more resources and remain more functional than those at governorate level. The level of autonomy of local authorities in managing local affairs has increased in some areas, while fiscal recentralization is happening in areas under the control of De Facto Authorities (DFAs). The conflict has had the serendipitous effect of a more horizontal and integrated form of local governance with stronger coordination by local executives, in contrast with the siloed and top-down approach that prevailed before the conflict.

The resilience of local authorities

Local authorities persist in all areas, but not everywhere in full integrity.⁹ Significant differences in human and financial resources between districts and governorates, already prevalent before 2015¹⁰, have been exacerbated by the conflict. Logistical capacities have been affected badly (damage on buildings, loss of equipment).¹¹ Financial resources have been drastically reduced in areas where most violent conflict happened (e.g. Taiz). In DFA-controlled areas, state transfers are severely cut and local revenues are diverted to the central government budget.¹² In the South and East, district authorities have usually retrieved pre-2015 budget levels,¹³ but investment capacity has dipped as salary expenditures usually take up more than 90 per cent.¹⁴ In some cases, local authorities have been able to increase local revenue collection.¹⁵ The size of the workforce has not been seriously affected size-wise. Staff absenteeism remains a serious issue for many local authorities (on average 30% of the staff report at work less than once a week, as per the Rapid Local Governance Diagnostic - RLGD). Absenteeism of local civil servants is mainly due to unpaid salaries, general failure of internal control systems, poor leadership and the limited means of local authorities to perform their functions. In the RLGD sample, district budgets per capita varied from a 1 to 25 ratio and their workforce density (per 100,000 people) from a 1 to 100 ratio. Resource levels are not logically allocated to the areas that need them most.

Trust in and legitimacy of institutions play a crucial role in the resilience of local authorities. Recent global research (ODI, 2017)¹⁶ has shown that trust and legitimacy of state institutions in conflict-affected settings is not predominantly built by public goods and services delivered but much more by the *quality* of governance – particularly whether populations feel included and actively engaged in decisions and services that impact them. The partial collapse of central authority in Yemen implies that this relationship between of trust and legitimacy has to be renegotiated, recalibrated and, ultimately, reconstituted in new formal mechanisms. There are significant challenges. Discretionary powers of local executives have grown. Opportunities for voicing people's needs and interests have receded with the suspension of councils. Social accountability has increased but lacks institutionalized mechanisms. 'Old' and new marginalised groups (women, youth, IDPs) have gained greater access to community governance but are still excluded from formal decision-making. There are indications that the dissatisfaction of Yemenis with the quality of their local governance is increasing, fuelled by higher taxation and unsatisfactory service delivery.¹⁷

A collapsing economy

The World Bank in 2019 estimated that economic output has contracted about 50 per cent since the outbreak of the 2015 conflict. Poverty rates have dramatically increased, with an estimated 81 per cent of Yemenis now below the poverty line – an increase of one-third since 2014. The 2019 Humanitarian Response Plan (HRP) states that at least 600,000 jobs have been lost. 12.9 per cent of the labour force¹⁸ (but nearly 24 per

⁸ in the RLGD sample, only 50% of the District Councils kept active. Rapid Local Governance Diagnostic, UNDP 2019.

⁹ i.e. the situation of local councils, which were before 2015 the only element of democratic control over local executives

¹⁰ The "Functional and Operational Capacity Assessment of District Local Authorities (DLAs)" led by the MoLA in 2014, with support from the World Bank, highlighted already "*the high degree of heterogeneity between DLAs with regard to their capacities and performance [...] and the clear urban-rural divide with urban DLAs performing better on many dimensions—including access, human resources, sophistication, equipment etc.—on average*".

¹¹ In areas surveyed by the RLGD, 60% of local authority offices had suffered damages related to the conflict on their premises and 64% considered that their current office and equipment was inadequate to their functions (UNDP, 2019).

¹² For example, in Hajjah Governorate, local authorities have reduced their expenditures by 70% compared to 2013 (RLGD, 2019).

¹³ In the sample of governorates and districts surveyed for the RLGD, more than two-thirds (those under IRGY-control) had in 2019 the same or higher level of income and expenditures as in 2013.

¹⁴ In the RLGD sample, investment expenditures have gone from 9% to 4% of district and governorate budgets (average).

¹⁵ 67% of districts surveyed have increased their local revenues compared to 2013, with an average increase of 264% in Marib Governorate and 80% in Lahj Governorate (RLGD, 2019).

¹⁶ See "Secure Livelihoods & Research Consortium" work on livelihoods, conflict & recovery (<https://www.odi.org/publications/10837-livelihoods-conflict-and-recovery-findings-secure-livelihoods-research-consortium>).

¹⁷ In Hadramout Governorate, refusal to pay local taxes and fees is said to be increasing among the population, given the lack of visible improvement of local services.

¹⁸ ILO, Small and Medium-sized Enterprises Damage Assessment: Yemen, 2018.

cent for youth) is estimated to be unemployed. Agricultural production and fishing, employing nearly 70 per cent of the workforce, has shrunk by a third. In 2015, 26 per cent of businesses closed due to the war with women-headed ones even harder hit (42 per cent). Government salaries are not, or highly irregularly, paid. Inflation is soaring and food and fuel prices have risen by respectively 150 and 200 per cent since the start of the conflict.

Severe exchange rate fluctuations and depreciation further undermine the Yemeni economy, which relies heavily on imports denominated in US dollars, and drastically undermines households' purchasing power. In 2018, the cost of a food basket increased by 60 per cent, and average food prices in 2019 were 150 per cent higher than before the conflict. Hundreds of thousands of families are being forced out of local markets, unable to purchase the necessities required to survive. As a result, an increasing number of households are resorting to *negative coping mechanisms* such as selling assets, reducing food consumption and clean water purchases and taking up debt.

In late 2018 Yemen's economy began to show fragile signs of stabilization. Available information suggests that gross domestic product (GDP) growth turned positive in 2018. Nevertheless, oil production, albeit increasing, remains significantly below the pre-conflict levels, while protracted hostilities and widespread destruction of infrastructure continue to interrupt economic activities, leaving many Yemenis without a regular source of income.¹⁹ The private sector has shown higher resilience to cope with the war than the public sector. Between 2015 and 2016, the private sector contribution to GDP contracted 18 per cent compared to the public sectors 31 per cent over the same period. By continuing to operate, albeit at a reduced level, the private sector has remained an important source of income to millions of Yemenis.

The protracted conflict has given rise to a new 'conflict economy'²⁰. Five years of protracted conflict has created a new political economy in which economic opportunities generated by war, conflict and disorder are playing an increasingly important role in the persistence of the conflict and the increasing intractability of finding a peaceful solution. Formal, informal and illicit types of economic activities have started to blend. Some of the 'negative coping mechanisms' mentioned above include involvement in this new conflict economy, creating, at different levels of society, a vested interest in the perpetuation of conflict and chaos. These new economic interests will act as active 'spoilers' and undermine peaceful and equitable governance at the local, regional and national level, becoming more intractable as time allows them to become solidly entrenched.

1.2. Problem analysis:

Strengthening the resilience of local authorities and local economies, is faced with several challenges. Below is a problem tree analysis organized around five key immediate issues plaguing local governance and local economic recovery in Yemen.

- 1) The gap between growing population needs for services, spurred by the humanitarian situation, population growth and movements, and climate change, and the capacities of local authorities to provide them, is widening.
 - **The logistical capacities of local authorities have been seriously affected by the conflict, coming after years of neglect.** Local governance was already in a derelict state before the conflict and have decayed further due to the lack of maintenance budget (the whole country) and severe infrastructure destruction (certain Governorates).
 - **Local resources are not adapted to resilience and recovery needs.** Financial resources available to local authorities are unsuitable to support the maintenance, expansion and improvement in service delivery, because they are insufficient and mostly spend on salaries, leaving little room for necessary investments.²¹
 - **Local revenue collection is not effective, organized or transparent.** Some governorates and districts have managed to increase their own revenues since the start of the conflict²². Not all taxes and fees

¹⁹ Yemen Economic Update, October 2019, World Bank

²⁰ See the Chatham House Report (2019) on "Conflict Economies in the Middle East and North Africa" (<https://www.chathamhouse.org/publication/conflict-economies-middle-east-and-north-africa>)

²¹ In the RLGD sample, 84% of governorates had seen their investment budget shrink (by 66% in average) and 89% of the districts (by 65%).

²² 50% of governorates and 60% of the districts surveyed for the RLGD increased their revenues by more than 10% since 2013 (UNDP, 2019).

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allowed by law have been activated. Revenue collection is not always organized efficiently. Newly accruing revenues are managed with little transparency and can breed corruption.

- **Diminished local service delivery capacity coincides with rising and broadening community demand.** Local authorities are called upon to provide services that go beyond basic service delivery demand, such as managing the influx of IDPs, providing emergency responses to natural disasters, coordinating humanitarian aid and enable economic recovery. The persistent occurrence of endemic diseases, like cholera, diphtheria and dengue, and the looming Covid 19 epidemic, adds additional pressure on local authorities.
 - **The distribution and management of human resources seems disconnected from service needs.** The local governance workforce remains rigidly organized, preventing redeployment to neediest areas.²³ Few local authorities can fill in gaps. Absenteeism compounds the issue. Staff have limited access to capacity development and technical guidance, even if certain sectors (e.g. education, health, water, electricity) are better off in this regard than others (agriculture, public works, trade).
 - **Absence of strategic and integrated resilience and recovery planning.** Very few territories have the necessary leadership, human capacities and time for engaging in multi-year recovery planning. Their capacity is undermined by parallel, uncoordinated programming of off-budget aid allocations, all concentrated on a few sectors.²⁴ Important areas for sustainable development (urbanization, climate change, local economic recovery) are neglected.
- 2) The quality of local governance (participation, inclusion, accountability) is suffering from the conflict and with its worsening, the little trust and legitimacy that remains in the population with state institutions is put at risk.
- **Links between communities and local authorities remain loose.** Community participation at different stages of the public expenditure cycle is more difficult to achieve with the disabling of local councils, the difficulty for staff of local authorities to visit communities and the huge gap between villages and district levels (135,000 villages for 331 district capitals). The emergence of organized community structures (such as Village Cooperative Councils - VCCs) has helped bridge this gap to some extent, but these structures remain marginal. Few local authorities engage with civil society organisation (CSOs) through predictable and effective coordination mechanisms. Most active local CSOs are project-driven and monopolized by the humanitarian response. Participation, when it happens, is also still mostly in the hands of adult men. The inclusion of marginalized groups (women, youth, IDPs, disabled, etc.) in formal decision-making levels is marginal.²⁵
 - **A crisis of representation and separation of powers at the local level.** The prerogatives of local councils had already been limited to a 'monitoring' role by President Hadi in 2012. Their legitimacy suffers from the fact that their electoral mandate ended in 2011 and that they include limited political pluralism and almost no women. Local councils remain the main formal channel to exert accountability on local executives. Their role in resolving local conflicts is also paramount. There are very few attempts by local powers, especially in the South, to reactivate local councils or replace them with other mechanisms of citizen representation.²⁶
 - **Accountability framework over local authorities are even weaker than before.** With greater autonomy of local authorities comes the risk of greater mismanagement of resources and corruption in a context of lower democratic, institutional and social oversight over the dealings and performance of local authorities. Greater autonomy and incentives for local authorities to collect revenues is not balanced out by much weaker administrative accountability frameworks embodied by the Ministry of Finance and the Central Organization for Control and Auditing (COCA).²⁷
- 3) Increasing horizontal fragmentation and vertical divide:
- **Conflict and central state crisis widen pre-existing inequalities.** Difference in staffing, financial resources (central budget, revenues) and quality of governance between governorates and between districts are becoming unsustainable. They reinforce perceptions that the state actively promotes preferential treatment, a powerful driver of conflict. Inequality, previously driven and sustained by the

²³ Secondments happen between departments but within the same location.

²⁴ Three-quarters of district authorities surveyed, and half of governorate authorities, complained about the unsatisfactory aid coordination situation and the fact that aid project often missed the most deprived areas and/or were not complementary enough of their own efforts (RLGD, 2019).

²⁵ *Local Governance and Social Cohesion Interventions Assessment*. The Enhanced Rural Resilience in Yemen (ERRY) Joint Programme. Sanaa, 2019.

²⁶ Two *Inclusive Consultative Structures* at governorate level are piloted in Dhammar and Hadramout Governorates with support of the Berghof Foundation.

²⁷ Only 15% of districts and governorates surveyed in the RLGD had had their accounts audited by the COCA since 2015 (UNDP, 2019).

rural / urban divide, is now compounded by the North / South divide, crisis-related population growth, leadership stability and revenue potential, among others.

- **The central – local relation is in shambles.** Predictability, hierarchy and subsidiarity in the relationship uniting central government and local authorities have suffered severely from the conflict. While the Local Administration Law (4/2000), or LAL, remains the overarching organizing framework, the day-to-day reality of central-local relations is affected by political tensions, mistrust, difficult communications and loosening of central oversight and technical support.
- **There is little cooperation among local governance stakeholders across governorates.** The lack of horizontal networking and joint actions between local governance actors across different areas of the country limits the potential for vigorous stabilization and recovery dynamics to emerge from below. Civil society has more opportunities, mostly organized by donor projects, to interact across governorates but no civil society advocacy platform exists yet. In the private sector, the Yemeni Federation of Chambers of Commerce and Industry (CCI) is attempting to re-establish a network of CCIs in the South to embark on developing an economic recovery vision and policy agenda. The lack of space given to local governance actors and matters in Track I of the UN-sponsored peace talks (Track I) is also counterproductive.

4) The rise of rural poverty and collapse of livelihoods

- **Agriculture is a lifeline sector for over 60 per cent of Yemeni households.** Prior to the conflict, agriculture contributed 18 to 27 per cent of gross domestic product (GDP). This percentage is shrinking. An estimated 70 per cent of Yemeni population live in rural areas. Only half of these households own less than one percent of arable land while 40 percent are landless. The large size of households, limited income-generating opportunities and the current conflict all contribute to the increase of rural poverty.
- **Livelihoods assets have nearly collapsed, and negative coping behaviours are becoming more common.** Cereal and livestock production have fallen drastically in 2016 with 48 per cent decrease in cereal production and 45 per cent decrease in livestock production. Almost 80 per cent of agricultural households lack access to critical agricultural inputs such as seeds, irrigation systems and fuel and over 60 per cent of affected households lack access to animal feed such as fodder, concentrate, mineral blocks etc. and many have been forced to sell their herds to cater for other household needs.
- **With over 3 million Yemeni displaced, local economies are overstretched and no longer able to provide sufficient economic opportunities for the creation of livelihoods.** Although the distribution of IDPs in Yemen is highly uneven, and therefore only relevant to a relative small number of districts, the sheer numbers involved, combined with the protracted nature of the conflict, means that new opportunities for livelihood generation has to be created to avoid severe social and political repercussions.

5) The private sector is struggling to survive in the conflict environment

- **Since the recent turmoil, over a quarter (26 per cent) of all enterprises in Yemen have closed due to war.** Most privately-owned establishments (95 per cent) in Yemen are classified as micro and small enterprises, employing less than five employees. The most affected have been women owned enterprises (42 per cent closure), including those operating in the vital health sector. As much as 95 per cent of closed businesses did so due to physical damages to the business enterprise due to armed conflict or airstrikes.
- **The overwhelming majority of businesses (73 per cent) have had no access to finance since the war broke out and just 14 per cent of enterprises have a loan.** Structural constraints in the financial sector and limited geographical outreach are contributing factors to an underdeveloped supply of financial services resulting in a widening 'missing middle' of SMEs and a high demand for additional credit facility by all businesses, as a recent survey in Sa'dah governate shows.

Other important **root causes** to the current situation need to be acknowledged. The resilience of the current local governance system is also determined by structural issues that largely predate the crisis and go back to the history of decentralization and public sector management in Yemen. The adoption of the LAL in 2000 has not led to genuine political, administrative and financial autonomy, perhaps suggesting that the letter of the law did not reflect the prevalent political order.²⁸

²⁸ Although the need form, legalize and train VCCs, piloted by the SFD since the mid-2000's was recognized in Yemen's Local Governance Strategy in 2008, the presidential decrees necessary to implement this provision were never adopted.

The unfinished political transition in 2011-2014 on the re-organization of the Yemeni state with a major transfer of power to the local level (establishment of a federal state with 6 regions) has fuelled a *de facto* and highly locally driven decentralization process since 2015. Different local power holders have a different understanding (and interests) of what the NDC had recommended and have embarked on implementing certain provisions on their own. This contributes to the current highly fragmented and centrifugal local governance system.

Current governance structures also reflect the persistence of local traditional forces that remain strong in many parts of the country, perpetuating local values and paradigms often both at odds with traditional democratic modalities as well as providing unexpected and innovative opportunities to realize democratic principles – such as shared decision-making, broad inclusion or gender equality. Women participation in local governance, for example, is still heavily influenced by religious, cultural, social and political traditions that drive the roles, responsibilities and division of labour between women and men. Yemen ranks last of 149 countries analysed in the World Economic Forum's gender gap index and last of 160 countries in UNDP's gender equality index (0.834).²⁹

II. STRATEGY

Overall strategy

For parties to the conflict to reach a political agreement that will open the space for the stabilization and socioeconomic recovery of all Yemeni regions and communities, and for resuming transition to a new organization of the state, including through a possible federal system, will take time. In the meantime, it is critical to work with existing local governance and market structures and mechanisms to continue strengthening the resilience of basic and social service delivery, to increase livelihood opportunities for conflict-affected Yemenis, to support emerging longer-term recovery opportunities and to prevent further social divisions.

The proposed “Strengthening Institutional and Economic Resilient in Yemen Project” (SIERY, or the Project) is a 3-year initiative seeking to **ensure social and economic wellbeing for Yemeni, in particular for the poorest and most vulnerable (overall objective).**

The strategy pursued by SIERY rests on two components:

Component 1: Institutional Resilience

In its approach to local governance, SIERY will work with and provide support to a range of local governance actors; yet, from an institutional point of view, the mainstay will be on supporting the resilience and responsiveness of local authorities. Governorate and district authorities need to be given a key role in stabilization and recovery, probably a much more prominent and effective role than they were ever given before in the running of the country's development during “peaceful” times. Through effective and responsive local governance, a new social contract can emerge from below, resting on greater participation, inclusion and accountability and peaceful conflict management. The overall strategy for Component 1 is as follows:

- (1) **To empower local authorities to design and implement recovery plans that cater for expanded public services, especially those for women, children, youth and IDPs.** The main tools of this approach will be capacity development, financial injections and collaborative partnerships with representative local actors and communities, the governorate authorities and aid partners. The approach will also strive to prepare the local governance ecosystem for a more sustainable and broad-based social, economic and environmental recovery. This first approach will consist in two main components:
 - a. A modular demand-driven capacity development component: SIERY will provide capacity development through training and mentoring to governorate and district authorities, selected CSOs, community structures at sub-district level and private sector organizations. Priority will be put on equipping these actors with the necessary skills and processes for community engagement, collective action and collaboration, accountable public expenditure and project implementation, in a conflict-sensitive, inclusive and gender-responsive manner. SIERY will aim to emphasize anticipation, adaptation and agility in order to enable rapid responses to (health) emergencies, such as the Covid 19 epidemic

²⁹ UNDP (2019), “Country Programme Document 2019-2021”, p. 4.

- b. A multi-purpose Local Resilience & Recovery Fund component: in order to preserve and adapt the service delivery infrastructure to evolving needs created by the crisis, local authorities need urgently capital funds to fill the shortfall created by the reduction in central budget support. Funds are also needed to help recover from the conflict where sufficient stability already prevails (e.g. Marib, Hadramout) and deal with systemic issues such as random urbanization. Community-led initiatives for service delivery and social cohesion also need to be expanded and sustained in time as they are an indispensable part of resilience-building. The grants mechanism will include additional criteria to prioritize emergency responses, such as Covid 19.
- (2) **To foster the emergence of a national compact for recovery and reshaping the Yemeni local governance system to support stability, peace and state-building.** The second approach will use several parallel strategies to achieve this aim. Firstly, it will promote horizontal alliances and a community of practice among influential local governance actors from different parts of the country. Secondly, the approach will facilitate dialogues and deliberations of fiscal decentralisation. Lastly, it will support the re-establishment of an effective central-local relationship on administrative and technical matters. The Project will also stand ready to support the work of the OSESGY in facilitating the peace negotiations.

Component 2: Economic Resilience

In its approach to economic resilience, SIERY will work with formal and informal MSMEs through a value-chain approach as well as with public and private institutions responsible for building an enabling environment for inclusive local economic recovery, including financial institutions, chambers of commerce and, private sectors, business unions and local authorities. This approach can build stronger resilience of local markets and economic systems as a whole in the longer-term, and pave the way for faster recovery when the necessary conditions will prevail. The main objective of this component is to improved business environment for economy recovery and employment opportunities. It will be pursued as follows:

- (1) first, **analysing the value chains in promising sectors**, such as coffee, honey, horticulture, livestock, fisheries, and renewable energy. Maximum three sectors will be adopted based on the comparative advantages to strengthen the value chain through the intervention. This analysis will allow recognizing which activities are the most valuable and which ones could be improved to provide competitive advantage. The analysis will include three chapters. The first chapter assesses major constraints for value chain upgrading: market access restrictions, weak infrastructures, lacking resources and institutional voids. In the second chapter three elements of a value chain are defined: value addition, horizontal and vertical chain-network structure and value chain governance mechanisms. Finally, upgrading options are defined in the area of value addition, including the search for markets, the value chain- network structure, the partnerships and the governance form of the chain.
- (2) second, **strengthening a value chain approach by empowering producers, private sectors and microfinance service providers for skill development, capital support, job creation, and employment.**
 - a. Engaging value chain stakeholders from producers to consumers to create the demand and supply. The drop in disposable income has discouraged private sector actors from stepping up in the capital market except in energy and construction sectors (as per the Yemen Socio-Economic update in August 2019). The private sector has the potential to invest in promising sectors to improve productivity, including locally sourced health emergency products, which could lead to mass job creation and employment.
 - b. Supporting small medium service providers to the business sector, including for financial services: Conflict and war have significantly impacted the capital infrastructure of financial service providers. The commercial banks stepped up in offering the microfinance services. However, the cost of operation is high. There is a need to bring back the confidence of commercial banks to support the service providers and engagement of the private sector through capital flow.
 - c. Strengthening horizontal and vertical linkages between producers and the market by supporting the productivity gains in promising sectors. Coffee, honey, horticulture, livestock, fisheries, and renewable energy are major promising sectors. Maximum three sectors will be adopted based on the comparative advantages to strengthen the value chain through the intervention.
- (3) third, **recovering the market infrastructure, providing inputs and improving access to support small and medium enterprises for collective growth for the expansion and scale-up of businesses.**

Rehabilitation and reconstruction of important market infrastructure assets: Improve accessibility of SMEs by reducing transportation cost as well as increasing space for marketing and selling at a fair price is an essential component of the local economic recovery.

(4) fourth, **enabling and engaging micro finance service providers and network, private sector or business associations and regulators to support producers, private sectors and local authorities to de-risk unstable market environment.**

- a. Supporting microfinance service providers connect better with producers to reduce and mitigate high input costs as well as financial risks for SMEs (e.g. transportation costs, risks of theft). The high presence of these Hawala providers across the country means that the majority of communities live close to an exchange office, and so can access the service without incurring transportation fees. Institution such as Yemen Loan Guarantee can help MSMEs effectively in the expansion of their business across the value chain.
- b. Supporting the Yemeni Private Sector Cluster (PSC) advocate for bringing back businesses: This will include support to main private sector bodies such as Chambers of Commerce in the main governorates, specialized management organizations and business associations. The small and medium market infrastructure rehabilitation or reconstruction would support the above institutions in advocating with local authorities and institutions to enable the market environment.

Logic of Intervention

Local stability can be influenced by various factors, and local governance - including at community level - can greatly steer such process. It is commonly acknowledged that communities accompanied by functioning local authorities can positively contribute to local resilience, social cohesion and eventually stability. The international community also agrees that Yemen not only requires humanitarian assistance, which should be temporary by definition, but also a development effort that coordinates local resilience at community and institutional level, which should instead trigger sustainability. As a matter of fact, **self-reliant communities, effective local authorities and a lively private sector** are fundamental to respectively **enhance local resilience, the delivery of basic services and the creation of employment opportunities**. This action will strengthen local institutions and make them more inclusive, so that they will eventually be able to better deliver basic services – including education, health, water and energy supply – with the direct involvement of partnership organisations and the private sector.

This action will contribute to promote a more stable and peaceful environment in Yemen, with a special focus on the poorest and most vulnerable.

In view to do so, the EU's support will be twofold (institutional resilience and economic resilience).

Firstly, **IF** the individual and organizational capacities of local authorities' actors (with focus on district authorities) will be strengthened to better respond to community needs (*expected output 1*), and **IF** the capacities of public service providers, local authorities' premises, logistics and support seminal actions are improved via the Local Resilience and Recovery Fund so as to reach out to the most vulnerable (*expected output 2*), and **IF** central-local and horizontal relations between local governance stakeholders are strengthened about issues such as division of responsibilities, budgeting, revenue collection and management, human resources management (*expected output 3*), **THEN** institutional and socio-economic resilience will be increased in 40 Districts in the country (*Specific Objective 1*) **BECAUSE** governorate and district authorities will be given a key role in stabilization and recovery; public service providers will be able to provide better basic and social services; horizontal alliances will be reinforced and this will facilitate opportunities for a constructive and inclusive policy dialogue.

This will be achieved through (i) capacity development activities (training and mentoring to governorate and district authorities, selected CSOs, community structures at sub-district level and private sector organizations), (ii) provision of discretionary funding (via the Local Resilience and Recovery Fund to address local authorities' specific needs with a particular focus on the education and health care sectors), and via (iii) capacity development and logistical support activities addressed to the local governance stakeholders.

Secondly, **IF** linkages between the MSMEs, private sector and MFIs involved in value-chains are strengthened (*expected output 4*), and **IF** opportunities for economic agents to access financial services are increased (*expected output 5*), **THEN** a business environment for economy recovery will be improved together with new employment opportunities (*Specific Objective 2*), **BECAUSE** supporting MSMEs

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integrated in value chains provides the basis for boosting the creation of employment opportunities and for enabling a business environment for private sector development.

This will be achieved through (i) capacity building activities (business and technical skills development), (ii) the establishment of grant and loan facility support provision, (iii) the provision of business advisory services to MSMEs, (iv) the reconstruction and rehabilitation of infrastructures, provision of equipment grants, loans.

The above is achievable, provided that assumptions hold true, i.e. that the impact of the overall conflict does not worsen security extensively so that the majority of the targeted areas remain accessible; the turnover of government and local institution staff remains low; the current liquidity challenges and lack of salary for civil servants remains at a manageable level; the maintenance of rehabilitated infrastructure is ensured.

Cross-cutting and mainstreaming

In alignment with the **EU and UNDP common approaches**, the following constitutes the mainstreaming elements of the SIERY project:

- ***Social cohesion***: streamlined through addressing conflict drivers at the community level, enhancing inclusion, fair community resource allocation and sense of belonging via participatory mechanisms of Community Development Committees and similar structures.
- ***Gender Equality***: streamlined through strengthening women empowerment and inclusion at all stages of implementation considering the social and cultural barriers women face in Yemen.
- ***Emergency responsiveness***: in response to the enduring vulnerability of the Yemen population to endemic and epidemic diseases, such as cholera, diphtheria, dengue and a possible outbreak of Covid 19, health emergency capabilities and resources will be streamlined and, if necessary prioritized in capacity development of public and private sector and grant allocation.
- ***Environment and Social***: any activity that would involve rehabilitation or construction of assets will entail an environmental and social impact assessment. Environmental and Social Safeguard guidelines will be prepared and implemented. Moreover, project's interventions on access to water (as one of important sources of conflict), will positively contribute to social cohesion and resolve conflict around water.
- ***Conflict Sensitivity***: measures will be taken to avoid aggravating the existing conflict or creating additional sources of tension. Conflict drivers at the community level will be analysed and defused through support to mediation.
- ***Sustainability of Results***: Resilience building aims to strengthen capacities and assets that enable communities, households and individuals to manage and sustain their livelihoods and developmental activities beyond the programme. By working with local and community institutions in civil society and private sector that can contribute to the objectives of the programme, it will strive to create a support network of institutions that communities can continue to access beyond the programme.

Guiding Principles

SIERY is a single project resting on two components adopting a similar approach premised on the same principles.

- ***Ecosystemic and holistic***: SIERY assumes that local authorities are part of local ecosystems, in which different actors and factors determine not only existing and emerging needs, be they political, social or economic, but also the effectiveness and success of providing for these needs. Given the broad diversity of such local 'ecosystems' in Yemen, this will require a careful calibration of activities per locality. And, given the broadening demand for public services, the Project will take a holistic approach to the functions of effective local governance in Yemen and incorporate a broader job description, including the responsibility for an enabling environment for economic recovery. An ecosystemic approach also assumes that local governance, in order to perform, needs to balance the interest of different local actors.
- ***Flexibility and modularity***: the extent and nature of the capacity development support provided by the Project to the different targeted stakeholders, the modalities and amounts of financial support provided to strengthen service delivery and private sector, the value-chains privileged for integrated skills

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development and financial services, etc. will be adapted to local realities. The Project will work across different areas of the country exposed to distinct levels of conflict intensity, governed by different political and institutional frameworks, belonging to different livelihood zones³⁰ and displaying different strengths and weaknesses in terms of institutional and economic resilience and recovery. This modular and multi-area approach is driven by four key dichotomies:

a – Resilience to Recovery: SIERY will cater to both resilience and recovery needs of local institutions and local economic actors. The table below shows examples of actions relevant for each track in relation to service delivery, local governance and economic livelihoods.

Domain	Resilience Track	Recovery Track
Local governance	<ul style="list-style-type: none"> - Refurbish local authority facilities and replace looted / lost equipment - Participatory service delivery audits - Training on basic collaborative planning and delivery skills - Crisis response coordination and monitoring mechanisms 	<ul style="list-style-type: none"> - Capacity development in public expenditure management - Accountable management of local resources - Multi-stakeholder platforms for recovery planning and implementation - Upgrading urban management tools of local authorities - Capacities of local actors for local economic recovery planning and business services to help private sector recovery.
Service delivery	<ul style="list-style-type: none"> - Rehabilitating / re-equipping damaged infrastructure - Adding floor space and facilities (e.g. latrines) to existing infrastructure to cope with rapid and temporary demand surge (IDP hosting areas) - Small access & rural roads - Restore access to water and energy - Redistribute / increase staff to follow shifting needs 	<ul style="list-style-type: none"> - Building new or rebuilding completely destroyed infrastructure - Larger scale public works (e.g. new roads, markets, small bridges) - Water storage tanks, chlorination facilities, treatment plants - Train service staff to reach higher quality standards
Economic Livelihoods	<ul style="list-style-type: none"> - Value chain approach (VCA) for market services (finances, technology, inputs & supplies) - Need based skills development. - Employment and employability track approach to strengthen value chain. - Capacity-building support for existing producers' association. - Provision of Grant and Loan through commercial banks, Yemen Loan Guarantee Scheme and MFIs for micro small medium enterprises (MSMEs) survival and creation. 	<ul style="list-style-type: none"> - Rehabilitation or reconstruction of market infrastructure - Provision of input to improve market support facilities for producers to improve productivity - Strengthening Microfinance Institutions (MFIs), business associations and private sector networks to support the productivity of promising sectors.

b – Rural to Urban: A broad perspective on stabilization and recovery is adopted, whereby rural and urban territories can benefit from each other's recovery. Cities are cradles of economic activity and can pull with them rural areas on a path to recovery. They are also often laboratories for innovations in local governance, especially in terms of participation and social. Moreover, urban areas concentrate most of the displaced (rural) population, and their absorption capacities are threatened to be overwhelmed. The Project will therefore have a balanced approach by targeting rural, peri-urban and urban districts.

C – Local to Central: The Project assumes that all tiers of government and economic activity are interdependent and that therefore all levels need to be addressed. If SIERY's focus is mainly on the district, the Project will also strengthen linkages up and down from that level. It will invest in building capacities of lower-level governance actors (e.g. sub-district committees) and economic agents (e.g. microfinance service providers) as well as higher-level ones (governorate authorities, chambers of commerce and industry, business associations, financial institutions, central ministries).

- **Experiential learning:** SIERY will emphasize a strong link between capacity development and action. Core competencies and collaborative capacities will be immediately put into practice, if necessary supported and scaffolded, but never replaced by external parties (unless it concerns non-core technical knowledge). Curriculum and training will be under constant evaluation to enable tailoring to local circumstances.
- **Partnership and collective action:** the Project facilitates in all its actions and at all levels that local public, civil society and private sector actors, across government and business sectors, and at different

³⁰ Yemen consists of 14 different "livelihood zones", i.e. geographic areas where people share similar access to food, income and markets (see <http://fews.net/east-africa/yemen/livelihood-description/april-2011>).

levels (governorate, district, sub-districts, communities) work hand-in-hand to achieve tangible resilience and recovery results.

- **Do-No-Harm:** the Project will seek to avoid contributing inadvertently to fuelling conflict drivers by sticking to recognised principles for do-no-harm by; maintaining a close and dynamic understanding of the context in each target location; keeping equality of participation across community divides, and; incorporating adequate consultation and communication with the main concerned stakeholders (including informal and traditional actors) and communities at large. The same approach and attention overall will be applied to areas under the DFAs' control as to areas governed by the IRGY.
- **Targeting vulnerabilities:** SIERY will adopt a rigorous mainstreaming approach to **addressing the needs and rights of the most vulnerable groups** in the current crisis context (women, children and youth, disabled, IDPs and *muhammasheen*). Emphasis will be put on; helping these groups achieve better representation in decision-making mechanisms; making services more accessible to them; responding to their specific needs and on creating suitable livelihood opportunities, be it as employees or MSME owners. Problem analyses conducted with local actors will systematically incorporate a vulnerability lens, including for gender equality, and specific responses, in terms of local policies, capacity development, project funding, MSME grant and credit, skills development, will be devised to address the needs of these groups.
- **Local ownership:** through the National Project Board; through the provision of discretionary funding to district-level multi-stakeholder platforms for funding service delivery needs (rather than predefined sector-based grants); through the provision of MSME capital in a variety of value-chains adapted to each local context; through the day-to-day involvement of counterpart institutions in project decisions and; through resorting to Yemeni experts and service providers for all capacity development interventions.

Overall Theory of Change

Building upon the problem analysis presented in Section I, UNDP will pursue two main **areas of intervention**.

1. Institutional Resilience
2. Economic Resilience

Reducing vulnerability, including gender vulnerability, is considered a cross-cutting intervention that is reflected in all two components and six outputs.

Project support through technical advisory, process facilitation, capacity building and financial inputs should result into **shifts in capacities and conditions** in the local governance and local economic spheres, as below:

- i. Capacities for resilient service delivery and recovery: district authorities will work more closely with representative community structures, incl. those at sub-district level, for planning, prioritization, grievance-handling and monitoring. Public expenditure management (including revenue collection) will become more participatory, gender-responsible and transparent, and local authorities will be able to implement cost-efficient measures to respond to the needs of the most vulnerable. CSOs will be better able to play their role in increasing social accountability over local authorities. All concerned local governance stakeholders will be more conflict-sensitive in fulfilling their respective missions. As an overall output, **local authorities will become more responsive to community needs, demonstrate increased inclusiveness (in particular for women and youth), manage service delivery more accountably and help more effectively to restore social cohesion.**
- ii. Local resilience and recovery funding: increased amounts of discretionary funding will be available to platforms of local actors, including district and governorate authorities, civil society, community representatives and the private sector, to support priority project they will have identified inclusively, using regular public expenditure mechanisms. This will contribute to more resilient service delivery (with special attention to the education sector) and socio-economic recovery. As an overall output of this area of intervention, **accessibility to key services and socioeconomic recovery opportunities, especially for vulnerable groups, will increase.**
- iii. Central-local and horizontal relations: rapid improvements will be made to the regulatory environment organizing central-local relations to alleviate identified bottlenecks in enhancing service delivery and to recognize the *de-facto* increased autonomy of local authorities. Central ministries (MoLA, MoPIC, MoPW, MoEDU) will be able to provide better oversight of the situation of service delivery and local authorities on the ground and adapt their policy and technical guidance accordingly. They will also be better able to support gender- and vulnerability-responsive service

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delivery. More horizontal single-actor or multi-actor platforms for local governance stakeholders will be established or energized, benefitting from the experience of regional and international peer networks, and will be able to influence how local governance is addressed in the peace process. As an overall output of this area of intervention, **a more enabling institutional and policy environment to expand stabilization across the country and rebuild a new central-local compact, will prevail.**

- iv. Capacities for value chain approach: A grant support would be provided under the existing mechanism set up by SMEPs support to MSMEs to expand their business. The linkage between MFIs and MSMEs would be developed as confidence building measures. This would also support MSMEs to formalize their businesses under the existing regulatory framework. The grant would be based on the need-based proposal by MSMEs for the selected promising sectors. As an overall output of this area of intervention, the horizontal and vertical linkages between MSMEs and MFIs **would help expand businesses, create more jobs, employment through the linkages between MSMEs and MSPs.**
- v. Market systems facilities and infrastructure for scaling up productivity and income: rehabilitated and enhanced large scale market system and facilities such as access, market centers, storage capacities, will contribute to improve productivity. In addition, through the grant support mechanism of MSPs, private sectors will be encouraged to rehabilitate small and medium scale market facilities based on the gap or bottlenecks identified from value chain mapping and assessment. As an overall output of this area of intervention, **the MSMEs and other actors will see improved productivity across the value chain.**

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Synergy and collaboration

The two components of the Project are intimately integrated at all levels (goal, outcomes, outputs, actions, approach and management).

- The institutional and economic resilience component share the overall *goal* of strengthening the resilience of Yemeni communities against the debilitating impacts of the conflict on their livelihoods, be it for their social, economic or environment needs, and buttressing their capacities to recover inclusively in the longer-term.
- At the *outcome* and *output* level, the local governance component focuses on strengthening the capacities of local authorities to provide, in a collaborative and inclusive manner, for (basic) public services, including the establishment of an enabling environment for economic recovery. The economic component capitalizes on this enabling environment to revive and help recover, in close collaboration with the local authorities and other actors in the ecosystem, local economies and jobs, with a focus on the most promising sectors, through the provision of know-how and funding to private sector actors and communities.
- At the *activity* level, the economic component and the local governance component will join hands in supporting better local economic development planning and budgeting, in improving the regulatory environment for local businesses, in co-funding important market / economic infrastructures and in fomenting public-private partnerships, in particular in the area of service delivery.
- Both components adopt the *approach* of 'local governance and development *ecosystems*' whereby local public, civil society and private sector actors, across government and business sectors, and at different levels (governorate, district, sub-districts, communities) need to work hand-in-hand to achieve tangible resilience and recovery results. This joint-up approach will become most tangible in the prioritisation and allocation of the LR2F grants actions.
- Both components will be *overseen* and *managed* by one Chief Technical Advisor/Project Manager, who will be responsible for implementing foreseen synergies and promoting emerging opportunities for collaboration.

Links to national development priorities

The proposed project interventions are aligned with the policy of the Government of Yemen on resilience, as expressed in a number of policies and strategies (National Agriculture Sector Strategy 2012-2016, National Food Security Strategy 2011-2020, National Strategy for Renewable Energy and Energy Efficiency 2010 - 2025). The lack of resources and collapse of institutions due to the conflict have prevented a significant progress in implementing these strategies and updating their content based on the impact of the current conflict.

The Yemeni Minister of Planning and International Cooperation (MoPIC) has recently presented in April 2019 the "Reconstruction and Economic Recovery Plan" which sets the urgent priorities for the country. The Plan identifies the following priorities: 1) reinvigorating the state institutions and restoring security & political stability; 2) responding to the humanitarian needs of the conflict affected groups; 3) restoring the provision of basic services; 4) restoring stability, macro-economic recovery & creating jobs; 5) reconstruction of damaged infrastructure. SIERY Project will contribute directly to achieving priorities # 1, 3, 4 and 5.

Similarly, the De-Facto Authorities in the North have drafted a "Needs Plan for 2019" which focuses on four strategic goals: 1) Life-saving and alleviating the suffering of the most vulnerable people in Yemen through providing effective and targeted services; 2) Increasing community resilience and improving livelihoods to access basic services; 3) Supporting local authorities and service institutions to be able to respond to emergencies; 4) Responding, mitigating and addressing protection needs. SIERY Project will contribute to priorities # 1, 2 and 3.

Recent specific strategies on state building or local governance are under preparation by the IRGY and the DFAs. In the meantime, a very recent series of policy papers prepared by Yemeni experts (*Rethinking Yemen*)³¹ outlines also the importance of supporting the resilience of local governance and thinking about its role in future transitional arrangements. These experts call to "*empower local government by devolving*

³¹ Sana'a Center for Strategic Studies (2019). "[Transitional Government in Post-Conflict Yemen](#)". Sanaa Center with DeepRoot Consulting and CARPO (Center for Applied Research in Partnership with the Orient), with funding from the Eu and the Kingdom of Netherlands.

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greater authority to local government bodies” and “put in place mechanisms to evaluate and hold accountable local authorities for their performance and service provision”. It also suggests conducting a “comprehensive assessment to identify groups and individuals in control at the governorate and district levels and evaluate [...] their capacity to provide public services”. This forms part of SIERY’s approach (Output 1 and 2).

SIERY project will draw on lessons learned by SFD’s work with community engagement and local authorities during 2018 and 2019, where relevant. In particular, the *Tamkeen* initiative has developed and practiced procedures to distribute sub-grants to (sub-) district authorities and support them implementing projects.³² *Tamkeen* was successfully carried out in 16 districts that were already engaged by the EU funded projects ERRY and SPCRP. SIERY will explore how its emphasis on district authorities can be aligned and scaled up with *Tamkeen*’s focus on sub-districts.

Linkages to the EU policies and priorities

The EU's **priority** is to safeguard the medium- to long-term prospects of Yemeni citizens by preventing the collapse of institutional and economic structures. The SIERY project is **fully aligned with the EU policies and priorities** as follows:

Resilience: Building resilience of states and societies by supporting good governance, accountable institutions, and working closely with civil society is a **key objective of the EU Global Strategy**³³. In June 2017, the High Representative and the European Commission launched a Joint Communication to the European Parliament and the Council: A Strategic Approach to Resilience in the EU's external action. It recognises the need to move away from crisis containment to a more structural, long-term, non-linear approach to vulnerabilities, with an emphasis on anticipation, prevention and preparedness. The **EU's resilience approach** expands to address state, societal and community resilience. As underscored by Commissioner Mimica in his address to the Scaling Up Nutrition Lead Group meeting at UN General Assembly (September 2017), the **EU's strategic focus on resilience necessitates** "a more joined up and nutrition sensitive approach to development and humanitarian assistance" with "nutrition as the engine that will drive our success across the entire Sustainable Development Agenda".

Humanitarian-Development nexus: As highlighted by the EU Director General for International Cooperation and Development, "Strengthening the humanitarian-development nexus is critical in the fragile context". This is one key aspect 'of the broader concept of resilience that the EU is set to promote in 2017 through the joint COM/HR Communication³⁴'. Commission services, namely the Directorate-General for International Cooperation and Development (DEVCO) and the Directorate-General for European Civil Protection and Humanitarian Aid Operations (ECHO) will increase cooperation in Yemen in line with the Council Conclusions on "Operationalising the Humanitarian-Development Nexus" of 19 May 2017. The SIERY project will allow DEVCO and ECHO to develop a basis for humanitarian and development planning and programming, and explore the feasibility of a Joint Humanitarian and Development Framework (JHDF) including potential EU Member States.

Private Sector Development: The overarching goal of the **European Union's efforts** aimed at private sector development is to engage this sector in the fight against poverty, and to support the private sector in its role as a driver of job creation, a provider of goods and services and a generator of the public revenues needed to underpin economically, socially and environmentally sustainable development. The **EU's approach** to strengthening the role of the private sector in inclusive and sustainable growth is laid out in its 2014 Communication "A Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries". This approach aims to a number of policy goals and objectives, including finding new ways to harness the potential of the private sector as a financing partner, implementing agent, advisor or intermediary to achieve effective and efficient delivery of EU support; supporting Access to Finance and financial inclusion (microfinance) for enterprises, particularly for micro, small and medium enterprises

³² *Tamkeen* has covered 119 districts in 19 governorates in Yemen both rural with more than 7,200 Village Cooperative Councils (VCCs) in rural areas and Urban-semi-urban with more than 600 Sub-district Development Committees (SDCs) and neighbourhood Community Development Councils (CDCs).

³³ EU, A Global Strategy for the European Union's Foreign and Security Policy, 2016

³⁴ 20 January 2017, Note from the Director-General on the 'New Approach to Linking Relief, Rehabilitation and Development (LRRD)

(MSME); providing support to governments in designing institutional, organisational and regulatory frameworks that are conducive to private sector development and ensuring that the private sector has the human resources it needs, through support for improved workforce skills and vocational training; supporting the development of a dynamic business sector, as a basic pre-requisite for economic growth, poverty reduction, income generation and the creation of decent jobs for all, including women and young people; Promoting Sustainable and Responsible Supply Chains, to ensure that workers' interests are protected when engaging the private sector in development processes; helping to improve the business and investment climate, especially for MSMEs; promoting the private sector as a key driver in priority areas that have a strong multiplier impact on development, such as agriculture and energy.

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III. RESULTS AND PARTNERSHIPS

Expected Results

Based on the Logic of the Intervention and the overall Theory of Change, the project has derived the following result chain:

IMPACT	
To ensure economic and social wellbeing for Yemeni, in particular for the poorest and most vulnerable	
OUTCOME 1	Increased institutional and socio-economic resilience in targeted districts in Yemen
OUTCOME 2	Improved business environment for economy recovery and employment opportunities
OUTPUT 1.1	Strengthened Local authorities' capacities to respond to community needs for services in an inclusive and accountable manner
Indicators	1.1.1. Number of gender-responsive District Capacity Development Plans [developed/implemented] with support of District Facilitation Teams with support of the EU-funded intervention; 1.1.2. Number of Sub-District Committees (or equivalent) in target areas that are connected to district authorities through formal arrangements for managing service delivery and conflict resolution; 1.1.3. Number variation of average attendance rate of staff working in district authority offices; 1.1.4. Percentage of women and youth [18-35] among participants of training activities of the project with increased knowledge/skills, disaggregated by sex, age; 1.1.5. Percentage of District Authorities with fully functional Women's Affairs Units.
OUTPUT 1.2	Improved capacities of public services providers for scaling up the reach out to the most vulnerable.
Indicators	1.2.1. Percentage of women seating in representative structures (Sub-district Committees, District Recovery Platforms) 1.2.2. Number of gender-responsive recovery plans (a) for service delivery (district), (b) for local economy (governorate), [developed/amended/adapted/implemented] with support of the EU-funded intervention 1.2.3. Number of local authorities' representatives trained in capacity development and educational planning with increased capacities with support of the EU-funded intervention, disaggregated by sex, type of local authorities, specific topic of the training 1.2.4. Number of community-, district- and governorate-level projects funded via the LR2F
OUTPUT 1.3	Strengthened central-local and horizontal relations between local governance stakeholders
Indicators	1.3.1. Percentage of Governorate Authorities satisfied with policy and technical support provided by central government with support of the EU-funded intervention. 1.3.2. Number of dialogue events between local and central authorities producing policy recommendations with support of the EU-funded intervention 1.3.3. Number of women's affairs units in targeted central administrations producing gender mainstreaming strategy notes, guidelines facilitation/support or tools with support of the EU-funded intervention 1.3.4. Percentage of Yemeni women among local governance representatives at international peer exchange events organised with support of the EU-funded intervention
OUTPUT 2.1	Strengthened linkages/cooperation opportunities between MSMEs, private sector and MFIs involved in the value chains
Indicators	2.1.1. Number of persons with developed capacities on business and technical skills and applied skills for income generation and employment prospects (disaggregated by sex, age) with support of the EU-funded intervention 2.1.2. Number of local MSMEs and producer groups in priority sectors supported by the EU-funded intervention, disaggregated by age and gender of owner, including number of new MSMEs established 2.1.3. Number of long-term jobs and employment supported/sustained by the EU, disaggregated by age and gender of the employee 2.1.4. Number of business advisory support center established, generated income by supporting MSMEs with support of the EU-funded intervention
OUTPUT 2.2	Increased and de-risked access to financial services for economic agents in promising value chains
Indicators	2.2.1. Number of gender sensitive market facilities or infrastructures improved/rehabilitated with support of the EU-funded intervention 2.2.2. Number of beneficiaries with access to financial services with EU support: a) firms, b) individuals (EU RF2.13) 2.2.3. Number of MSMEs/business associations receiving credit with support of the EU-funded intervention, disaggregated by sex of MSME owner

The following tables gives a detailed description of the activities per Output per Outcomes:

OUTPUT 1.1	
Strengthened Local authorities' capacities to respond to community needs for services in an inclusive and accountable manner	
Description	This output focuses on further developing the necessary capacities (individual and organizational) of local governance actors to increase the delivery of services to Yemenis, with the participation of community

	<p>representatives (participation), targeting of vulnerabilities (inclusion) and with increased accountability. While the output is primarily focusing on capacities of (sub-) district authorities and structures, there will also be support for civil society organizations and customary leaders on conflict sensitivity. To account for the high diversity of local institutional capacities and service delivery issues, this output will be entirely demand-driven and negotiated for each district.</p>
Activities	<p>1.1.1 Governorate authorities have the capacities, tools and incentives to provide better technical guidance and capacity development to district authorities.</p> <ul style="list-style-type: none"> Update and customize training and coaching materials on public expenditure management used in previous UNDP/MoLA Projects. Establish and train District Facilitation Teams. <p><i>Women and Youth:</i></p> <ul style="list-style-type: none"> Train DFTs on gender-sensitive and youth-sensitive approaches to capacity development and gender/youth-based analysis. Support development of specialized curricula resources on promoting women and youth roles in decision-making. <p>1.1.2 Linkages between district authorities and communities are strengthened through the activation of representative Sub-District Committees.</p> <ul style="list-style-type: none"> Establish and train Sub-District Committees through networking of community-based structures (VCCs, neighbourhoods committees) on participatory planning and service delivery monitoring. Train local CSOs on Yemeni local governance system, participation methods, vulnerability analysis and civil society roles in local governance (advocacy, watchdog, policy initiative). Training SDCs, local authorities, tribal structures and CSOs on conflict prevention, conflict resolution and conflict-sensitive planning. Conduct participatory conflict scans (where not yet done) <p><i>Women and Youth:</i></p> <ul style="list-style-type: none"> Raise awareness on the roles of women and youth for conflict resolution and social cohesion Train women and youth members in SDCs for leadership and communications <p>1.1.3. District authorities are more capable of performing regular public expenditure management functions in a participatory and transparent manner.</p> <ul style="list-style-type: none"> Conduct district-level capacity assessments, including for PEM cycle, and production of District Capacity Development Plans (DCDPs) target to district authorities, including district councils. Establish District Core Teams (DCT) Implement DCDPs (training, mentoring) by DFTs and DCTs. Strengthening of data management systems (incl. ICT) in district authorities Distribute micro-grant and coaching to local CSOs to pilot social accountability initiatives methods on service delivery and revenue management. <p><i>Women and Youth:</i></p> <ul style="list-style-type: none"> Support gender and age disaggregation of district statistics. Conduct institutional and capacity-building support to Women's Affairs Units and women staff in district Diwans Introduce gender-based analysis and gender-based planning tools in SEOs. <p>1.1.4 District authorities manage their human and financial resources more efficiently and accountably.</p> <ul style="list-style-type: none"> Conduct diagnostics on public financial management and human resource management in district authorities. Conduct local revenue diagnostics, including revenue potential, collection efficiency, transparency, social equity, development impact, and citizens' perceptions. Adopt District Accountability Improvement Plans (DAIPs) with district authorities and in implementation. Provide technical support for increasing accountable and equitable local revenue generation. Provide support to Projects Units at to enhance project design and procurement. Provide support resumption of COCA operations in target governorates. <p><i>Women and youth:</i></p> <ul style="list-style-type: none"> Prioritize women staff for training opportunities Develop induction courses for young recruits into district authority offices. Promote women-friendly recruitment methods and working environments in district authorities.
Means	Consultants, Travel, Professional Services, Workshops/Training, Equipment, Grants
Remarks	<ol style="list-style-type: none"> The approach and tools used will capitalize on previous UNDP experiences (DSDLP, LGSP, EERRY, ECRP, etc.). This implementation agency (agencies for these activities will be identified and selected during the Inception Phase. The aim is to select a broad range of implementation partners, in addition to UNDP (Field Staff), DTFs, SFD, PWP and SMEPs, to strengthen the resilience and sustainability of the intervention. Special attention will be paid to <i>local capacity</i>.³⁵

OUTPUT 1.2	Improved capacities of public services providers for scaling up the reach out to the most vulnerable.
Description	This output deals with the appropriation and management of discretionary funding provided through the Project for investments that will help maintain and improve service delivery, rehabilitate local authority premises and logistics

³⁵ All partners mentioned in this document are indicative and will be decided in accordance with UNDP rules and regulations.

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	<p>and support seminal actions by local authorities in the areas of resilient urbanization (including pollution control) and local economic recovery. Output 2 builds upon the enhanced capacities and local governance processes targeted by Output 1. The main instrument for Output 2 is a Local Resilience and Recovery Fund (L2RF), with different windows at district and governorate level, allowing for a flexible appropriation process against local priorities and centralized piloting and oversight. The severely diminished capacity of the central government is most visible in the provision of basic social services such as health care and education. Humanitarian aid goes some way in filling the wide gaps left by the conflict, but this is not sustainable in the long run, and might actually marginalise local institutional actors. Given the multidimensional and critical importance of schooling, and the crucial role played by local authorities in providing a safe and enabling environment for education, SIERY has a dedicated a full Activity under Output 1.2 to strengthen the role of local governance in the recovery of the education sector, integrating resilience, recovery and reconciliation approaches.</p>
Activities	<p>1.2.1 Pathways for resilience and recovery of basic and social services are identified by inclusive local platforms and reflected in annual plans</p> <ul style="list-style-type: none"> • Help establish and/or strengthen District Recovery Platforms (DRPs), gathering representatives of Sub-District Committees, DCTs and key sectors of society (civil society, private sector, tribal leadership, independent experts). • Conduct district service delivery audits for key sector areas with the participation of DRPs leading to action plans to relieve bottlenecks on inclusiveness and effectiveness of service delivery. • Support DRPs to prepare 3-year District Resilience & Recovery Plans (D2RPs) detailing investment and capacity-building requirements for key sectors, with priorities for immediate funding. • Support regular district annual planning and budgeting aligned with D2RPs. <p><i>Women and youth:</i></p> <ul style="list-style-type: none"> • Provide leadership and communications training to DRP women & youth. • Focus service delivery audits on vulnerability and marginalization issues. • Incorporate gender-based and youth-based result targets in all recovery plans <p>1.2.2 Key sustainable development dimensions (local economic recovery, resilient urbanization) are considered by local authorities and initial actions taken in line with the SDGs.</p> <ul style="list-style-type: none"> • Raise awareness and pilot SDG localization approach in governorate planning. • Establish Governorate Economic Recovery Committees (GERCs) with Governorate Authorities (Planning, Trade & Industry), Chambers of Commerce & Industry, financial institutions, business associations and train on LER theory and planning. • Conduct diagnostics on local economy, business environment and productive sectors, including needs of MSMEs and producer groups (in partnership with Pillar 1). • Support GERC to adopt LER Action Plan and select priority projects for funding. • Establish Urban Planning & Management Committees (UPMCs) with Governorate Authorities (Planning, Public Works), District authority, National Authority for Land Survey and Urban Planning, private sector, neighbourhood committees and CSOs. • Conduct urbanization diagnostic (using UN-HABITAT City Profile methodology) in 3 cities where not yet available. • Support UPMCs to prepare Resilient Urbanization Action Plans and select priority projects for funding. • Provide technical support to long-term urban planning including master plans, zoning plans and infrastructure development plans. <p><i>Women and youth:</i></p> <ul style="list-style-type: none"> • Include women and youth entrepreneurs in LER planning exercise; establishing specific targets for women & youth businesses in LED plans. • Prioritize women and child / youth-friendly spaces in urban growth rapid interventions and urban planning. <p>1.2.3. Multi-purpose local recovery supports the implementation of local priorities.</p> <ul style="list-style-type: none"> • Establish the Local Resilience & Recovery Funds (L2RF) and finalize SOPs & allocation formulas with the Project Board • Release funds through the various windows at governorate and district level based on priorities identified through participatory planning exercises (see AR 2.1 and 2.2.) • Implement and monitor sub-grant project • Strengthen capacities of district authorities for donor coordination <p><i>Women and youth:</i></p> <ul style="list-style-type: none"> • Supporting women and youth participation in decision-making on LRF priorities and grant project implementation. <p>1.1.4 Integrated support to restoring education services in affected communities helps restore livelihoods, stability and social cohesion.</p> <ul style="list-style-type: none"> • Develop capacities on educational planning for local authorities, with an emphasis on collaborative planning, design and implementation with key local stakeholders of local education • Provide integrated support to restoring education services in affected communities, with an emphasis on restoring livelihoods, stability and social cohesion. • Rehabilitate classrooms, WASH facilities, school furniture, distribution of school supplies, training of school personnel on safety and risk management, and back-to-school campaigns for enrolment. • Support school children well-being through teacher training, child protection activities, psycho-social and rehabilitative support to children with special needs. • Support the education system: capacity building for local and national education stakeholders including local authorities, school management, parents' associations and the ministry of education (MoEDU).
Means	Consultants, Travel, Professional Services, Workshops/Training, Equipment, Grants
Remarks	<p>1. Activity 1.2.2. will be implemented with governorate authorities and stakeholders, and in governorate capitals. It focuses on strengthening diagnostic and planning capacities on important areas for sustainable recovery (local economy, resilient urbanization) and on funding seminal initiatives combining capacity development capital investments to pave the way for more structuring and complex interventions with a</p>

	longer time span.
	2. Activity 1.2.3 is the cornerstone of SIERY, as it organizes grants to local actors to support priorities identified in a number of thematic areas through participatory planning processes (See 2.1 and 2.2): The Local Resilience & Recover Fund (L2RF). For a more detailed description of this Activity, see Appendix A at the end of this Description of Action.
	3. Implementation partners will be selected during Inception Phase (see Output 1.1). ³⁶

OUTPUT 1.3 Strengthened central-local and horizontal relations between local governance stakeholders	
Description	Local authorities and associated local governance stakeholders need a supportive institutional and regulatory framework to increase their delivery and contribute more effectively to resilience and recovery (districts and governorates still receive on average 90% of their regular budgets from central government). This output is concerned with facilitating quick improvements in the relationship between local authorities and the central government (in Sanaa and in Aden), especially around issues of division of responsibilities, budgeting, revenue collection and management, human resources management, and technical support. It will also support emerging opportunities for a constructive and inclusive policy dialogue on the future of local governance in Yemen that would gather local and national actors. To this end, Output 3 will also help local governance stakeholders exchange experiences and develop their own policy agenda, as well as learn from regional or international counterparts.
Activities	<p>1.3.1 Regulatory and administrative measures needed to restore functional central-local relations are taken.</p> <ul style="list-style-type: none"> • Conduct in-depth diagnostic on inter-governmental relations (district / governance / central) in order to identify critical bottlenecks for a more effective and crisis response-oriented relationship, especially for policy, capacity development, oversight, human & financial resources management aspects. • Facilitate central-local dialogue to implement rapid measures relieving identified bottlenecks in intergovernmental relations. • Increase connectivity between local authorities and central government through appropriate e-solutions <p>1.3.2 Capacities of key central authorities to support the resilience of local governance system strengthened.</p> <ul style="list-style-type: none"> • Develop capacity development to MoLA & MoPIC in particular for policy development, crisis response, oversight and technical support to local authorities, and monitoring. • Support initiatives promoted by local platforms, national stakeholders and the OSESGY to discuss post-conflict local governance & decentralisation. <p><i>Women and youth:</i></p> <ul style="list-style-type: none"> • Conduct training programmes on gender and youth mainstreaming in local governance for central ministry staff. • Provide logistical & technical support to ministerial women's affairs units <p>1.3.3. Platforms of local governance actors, including local authorities, are fostered, strengthened and connected to international peer support networks.</p> <ul style="list-style-type: none"> • Strengthen inter-district coordination and cooperation for service delivery, LED and social cohesion projects. • Support and train sub-regional / national platforms of local governance actors for sharing experience and building joint policy platforms, including between LER/LED actors. • Support cooperation with the UCLG-MEWA. • Support South/South Exchanges with countries successfully transitioned into more effective post-conflict local governance systems. <p><i>Women and youth:</i></p> <ul style="list-style-type: none"> • Prioritize women & youth participation in platforms and peer exchange
Means	Consultants, Travel, Professional Services, Workshops/Training, Equipment
Remarks	1. Implementation partners will be selected during Inception Phase (see Output 1.1). ³⁷

OUTPUT 2.1 Strengthened linkages/cooperation opportunities between MSMEs, private sector and MFIs involved in the value chains	
Description	This output focuses on rapid skill and technical development and strengthening linkages between MFIs and MSMEs. A value chain approach and tools would be adopted to support MSMEs. Skill building, establishing entrepreneurship and provision of business advisory services are three key areas under this output. Rapid capacity building on business and technical skills would support MSMEs in the establishment of enterprises. The output would create a microfinance grant facility established by SMPEs where MSMEs would receive capital support.
Activities	<p>2.1.1. Enhanced business and life skill development on value chain approach for medium and long terms income generation and employment prospects:</p> <ul style="list-style-type: none"> • Review and update value chain analysis of promising sectors (honey, fisheries, livestock, coffee, horticulture and waste to energy). • Identification of maximum three promising sectors for interventions. • Need based business skills capacity building by SMEPs for targeted individuals through certified trainers. • Promotion of women and youth's engagement in the capacity development of business skills.

³⁶ All partners mentioned in this document are indicative and will be decided in accordance with UNDP rules and regulations.

³⁷ All partners mentioned in this document are indicative and will be decided in accordance with UNDP rules and regulations.

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	<p>2.1.2. Improved networks of producers (MSMEs), private sectors and microfinance institutions to strengthen the existing value chain association at district level.</p> <ul style="list-style-type: none"> • Selection of existing business associations. • Technical support to the associations (training and consultancy support) and development of business proposal/ plans by the associations. • Provision of financial grants through financial service providers to the business advisors (BAs). • Networking events for business associations for the income generation activities. • Organization of exposure visits for cross exchange and learning for MSMEs, MFIs and private sectors. <p>2.1.3. Enhanced business advisory support and assistance to MSMEs to improve business continuity, risk management, marketing and expansion of business.</p> <ul style="list-style-type: none"> • Selection of technical consultants/ business advisors in each targeted district. • Development of group of MSMEs and allocation of business advisors as per the value chain sector for mentoring, coaching and technical assistance. • Explore the possibility to establish Business Advisory Resource Center (BARC).
Means	Contractual Services – Companies, Travel, Grants, Workshops/Training & Conferences, Learning Costs
Remarks	This set of activities will be implemented by UNDP through Small and Micro Enterprise Promotion Services (SMEPs). ³⁸ SMEPs has long and proven experience in building the business and enterprise skills with rich resources and tools. Additional partners will be identified during the Inception Phase.

OUTPUT 2.2 Increased and de-risked access to financial services for economic agents in promising value chains	
Description	This output focuses on the improvement of market facilities and infrastructures to strengthen value chain sectors for the benefit of producers and consumers. The facility and infrastructure improvement would be based on the identification of bottlenecks and gaps from the proposed value chain sector assessment. In addition, the microfinance grant facility will support the small and medium scale of the market facility and infrastructure rehabilitation. The fund will also be accessible by local authorities based on the priorities of district recovery plan. For local authority, the fiduciary control would be by partner. The grant facility will have a ceiling of \$45,000.
Activities	<p>2.2.1. Reconstruction of market facilities and infrastructures have improved access and services for MSMEs and private sectors to improve productivity</p> <ul style="list-style-type: none"> • Organizing meeting with SFD/PWP and district authority to access fund for the market infrastructure rehabilitation. • Identification of skilled and unskilled individuals for market rehabilitation for emergency employment. • Identification of market centers at sub-district, district and governorate levels to be rehabilitated • Capacity building of private sectors and MSMEs on Occupational Health and Safety (OHS) to ensure mitigation of any potential hazard incidence. • Provision of grant from district fund and SMEPs grant facility through banks for market rehabilitation. <p>2.2.2. Improved access to microfinance services (capital and grant) for the recovery of micro, small and medium enterprises with good potential for job creation and income generation</p> <ul style="list-style-type: none"> • Identification of microfinance institutions (MFIs) in the targeted location. • Establishment of grant and loan facility support provision by the SMEPs. • Development of business proposals for the selected value chain sectors by the targeted individuals and review by advisory committee³⁹. • Selection of business proposals and provision of loan and grant through existing system to targeted individuals for MSMEs establishment.
Means	Contractual Services – Companies, Travel, Grants, Workshops/Training & Conferences, Learning Costs
Remarks	This set of activities will be implemented by UNDP through Small and Micro Enterprise Promotion Services (SMEPs). ⁴⁰ SMEPs has long and proven experience in building the business and enterprise skills with rich resources and tools. Additional partners will be identified during the Inception Phase.

Project Locations⁴¹

Geographical and beneficiary targeting for Component 1 (Institutional Resilience)

Yemen consists of 23 governorates and 333 districts. In order to reach a representative enough sample of locations and build a solid case for Yemen's future policy orientations on local governance, it is indicatively proposed that SIERY be implemented in **8 governorates and 40 districts**. They could be adjusted upward or downward if necessary, though it is not advised to go below a minimum of 30 districts and above a maximum of 50.

⁴³ All partners mentioned in this document are indicative and will be decided in accordance with UNDP rules and regulations.

³⁹ ISdB and SILATECH will be consulted to create synergies and complementarities.

⁴³ All partners mentioned in this document are indicative and will be decided in accordance with UNDP rules and regulations.

⁴¹ What follows is an indication of the possible number and choice of Governorates and districts. The final selection will be made during the inception phase in close consultation with the EU, to ensure alignment with EU priorities and the developing political and security situation on the ground.

The selection of project locations and number of locations will be done during the inception phase, in consultation with the EU, and formalised in a Steering Board decision. Discussions and decision on choice and number of project locations will be predominantly based on the following considerations:

1. **Governorates:** According to UNDP's new CPD, UNDP should strive to implement its projects in a balanced fashion across 5 agro-ecological regions, characterised by shared values and economic linkages, and which will each host soon a UNDP sub-office.⁴² The choice of target governorates for SIERY is hence organized in 5 sub-areas. Additional criteria include the presence of other UNDP projects involving local authorities and/or local communities on governance aspects, in order to create positive synergies, as well as achieving a balance of different levels of conflict impact, in to cover the whole span of contexts from resilience to recovery.
2. **Districts:** SIERY will work in 3 to 6 districts in each select governorate (with a total target of 40 districts). The selection of districts will be conducted with governorate authorities during the project inception phase. The selection criteria for target districts will include:
 - access not impeded by high-level security threats and local officials / civil society able to work freely
 - districts with higher vulnerability (measured using UNDP Distress Index).⁴³
 - Combining urban / peri-urban and rural contexts
 - IDP presence (districts with higher share of IDPs among their total populations will be prioritized)
 - districts already targeted by other UNDP projects as well as EU projects/priorities
 - districts where functional village-level community structures exist.
 - districts with functioning local councils and present district director and secretary-general in post.

In each district, SIERY will adopt a **whole-of-district approach** making its full package of support accessible to all sub-districts in that district at the same time.

Geographical and beneficiary targeting for Component 2 (Economic Resilience)

It is proposed that the economic resilience component will be implemented in **4 governorates and 4 districts in each (16 districts)**, with a 50/50 split between the North and South of the country⁴⁴. The selection of project locations and number of locations will be done during the inception phase, in consultation with the EU, and formalised in a Steering Board decision. Discussions and decision on choice and number of project locations will be predominantly based on the following:

1. Component 2 will be implemented only in governorates and districts where Component 1 is implemented.
2. Governorates and districts will be selected after value chain analyses for six promising sectors (coffee, honey, livestock, fisheries, horticulture, renewable energy) have been conducted – and from that a maximum of three sectors will have been identified.
3. The selection of districts will also use the livelihood zoning methodology developed by USAID. The livelihood zoning “plus” includes a traditional livelihood zoning exercise⁴⁵ that disaggregates populations by general wealth and offers a minimum set of livelihood information (such as source of food and income)⁴⁶.

Means Required to Achieve the Expected Results

SIERY will rely first and foremost for its implementation on human resources (including UNDP, counterparts and responsible parties), grant funds, technical services and services directly related to project

⁴² (1) Tehama (coastal plain and the foothills overlooking the Red Sea coast); (2) Mountains (Sa'ada, Amran and high plateaux in Al Jawf, Sana'a, Hajjah, Mahwit, Dhamar and Raymah); (3) Lower or Middle Yemen (Aden, Ibb, Taiz, Dhale'e, Lahj, parts of Al Bayda & Abyan); (4) Desert (Marib, Shabwah; parts of Al Jawf, Sana'a, and Al Bayda); (5) Wadi / Hadramawt (Part of Hadramawt, Al Maharah).

⁴³ The Distress Index was developed for UNDP's ECRP (Yemen Emergency Crisis Response Project) and is a composite index comprising the following variables: the level and intensity of people with food insecurity (i.e. the number of food insecure people in the governorate and their share of the total population), the level and intensity of displacement (i.e., the number of IDPs and returnees in the governorate and their share of the total host population) and the level and intensity of population in urgent need for assistance.

⁴⁴ This is indicative. The final selection will be made during the inception phase in close consultation with the EU, and subject to the developing political and security situation on the ground.

⁴⁵ A livelihood zone is defined as an area within which people share, broadly, the same options for obtaining food and income as well as similar market access and opportunities.

⁴⁶ http://fews.net/sites/default/files/ye_zonedescriptions_en.pdf

implementation by UNDP Yemen (incl. Country Office staff, Sub-Office staff and Amman Support Office) and UNDP Regional Hub Amman, in addition to some necessary equipment and other facilities needed to operate in Yemen. A more detailed description of these means is provided in **Chapter V Governance and Management Arrangements**.

Human Resources

- **Project staff:** it will include 4 international staff and 16 national staff (full staffing list is shown in Section VIII), divided between a Country Office team based in Sanaa (UNDP Office) and 5 regional teams in UNDP hubs.⁴⁷ International staff will only be present in the national team while regional teams will be staffed by Yemeni personnel. Given the security constraints, none of the project staff will be outposted in government offices, whether national or local. Project staff will be involved with overall and day-to-day planning of project delivery, managing procurement and recruitment processes etc. Project staff will also be involved in delivering policy advice and capacity-building support to national institutions.
- **Local authorities and other local actors:** the delivery of Output 1 will largely depend on human resources appointed by governorate and district authorities to staff the DFTs and DCTs. They will be regular civil servants dedicating part of their time (and extra hours as well) to SIERY and will receive a financial incentive from the Project. At the district level, other civil servants, CSO members and community representatives will also play a key role as members of the DRPs. They will receive a stipend to cover the costs of their participation to project activities (transportation, accommodation).
- **Responsible Parties:** project activities will involve implementation by Responsible Parties (RPs) selected by UNDP, given the security and operational constraints that limit the ability of UNDP for direct implementation – except for activities taking place out of the country.⁴⁸
- **Service Providers:** the Project will contract specialized services from qualified companies, NGOs and individual experts for delivering short-term support such as training, event management, research, polls, evaluations, ITC services, etc. A third-party monitoring contract will also be procured as is normal practice for all UNDP Yemen projects since 2015. Service providers may be Yemeni or international vendors, or consortia of both.;
- Services directly related to project implementation by UNDP Yemen and UNDP Regional Hub Amman staff
 - **Management services:** Governance & Rule of Law Pillar and the Economic Recovery & Development Pillar in UNDP Yemen Country office will support SIERY project in donor relationship management, technical guidance, portfolio synergies and policy advocacy support towards the central government and the broader development community.
 - **Quality Assurance and Oversight services:** Management Support Unit (MSU) UNDP Country Office will provide project quality assurance and oversight. This will entail provision of technical and expert assistance in the design of thorough monitoring framework for the action; assist in the preparation, regular processing and analytical overview of action related indicators as per action log frame. The unit also plans for HACT Assessment and Financial Spot Checks of the Responsible Parties and follow-up on their implementation. With Gender Specialist onboard, the unit provides guidance and technical inputs to address gender inequalities at all levels.
 - **Communication and Visibility:** The Communication Unit will provide technical expertise to increase visibility of EU support and share beneficiaries results to the public internally and externally, in as far not covered by project Communication Officer. Open-House Presentation will be organized when relevant to showcase the transformation changes that this project has contributed to local communities and associated public institutions.
 - **Regional services:** UNDP Sub-Office Aden, Hodeida, Marib and Mukallah will provide regional support to project's implementation through relationship management with local authorities, daily oversight of regional teams, facilitation of local activities and travel, if and when required. With the support of the Heads of the two sub-offices in Aden and Hodeidah, support will be provided also on adaptive management to ensure proper targeting of the intended support to the needy communities and improve access of key and essential

⁴⁷ Sanaa Hub is located in UNDP Yemen Office in Sanaa.

⁴⁸ Current selection is indicative and might be subject to change, based on the findings and decisions of the inception phase.

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services. The Amman Support Office will provide support in donor relationship management, policy advisory and networking support.

- **Operational services:** UNDP Yemen, through its operational structure, will provide support to project's procurement, financial and administrative processes, Human Resource Management, Travel, Facility & Asset management and IT management.
- **Global Network services:** the UNDP Regional Hub in Amman may be solicited by the Project Team to provide policy and networking support, especially in relation to feeding regional good practice into Project implementation. The Hub may also be approached for more specialized technical inputs and mobilizing regional resources on urban resilience.

Equipment and other resources

Various types of equipment will be procured by the Project for achieving the intended results. They may be procured directly (i.e. through the main budget), such as IT devices and office furniture, and indirectly (through sub-grants). The range of equipment that may be procured is vast and cannot be estimated or costed yet – at least for those concerning grants – but will be mostly related to service delivery hence may include equipment used in schools, healthcare facilities, for water or (off-grid) energy supply (renewable energy), public works, etc. Office equipment and appliances may also be procured for local authorities.

The total **budget** needed to implement SIERY is presented in Annex III – Budget of the Action.

Partnerships

Between 2012 and 2015, donor support to the areas of governance and state-building was almost entirely focused on supporting central institutions transition following the road map set forth by the NDC. Shortly after the conflict started, donor priorities for local governance shifted to supporting community-led resilience-building. Working with district or governorate authorities has only resumed recently and on a limited scale. The focus remains mostly on service delivery but a few development partners are also engaging with more politically sensitive aspects at governorate level. SIERY represents the most comprehensive and far-reaching project supporting local governance in Yemen in this time of conflict, putting the onus on revitalizing district-level public expenditure management.

For implementing SIERY, UNDP will seek coordination and collaboration with the following donor projects:

- **Strengthening Inclusive Local Governance and Peacebuilding Project** implemented by GIZ and the Berghof Foundation (funding by BMZ). UNDP will seek close coordination with this project at the policy level and in Hadramout (if targeted).
- **Support Stabilization in Yemen**, a project of USAID (under preparation), which focuses on local conflict mitigation and peacebuilding. It covers four governorates (Hadramout, Shabwa, Marib and Mehra) and will work in linking better local authorities with the private sector, CSOs and security actors.
- **Rethinking Yemen's Economy – Towards a Sustainable Future**, a project funded by the EU (through the European Initiative for Democracy and Human Rights and the Instrument contributing to Stability and Peace - IcSP) and implemented by CARPO, DeepRoot Consulting and The Sana'a Center for Strategic Studies. Joint policy dialogue events as well as joint research exercises and policy papers could be proposed.
- **Tamkeen Project** (under preparation), by the Adam Smith Institute, in partnership with Deep Root Consulting Yemen, which will be the replica of a similar approach piloted successfully in Syria.
- **BRAVE:** SMEPs is currently implementing the Business Resilience Assistance for Value-adding Enterprises (BRAVE) project.
- **CARE led consortium supported by EU** is implementing a multipurpose cash transfer project, and effort will be made to work with the consortium to support the benefits that would produce through strengthening the promising sectors.
- **SILATECH:** supports the start-up and growth of sustainable job creation for youth enterprises. It helps young entrepreneurs establish and sustain successful enterprises by providing them with access to finance, business development training, mentorship, and bridging their access to new markets.
- **Coordination platform:** FSAC cluster has developed the Livelihood Working Group, and the economic component of the project will make an effort to be part of the working group for better sharing the value chain approach and learn from the other partners through sharing of information and experiences.
- **UN partnerships:** Among the UN family, UNDP will seek collaboration with all UN agencies that have activities pertaining to SIERY's areas of focus, including building local authorities' capacities, service

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delivery, local economic recovery, urbanization, women and youth empowerment for decision-making, etc (**UN-HABITAT** on urban diagnostics - [City Profiles](#) - for Resilient Urbanization; **ILO** for the support of local economic recovery; **OESGY** with regards to the future Yemeni local governance system; **UN-Women**, **UNICEF**, **UNESCO** and **UNHCR** for support of local authorities to improve service delivery and the protection of vulnerable groups.)

Donor coordination around development matters has been very limited since 2015 as humanitarian coordination has taken precedence over anything else. With the launch of SIERY, UNDP hopes to be able to resume such coordination in order to harmonize approaches and projects, both conceptually and geographically.

Risks and Assumptions

Scenarios

The current multi-dimensional crisis affecting Yemen, with deep roots in its history, political system and governance, social and economic challenges and ecological situation, as well as in regional and international geopolitics, is in constant flux and does not provide a certain and stable context for programming. This applies even more to a project grappling directly with the humanitarian – development nexus and state-(re)building. Hence, SIERY is subjected to a high level of risk. There are broadly three scenarios (focused on local governance) that can inform its design and influence its implementation – or a combination of them, affecting different parts of the country differently:

- (a. **A pessimistic scenario of collapse of local institutions and spiralling violence** caused on one hand by an absence of progress, or even regress, in the Track-1 negotiations, with an intensification of military efforts on both sides to alter the balance of forces, and on the other hand, a further fragmentation of central control and support to local authorities (especially in the South), with the return of severe fiscal austerity over local authorities' operations all over the country. Under such scenario, local authorities would not be able to maintain service delivery at the current level, let alone improve it, and the humanitarian crisis, fuelled also by renewed violence and population displacement, would finish overwhelming frail local authorities. Local armed non-state actors would take the opportunity to increase control over certain territories, diverting further local authorities from legally compliant public expenditure management and capturing whatever rent can be made, especially from revenue collection. This in turn would provide more fuel for social unrest and displacement.
- (b. **A middle-ground scenario of protracted conflict**, where parties to the conflict maintain broadly their current territorial influences while UN-brokered negotiations continue, at a slow pace and some confidence-building measures are implemented. In this scenario, the two competing central governments continue implementing diverging policies in supporting and shaping local governance between the North and the South/East, with potentially more resources flowing in again to the local level, in parts thanks for fiscal measures taken by the DFAs (e.g. resumption of joint local resources system as planned by MoLA Sanaa for 2020) and in the South (increased channelling of foreign aid to investment budgets of local authorities). While little or no progress is made on finding a political solution that would re-establish a unified political and institutional control over local governance and negotiate a new central-local compact, local authorities, especially where they suffered the most from the conflict, increase their functionality and regain some trust from citizens. In certain parts, continuing economic growth creates islands of prosperity where more elaborate forms of local governance being piloted.
- (c. **A more optimistic scenario of rapid political agreement** accelerating the reunification of policies and institutions presiding over local governance in Yemen. With a peace accord, not only would the topic of agreeing on a new decentralization compact be at the top of the priorities for the transitional government and continuing peace discussions, but the fiscal situation of local authorities would undoubtedly improve rapidly, with expectedly more donor funding channelled to reconstruction and recovery, including for the country's institutions. This would provide strong incentives to local authorities to upend their performance – but would also create heightened risks of corruption and rent capture, in the absence of strong accountability frameworks. Civil society (including the media) would need to play a major social watchdog role to prevent abuses and contribute to building trust-based local governance system.

SIERY, as presented in this project document, has been built on the assumption that Scenario 2 will prevail for the planned duration of the project (2020 – 2022), while it has enough built-in flexibility, in particular for its demand-driven capacity-building approach and choice of discretionary funding, to quickly adapt to any

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unfolding evolution, positively or negatively. Output 3, moreover, can be scaled up or down depending on the evolution of the peace negotiations.

In the context of scenario 2, below is a summary of the main risks that could affect project implementation and an explanation of proposed mitigation measures.

Political risks:

If the peace discussions do not deliver any concrete results in the next 2-3 years, the centrifugal and fragmentation process already happening between local authorities from different regions will not abate and may even accelerate. Their autonomy might increase in some parts and decrease elsewhere, particularly in the North. More national and regional tensions, and possibly moving frontlines, will trigger new changes in local authority leadership, both formal and informal (considering that certain non-state actors carry as much power probably than local executives). More broadly, the absence of perspective for a political transition and reunification of central control between the North and South will cripple SIERY's objective to contribute to the birth of a new national compact. Also, certain sub-regions may even go back to rescinding central authority, as was seen during the period of 2016-2017 (e.g. Marib Governorate refusing to transfer oil revenues to the Central Bank of Yemen).

⇒ *Mitigation: the mainstay of SIERY is on buttressing and expanding service delivery where feasible by building capacities and providing investment resources directly to the local level; both flows, knowledge and funds, do not depend on central government's capacity or on an elusive peace accord being reached. SIERY intervenes in different regions of the country with already very contrasted situations and will furnish a modular demand-driven and opportunity-driven support. If assembling inclusive DRPs to decide upon L2RF allocations is too politicized in some areas, UNDP will work directly with local authorities to select project priorities. And if there is no opening to discuss central-local relations with one or both of the central powerholders, Output 3 will be put on hold and funds assigned to it possibly transferred to other outputs that are dealing with more immediate and less politicized matters.*

Macroeconomic Risks:

The risk of further macroeconomic deterioration is high. While the currency depreciation has been largely controlled in recent month, the country remains at high risk of further currency crisis and inflation. This is exacerbated by a major liquidity crisis in the banking sector, a CBY that remained divided, a deteriorating financial and export market, accumulating public debt, and poor private sector performance.

⇒ *Mitigation: emphasis on private sector solution including direct support to SMEs and microfinance institutions as well as using private sector suppliers in project procurement.*

Operational risks:

Due to the ongoing conflict and related insecurity, the project will face some operational risks in relation to potential disruption in UNDP's business processes and project management services. A further set of risks concerns operational issues, such as the transport of equipment and asset management and maintenance as well as the rehabilitation of buildings. The security situation could prevent access to different parts of Yemen and endanger the delivery of assets. The security situation could also have a direct impact on the rehabilitation of buildings, by delaying works or destroying new works just completed. Difficult access to field sites also hinders effective monitoring of progress and quality assurance. Even in a context of stable security situation, UNDP remains constrained in its execution capacity as the crisis also affects the availability of suppliers on the Yemeni market, recruitments and deployments take much longer (visa issues).

⇒ *Mitigation: UNDP has developed a Business Continuity Plan which ensures that the critical office functions can be performed from other locations if necessary. Outside Sana'a, UNDP has staff presence in Aden, Hodeidah and in 2020, in Marib and Mukalla, which will maximize opportunities for interaction with SFD, PWP, STC and other responsible parties' teams in the field, even in the case where UNDP staff cannot have access to locations. Also, UNDP will also rely on a contracted Responsible Parties and Third-Party Monitoring Agent, with more agility and access project sites in difficult security and operational contexts, than UNDP staff can have. UNDP will closely review the quarterly expenditure reports of the responsible parties to monitor financial delivery of the project. UNDP also has the in-house capacity to maintain a regular conflict watch and analysis over all its*

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project implementation areas and will therefore be able to decide to suspend sub-grant project implementation (mostly infrastructure) if and when conflict dynamics in a particular location are clearly geared towards escalation. To counter delays in project inception, a roll-out plan will be prepared early after approval of the Project and recruitments will be launched rapidly to avoid a too long and slow start-up phase, which would be very detrimental to achieving intended results within the 3 years of the Project. On the other hand, RPs with full teams and implementation capacity deployed across the country will be selected to start delivering very quickly.

Programmatic risks:

The Project rests on a model that assumes that local governance, led by legitimate local authorities, can still thrive, improve, and deliver even in a context of severe institutional crisis at the apex of government, shifting political alliances on the ground and unreliable fiscal resources. The main risk is therefore that this assumption proves wrong – and that project support has no or limited marginal effect on local authorities' performance because intrinsically, the right sets of incentives and enabling factors for it to recover, are not reunited and cannot be influenced by UNDP. Likewise, central government may consider at some point that the project does not provide sufficiently balanced support to both the local and central level and endangers its overarching prerogatives over the local authority system and withdraw its support – or try to undermine it.

⇒ *Mitigation: consultations led by UNDP prior to developing the project, and the rapid diagnostic, have shown great and unambiguous support in Sanaa and Aden, for working in support of local authorities' capacities and providing them directly with capacity development support and investment resources, as a means keep them ashore. Both DFAs and the IRGY have adopted recently state-building policies that put the onus on furthering local autonomy and a good division of responsibilities with local authorities, and both entities are also pledging to increase their financial support to local authorities. There is therefore a great belief, shared also by the international community, that a local governance approach is now urgently needed as the humanitarian and conflict crisis is becoming protracted. The Project Board will remain a space for critical review of the project approach and decisions can be made for amending it, if needed, through consensus between the different parties involved and within the rules for amendments set in EU-UNDP agreements. UNDP will invest resources in real-time conflict monitoring but also evaluations on the project's impact and will remain flexible to adapt its approach if it does not deliver as expected. The ultimate objective is to increase inclusive access to services, and involve Yemenis into the process, not to reach an agreement on a new decentralization reform. Finally, by engaging at different levels (sub-district, district, governorate, central), by maximizing synergies with other UNDP and non-UNDP initiatives, SIERY adopts a multi-pronged strategy and does not focus all efforts in one narrow angle of local governance only; hence reducing risks of complete failure should certain entry points of its approach not function at all.*

Fiduciary risk:

Fiduciary risk is high. Given the Bank's limited ability to provide on the ground fiduciary oversight due to political and security risks, there are high risks of misappropriation and/ or diversion of funds, fraud, and corruption across large geographical areas.

⇒ *Mitigation: Risks are mitigated through: oversight and monitoring by UNDP via Third Party Monitoring; submission of periodic financial and progress reports.*

Security risks:

The ongoing protracted conflict continues to pose significant security risks to the implementation of the project in the form of (petty) crime, air strikes, landmines and UXO, terrorist attacks, and ground combat, arbitrary arrests and detentions. This situation compounded by the breakdown of law and order and rise of crime and general insecurity.

⇒ *UNDP intends to mitigate these risks through close collaboration and coordination with the UN Department for Safety and Security, including the de-confliction protocols and strict adherence to UN security procedures. Staff training on conflict-sensitive communications and risk management will continue. A Third-Party Monitoring Agent will be contracted to conduct the monitoring of the implementation of the project in hard-to-reach areas. Responsible parties engaged in this project have a long experience working in the field of Yemen and have all continued working through the conflict*

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since 2015. They have therefore demonstrated their own capacity to handle security risks and protect their teams and assets.

Reputational risks:

UNDP may be subject to politically motivated defamation and it may be perceived as partial and biased vis-à-vis one or more parties to the conflict. UNDP's reputation as a neutral and impartial partner may be affected by issues arising from the project.

- ⇒ *To mitigate these risks, UNDP will strictly adhere to the Human Right Due Diligence Policy (HRDDP) to manage risks of engagement with non-state actors that are also political and/or security actors. By doing so, UNDP will ensure that UNDP or its personnel does not provide support to entities committing grave violations of international, human rights and refugee law. Furthermore, UNDP will put in place a communication strategy, strengthen Project oversight and quality assurance with documentation of issues, and work very closely with the parties involved. Grievances from beneficiaries and stakeholders will be channelled through mechanisms established within UNDP, such as the Project Board. UNDP at central level will work closely with key ministries organizing local governance and recovery in the country, and they will be engaged in every step of the project, reducing thereof the chances of bias towards one side or one region. Also, UNDP has made sure to reach parity in the selection of governorates between DFA-controlled and IRGY-controlled areas. The Local Resilience and Recovery Fund will also use a transparent allocation formula which shows that more resources will go to the more deprived locations, based on objective criteria, regardless of their political affiliation.*

Stakeholder Engagement

The target groups of SIERY are primarily **conflict-affected communities, local authorities, microfinance service providers, private sectors and economic institutions**. Below is a review of the main expected forms of engagement and benefits for key stakeholders in SIERY.

1) Yemeni population:

[For component 1]

- Yemeni women and men in target districts will benefit from improved access to services, whether at community level, sub-district or district level. Social cohesion should also improve as a result of the various interventions that will bring different communities and sectors of society to plan and implement together. The maximum number of potential beneficiaries is estimated at 3,600,000 people, based on the following calculations: 40 districts targeted x 90,000 people.⁴⁹
- There will be a focus on providing direct benefits to women, children and youth, IDPs, disabled and *muhammasheen* – and any other categories that may appear as having more difficult access to services than others, during the service delivery audits proposed in anticipation of developing 3-year recovery plans. From Activity Result 2.4 alone, focusing on the education sector, a total of 75,000 school children is targeted.

2) Private sector:

- In each governorate, local firms will be able to compete and win tenders issued for executing L2RF sub-grants, mostly for infrastructure but also for supplies and in some cases, services (training in particular). This will help create local job opportunities, as conditionality will also apply on the preferential recruitment of local workers for certain types of projects.
- Business associations and the Chambers of Commerce & Industry in each governorate, will also benefit from access to training and networking opportunities, and may also implement small grants that will be provided through (the LER/D window of the D2RF).

[For component 2]

- Yemeni youths, women, and men in targeted districts benefit from the strengthening of the value chain of promising sectors at the sub-district, district, and governorate level. The maximum number of potential beneficiaries estimated is 44,550 individuals as direct beneficiaries. The calculation is based on the following calculations: 4 districts targeted x 11,137 individuals.

⁴⁹ Average district population in Yemen (OCHA, 2019).

- There would be a focus on providing direct benefits to women, children and youth, IDPs, disabled and *muhammasheen* – and any other categories that may appear as having more difficult access to income and markets.
- Increased women's participation and economic empowerment: Overall, the economic empowerment of vulnerable women and women-headed households enables women to play a constructive role in building the community and strengthening household resilience. Economically empowered women are also less vulnerable to risks of violence, abuse, and exploitation. It has also been noted that the conflict has led to some positive changes in the roles and responsibilities of women, including changing perceptions of 'appropriate' behaviour or work for women and men. The positive change in gender roles facilitates the engagement of women in the establishment and management of MSMEs and engagement with the market in the value chains which were previously perceived as a male-dominated.

2) Community structures:

- SIERY will provide training, mentoring and grants in project management, conflict resolution, women and youth empowerment, and other topics contributing to a more participatory and inclusive local governance to Sub-District Committees in target districts. With a target of 40 districts, this could mean more than 200 SDCs benefiting from SIERY (considering an average of 5 sub-districts per district).

3) Public sector:

- *Ministerial level:* both in Sanaa and Aden, MoLA staff will have access to training opportunities and technical assistance, and some logistical support to accomplish their functions. Other ministries (MoPIC, MoF, MoEDU, Ministry of Trade) will also benefit from the support of SIERY in terms of policy advice, capacity development and logistical upgrades.
- *Governorate level:* a small number of governorate staff (around 10, hence 80 in total) recruited as members of DFTs will receive training and will be coached to become advisers in public expenditures, human resources and revenue management for district authority staff. Also, staff from different executive organs with responsibilities in the economic development and urban planning will benefit from training and the sub-grants implemented to beef up planning capacities in their sector. Staff from the Central Organization for Control & Auditing (COCA) in selected governorates, will also be supported technically and logistically to resume their functions at district level. Finally, some governorate authority staff will benefit from rehabilitation of their premises through the Governorate Authority Logistics window of the L2RF.
- *District level:* staff of District Diwans (including Women's Affairs Units) and District Executive Offices (including for education and other key service sectors) will have access to better and more regular training opportunities and receive on-the-job mentoring. They will also have the possibility to lead or participate in the implementation of grant projects and will enjoy better working conditions thanks to the funds disbursed through the District Authority Logistics window of the L2RF. Finally, in urban districts, staff of the Public Works Department, who are mostly charged with urban planning and management, will also receive specific training and be able to implement small projects that can increase their intervention capacity in controlling random urbanization.
- *Community level:* About 2,000 teachers will receive tailored training in subject matter and pedagogical areas (including social and emotional learning, teaching in crisis contexts) and will have access to teacher learning circles.

4) Civil Society:

- About 5-10 CSOs in each governorate, will benefit from training opportunities in local governance, public expenditure management, social accountability as well as conflict-sensitive development and conflict resolution.
- About 3-5 CSOs per governorates will receive sub-grants to implementing (i) social accountability initiatives on service delivery and revenue management; and (ii) women and youth empowerment activities.

5) Private sector:

- In each governorate, local firms will be able to compete and win tenders issued as well as apply cash for work approach for market infrastructure rehabilitation or construction executed by SMEPs in collaboration with MFIs. The market infrastructure intervention would promote the employment generation for skilled and unskilled workers from the local community.

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- Business associations and the Chambers of Commerce & Industry in each governorate will benefit from knowledge and information sharing, database platform development, enterprise summit, and regulatory framework dialogues.
- Microfinance Service Providers (MFIs): for the targeted districts, MFIs would be identified based on their scale, capacity, and continuity. The MFIs would work closely for outputs 3 and 4 to support the income, job creations, and market development under the identified value chains. MFIs would be closely working with MSMEs for the development of robust financial linkages and access.
- Yemen Microfinance Network (YMN): the network is a non-profit NGO co-founded by UNDP and SFD as Yemen's national microfinance association in 2010. YMN is registered under the Ministry of Social Affairs and Labor as a member-based association and includes more than 95% of microfinance institutions operating in Yemen within its membership, including microfinance banks, foundations, companies, programs, and other stakeholders in the sector. The economic component would collaborate with YMN for output 3 and 6 to identify the MFIs and facilitate the collaboration of economic institutions, private sectors, MFIs, MSMEs, and local authorities.

South-South and Triangular Cooperation (SS/TrC)

The conflict, and, before it, the 2011 revolution and ensuing transition political transition process, has made it difficult for UNDP Yemen to develop South-South cooperation in support of its country programme. With SIERY, there is an opportunity to re-engage on SS/TrC as there are countries in the region and beyond that have also experienced major conflict-related disturbance to their local governance system, demonstrated resilience and where new local governance models and economic resilience were implemented during the post-conflict phase. UNDP foresees SS/TrC opportunities materialize through two channels:

- Bilateral cooperation: organizing learning events gathering Yemeni local governance, SMEs, MFIs, private sector actors and policymakers and representatives of countries having undergone relevant experience in recent times (see above). Study visits could also be organized to one or two relevant countries in the region for chief executives of local authorities and local council members, as well as MoLA technical staff and civil society actors, SMEs, MFIs and private sector, with the possibility to develop longer-term cooperation with host countries.
- Multilateral: the Project will facilitate the building of linkages with the Middle East and Western Asia chapter of the United Cities and Local Government (MEWA-UCLG) international organization⁵⁰. SIERY will facilitate, under Output 3, the participation of representatives of Yemeni local authorities to MEWA-UCLG events and a possible cooperation programme with the regional organization.

Knowledge

The Project will develop and disseminate three types of knowledge products:

- for use by the Project's beneficiaries (community structures, local authority staff, central government staff, CSOs, private sector organizations, microfinance institutions' and SMEs, public and commercial banks): publications issued by the Project (including UNDP, responsible parties, DFTs) such as guidelines and training manuals meant to inform local stakeholders on key local governance processes, administrative norms and regulations, project business processes, templates, SMEs skill development, access to seed capital for business establishment etc.
- for use by the wider duty-bearer and right-holder communities in the governance and economic institutions arena in Yemen, including line ministries, rule of law institutions (police, justice), civil society, private sector, as well as development partners, and consisting in openly accessible publications presenting diagnostic studies, prospective policy briefs, perception surveys, strategic recovery plans, public outreach materials, documentaries, and so forth, developed by the Project.
- for use by the wider international community and governments of other developing countries presenting a similar context to that of Yemen and seeking to address the resilience of local governance and promising businesses under conflict conditions, including lesson learnt documents, case studies, research papers on innovative approaches successfully piloted by the Project, as well as a final report presenting the Project's approach and results.

Knowledge products will fall within the thematic areas covered by the Project (capacities for service delivery, social cohesion, local recovery funding, central-local compact, peer networking, resilient

⁵⁰ See <http://uclg-mewa.org/en/>

businesses) as well as on cross-cutting aspects (gender equality, social inclusion, conflict sensitivity in local governance).

All knowledge products will be developed in Arabic and English.

Sustainability and Scaling Up

Component 1

SIERY is designed to respond to immediate needs for resilience in service delivery, with a clear objective to avert a further deepening of the humanitarian crisis in Yemen and dissolution of state authorities. Yet, SIERY is launching an approach centred on strengthening Yemeni public expenditure management and development planning capacities and will therefore contribute to build sustainability in the long run. If the Project initially intends to work only in a limited number of governorates and districts, all interventions are meant to be scaled up eventually to all areas through country systems and with wider shared government and donor funding, when political conditions allow it. SIERY also adopts the following principles that will contribute to more sustainable results:

- i) **National ownership:** SIERY has been designed after a field diagnostic where views of a wide range of local actors on priority for support were collected. Consultations were also held with central authorities in both Aden and Sanaa to ensure a common understanding on the validity of the proposed approach and implementation modality.
- ii) **Flexibility and modularity:** SIERY avoids proposing upfront one-size-fits-all solutions. All activities under the three substantive outputs are modular and will be adapted to each district's context. Even for the L2RF, the formula used to caliber each district block grant will take into account the local context and needs. In each governorate and district, and with each national institution benefiting from the Project, an initial phase of shared diagnostic leading to a negotiated action plan will happen.
- iii) **Evidence-based policy support:** SIERY capitalizes on UNDP's long history in supporting policymaking for decentralization and capacity-building of local authorities in Yemen and the trust built with national institutions in these two areas. During the political transition, UNDP also produced a landmark report for the NDC on the future of local governance in Yemen.⁵¹
- iv) **Use of sustainability-oriented indicators:** Initial capacity assessments are scheduled in each target institution to establish a baseline on key capacity dimensions to be developed by the Project and sustainability targets will be agreed upon with these institutions.
- v) **Conflict-sensitive lens:** By putting priority on inclusiveness and accountability, by targeting areas distributed throughout the country's big political blocks and by prioritizing the reduction of territorial inequalities – all potent conflict drivers – SIERY increases the chance of resilience, hence sustainability, of the Yemeni local governance system and prepares it for a post-conflict transition that will see with no doubt important changes to it.

Nevertheless, in the eventuality of a delayed peace process and post-conflict transition, and in the absence of an improvement in the country's fiscal situation, the sustainability of certain project elements (e.g. L2RF) will be at stake.

Component 2:

Interventions will adopt the value chain approach by promoting the local producers, market actors, private sectors, and economic institutions. Building the horizon and vertical linkages will strengthen the value chain, and thus the MSMEs could be sustained. MSMEs have a significant advantage over larger organizations regarding addressing sustainability issues- their size means they can react very quickly to changes in the business environment. They are disadvantaged, however, by lack of information on marketplace changes that make sustainability an opportunity to innovate, and to inspire others. While some SMEs could become a leader in the business environment as opportunities-seeing the tasks which require more change as an additional burden, rather than a source of potential advantage. The intervention has been designed to tackle bottlenecks as mentioned above, in terms of provisioning of better information and sharing about the marketplace.

The individual MSMEs will be supported to work on further forward and backward linkages to ensure the market relevance in terms of access and income from the market. The establishment of a micro-finance grant facility will also create an opportunity for MFIs to improve their business performance to facilitate access to

⁵¹ UNDP (2013). *Options for future form of Government and Decentralization in Yemen*.

capital and grant MSMEs. It can further improve the sentiments of MFIs to operate in challenging environments like Yemen. The market infrastructure rehabilitation within the value chain would support the actors to scale up the businesses and profits. It can also accommodate more producers, and thus more jobs and employment can be created at the local level. The intervention at the regulatory framework level to improve the information management, provision of guiding tool, and macro-level dialogues engaging economic institutions, private sectors, MFIs, MSMEs, and local authorities will enable the business environment and cushion the confidence among private sectors and MSMEs to scale-up businesses.

IV. PROJECT MANAGEMENT

Cost Efficiency and Effectiveness

Cost efficiency and effectiveness in the management of this project are maximized through the following elements:

- **National ownership and use of country systems** to implement most of the activities, especially those that require economies of scale (e.g. training local authority staff). UNDP staffing costs are concentrated on key advisory positions to ensure the overall strategic and operational management of the project; but most of the *actual* day-to-day implementation will be done by national partners, NGOs, government bodies (e.g. MoLA, MoEDU, MoPIC, MTA), private sectors, business association and local authorities. Salary costs of all civil servants involved in the Project in a delivery capacity (e.g. DFT members) will be borne by the Government of Yemen and they will receive incentives from the project paid on a performance-basis.
- **Working through experienced Responsible Parties:** the SFD, PWP and SMEPS and others would be considered as potential Responsible Parties based on their prior proven experience at managing projects for UNDP (e.g. ERRY, ECRP) and/or expertise in the area they are contracted for (with the midterm view that responsibilities will slowly transition to local governance systems). Additional responsible parties may be engaged in the Project after selection in accordance with UNDP rules and regulation.
- **Integrated implementation with other UNDP Projects:** under the new CPD, a higher level of integration across UNDP Yemen's portfolio will be achieved to deliver on the CPD outcomes. There will be a multitude of opportunities for SIERY to conduct joint activities (workshops, diagnostics, infrastructure projects, study trips, etc.) and share costs with other UNDP projects.⁵² Operationally, the integrated approach entails the Project using UNDP's common services for procurement, human resource management, administration, finance and logistical support for field operations in sub-offices.
- **Building partnerships with financial and technical development partners:** UNDP will coordinate closely with relevant government ministries and project donors and with other international partners and UN agencies implementing projects in the same geographical and thematic areas.

Project Management

Project Locations and Offices

The Project will be present and conduct activities in indicatively 8 governorates (Hodeidah, Hajjah, Sanaa, Ibb, Lahj, Aden, Marib and Hadramout) and 40 districts,⁵³ as well as at the national level with national ministries in Aden and Sanaa.

At the **national level**, the Project team will be entirely housed at UNDP Office in Sanaa, with substantial time spent at the office of national partners (e.g. MoLA, MoPIC) for Component 1 to provide policy advisory and capacity development support. Similar support will be provided to ministerial offices in Aden by the Country Office team. At the **subnational level**, Project staff will be housed in UNDP Hubs (Hodeidah, Aden, Marib, Hadramout), except for the North Team, covering Sanaa and Ibb.

Implementation arrangements

The Project will use the **Direct Implementation Modality (DIM)**, under which UNDP is the lead Implementing Partner (IP). Under DIM, UNDP will bear full responsibility and accountability to manage the project, achieve project outputs and ensure the efficient use of funds. The UNDP will be accountable to the funding partners for the disbursement of funds and the achievement of the project objective and outcomes,

⁵² See acronym section on p.2.

⁵³ See remarks above about ultimate selection of location and number of Governorates and districts

according to the approved work plan. In particular, UNDP will be responsible for the following functions: (i) coordinating activities to ensure the delivery of agreed outcomes; (ii) certifying expenditures in line with approved budgets and work-plans; (iii) facilitating, monitoring and reporting on the procurement of inputs and delivery of outputs; (iv) approval of Terms of Reference for consultants and tender documents for sub-contracted inputs; and (vi) reporting to the Project Board on project delivery and impact. UNDP Deputy Resident Representative will take overall responsibility for achieving results of the project and report to the Project Board. Under her/his supervision, the day-to-day management of the Project will be delegated to a Project Management Team (PMT).

UNDP will enter into agreement with other entities, or responsible parties (RP)⁵⁴ to deliver project outputs. So far, some RPs have been tentatively identified (e.g. SFD, SMEPS, PWP), additional parties will have to be identified during the course of the project implementation, they will be selected and contracted according to UNDP rules and regulations.

UNDP will sign a standard **Memorandum of Understanding (MoU)** with MoLA, which will cover project support to national and local authorities. Separate **Letters of Agreement (LOAs)** will be signed with each governorate and district authority supported to delineate areas of collaboration, support provided by the project and mutual obligations. A separate MoU will be developed for the L2RF modality and signed with MoLA, MoPIC and MoF. It will describe the responsibilities of the different parties involved (UNDP, Project Board, SFD) and the modalities used for selecting the fund allocation formula and the SOPs for sub-grant project selection and funds release, as well as sub-grantees following UNDP's rules and regulations.

Equipment, supplies and other property

Ownership of equipment, supplies and other property financed from the project shall vest in the UNDP. Matters relating to the transfer of ownership by the UNDP shall be determined in accordance with applicable policies and procedures of the UNDP and relevant provisions of the contribution agreements concluded with the donors.

Collaborative arrangements and Operational efficiency

SIERY will cost-share certain implementation costs with other UNDP projects working on Governance and the Rule of Law, including possible staff-sharing arrangements, cost-sharing of responsible partners (e.g. where SFD implements similar activities for EERRY and for SIERY in the same district) and joint activity execution (e.g. training, knowledge exchange and planning workshops).

Accordingly, the organizational costs incurred by UNDP in terms of staff time and other implementation costs of a policy-advisory, technical and implementation nature essential to deliver development results of the project will be included in the project budget and directly charged.

⁵⁴ The Responsible Party is defined as an entity that has been selected on the basis of its comparative advantage to deliver outputs on the basis of a written Letter of Agreement (LoA) with UNDP. The Responsible Party is directly accountable to UNDP in accordance with the terms of the LoA. With regard to the RP, as mentioned in the Financial / Fiduciary Risk Management Section, UNDP uses a partner-based risk management approach in line with the UN Harmonized Approach Cash Transfers policy. The RPs listed are indicative and will be decided upon during the Inception Phase.

V. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

The proposed governance and management structures for SIERY will ensure UNDP's accountability for programming activities, results, monitoring and management of risks, and the use of resources, while at the same time fostering national ownership and alignment with national processes. The below presents different roles and responsibilities of the Project Board and of key Project staff positions.

Project Governance

The **Project Board** is the highest authority within the Project's governance structure. The Board is responsible for providing overall strategic direction to ensure that the project's objectives are being met, that progress is achieved against set targets, and that risks and issues are adequately addressed through management actions. The Board is composed of the following members:

- **Senior Executive:** UN Resident Representative in the role of Senior Executive.
- **Senior Beneficiaries:** Representatives from all three tiers of government involved.
- **Senior Suppliers:** EU, other donors, civil society and private sector.

Decision-making is done through consensus of the members of the Project Board present at a duly convened meetings of the board, with the Senior Executive holding the final decision right in case of hanged board. Senior Beneficiaries will be represented by Governors and District Directors from target areas (a workable minimum quorum will be decided upon during the first Project Board Meeting). Other relevant stakeholders may be invited to attend Project Board meetings as observers, as approved by the members, but without decision-making rights. The Board will meet twice per year but can be convened at an ad-hoc basis at the request of any of the members or of the Project Manager.

The UNDP Country Office will perform a **Project Assurance** role, in support of the Project Board, by carrying out objective and independent project oversight and monitoring functions to ensure strategic and substantive coherence between the UNDP Country Programme and SIERY, project relevance and compliance with quality standards, completion of appropriate project management milestones and implementation according to UNDP rules and regulations. This role cannot be delegated to the Project Manager. A UNDP Programme Officer, or M&E Officer, will hold the Project Assurance role on behalf of UNDP.

Project Staffing and Implementation:

The key resources that will be required by the Project to achieve its expected results are summarized below.

a Human Resources

The Project Office will include dedicated staff carrying out various forms of tasks including technical assistance, administration and management. The tasks listed in the Description of the Action, undertaken by staff assigned to the project office are directly attributable to the implementation of the Action. The Project Office will be organized in two teams: (1) Project Management and Support, and (2) Field Support. The human resources required for the implementation of the project comprise of **14 full-time project staff** (for 36 months) based in UNDP country office, **1 part-time project staff** based at UNDP office to EU at Brussels, Belgium (15 in total for Project Management and Support), and **5 local project staff based in the five field offices** of the country (5 in total for Field Support).

The full-time dedicated project staff in the Field Offices will be charged through direct project costs for the time spent directly attributable to the implementation of the Action.

The project management staff includes local governance specialists and economic resilience specialists with extensive experience who are fully proficient and experienced with the local context. The proposed team structure is carefully selected to cover the needed management, coordination and policy guidance, the required technical knowledge, monitoring and communication assets.

a.1. Project staff:

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- **One Chief Technical Advisor/Project Manager (CTA/PM, international, P5, 100%):** The CTA / PM is responsible for providing overall strategic and technical guidance to the Project Team and for executing project funds according to the work plans established by the Project Team and approved by the Project Board, including the synergies and collaboration between the two components. S/he is in charge of overall monitoring and reporting to the Board and donors. S/he will be the interface between the Project Team and the Deputy Country Director / Programme as well UNDP Country Office's Operations structure. The CTA/PM should ensure that the utilization of project funds remains within the framework set by Project Document and approved AWP, allowable deviation from time and budgets, Project Board/UNDP Country Office decisions, UNDP Rules and Regulations, and national legislation. The CTA/PM will provide direction and guidance to the Project Office. The CTA/PM will also have an important technical assistance function to national institutions (especially for Output 3). The CTA/PM will represent the Project in UNDP Country Programme meetings, if necessary, to ensure good coordination with other Projects.
- **Two National Coordinators (NCs, national, SB5, 100%):** Both the Institutional Resilience and the Economic Resilience component will be headed by a NC (two NCs in total). The NC is the main interface between the CTA/PM and the Field Support Teams (FSTs). S/he makes sure that information is flowing smoothly between Sanaa and field locations and that the project AWP is put in action timely and correctly at the local level. S/he also analyses information and feedback coming from FSTs and proposes amendments to AWP if necessary. S/he mobilized the PMST as needed to respond to questions and issues coming back from the field. The NC also maintains close coordination and communication with national institutions at senior level, including with responsible parties.
- **One Operation Manager/Program Management Specialist (P4, international, 100%):** Responsible for administrative, operational and financial quality assurance, advising and verifying procurement and payment processes and human resources processes for the needs of the project. Responsible for monitoring of effective delivery of administrative and financial services to the project and managing external relations related to all operational aspects of the project. S/he will ensure implementation in accordance with UNDP rules and regulations and working closely with Project Specialist in Brussels to ensure compliance with EU contractual requirements.
- **One Project Specialist (P3, international, 50%):** The Project Specialist – based in Brussels - will provide direct support to the CTA/PM and Operational Manager throughout the implementation up to the financial closure of the activities in view of ensuring compliance with EU contractual requirements. The Project Specialist will be responsible for providing advice on the execution of the project according to the applicable EU contractual requirements; suggest revisions of project substantive and financial reports in compliance with the EU contractual requirements; provide assistance with monitoring and evaluation exercises; oversight of the implementation of communication and outreach activities to enhance the visibility of the project vis-à-vis the EU; facilitation of contacts with relevant parties in the EU/EC to foster exchange of information on the implementation of the project.
- **One M&E Specialist (P3, international, 100%):** The M&E Specialist is responsible for preparation, implementation and oversight of the M&E plan of the project, collaborating closely with the M&E/Reporting Officer and the MIS Officer in pro-actively collecting the necessary data from the field offices. S/he works closely with the CTA/PM and NCs to monitor progress on the results and explores innovative approaches to data collections, especially with regards to qualitative indicators such as 'trust', 'collaborative action' and 'quality of governance'.
- **One Communications Officer (CO, national, SB3, 100%):** Responsible for preparation, implementation and oversight of the Communication and Visibility plan of the project and assuring that all activities including the outreach and awareness-raising activities adhere to and are fully aligned with the visibility needs and interests of the EU.
- **In the Project Support, two Thematic Output Specialists (two TOS, national, SB4, 100%)** will assist the CTA/PM and the NCs in developing the technical content of each output considering the country's political context, national policies, international experience and coordination with development partners. There will be one TOS for Institutional Resilience and one TOS for Economic Resilience. They will mobilize project resources and provide support of UNDP Operations (human resources, travel, finances, procurement) to carry out activities in their assigned output and produce results in line with the approved AWP. This will include managing the day-to-day relationship with the Responsible Party assigned to their Output. They will review project activities as per set quality criteria, monitor issues and risks and update these in the Project's issues and risks logs

- One **M&E / Reporting Officer (national, SB4, 100%)** and one **MIS Specialist (national, SB4, 33%)** will liaise with Field Teams and with the third-party monitoring agent to centralize and digitalize all monitoring data, assess progress in the achievement of outputs and targets and in the use of financial resources and prepare necessary progress reports to be submitted to the Project Board.
- One **Finance Assistant (national, SB3, 100%)** will support the Operation Manager with processing payments, financial administration and management and financial reports.
- Two **Project Assistants (two, national, SB2, 100%)**, for administrative and logistical matters for both Outcomes, and providing secretarial support to the PM/CTA and National Coordinator, as well as one **driver (SB1, 100%)** will complement the Project Support.
- Five **Field Coordinators – FC (national, SB4, 100%)**. The FC will be in charge of coordinating all project activities with the RP teams in the field and with the local authorities supported by the Project. S/he will ensure a close coordination with governorate authorities for the recruitment, training and functioning of the DFTs and supervise their performance in supporting target offices at district level. S/he will also oversee the preparation and signing of the different LoAs signed with local authorities for receiving and appropriating the district block grants communication with national institutions at senior level, including with responsible parties.

a.2. UNDP Country Office Personnel directly engaged and working for the project and to be apportioned based on actual support provided by the respective staff in the implementation of the Project activities. This Project personnel time contribution are based on Workload Surveys. The cost per staffing is based on the UNDP proforma costing and dispatched between CO project per year on a prorate basis as directly attributable to the implementation of the Action.

Specific services are as follows:

- **Management services:** Governance & Rule of Law Pillar and the Economic Recovery & Development Pillar in UNDP Yemen Country office will support SIERY project in donor relationship management, technical guidance, portfolio synergies and policy advocacy support towards the central government and the broader development community. Staff involved are, among others, Team Leader and Deputy Team Leader Governance & Rule of Law Portfolio; Program Officer; Program Analyst, and; Financial Assistant.
- **Quality Assurance and Oversight services:** Management Support Unit (MSU) UNDP Country Office will provide project quality assurance and oversight. This will entail provision of technical and expert assistance in the design of thorough monitoring framework for the action; assist in the preparation, regular processing and analytical overview of action related indicators as per action log frame. The unit also plans for HACT Assessment and Financial Spot Checks of the Responsible Parties and follow-up on their implementation. With Gender Specialist onboard, the unit provides guidance and technical inputs to address gender inequalities at all levels. Staff involved are, among others, Team Leader and Deputy Team Leader Management Support Unit; Gender Specialist; Management Support Unit Monitoring and Evaluation Analyst, and; Management Support Unit Finance Assistant.
- **Communication and Visibility:** The Communication Unit will provide technical expertise to increase visibility of EU support and share beneficiaries results to the public internally and externally, in as far not covered by project Communication Officer. Open-House Presentation will be organized when relevant to showcase the transformation changes that this project has contributed to local communities and associated public institutions. Staff involved are, among others, Team Leader Communication.
- **Regional services:** UNDP Sub-Office Aden, Hodeida, Marib and Mukallah will provide regional support to project's implementation through relationship management with local authorities, daily oversight of regional teams, facilitation of local activities and travel, if and when required. With the support of the Heads of the two sub-offices in Aden and Hodeidah, support will be provided also on adaptive management to ensure proper targeting of the intended support to the needy communities and improve access of key and essential services. The Amman Support Office will provide support in donor relationship management, policy advisory and networking support. Staff involved are, among others, Head of Office Aden; Head of Office Hodeida; Head of Office Amman, and; support staff Sub-offices.

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- **Operational services:** UNDP Yemen, through its operational structure, will provide support to project's procurement, financial and administrative processes, Human Resource Management, Travel, Facility & Asset management and IT management. Staff involved are, among others, Procurement Analyst; HR Officer; Travel Assistant; ICT Assistant; Deputy Resident Representative/Operations, and; Operations Manager.

a.3. Short term expertise

This will include:

- International expert(s) with strong and relevant/practical local governance, institutional strengthening and economic recovery/MSME, especially in conflict and/or unstable environments. These assignments will be aimed at providing practical advice to the CTA/PM and NCs, national stakeholders and national experts, and local partners (i.e. Governate and District authorities). These experts will mainly provide technical advice and assistance at the national level with regards to formal structures, planning mechanisms and implementation modalities (including with regards to innovative models for public-private-civic collaboration on public service delivery); LG capacity development, curriculum development and training program design; local economic recovery and development opportunities for MSME, regulation, revenue collection; etc. Experts will be brought in on an ad-hoc basis, depending on progress and emerging opportunities for local institutional and economic resilience.
- National experts with strong communication and training experience in local governance settings, with an emphasis on the PEM Cycle, collaborative capacities, PPPs, and other key parts of the curriculum. Additional national experts will be recruited short term to advice on legal structures, local adaptation, local entrepreneurship, revenue modalities, etc.

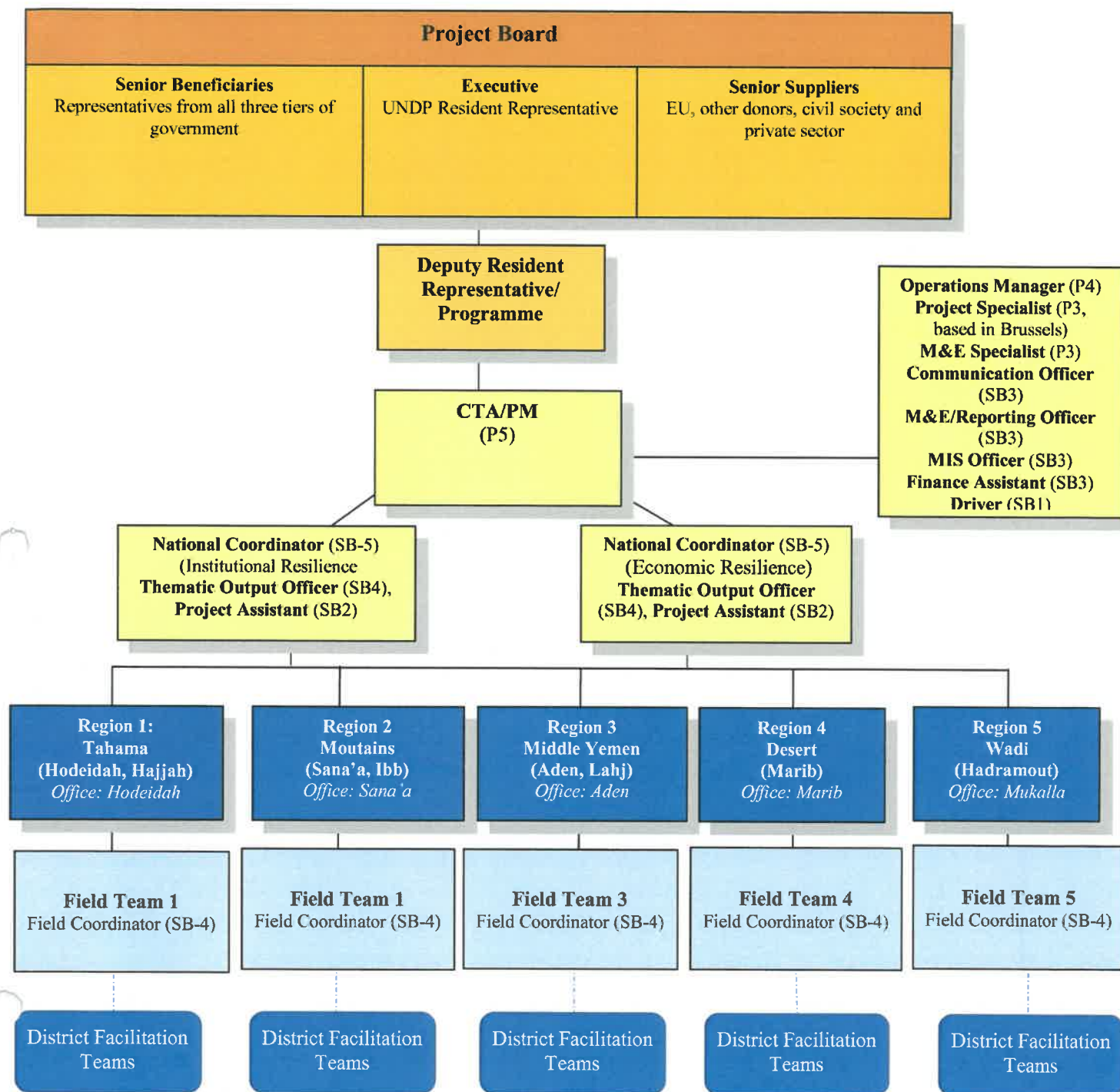
a.4. Travel costs and per diems for staff.

b. General expenses: this includes for instance IT equipment, furniture and stationery for project office locations (six in total). It also includes costs related to phone, internet, electricity and heating.

c. Travel: Includes field missions for the project's staff to ensure monitoring across the country for quality assurance and timely implementation of the activities; participation in project board meetings, national and international community of practice, etc. Cost calculation is based on UN corporate daily subsistence allowance circular and cost sharing for convoy road trips costs. International tickets will be purchased in accordance with UNDP travel rules and regulations.

d. Office costs (office space, accommodation, security): This cost includes the yearly payments for office space and secured accommodation occupied by Project staff and consultants in UNDP office and sub-offices, as well as secured accommodation for internationally deployed staff and consultants in UNDP accommodation and guest houses in the field – and the share for the security services and installations and use of the UN clinic services and transportation costs to run the armoured convoys for trips to and from work and internal movement. The secured accommodation costs are directly linked to and necessary for implementation of the project activities by the project personnel working in Yemen. Yemen is a conflict country and secured accommodation for the project personnel is crucial to ensure their safety and security as prescribed by the United Nations Safety Security framework. The costs are calculated on a prorated basis and shared by all the projects implemented in the country office as per UNDP methodology.

e. Other costs, mainly associated with communication activities, including publications, translation and interpretation; meetings and workshops; capacity building events; visibility actions (including visibility items, media sensitization, printing, audio-visual, website, etc.).



V. RESULTS FRAMEWORK

Results Chain	Indicator	Baseline (value & reference year)	Target (Year 1)	Target (Year 2)	Target (Year 3)	Target Final (cumulative)	Source and mean of verification	Assumptions	Frequency	Reporting
Impact (overall objective): To ensure economic and social wellbeing for Yemeni, in particular for the poorest and most vulnerable	1. Proportion of population below the international poverty line, disaggregated by sex, age, employment status and geographical location (urban/rural) - (SDG 1.1.1.)	1. tbd	tbd	tbd	tbd	1. tbd	1. World Bank http://data.worldbank.org/indicator/SL.POV.DDAY & UN Population Data http://esa.un.org/unpd/wpp/Excel-Data/population.htm	Not applicable	1. Annually	1. Project annual report
	2. Average annual household income, disaggregated by location (rural/urban), ethnicity	2. tbd	tbd	tbd	tbd	2. tbd	2. World Bank OECD (2018), Household disposable income (indicator), https://data.oecd.org/hha/household-disposable-income.htm		2. Annually	2. Project annual report
Outcome (specific objective) 1. Increased institutional and socio-economic resilience in targeted Districts in Yemen	1.1 Proportion of population living in households with access to essential public services, disaggregated by sex, age, migration status, type of service (SDG 1.4.1)	1.1 tbd	tbd	tbd	tbd	1.1 tbd	1.1 National data providers: • Statistical agencies – surveys • Government administrative sources /registries, cadasters Compilation & reporting at the global level: • UN-Habitat - United Nations Human Settlements Programme • World Bank	The impact of the overall conflict does not worsen security extensively, therefore, the majority of the targeted areas remain accessible Central and local authorities prioritizes business environment (employment) development Government data are accessible to local authorities	1.1 Regular intervals of 3 to 5 years each (https://unstats.un.org/sdgs/metadata/).	1.1 Project progress/annual report
	1.2. Number of districts with increase of investment budget (actual) per capita for: proportion of total district spending on essential services (SDG 1.a.2)]	0 (2019)	20	30	40	40	1.2 MoF, MoLA Administrative Investment funds channelled through L2RF are counted (even if execution by third party)		1.2 Annually	1.2 Project progress/annual report

Outcome (specific objective) 2. Improved business environment for economy and recovery and employment opportunities	1.3 Primary school attendance rate, disaggregated by sex, age and migration status in target districts (overall)	tbd (2019)	tbd	tbd	tbd	tbd	tbd	1.4 Administrative data MoEDU		1.4 Annually	1.4 Project progress/annual report
	1.4 Level of public satisfaction with essential service delivery, disaggregated by identity group and region	tbd (2019)	tbd	tbd	tbd	tbd	tbd	1.5 Survey to be commissioned by the intervention	1.5 Once a year (via baseline and endline)	1.5 Project progress/annual report	
	2.1 Number of people benefiting from jobs and improved livelihoods in crisis or post-crisis settings, disaggregated by sex and other characteristics (Governorates)	tbd (2019)	tbd	tbd	tbd	tbd	tbd	2.1 Administrative data UNDP	2.1 Annually	2.1 Project progress/annual report	
	2.2 # of crisis-affected districts where critical benchmarks for local economic revitalization (LER) are met (Districts) (in line with EU RF 2.12)	tbd (2019)	tbd	tbd	tbd	tbd	tbd	2.2 Administrative data UNDP	2.2 Annually -	2.2 Project progress/annual report	
	2.3 Proportion of women among beneficiaries of recovery programmes (Governorates)	tbd (2019)	tbd	tbd	tbd	tbd	tbd	2.3 Administrative data UNDP	2.3 Annually -	2.3 Project progress/annual report	
	2.4 Number of short-term employments created through the market infrastructure rehabilitation (skilled and unskilled and gender disaggregated)	0 (2019)	5375	8600	7525	21.5		2.4 Project Reports, Sub project reports Gender Marker Report Impact Assessment Report	2.4 Twice a year	2.4 Project progress/annual report	
	2.5 Number of producers, retailers, buyers etc benefitted from the market infrastructure rehabilitation	0 (2019)	5000	8000	7000	20000		2.5 Sub project reports Field visit by Project Team Third Party Monitoring Report	2.5 Twice a year	2.5 Project progress/annual report	
	2.6 Number existing business associations with improved financial capacity at district level	0 (2019)	0	3	3	6		2.6 Project Third party monitoring report Field visit reports Number of events organized by the association for lessons learning Lessons Learning Report	2.6 Twice a year	2.6 Project progress/annual report	

Output 1.1 Strengthened Local authorities' capacities to respond to community needs for services in an inclusive and accountable manner.	1.1.1: Number of gender-responsive District Capacity Development Plans [developed/implemented] with support of District Facilitation Teams with support of the EU-funded intervention	0 (2019)	0	30	40	40	1.1.1 Project Gender-responsive = with targets in terms of minimum women participation and introduction of gender-mainstreaming modules	UNDP reports	Low turnover of government and local authorities staff (trained)	1.1.1 Twice a year	1.1.1 Project progress/annual report
	1.1.2: Number of Sub-District Committees (or equivalent) in target areas that are connected to district authorities through formal arrangements for managing service delivery and conflict resolution	0 (2019)	30% of total # of sub-districts in target areas	50% of total # of sub-districts	70% of total # of sub-districts	70% of total # of sub-districts	1.1.2 Project Field visits by monitoring agent Baseline = SDCs set up by (ERRY)	UNDP reports		1.1.2 Twice a year	1.1.2 Project progress/annual report
	1.1.3: Number variation of average attendance rate of staff working in district authority offices	0 (2019)	0.1	0.25	0.5	+50% compared to baseline attendance	1.1.3 District Authorities. Administrative data (civil servants & temporary staff working at least half-time) DA offices limited to: Diwan, DEO, D-SEOs (Education, Health, Water, Public Works) Baseline to be calculated in selected districts Risk: attendance rates not honestly reported.			1.1.3 Twice a year	1.1.3 Project progress/annual report
	1.1.4 Percentage of women and youth [18-35] among participants of training activities of the project with increased knowledge/skills, disaggregated by sex, age.	N/A (2019)	(i) 10%	(i) 20% (w,y)	(i) 30% (w,y)	(i) 30% (w,y)	1.1.4 Project Monitoring agent reports based on pre-post training tests	UNDP reports		1.1.4 Per training organised	1.1.4 Project progress/annual report
	1.1.5: Percentage of District Authorities with fully functional Women's Affairs Units	Tbd (RLGD=7%) (2019)	20%	40%	60%	60%	1.1.5 Project Functionality criteria to be identified (staffing, budget, services)	UNDP reports		1.1.4 Twice a year	1.1.4 Project progress/annual report
Output 1.2 Improved capacities of public services providers for	1.2.1: Percentage of women seating in representative structures (Sub-district Committees, District Recovery Platforms)	Tbd (2019)	10%	15%	20%	20%	2.1.1 Project Percentage calculated as one single figure (cumulative for 3 types of bodies)	UNDP reports	The maintenance of rehabilitated infrastructure is ensured. Staff trained continue to serve in current/ similar	2.1.1 Twice a year	2.1.1 Project progress/annual report

scaling up the reach out to the most vulnerable.	1.2.2: Number of gender-responsive recovery plans (a) for service delivery (district), (b) for local economy (governorate), [developed/amended/adapted/implemented] with support of the EU-funded intervention	(a) 8, (b) 0 (2019)	(a) 8 (b) 0	(a) 30 (b) 5	(a) 40 (b) 8	2.1.2 Project Plans for (a) developed by DRPs and approved by District Director and (b) developed by Governorate Economic Committee and approved by Governor Baseline (a) : ERRY plans	position Transparent and efficient disbursement of funding processes followed (LR2F).	2.1.2 Twice a year	2.1.2 Project progress/annual report
	1.2.3. Number of local authorities' representatives trained in capacity and development educational planning with increased capacities with support of the EU-funded intervention, disaggregated by sex, type of local authorities, specific topic of the training					2.1.3 Project Training Reports based on pre-post training tests		2.1.3 Per training organised	2.1.3 Project progress/annual report
	1.2.4 Number of community-, district- and governorate-level projects funded via the LR2F	0 (2019)	tbd	tbd	tbd	2.1.4 Project Budget/disbursement schedule		2.1.4 Per disbursement	2.1.4 Project progress/annual report
	1.3.1. Percentage of Governorate Authorities satisfied with policy and technical support provided by central government with support of the EU-funded intervention.	N/A (RLG D: 33%) (2019)	40%	50%	60%	3.1.1 Survey MoLA, UNDP. GAS include: diwan, GEO and 5 G-SEOS (health, education, water, agriculture, public works)		3.1.1 Once a year (via baseline and endline)	3.1.1 Project progress/annual report
Output 1.3 Strengthened central-local and horizontal relations between local governance stakeholders	1.3.2. Number of dialogue events between local and central authorities producing policy recommendations with support of the EU-funded intervention	0 (2019)	1	2	2	3.1.2 Project reports & administrative data Policy recommendations must	Collaboration between different stakeholders is not hampered by external interferences and remain stable	3.1.2 Per event organised	3.1.2 Project progress/annual report
	1.3.3. Number of women's affairs units in targeted central administrations producing gender mainstreaming strategy notes, guidelines facilitation/support or tools with support of the EU-funded intervention	1 (2019)	1	2	4	3.1.3 Administrative data MoLA, MoPIC (Sanaa, Aden)		3.1.3 Twice a year	3.1.3 Project progress/annual report

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Output 2.1 Strengthened linkages/coo operation opportunities between MSMEs, private sector and MFIs involved in the value chains	1.3.4. Percentage of Yemeni women among local governance representatives at international peer exchange events organised with support of the EU-funded intervention	0 (2019)	10%	20%	20%	20%	3.1.4 Administrative data	UNDP.		3.1.4 Project progress/annual report
	2.1.1: Number of persons with developed capacities on business and technical skills and applied skills for income generation and employment prospects (disaggregated by sex, age) with support of the EU-funded intervention	0 (2019)	1000 (40% women and youth)	1500 (40% women and youth)	500 (40% women and youth)	3000 (40% women and youth)	4.1.1 Project Training Reports based on pre-post training tests	SMEPs. reports	MFIs are willing to finance MSMEs plans MSMEs staff turnover is low	4.1.1 Project progress/annual report, Training Reports
	2.1.2: Number of local MSMEs and producer groups in priority sectors supported by the EU-funded intervention, disaggregated by age and gender of owner, including number of new MSMEs established.	0 (2019)	1000 (40% women and youth)	1500 (40% women and youth)	500 (40% women and youth)	3000 (40% women and youth)	4.1.2 Project Field visits by Project Team Third Party Monitoring Report Micronarrative Longitudinal Case Studies	SMEPs. reports	The dialogue between MFIs and MSMEs remain stable and private sector is consulted throughout	4.1.2 Project progress/annual report
	2.1.3. Number of long-term jobs and employment supported/sustained by the EU, disaggregated by age and gender of the employee (EU RF 2.12)	0 (2019)	2000 (SMEs are defined by at least 2-3 people employed)	3000 (SMEs are defined by at least 2-3 people employed)	1500 (SMEs are defined by at least 2-3 people employed)	6500 (jobs-disaggregated by Gender)	4.1.3 Project Field visits by Project Team Third Party Monitoring Report Gender Marker report Impact Assessment Report	SMEPs. reports		4.1.3 Project progress/annual report
	2.1.4 Number of business advisory support center established, generated income by supporting MSMEs with support of the EU-funded intervention	0 (2019)		1(District)	1(District)		4.1.4 UNDP, SMEPs. Field visit by Project Team Third Party Monitoring Report Project Reports			4.1.4 Project progress/annual report
Output 2.2 Increased and de-risked access to financial services for economic agents in promising value chains	2.2.1: Number of gender sensitive market facilities or infrastructures improved/rehabilitated with support of the EU-funded intervention	0 (2019)	25	40	35	100	UNDP Project reports, Sub-project reports, Gender Marker Report, Impact Assessment Report	MFIs are willing to finance MSMEs plans. MSMEs staff turnover is low.	Project progress/annual report	
	2.2.2 N° of beneficiaries with access to financial services with EU support: a) firms, b) individuals (EU RF2.13)	0 (2019)	tbd	tbd	tbd	tbd	UNDP and FSAC, Project Reports, Market Monitoring Report, Market Survey Report, Commodity Survey Report	The dialogue between MFIs and MSMEs remain stable and private sector is consulted throughout. Transparent and efficient	Project progress/annual report	

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2.2.3 MSMEs/business associations receiving credit with support of the EU-funded intervention, disaggregated by sex of MSME owner	0 (2019)	tbd	tbd	tbd	tbd	UNDP, Project Report, Third party monitoring report, Field visit reports, Number of events organized by the association for lessons learning, Lessons Learning Report	disbursement of funding processes followed (LR2F).	Per disbursement	Project progress/annual report
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VI. MONITORING AND EVALUATION

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

Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners	Cost*
Baseline Setting	Collect baseline figures for RRF indicators not readily available at the time of Project design and requiring research/survey inputs	Once (first quarter)	All indicators will have baseline value by Month 3 of Project, unless specified differently	UNDP SFD STC SMEPS	
Track results progress	Progress data against RRF indicators will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Six-monthly.	Slower than expected progress will be addressed by project management.	UNDP SFD, PWP STC, SMEPS	
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.	UNDP SFD, PWP STC, SMEPS	
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	Twice a year	Relevant lessons are captured by the project team and used to inform management decisions.	UNDP SFD, PWP STC, SMEPS	
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify strengths and weaknesses and to inform management to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to improve project performance.	UNDP	
Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.	UNDP	
Project Report	A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk log with mitigation measures, and any evaluation or review reports prepared over the period.	Annually, and at the end of the project (final report)		UNDP	
Project Review (Project	The project's governance mechanism (i.e., project board) will hold	Twice per year	Any quality concerns or slower than expected		

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Board)	regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.		progress should be discussed by the project board and management actions agreed to address the issues identified.	UNDP
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* The budget, including M&E budget, is presented in Annex III – Budget of the Action. This includes salaries of UNDP M&E staff, third-party monitoring and M&E publications.

Evaluation Plan

Evaluation Title	Partners (if joint)	Related Strategic Plan Output	UNDAF/CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Source of Funding*
Final Project Evaluation			1	December 2022	Government of Yemen UNDP EU, donors	
Final Review			1	February 2023	Government of Yemen UNDP EU, donors	

* The budget, including the Evaluation budget, is presented in Annex III – Budget of the Action.

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VII. ACTIVITY MATRIX

A detailed implementation plan will be defined during the inception phase.

PROJECT OUTPUT	PLANNED ACTIVITIES ⁵⁵	YEAR 1	YEAR 2	YEAR 3	RESPONSIBLE PARTY	BUDGET DESCRIPTION
OUTPUT 1.1 <i>Strengthened Local authorities' capacities to respond to community needs for services in an inclusive and accountable manner.</i> <i>Gender marker: 2</i>	1.1.1 Governorate authorities have the capacities, tools and incentives to provide better technical guidance and capacity development to district authorities. <ul style="list-style-type: none"> Update and customize training and coaching materials on public expenditure management used in previous UNDP/MoLA Projects. Establish and train District Facilitation Teams. Women and youth: <ul style="list-style-type: none"> Train DFTs on gender-sensitive and youth-sensitive approaches to capacity development and gender/youth-based analysis. Support development of specialized curricula resources on promoting women and youth roles in decision-making. 	X	X	X	UNDP	Consultants, Travel, Professional Services, Workshops/Training
	1.1.2. Linkages between district authorities and communities are strengthened through the activation of representative Sub-District Committees. <ul style="list-style-type: none"> Establish and train Sub-District Committees through networking of community-based structures (VCCs, neighbourhoods committees) on participatory planning and service delivery monitoring. Train local CSOs on Yemeni local governance system, participation methods, vulnerability analysis and civil society roles in local governance (advocacy, watchdog, policy initiative). Training SDCs, local authorities, tribal structures and CSOS on conflict prevention, conflict resolution and conflict-sensitive planning. Conduct participatory conflict scans (where not yet done) Women and Youth <ul style="list-style-type: none"> Raise awareness on the roles of women and youth for conflict resolution and social cohesion Train women and youth members in SDCs for leadership and communications Prioritize women / youth CSOs for conflict management training 	X	X	X	UNDP SFD	Consultants, Travel, Professional Services, Workshops/Training, Equipment, Grants

⁵⁵ A more detailed implementation timeline will be discussed and decided upon during the Inception Phase, when the ramifications of the Covid 19 pandemic in Yemen, especially its impact on implementation modality and required time by UNDP and RPs/IPs, can be mapped out in detail.

<p>OUTPUT 1.2</p> <p><i>Improved capacities of public services providers for scaling up the reach out to the most vulnerable.</i></p> <p><i>Gender marker: 2</i></p>	<p>1.1.3. District authorities are more capable of performing regular public expenditure management functions in a participatory and transparent manner.</p> <ul style="list-style-type: none"> • District-level capacity assessments, including for PEM cycle, and production of District Capacity Development Plans (CDPs) target to district authorities, including district councils. • Establish District Core Teams • Implementation of DCDPs (training, mentoring) by DFTs and DCTs. • Strengthening of data management systems (incl. ICT) in district authorities • Micro-grant and coaching to local CSOs to pilot social accountability initiatives methods on service delivery and revenue management. <p><i>Women and youth:</i></p> <ul style="list-style-type: none"> • Support gender and age disaggregation of district statistics. • Institutional and capacity-building support to Women's Affairs Units and women staff in district Diwans • Introduction of gender-based analysis and gender-based planning tools in SEOs. • Gender/youth/vulnerability focus in social accountability initiatives focus <p>1.1.4. District authorities manage their human and financial resources more efficiently and accountably.</p> <ul style="list-style-type: none"> • Diagnostics on public financial management and human resource management in district authorities. • Local revenue diagnostics, including revenue potential, collection efficiency, transparency, social equity, development impact, and citizens' perceptions. • Adoption of District Accountability Improvement Plans (DAIPs) with district authorities and implementation. • Technical support for increasing accountable and equitable local revenue generation. • Support to Projects Units at to enhance project design and procurement. • Support resumption of COCA operations in target governorates. <p><i>Women and youth:</i></p> <ul style="list-style-type: none"> • Prioritize women staff for training opportunities • Develop induction courses for young recruits into district authority offices. • Promote women-friendly recruitment methods and working environments in district authorities. 	X	X	X	UNDP	Consultants, Professional Services, Workshops/Training, Equipment
	<p>1.2.1 Pathways for resilience and recovery of basic and social services are identified by inclusive local platforms and reflected in annual plans</p> <ul style="list-style-type: none"> • Help establish and/or strengthen District Recovery Platforms (DRPs), gathering representatives of Sub-District Committees, DCTs and key sectors of society (civil society, private sector, tribal leadership, independent experts). • District service delivery audits for key sector areas with the participation of DRPs leading to action plans to relieve bottlenecks on inclusiveness and effectiveness of service delivery. • Support to DRPs to prepare 3-year District Resilience & Recovery Plans (D2RPs) detailing investment and capacity-building requirements for key sectors, with priorities for immediate funding. • Support regular district annual planning and budgeting aligned with D2RPs. <p><i>Women and youth:</i></p> <ul style="list-style-type: none"> • Provide leadership and communications training to DRP women & youth. • Focus service delivery audits on vulnerability and marginalization issues. • Use of gender-based and youth-based result targets in all recovery plans 	X	X	X	SDF	Consultants, Professional Services, Workshops/Training

<p>1.2.2. Key sustainable development dimensions (local economic recovery, resilient urbanization) are considered by local authorities and initial actions taken in line with the SDGs.</p> <ul style="list-style-type: none"> • Raise awareness and pilot SDG localization approach in governorate planning. • Establish Governorate Economic Recovery Committees (GERCs) with Governorate Authorities (Planning, Trade & Industry), Chambers of Commerce & Industry, financial institutions, business associations and train on LER theory and planning. • Conduct diagnostics on local economy, business environment and productive sectors, including needs of MSMEs and producer groups (in partnership with Pillar 1). • Support GERC to adopt LER Action Plan and select priority projects for funding. • Establish Urban Planning & Management Committees (UPMCs) with Governorate Authorities (Planning, Public Works), District authority, National Authority for Land Survey and Urban Planning, private sector, neighbourhood committees and CSOs. • Conduct urbanization diagnostic (using UN-HABITAT City Profile methodology) in 3 cities where not yet available. • Support UPMCs to prepare Resilient Urbanization Action Plans and select priority projects for funding. • Technical support to long-term urban planning including master plans, zoning plans and infrastructure development plans. <p><i>Women and youth:</i></p> <ul style="list-style-type: none"> • Inclusion of women and youth entrepreneurs in LER planning exercise; establishing specific targets for women & youth businesses in LED plans. • Prioritize women and child / youth-friendly spaces in urban growth rapid interventions and urban planning. 	<p>1.2.2. Key sustainable development dimensions (local economic recovery, resilient urbanization) are considered by local authorities and initial actions taken in line with the SDGs.</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>UNDP SFD PWP</p>	<p>Consultants, Professional Services, Workshops/Training Travel, Services, Workshops/Training</p>
<p>1.2.3. Multi-purpose local recovery supports the implementation of local priorities.</p> <ul style="list-style-type: none"> • Establish the Local Resilience & Recovery Funds (L2RF) and finalize SOPs & allocation formulas with the Project Board • Release funds through the various windows at governorate and district level based on priorities identified through participatory planning exercises (see AR 2.1 and 2.2.) • Sub-grant project implementation and monitoring. • Strengthen capacities of district authorities for donor coordination <p><i>Women and youth:</i></p> <ul style="list-style-type: none"> • Supporting women and youth participation in decision-making on LRF priorities and grant project implementation. 	<p>1.2.3. Multi-purpose local recovery supports the implementation of local priorities.</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>UNDP SFD PWP</p>	<p>Consultants, Professional Services, Workshops/Training, Grants Travel, Services, Workshops/Training</p>
<p>1.2.4. Integrated support to restoring education services in affected communities helps restore livelihoods, stability and social cohesion.</p> <ul style="list-style-type: none"> • Develop capacities on educational planning for local authorities, with an emphasis on collaborative planning, design and implementation with key local stakeholders of local education • Provide integrated support to restoring education services in affected communities, with an emphasis on restoring livelihoods, stability and social cohesion. • Rehabilitate classrooms, WASH facilities, school furniture, distribution of school supplies, training of school personnel on safety and risk management, and back-to-school campaigns for enrolment. • Support school children well-being through teacher training, child protection activities, psycho-social and rehabilitative support to children with special needs. • Support the education system: capacity building for local and national education stakeholders including local authorities, school management, parents' associations and the ministry of education (MoEDU). 	<p>1.2.4. Integrated support to restoring education services in affected communities helps restore livelihoods, stability and social cohesion.</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>To be selected</p>	<p>Professional Services</p>

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OUTPUT 1.3 <i>Strengthened central-local and horizontal relations between local governance stakeholder</i> <i>Gender marker: 2</i>	1.3.1. Regulatory and administrative measures needed to restore functional central-local relations are taken. <ul style="list-style-type: none"> In-depth diagnostic on inter-governmental relations (district / governance / central) in order to identify critical bottlenecks for a more effective and crisis response-oriented relationship, especially for policy, capacity development, oversight, human & financial resources management aspects. Facilitate central-local dialogue to implement rapid measures relieving identified bottlenecks in intergovernmental relations. Increase connectivity between local authorities and central government through appropriate e-solutions. 	X	X	X	Consultants, Professional Services, Workshops/Training
	1.3.2. Capacities of key central authorities to support the resilience of local governance system strengthened. <ul style="list-style-type: none"> Training and capacity development to MoLA & MoPIC in particular for policy development, crisis response, oversight and technical support to local authorities, and monitoring. Support initiatives promoted by local platforms, national stakeholders and the OSESGY to discuss post-conflict local governance & decentralisation. <i>Women and youth:</i> Conduct training programmes on gender and youth mainstreaming in local governance for central ministry staff. Provide logistical & technical support to ministerial women's affairs units	X	X	X	Consultants, Professional Services, Workshops/Training, Equipment
	1.3.3. Platforms of local governance actors, including local authorities, are fostered, strengthened and connected to international peer support networks. <ul style="list-style-type: none"> Strengthen inter-district coordination and cooperation for service delivery, LED and social cohesion projects. Support and train sub-regional / national platforms of local governance actors for sharing experience and building joint policy platforms, including between LER/LED actors. Support cooperation with the UCLG-MEWA. Support South /South Exchanges with countries successfully transitioned into more effective post-conflict local governance systems. <i>Women and youth:</i> Prioritize women & youth participation in platforms and peer exchange	X	X	X	Consultants, Professional Services, Workshops/Training
	2.1.1 Enhanced business and life skill development on value chain approach for medium and long terms income generation and employment prospects: <ul style="list-style-type: none"> Review and update value chain analysis of promising sectors (honey, fisheries, livestock, coffee, horticulture and waste to energy). Identification of maximum three promising sectors for interventions. Need based business skills capacity building by SMEPs for targeted individuals through certified trainers. Promotion of women and youth's engagement in the capacity development of business skills. 	X	X	X	Contractual Services – Companies, Learning Costs, Travel, Workshops/Training
OUTPUT 2.1 <i>Strengthened linkages/cooperation opportunities between MSMEs, private sector and MFIs involved in the value chains</i> <i>Gender marker: 2</i>	2.1.2 Improved networks of producers (MSMEs), private sectors and microfinance institutions to strengthen the existing value chain association at district level. <ul style="list-style-type: none"> Selection of existing business associations. Technical support to the associations (training and consultancy support) and development of business proposal/ plans by the associations. Provision of financial grants through financial service providers to the business advisors (BAs). Networking events for business associations for the income generation activities. Organization of exposure visits for cross exchange and learning for MSMEs, MFIs and private sectors. 	X	X	X	Contractual Services – Companies, Travel, Learning Costs

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<p>HG</p>	<p>2.1.3. Enhanced business advisory support and assistance to MSMEs to improve business continuity, risk management, marketing and expansion of business.</p> <ul style="list-style-type: none"> • Selection of technical consultants/ business advisors in each targeted district. • Development of group of MSMEs and allocation of business advisors as per the value chain sector for mentoring, coaching and technical assistance. • Explore the possibility to establish Business Advisory Resource Center (BARC). 	X	X	X	UNDP SMEPs	Contractual Services – Companies, Equipment, Learning Costs
<p>OUTPUT 2.2</p> <p><i>Increased and de-risked access to financial services for economic agents in promising value chains</i></p> <p><i>Gender marker: 2</i></p>	<p>2.2.1 Reconstruction of market facilities and infrastructures have improved access and services for MSMEs and private sectors to improve productivity</p> <ul style="list-style-type: none"> • Organizing meeting with SFD/PWP and district authority to access fund for the market infrastructure rehabilitation. • Identification of skilled and unskilled individuals for market rehabilitation for emergency employment. • Identification of market centers at sub-district, district and governorate levels to be rehabilitated • Capacity building of private sectors and MSMEs on Occupational Health and Safety (OHS) to ensure mitigation of any potential hazard incidence. • Provision of grant from district fund and SMEPs grant facility through banks for market rehabilitation. <p>2.2.2 Improved access to microfinance services (capital and grant) for the recovery of micro, small and medium enterprises with good potential for job creation and income generation</p> <ul style="list-style-type: none"> • Identification of microfinance institutions (MFIs) in the targeted location. • Establishment of grant and loan facility support provision by the SMEPs. • Development of business proposals for the selected value chain sectors by the targeted individuals and review by advisory committee⁵⁶. • Selection of business proposals and provision of loan and grant through existing system to targeted individuals for MSMEs establishment. 	X	X	X	UNDP SMEPs	Contractual Services – Companies, Travel, Grants, Workshops/Training, Learning Costs
		X	X	X	UNDP SMEPs	Contractual Services – Companies, Travel, Workshops/Conferences, Grants

⁵⁶ ISdB and SILATECH will be consulted to create synergies and complementarities.

APPENDIX A: The Local Resilience & Recover Fund (L2RF)

The Local Resilience & Recover Fund (L2RF) will make available to local stakeholders at district and governorate level, funding that is:

- Discretionary: final distribution of the different block grants between specific local projects is done by local actors, not by UNDP or its donors.
- Partly on-budget: The L2RF will fund also projects that are part of the regular district annual plan and budget adopted by district authorities.
- Multi-thematic: The L2RF is organized in 5 windows (see Figure 3) covering different geographical socio-economic recovery needs (including emergency responses to health emergencies, including pandemics such as pandemics).
- Multi-recipient: The L2RF can fund projects implemented by local authorities, communities, CSOs or the private sector – or a coalition of these different actors.
- Multi-purpose: L2RF grants should be used primarily for investment costs (80%) but 20% can also be used for operational costs (except civil service salaries).
- All-of-district: The L2RF can be utilized for projects in any parts of a district – it is not earmarked to specific sub-areas.
- Multi-year: each target district will receive a block grant from the LR2F for 3 years in a row.
- Equalized: block grant amounts to districts will be modulated to take into account their existing own resources so that districts with lesser revenues can receive larger amounts per capita, with the objective of lessening territorial inequalities.

The L2RF is divided into two sub-funds and 5 windows (see Fig. 3):

a) *District Sub-Fund*:

- District Block Grant (per capita formula)
- ⇒ Community solutions window: rehabilitation, expansion or construction⁵⁷ of service delivery infrastructure that benefits several villages / communities, with focus on WASH facilities and rural roads.
- ⇒ District service delivery window: rehabilitation, expansion or construction of service delivery infrastructure that benefit the population of several sub-districts.
- District authority logistics window (lump sum): to rehabilitate and re-equip offices of district authorities.

b) *Governorate Sub-Fund*

- Urban resilience window (lump sum): technical support (e.g. urban planning, urban monitoring) and infrastructure projects supporting better control and management of urban expansion, reducing disaster risk for newly-built areas and urban pollution.
- Local economic recovery window (lump sum): technical support, equipment or infrastructure projects (e.g. markets, industrial zones) increasing the capacity of local authorities to foster economic recovery in partnership with the private sector.
- Governorate authority logistics window (lump sum): to rehabilitate and re-equip offices of district authorities.

District block grants will absorb most of the funding available through the L2RF and will be based on a formula that guarantees for each district an allocation aligned with its needs. The basic allocation will be equal to 4 USD/capita⁵⁸ onto which various reducing or increasing coefficients will be applied based on: extent of conflict damage, share of IDPs among the total district population, degree of remoteness and existing (i.e. state-funded) investment budget per capita. The final formula will be adopted by the Project Board at its first meeting. The Project Board will also be able to revise the formula annually and, if relevant and useful, may also consider adding a criterion related to the district's performance in appropriating and implementing the previous year's grant. Conversely, all other windows of the L2RF will release funds to districts and governorates based on a standard lump sum. Standard Operating Procedures for all steps in the

⁵⁷ Construction of new infrastructure will only be funded in areas with low conflict intensity and where funds for maintenance and operations are guaranteed from state and non-governmental sources.

⁵⁸ This amount is based on an estimation (according to global standards) that a minimum of 6 USD/capita are needed for the recovery of conflict-affected societies. Considering that in average (based on RLGD results), district authorities avail investment budgets of about 2 USD/capita, the L2RF will fund the missing 4 USD.

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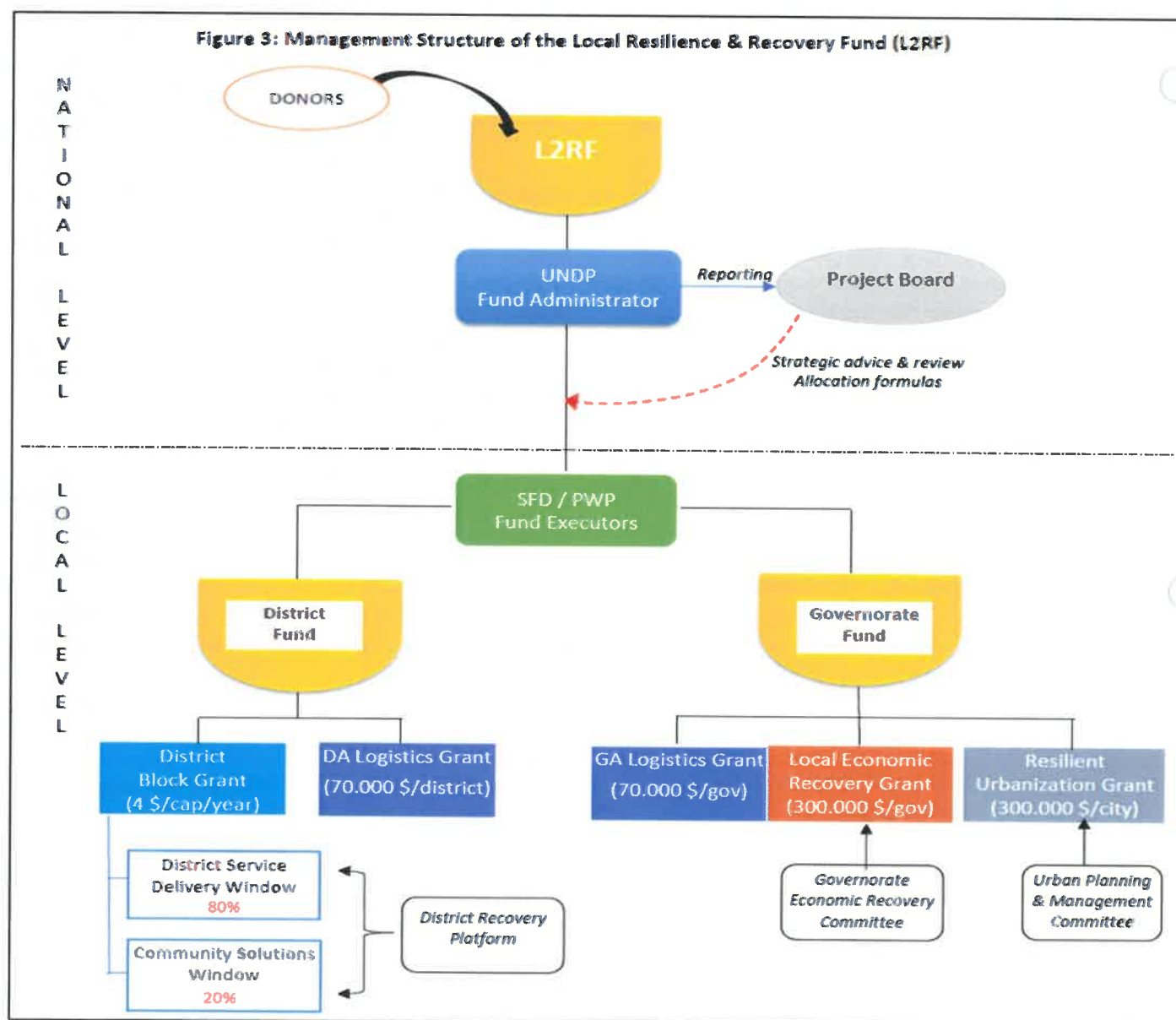
release and execution of grant funds issued through the D2RF will be developed by UNDP.

In the first year of the Project, to avoid delaying disbursements and grant project delivery due to the time needed to put in place the L2RF governance and conduct local planning with the DRPs, a fast-track process will be followed. SIERY will directly fund already prioritized projects (in district annual plans prepared by local authorities and/or prioritized through other existing donor projects (e.g. Sub-District Recovery Plans in SFD's Tamkeen; GIZ Governorate Plans)). Given the fast-track modality used in this first year, and the need to ensure a strategic utilization of funds, only half the proposed basic amount for the annual district block grant (2 USD/capita instead of 4 USD) will be awarded.

Grants released through the L2RF will be executed by the SFD, PWP or other responsible parties having fulfilled UNDP HACT requirements.

Finally, though this Activity Result, the Project will also support Yemeni authorities at governorate and district levels strengthen up their aid coordination capacities and system in order to attract more donor funding towards priorities identified through the L2RF windows.

Figure 3: Management Structure of the Local Resilience & Recovery Fund (L2RF)



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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 19 or when the Organisation repays any amounts paid in excess of the final amount due pursuant to Article 20. If any of the Parties invokes a dispute settlement procedure in accordance with Article 14, the End Date shall be postponed until the completion of such procedure.
- Final Administrative Decision:** a decision of an administrative authority having final and binding effect in accordance with the applicable law.
- 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.
- Grant Beneficiary:** a natural or legal person to whom a Grant has been awarded. Grant Beneficiaries can sub-grant and procure for the implementation of their activities.

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, 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.

Indicator:

the quantitative and/or qualitative factor or variable that provides a simple and reliable means to measure the achievement of the Results of an Action.

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.

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 likely or achieved short-term and medium-term effects of an Action's Outputs.

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 or Outcome of an Action.

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**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.

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.

Responsibility

- 2.2 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.
- 2.3 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 of irregularities and fraud detected in the management of the EU Contribution and the measures taken. 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

- 2.4 The Organisation undertakes to ensure that the obligations stated in this Agreement under Articles 2.6, 5-Conflict of interests, 7-Data protection, 8-Communication and Visibility, 16-Accounts and archiving and Article 17-Access and financial checks apply, where applicable, to all Contractors and Grant Beneficiaries.

- 2.5 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 pillar assessment undergone by the Organisation 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 13.3.
- 2.6 The Organisation shall promote the respect of human rights and respect 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.
- 2.7 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.

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 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.
- 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 achievement of its Results (Outcomes or Outputs) as measured by corresponding Indicators. The report shall be drafted in such a way as to allow monitoring of the objective(s), 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.
- 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.

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 including reporting of Results achieved by the Action (Outcomes or Outputs) as measured by their corresponding Indicators, 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 the implementation of the Visibility and Communication Plan (Annex VI) and any additional measures taken to identify the EU as source of financing;
 - 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 webpage where, according to Article 22.1, information on Grant Beneficiaries and Contractors is available;
 - e) if relevant, details of transfers of equipment, vehicles and remaining major supplies mentioned in Article 9;
 - 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 Conditions¹. 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. Progress reports shall be submitted within sixty (60) days after the period covered by such report. 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 VII, unless Article 1.5 of the Special

¹ By default, the reporting period is every 12 months as from the commencement of the Implementation Period.

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Conditions states that an annual management declaration shall be sent 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

- 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 management declaration and the 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 3 of the Special 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 13, 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.

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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: Data Protection

The Organisation shall ensure an appropriate protection of personal data in accordance with its applicable Rules and Procedures. Personal data shall be:

- processed lawfully, fairly and in a transparent manner in relation to the data subject;
- collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes;
- adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed;
- accurate and, where necessary, kept up to date;
- kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the personal data are processed; and
- processed in a manner that ensures appropriate security of the personal data.

Article 8: Communication and visibility

- 8.1 The Organisation shall implement the Communication and Visibility Plan detailed in Annex VI.
- 8.2 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. Information given to the press and to the Final Beneficiaries, as well as all related

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publicity material, official notices, reports and publications shall acknowledge that the Action was carried out "with funding by the European Union" and shall display the EU logo (twelve yellow stars on a blue background) in an appropriate way. Publications by the Organisation pertaining to the Action, in whatever form and whatever medium, including the internet, shall carry the following disclaimer: "This document was produced with the financial assistance of the European Union. The views expressed herein can in no way be taken to reflect the official opinion of the European Union." Such measures shall be carried out in accordance with the Communication and Visibility Requirements for EU External Action² published by the European Commission, or with any other guidelines agreed between the European Commission and the Organisation.

- 8.3 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 logo (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 logo 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.
- 8.4 If, pursuant to Article 9.5, 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 this equipment, vehicles or major supplies (in particular display of the EU logo) 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 9.6, the visibility requirements shall continue to apply as long as the relevant equipment, vehicles or remaining major supplies are used by the Organisation.
- 8.5 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 internet sites, the name and address of the Organisation, the purpose and amount of the EU Contribution.
- 8.6 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.
- 8.7 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.

Article 9: Right to use results and transfer of equipment

Right to use

- 9.1 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.

² Communication and Visibility in EU-financed external actions – Requirements for implementing partners (Projects), available at: https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf

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- 9.2 Where the results mentioned in Article 9.1 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

- 9.3 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.
- 9.4 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 16.2.
- 9.5 By way of derogation from Article 9.3, 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.
- 9.6 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.

Article 10: Monitoring and evaluation of the Action

- 10.1 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.
- 10.2 Article 10.1 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.

- 10.3 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.
- 10.4 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 11: Amendment to the Agreement

- 11.1 Without prejudice to Articles 11.3 to 11.7, any amendment to this Agreement, including its annexes, shall be set out in writing in an addendum signed by both Parties. This Agreement can only be amended before the End Date.
- 11.2 The requesting Party shall request in writing any amendment 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 notify its decision regarding the amendment proposed in due time and in any case no later than thirty (30) days after the date when the amendment request was received.
- 11.3 By way of derogation from Articles 11.1 and 11.2, where an amendment to Annex I and/or Annex III does not affect the main purpose of the Action, such as its objectives, strategy and priority areas, 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 a written addendum) 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.
- 11.4 The method described in Article 11.3 shall be used neither to amend the contingency reserve, the rate for remuneration, nor the agreed methodology or fixed amounts/rates of simplified cost options.
- 11.5 The Organisation may, in agreement with the Contracting Authority, change 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 purpose of the Action, without the need for a formal addendum to the Agreement.
- 11.6 The Organisation may, in agreement with the European Commission, amend Annex VI without the need for a formal addendum to the Agreement.
- 11.7 Changes of address and of bank account shall be notified in writing to the Contracting Authority. Where applicable, changes of bank account must be specified in the request for payment, using the financial identification form attached as Annex IV.

Article 12: Suspension

Suspension of the time limit for payment

- 12.1 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

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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.

- 12.2 In the situations listed in Article 12.1, 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

- 12.3 The Contracting Authority may suspend the implementation of the Agreement, fully or partly, if:
- a) the Contracting Authority has proof that irregularities, fraud or breach of substantial obligations have been committed by the Organisation in the procedure of its selection, in its pillar assessment or in the implementation of the Action;
 - b) the Contracting Authority has proof that irregularities, fraud 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 or breaches of obligations under other agreements funded by EU funds provided that those irregularities, fraud or breaches of obligations have a material impact on this Agreement.
- 12.4 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 13.2, 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

- 12.5 The Organisation may decide to suspend the implementation of all or part of the Action if exceptional or 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.
- 12.6 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.
- 12.7 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 12.5 and 12.6 prevent it from fulfilling said obligations, and provided it takes any measures to minimise any possible damage.
- 12.8 In the situations listed in Articles 12.5 and 12.6, 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 13.3. 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 13: Termination

- 13.1 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) has committed fraud, corruption or any other illegal activity to the detriment of the EU's financial interests on the basis of proof in the possession of the Contracting Authority;
 - f) fails to comply with the reporting obligations in accordance with Article 3.15;
 - g) has committed any of the failings described in Article 12.3 on the basis of proof in the possession of the Contracting Authority.
- 13.2 Before terminating the Agreement in accordance with Article 13.1, 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,

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the Contracting Authority may suspend the time limit for any payment in accordance with Article 12.2 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 20 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.

- 13.3 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 12.5 and 12.6, the unavoidable residual expenditures incurred during the notice period; and,
 - c) in the situations described in Articles 12.5 and 12.6, 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 15.

- 13.4 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 19. 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 14: Applicable law and settlement of disputes

- 14.1 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.
- 14.2 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 14.1 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.
- 14.3 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.

14.4 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 14.1 above, any dispute shall be settled by final and binding arbitration in accordance with the Permanent Court of Arbitration Optional Rules for Arbitration Involving International Organizations and States, 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 15: Recovery

- 15.1 Where an amount is to be recovered under the terms of the Agreement, the Organisation shall repay the amount due to the Contracting Authority.
- 15.2 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.
- 15.3 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 14;
 - 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.
- 15.4 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 19.6(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.
- 15.5 Where the European Commission is not the Contracting Authority, it may, if necessary, proceed itself to the recovery.

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- 15.6 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 16: Accounts and archiving

Accounting

- 16.1 The Organisation shall keep accurate and regular records and accounts of the implementation of the Action. The accounting Regulations and Rules of the Organisation shall apply to the extent that they ensure accurate, complete, reliable and timely information. Financial transactions and financial statements shall be subject to the internal and external auditing procedures laid down in the Regulations and Rules of the Organisation.

Archiving

- 16.2 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), if notified to the Organisation, has been disposed of, the Organisation shall keep and make available according to Article 17 all relevant financial information (originals or copies) related to the Agreement and to any Procurement Contracts and Grant agreements financed by the EU Contribution.

Article 17: Access and financial checks

- 17.1 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.
- 17.2 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.
- 17.3 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.
- 17.4 To that end, the Organisation undertakes to provide officials of the European Commission, OLAF 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, 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 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.
- 17.5 Where applicable, the desk reviews, investigations, on-the-spot checks and inspections referred to in Article 17.1 to 17.4 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 and the Organisation's anti-fraud bodies.

- 17.6 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.
- 17.7 Failure to comply with the obligations set forth in Article 17 constitutes a case of breach of a substantial obligation under this Agreement.

Article 18: Eligibility of costs

- 18.1 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 18.5;
 - 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.
- 18.2 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).
- 18.3 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.
- 18.4 The following costs are ineligible for EU financing:
- a) bonuses, provisions, reserves or non-remuneration related costs. Employers' contributions to pension or other insurance funds run by the Organisation may only be eligible to the extent they do not exceed the actual payments made by these schemes and that the amount provisioned does not exceed the contribution that could have been made to an external fund;
 - 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 9;

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- c) duties, taxes and charges, including VAT, that are recoverable/deductible by the Organisation;
- d) return of capital;
- e) debts and debt service charges;
- f) provision for losses, debts or potential future liabilities;
- g) banking charges for the transfers from and to the Contracting Authority;
- h) costs incurred during the suspension of the implementation of the Agreement except the minimum costs agreed on in accordance with Article 12.8;
- i) costs declared by the Organisation under another agreement financed by the European Union budget (including through the European Development Fund);
- j) contributions in kind. The cost of staff assigned to the Action and actually incurred by the Organisation is not a contribution in kind and may be declared as a direct eligible cost if it complies with the conditions set out in Article 18.1; and
- k) costs of purchase of land or buildings, unless otherwise provided in the Special Conditions.

Simplified cost options

- 18.5 Direct eligible costs may also be declared by using any or a combination of unit costs, lump sums and flat-rate financing.
- 18.6 The methods used by the Organisation to determine unit costs, lump sums or flat-rates shall comply with the principles provided in Articles 18.1, 18.2 and 18.4, 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.
- 18.7 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.
- 18.8 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.
- 18.9 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 19: Payments

- 19.1 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;
 - 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;

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- 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 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 20 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 12 or 13.
- 19.2 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 the Special 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 20. If the balance is negative, the payment of the balance takes the form of recovery.
- 19.3 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.
- 19.4 The Contracting Authority shall make payments in the Currency of the Agreement as specified in the Special Conditions to the bank account referred to in the financial identification form in Annex IV.
- 19.5 Payment arrangements for performance-based financing in accordance with Article 21 shall be set out in Article 4 of the Special Conditions and Annex I.

Late payment interest

- 19.6 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 19.1, 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 12 or 13 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 19.1. Any partial payment shall first cover the interest;

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- 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 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 months of it receiving late payment.

Article 20: Final amount of the EU Contribution

- 20.1 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 19 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 15 where the final amount of the EU Contribution is lower than the total amount already paid to the Organisation.
- 20.2 The final amount shall be the lower of the following amounts:
 - a) the maximum EU Contribution referred to in Article 3.1 of the Special Conditions in terms of absolute value;
 - b) the amount obtained after reduction of the EU Contribution in accordance with Article 20.3.
- 20.3 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 21: Performance-based financing

- 21.1 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 performance-based financing is not subject to Article 18. The relevant Results and the means to measure their achievement shall be clearly described in Annex I.
- 21.2 The amount to be paid per achieved Result shall be set out in Annex III. The method to determine the amount to be paid per achieved Result shall be clearly described in Annex I and take into account the principle of Sound Financial Management.
- 21.3 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.
- 21.4 Articles 3.7 f), 3.8 b) and 3.8 f) do not apply to the part of the Action supported by way of performance-based financing.

Article 22: Ex-post publication of information on Contractors and Grant Beneficiaries

- 22.1 The Organisation shall publish, on an annual basis, on its internet site, the following information on Procurement Contracts exceeding EUR 15.000 and all Grants financed by the EU Contribution: title of the contract/agreement/project, nature and purpose of the

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contract/agreement/project, name and locality of the Contractor or Grant Beneficiary and amount of the contract/agreement/project. The term "locality" shall mean the address for legal persons and the Region on NUTS³ 2 level, or equivalent, for natural persons. This information shall not be published in relation to education support paid to natural persons and other direct support paid to natural persons in most need. This information shall be published with due observance to the requirements of confidentiality security and in particular the protection of personal data. The publication shall be waived, if such disclosure risks threatening rights and freedoms as protected by the Charter of Fundamental Rights of the European Union or harm the commercial interests of the Contractors or Grant Beneficiaries.

- 22.2 The Organisation shall provide to the European Commission the address of the internet site where this information can be found and shall authorise the publication of such address on the European Commission's internet site.
- 22.3 Where the Action is a Multi-Donor Action and the EU Contribution is not earmarked, the publication of information on Contractors and Grant Beneficiaries shall follow the rules of the Organisation.

Article 23: Contracting and Early Detection and Exclusion System

Contracting

- 23.1 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.
- 23.2 The Organisation shall adopt reasonable measures, in accordance with its own Regulations and Rules, to ensure that potential candidates or tenderers and applicants shall be excluded from the participation in a procurement or grant award procedure and from the award of a Procurement Contract or Grant financed by the EU Contribution, if the Organisation becomes aware that these entities:
- a) or persons having powers of representation, decision making or control over them, have been the subject of a final judgement or of a Final Administrative Decision for fraud, corruption, involvement in a criminal organisation, money laundering, terrorist-related offences, child labour or trafficking in human beings;
 - b) or persons having powers of representation, decision making or control over them have been the subject of a final judgement or of a Final Administrative Decision for an irregularity affecting the EU's financial interest;
 - c) are guilty of misrepresentation in supplying the information required as a condition of participation in the procedure or if they fail to supply this information;
 - d) have been the subject of a final judgment or of a Final Administrative Decision establishing that the entities have created an entity under a different jurisdiction with the intention to circumvent fiscal, social or any other legal obligations of mandatory application in the jurisdiction of its registered office, central administration or principal place of business;
 - e) have been created with the intention described in point d) above as established by a final judgment or a Final Administrative Decision.

Early Detection and Exclusion System

³ Nomenclature of Territorial Units for Statistics, available at: <http://ec.europa.eu/eurostat/ramon>.

- 23.3 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 Article 23.2 or its own positively assessed Regulations and Rules, as applicable, or if it has detected a fraud and/or an irregularity pursuant to Article 2.3. 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.
- 23.4 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.
- 23.5 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 the information can be provided through the authorised persons or via consultation with the European Commission as referred in Article 5.6 of the Special Conditions⁴.

⁴ The Organisation shall be allowed to have direct access to the Early Detection and Exclusion System through an authorised person when the Organisation certifies to the Contracting Authority service responsible that it applies adequate data protection measures as provided in Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 or its successor, as applicable.

	Actions	Account Code	Budget Description	Total Nr of Units	Unit Value	Total budget	Nr of Units - Y1	Unit Value	Total value - YEAR 1
Budget Heading 1. Increased institutional and socio-economic resilience in targeted districts in Yemen						\$45,398,072.76			\$11,533,857.68
Heading 1.1: Strengthened Local authorities' capacities to respond to community needs for services in an inclusive and accountable manner.	Activity 1.1.1 Governorate authorities have the capacities, tools and incentives to provide better technical guidance and capacity development to district authorities					\$311,480.00			\$197,440.00
	1.1.1.1 Update and customize training and coaching materials on public expenditure management (from DSDLP)	71200	Consultants	1	\$27,600.00	\$27,600.00	1	\$27,600.00	\$27,600.00
		71600	Travel	20	\$150.00	\$3,000.00	20	\$150.00	\$3,000.00
		74100	professional services	1	\$20,000.00	\$20,000.00	1	\$20,000.00	\$20,000.00
	1.1.1.2 Establish and train District Facilitation Teams (4 TOTs per gov * 5 days each * 10 pax)	74100	Professional Services	4	\$5,400.00	\$21,600.00	2	\$5,400.00	\$10,800.00
		75700	Workshops / Training	72	\$2,000.00	\$144,000.00	32	\$2,000.00	\$64,000.00
	1.1.1.3 DFT training on gender-sensitive and youth-sensitive approaches (1 TOT 3 days for 10 pax per hub * 4 hubs)	74100	Professional Services	4	\$1,620.00	\$6,480.00	2	\$1,620.00	\$3,240.00
		71600	Travel	10	\$3,600.00	\$36,000.00	10	\$3,600.00	\$36,000.00
		75700	Workshops / Training	9	\$4,000.00	\$36,000.00	4	\$4,000.00	\$16,000.00
	1.1.1.4 Specialized curricula resources on promoting women and youth roles in decision-making	71200	Consultants	1	\$13,800.00	\$13,800.00	1	\$13,800.00	\$13,800.00
		71600	Travel	1	\$2,000.00	\$2,000.00	1	\$2,000.00	\$2,000.00
		74100	Professional Services	1	\$1,000.00	\$1,000.00	1	\$1,000.00	\$1,000.00
	Activity 1.1.2 :Linkages between district authorities and communities are strengthened through the activation of representative Sub-District Committees.					\$1,701,000.00			\$923,000.00
	1.1.2.1 Establish and train Sub-District Committees (district-level training for 2 days * 1 workshops for 50 people + SD level training for 10 people for 2 days)	71200	Consultants	60	\$800.00	\$48,000.00	30	\$800.00	\$24,000.00
		71600	Travel	2	\$96,000.00	\$192,000.00	1	\$96,000.00	\$96,000.00
		74100	Professional Services	2	\$32,000.00	\$64,000.00	1	\$32,000.00	\$32,000.00
		75700	Workshops / Training	2	\$231,000.00	\$462,000.00	1	\$231,000.00	\$231,000.00
	1.1.2.2 Train local CSOs on local governance system (1 workshop per district for 30 pax * 4 days)	71200	Consultants	30	\$800.00	\$24,000.00	10	\$800.00	\$8,000.00
		74100	Professional Services	3	\$32,000.00	\$96,000.00	1	\$32,000.00	\$32,000.00
		75700	Workshops / Training	80	\$4,000.00	\$320,000.00	40	\$4,000.00	\$160,000.00
	1.1.2.3 Training local actors on conflict-sensitive local governance (2 workshops per district for 20 pax * 3 days)	71200	Consultants	15	\$800.00	\$12,000.00	10	\$800.00	\$8,000.00
		71600	Travel	12	\$4,000.00	\$48,000.00	8	\$4,000.00	\$32,000.00
		74100	Professional Services	1	\$30,000.00	\$30,000.00	1	\$30,000.00	\$30,000.00
		75700	Workshops / Training	120	\$1,875.00	\$225,000.00	80	\$1,875.00	\$150,000.00
	1.1.2.4 Conduct participatory conflict scans (where not yet done)	74100	Professional Services	60	\$3,000.00	\$180,000.00	40	\$3,000.00	\$120,000.00
	Activity 1.1.3 :District authorities are more capable of assessing needs, planning, implementing and reporting on their achievements in a participatory and inclusive manner					\$1,643,170.00			\$1,057,710.00
	1.1.3.1 District-level capacity assessments by DFTs and production of District Capacity Development Plans (CDPs)	74100	Professional Services	1	\$116,000.00	\$116,000.00	1	\$116,000.00	\$116,000.00
		75700	Workshops / Training	40	\$1,000.00	\$40,000.00	40	\$1,000.00	\$40,000.00
	1.1.3.2 Establish and train District Core Teams (2 TOTs per DCTs * 10 pax*3 days, training by DFTs)	71600	Travel	2	\$48,000.00	\$96,000.00	1	\$48,000.00	\$48,000.00
		74100	Professional Services	2	\$36,000.00	\$72,000.00	1	\$36,000.00	\$36,000.00
	1.1.3.3 Implementation of DCDPs (training, mentoring) by DFTs and DCTs (3 workshops per district for 20 pax *2d + DFT/DCT incentives 10\$/day*10pax*30 days).	71600	Travel	3	\$11,250.00	\$33,750.00	1	\$11,250.00	\$11,250.00
		74100	Professional Services	3	\$107,500.00	\$322,500.00	1	\$107,500.00	\$107,500.00
		74100	Professional Services	1	\$180,000.00	\$180,000.00	1	\$180,000.00	\$180,000.00
	1.1.3.4 Strengthening of data management systems (incl. ICT) in district authorities .	75700	Workshops / Training	1	\$60,000.00	\$60,000.00	0	\$60,000.00	\$0.00
		72800	Information Technology Equipmt	60	\$3,000.00	\$180,000.00	40	\$3,000.00	\$120,000.00
	1.1.3.5 Support (technical, financial) to CSOs to pilot social accountability initiatives in 24 districts on service delivery and revenue management (3 CSO per governorate * 7000 \$)	74100	Professional Services	2	\$63,000.00	\$126,000.00	1	\$63,000.00	\$63,000.00
		72600	Grant	1	\$175,000.00	\$175,000.00	1	\$175,000.00	\$175,000.00
	1.1.3.6 Institutional and capacity-building support to Women's Affairs Units and women staff in district Diwans (1 WS for 50 pax per gov*3 d + equipment + coaching)	71600	Travel	2	\$38,400.00	\$76,800.00	1	\$38,400.00	\$38,400.00
		74100	Professional Services	2	\$10,560.00	\$21,120.00	1	\$10,560.00	\$10,560.00
		75700	Workshops / Training	16	\$4,000.00	\$64,000.00	8	\$4,000.00	\$32,000.00
		72200	Equipment	40	\$2,000.00	\$80,000.00	40	\$2,000.00	\$80,000.00
	Activity 1.1.4: District authorities manage their human and financial resources more efficiently and accountably.					\$1,130,200.00			\$626,700.00
	1.1.4.1 Support HNEC in the implementation of the election operational plan at the field level	71600	Travel	1	\$27,000.00	\$27,000.00	1	\$27,000.00	\$27,000.00
		74100	Professional Services	1	\$51,200.00	\$51,200.00	1	\$51,200.00	\$51,200.00
		75700	Workshops / Training	40	\$500.00	\$20,000.00	40	\$500.00	\$20,000.00
	1.1.4.2 Implementation of District Accountability Improvement Plans (DAIPs) (coaching)	71600	Travel	1	\$67,500.00	\$67,500.00	1	\$67,500.00	\$67,500.00
		74100	Professional Services	2	\$100,000.00	\$200,000.00	1	\$100,000.00	\$100,000.00
	1.1.4.3 Assessment of local revenue potential	71200	Consultants	40	\$800.00	\$32,000.00	40	\$800.00	\$32,000.00
		71600	Travel	1	\$3,000.00	\$3,000.00	1	\$3,000.00	\$3,000.00
		74100	Professional Services	1	\$108,000.00	\$108,000.00	1	\$108,000.00	\$108,000.00
	1.1.4.4 Training and mentoring for higher collection rate, transparency and acceptance of revenue collection, by DFTs & DCTs	71600	Travel	1	\$67,500.00	\$67,500.00	0	\$67,500.00	\$0.00
		74100	Professional Services	1	\$198,000.00	\$198,000.00	0	\$198,000.00	\$0.00
	1.1.4.5 Technical / logistical support to Project Units @ governorate level to enhance project technical design and costing.	75700	Workshops / Training	2	\$50,000.00	\$100,000.00	1	\$50,000.00	\$50,000.00
		72200	Equipment	1	\$80,000.00	\$80,000.00	1	\$80,000.00	\$80,000.00
		74100	Professional Services	2	\$18,000.00	\$36,000.00	1	\$18,000.00	\$18,000.00

Actions						
1.4.6 Support governorate-based COCA branches to conduct regular audits of district accounts.	74100	Professional Services	2	\$70,000.00	\$140,000.00	1
Sub-total Heading 1.1						
\$4,785,850.00						
\$2,804,850.00						
Activity 1.2.1 : Pathways for resilience and recovery of basic and social services are identified by inclusive local platforms and reflected in annual plans						
\$979,450.00						
\$735,725.10						
1.2.1.1 Establishing and training District Recovery Platforms (DRPs) with 20 pax each						
sectors)	75700	Workshops / Training	60	\$1,000.00	\$60,000.00	40
	72200	Equipment	60	\$1,000.00	\$60,000.00	40
	71600	Travel	20	\$1,012.50	\$20,250.00	10
	74100	Professional Services	1	\$18,000.00	\$18,000.00	1
1.2.1.2 District service delivery audits for key sector areas with the participation of DRPs (6						
sectors)	74100	Professional Services	1	\$360,000.00	\$360,000.00	1
	75700	Workshops / Training	1	\$60,000.00	\$60,000.00	1
	71600	Travel	1	\$13,500.00	\$13,500.00	1
	74100	Professional Services	1	\$72,000.00	\$72,000.00	1
1.2.1.3 Planning for 3-year District Resilience & Recovery Plans (D2RPs)						
1.2.1.4 Technical support to regular district annual planning and budgeting aligned with D2RPs.	74100	Professional Services	3	\$68,000.00	\$68,000.00	1
	75700	Workshops / Training	20	\$4,000.00	\$80,000.00	8
	71600	Travel	30	\$416.67	\$12,500.00	30
	74100	Professional Services	2	\$9,600.00	\$19,200.00	1
Activity 1.2.2 : Key sustainable development dimensions (local economy, resilient urbanization) are considered by local authorities and initial actions taken in line with the SDGs.						
\$893,040.00						
\$491,120.00						
1.2.2.1 Raise awareness on SDG localization and pilot in 4 governorates (2 events per gov*20 pax*3 days + international consultant)						
workshops * 4 days * 10 pax)	75700	Workshops / Training	2	\$40,000.00	\$80,000.00	1
	71600	Travel	1	\$6,000.00	\$6,000.00	1
	74100	Professional Services	1	\$9,600.00	\$9,600.00	1
	75700	Workshops / Training	2	\$32,000.00	\$64,000.00	1
1.2.2.2 LER: Establish & train Governorate Economic Recovery Committees (GERCs) (2						
days * 10 pax)	71600	Travel	2	\$2,000.00	\$4,000.00	1
	75700	Workshops / Training	2	\$32,000.00	\$64,000.00	1
	74100	Professional Services	2.5	\$19,200.00	\$48,000.00	1
	75700	Workshops / Training	2.5	\$7,200.00	\$18,000.00	1
1.2.2.3 LER: Diagnostics on local economy, business environment and productive sectors (in partnership with Pillar 3).						
10 pax)	74100	Professional Services	2	\$15,360.00	\$30,720.00	1
	71600	Travel	2	\$2,000.00	\$4,000.00	1
	75700	Workshops / Training	2	\$32,000.00	\$64,000.00	1
	74100	Professional Services	2	\$15,360.00	\$30,720.00	1
1.2.2.4 LER: Support GERCo to adopt LER Action Plan and select priority projects (3 meetings * 10 pax)						
days * 10 pax)	74100	Professional Services	2	\$15,360.00	\$30,720.00	1
	71600	Travel	2	\$2,000.00	\$4,000.00	1
	75700	Workshops / Training	2	\$32,000.00	\$64,000.00	1
	74100	Professional Services	2	\$15,360.00	\$30,720.00	1
1.2.2.5 RU: Establish & train Urban Planning & Management Committees (UPMCs) (2 events * 4						
1.2.2.6 RU: Conduct City Profiles in 3 cities	74100	Professional Services	2	\$15,360.00	\$30,720.00	1
	71600	Travel	2	\$2,000.00	\$4,000.00	1
	75700	Workshops / Training	2.5	\$7,200.00	\$18,000.00	1
	74100	Professional Services	2.5	\$19,200.00	\$48,000.00	1
1.2.2.7 RU: Support UPMCs to prepare Urbanization Action Plans and select priority projects for funding.						
1.2.2.8 RU: Technical support to long-term urban planning	74100	Professional Services	3	\$30,000.00	\$90,000.00	1
	75700	Workshops / Training	2.5	\$7,200.00	\$18,000.00	1
	71600	Travel	2	\$2,000.00	\$4,000.00	1
	74100	Professional Services	2	\$15,360.00	\$30,720.00	1
Activity 1.2.3 : Multi-purpose local recovery supports the implementation of local priorities.						
\$7,000.00						
\$5,623,000.00						
1.2.3.1 Establish L2RF and finalize SOPs & allocation formulas with the Project Board						
1.2.3.2 District block grants - Community Solutions window	75700	Workshops / Training	1	\$7,000.00	\$7,000.00	1
	71200	Consultants	20	\$800.00	\$16,000.00	20
	71600	Travel	1	\$3,000.00	\$3,000.00	1
	74100	Professional Services	1	\$3,000.00	\$3,000.00	1
1.2.3.3 District block grants - District Services window	72600	Grant	5	\$1,194,000	\$5,970,000.00	1
	72600	Grant	6	\$2,941,667	\$17,650,000.00	1
	72600	Grant	3	\$933,333	\$2,800,000.00	1
	72600	Grant	1	\$525,000.00	\$525,000.00	1
1.2.3.5 Governorate Authority Logistics Grant						
1.2.3.6 LER Governorate grants						
1.2.3.7 Urbanization grants						
Activity 1.2.4 : Integrated support to restoring education services in affected communities helps restore livelihoods, stability and social cohesion						
\$6,346,632.76						
\$1,565,852.58						
1.2.4.1 Develop capacities on educational planning for local authorities						
1.2.4.2 Provide integrated support to restoring education services in affected communities	71200	Consultants	52.5	\$800.00	\$42,000.00	30
	71600	Travel	13	\$6,000.00	\$78,000.00	1
	74100	Professional Services	4	\$15,000.00	\$60,000.00	1
	75700	Workshops / Training	4	\$112,500.00	\$450,000.00	1
72600 Grant						
\$265,194.25						
\$795,582.76						
71200 Consultants						
\$800.00						
71600 Travel						
\$12,000.00						
74100 Professional Services						
\$30,000.00						
75700 Workshops / Training						
\$45,000.00						
71600 Travel						
\$12,000.00						
74100 Professional Services						
\$30,000.00						

Heading 1.2: Improved capacities of public services providers for scaling up the reach out to the most vulnerable.

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	Actions	Account Code	Budget Description	Total Nr of Units	Unit Value	Total budget	Nr of Units - Y1	Unit Value	Total value - YEAR 1
Heading 1.3: Strengthened central-local and horizontal relations between local governance stakeholders.	1.2.4.3 Rehabilitate classrooms, WASH facilities, school furniture, distribution of school supplies, training of school personnel on safety and risk management, and back-to-school campaigns for enrolment	75700	Workshops / Training	1.5	\$225,000.00	\$337,500.00	1	\$225,000.00	\$225,000.00
		72600	Grant	6	\$518,333.33	\$3,110,000.00	1	\$518,333.33	\$518,333.33
	1.2.4.4 Support school children well-being through teacher training, child protection activities, psycho-social and rehabilitative support to children with special needs	71200	Consultants	50	\$840.00	\$42,000.00	30	\$840.00	\$25,200.00
		71600	Travel	13	\$6,000.00	\$78,000.00	1	\$6,000.00	\$6,000.00
		74100	Professional Services	4	\$15,000.00	\$60,000.00	1	\$15,000.00	\$15,000.00
		75700	Workshops / Training	4	\$112,500.00	\$450,000.00	1	\$112,500.00	\$112,500.00
	1.2.4.5 Support the education system: capacity building for local and national education stakeholders	71200	consultants	50	\$900.00	\$45,000.00	30	\$900.00	\$27,000.00
		71600	Travel	90	\$1,000.00	\$90,000.00	6	\$1,000.00	\$6,000.00
		74100	Professional services	4	\$16,875.00	\$67,500.00	1	\$16,875.00	\$16,875.00
		75700	Workshops/training	5	\$101,250.00	\$506,250.00	1	\$101,250.00	\$101,250.00
	Sub-total Heading 1.2					\$39,393,322.76			\$8,415,697.68
	Activity 1.3.1 : Regulatory and institutional measures needed to restore functional central-local relations are taken.					\$277,440.00			\$112,990.00
	1.3.1.1 In-depth diagnostic on inter-governmental relations	75700	Workshops / Training	1	\$7,000.00	\$7,000.00	1	\$7,000.00	\$7,000.00
		71200	Consultants	1	\$20,000.00	\$20,000.00	1	\$20,000.00	\$20,000.00
		71600	Travel	1	\$2,840.00	\$2,840.00	1	\$2,840.00	\$2,840.00
		74100	Professional Services	1	\$20,000.00	\$20,000.00	1	\$20,000.00	\$20,000.00
	1.3.1.2 Support central - local dialogue (Y1: 2 events per region North - South*20 pax*3 days)	75700	Workshops / Training	4	\$10,000.00	\$40,000.00	1	\$10,000.00	\$10,000.00
		71200	Consultants	4	\$2,400.00	\$9,600.00	1	\$2,400.00	\$2,400.00
		71600	Travel	4	\$12,000.00	\$48,000.00	1	\$12,000.00	\$12,000.00
	1.3.1.3 e-solutions for central - local communications	75700	Workshops / Training	4	\$3,750.00	\$15,000.00	1	\$3,750.00	\$3,750.00
		72800	Information Technology Equipmt	5	\$5,000.00	\$25,000.00	1	\$5,000.00	\$5,000.00
		74100	Professional Services	3	\$30,000.00	\$90,000.00	1	\$30,000.00	\$30,000.00
	Activity 1.3.2 : Capacities of key central authorities to support the resilience of local governance system strengthened.					\$498,160.00			\$172,720.00
	1.3.2.1 Capacity development of MoLA, MoPIC & MoF + COCA (3 workshops * 4 ministries for 20 pax each in-country)	75700	Workshops / Training	3	\$36,000.00	\$108,000.00	1	\$36,000.00	\$36,000.00
		71200	Consultants	3	\$19,200.00	\$57,600.00	1	\$19,200.00	\$19,200.00
		74100	Professional Services	3	\$10,000.00	\$30,000.00	1	\$10,000.00	\$10,000.00
	1.3.2.2 Support to women's affairs units in key ministries (4 workshops for 20 pax)	75700	Workshops / Training	3	\$20,000.00	\$60,000.00	1	\$20,000.00	\$20,000.00
		71200	Consultants	3	\$6,000.00	\$18,000.00	1	\$6,000.00	\$6,000.00
		72200	Equipment	1	\$20,000.00	\$20,000.00	1	\$20,000.00	\$20,000.00
		71600	Travel	3	\$4,000.00	\$12,000.00	1	\$4,000.00	\$4,000.00
	1.3.2.3 Support to discussing decentralization in the context of the peace process (Yearly event in Amman for 30 pax*3 days + international consultant)	74100	Professional Services	1	\$20,000.00	\$20,000.00	0	\$20,000.00	\$0.00
		75700	Workshops / Training	3	\$20,000.00	\$60,000.00	1	\$20,000.00	\$20,000.00
		71200	Consultants	3	\$8,000.00	\$24,000.00	1	\$8,000.00	\$8,000.00
		71600	Travel	3	\$29,520.00	\$88,560.00	1	\$29,520.00	\$29,520.00
	Activity 1.3.3 : Platforms of local governance actors, including local authorities, are fostered, strengthened and connected to international peer support networks					\$443,300.00			\$27,600.00
	1.3.3.1 Establishing and training sub-regional platforms (Y1: 1 platform, Y2: 2 platforms, Y3: 3)	75700	Workshops / Training	6	\$10,000.00	\$60,000.00	1	\$10,000.00	\$10,000.00
		71200	Consultants	6	\$3,600.00	\$21,600.00	1	\$3,600.00	\$3,600.00
		71600	Travel	6	\$4,000.00	\$24,000.00	1	\$4,000.00	\$4,000.00
		74100	Professional Services	6	\$10,000.00	\$60,000.00	1	\$10,000.00	\$10,000.00
	1.3.3.2 Cooperation with ULCG-MEWA (Y2-Y3: participation in 2 regional events in MENA * 10 pax each)	75700	Workshops / Training	1	\$20,000.00	\$20,000.00	0	\$20,000.00	\$0.00
		71200	Consultants	1	\$16,000.00	\$16,000.00	0	\$16,000.00	\$0.00
		71600	Travel	1	\$48,000.00	\$48,000.00	0	\$48,000.00	\$0.00
		74100	Professional Services	1	\$20,000.00	\$20,000.00	0	\$20,000.00	\$0.00
	1.3.3.3 South-South exchanges (1 study visit per year - 15 pax 1 week)	75700	Workshops / Training	1	\$20,000.00	\$20,000.00	0	\$20,000.00	\$0.00
		71200	Consultants	1	\$11,200.00	\$11,200.00	0	\$11,200.00	\$0.00
		71600	Travel	1	\$112,500.00	\$112,500.00	0	\$112,500.00	\$0.00
		74100	Professional Services	1	\$30,000.00	\$30,000.00	0	\$30,000.00	\$0.00
	Sub-total Heading 1.3					\$1,218,900.00			\$313,310.00

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Actions		Account Code	Budget Description	Total Nr of Units	Unit Value	Total budget	Nr of Units - Y1	Unit Value	Total value - YEAR 1
Improved business environment for economy recovery and employment opportunities									
Activity 2.1.1 : Enhanced business and technical skill development on value chain approach for medium and long terms income generation and employment prospects									
2.1.1.1 Review and update value chain analysis of promising sectors (honey, fisheries, livestock, coffee, horticulture and waste to energy).	72100	Contractual Services-Companies	\$67,400.00	2	\$134,800.00	\$67,400.00	1	\$67,400.00	\$67,400.00
	63400	Learning Costs	\$12,900.00	2	\$25,800.00	\$12,900.00	1	\$12,900.00	\$12,900.00
	71600	Travel	\$600.00	24	\$14,400.00	\$600.00	1	\$600.00	\$600.00
	75700	Workshops / Training	\$3,000.00	5	\$15,000.00	\$3,000.00	1	\$3,000.00	\$3,000.00
	72100	Contractual Services-Companies	\$46,000.00	2	\$92,000.00	\$46,000.00	1	\$46,000.00	\$46,000.00
	63400	Learning Costs	\$9,050.00	2	\$18,100.00	\$9,050.00	1	\$9,050.00	\$9,050.00
	71600	Travel	\$500.00	20	\$10,000.00	\$500.00	1	\$500.00	\$500.00
	75700	Workshops / Training	\$5,000.00	2	\$10,000.00	\$5,000.00	1	\$5,000.00	\$5,000.00
	72100	Contractual Services-Companies	\$53,000.00	2	\$106,000.00	\$53,000.00	1	\$53,000.00	\$53,000.00
	63400	Learning Costs	\$10,200.00	2	\$20,400.00	\$10,200.00	1	\$10,200.00	\$10,200.00
2.1.1.3 Need based business skills capacity building by SMEPs for targeted individuals through certified trainers.	71600	Travel	\$500.00	25	\$12,500.00	\$500.00	10	\$5,440.00	\$5,440.00
	75700	Workshops / Training	\$5,150.00	2.0	\$10,300.00	\$5,150.00	1	\$5,150.00	\$5,150.00
	72100	Contractual Services-Companies	\$63,600.00	2	\$127,200.00	\$63,600.00	1	\$63,600.00	\$63,600.00
	63400	Learning Costs	\$12,450.00	2.0	\$24,900.00	\$12,450.00	1	\$12,450.00	\$12,450.00
	71600	Travel	\$544.00	25	\$13,600.00	\$544.00	10	\$5,440.00	\$5,440.00
	75700	Workshops / Training	\$7,500.00	2	\$15,000.00	\$7,500.00	1	\$7,500.00	\$7,500.00
	72100	Contractual Services-Companies	\$2,503,333.33	3	\$7,510,000.00	\$2,503,333.33	1	\$2,503,333.33	\$2,503,333.33
	72100	Contractual Services-Companies	\$5,800.00	1	\$5,800.00	\$5,800.00	1	\$5,800.00	\$5,800.00
	63400	Learning Costs	\$24,250.00	3	\$72,750.00	\$24,250.00	1	\$24,250.00	\$24,250.00
	71600	Travel	\$1,800.00	2	\$3,600.00	\$1,800.00	1	\$1,800.00	\$1,800.00
2.1.2.4 Networking events for business associations for the income generation activities.	72100	Contractual Services-Companies	\$10,600.00	1	\$10,600.00	\$10,600.00	1	\$10,600.00	\$10,600.00
	63400	Learning Costs	\$46,000.00	3	\$138,000.00	\$46,000.00	1	\$46,000.00	\$46,000.00
	71600	Travel	\$2,400.00	3	\$7,200.00	\$2,400.00	1	\$2,400.00	\$2,400.00
	72200	Equipment	\$44,100.00	2	\$88,200.00	\$44,100.00	1	\$44,100.00	\$44,100.00
	72100	Contractual Services-Companies	\$69,500.00	2	\$139,000.00	\$69,500.00	1	\$69,500.00	\$69,500.00
	63400	Learning Costs	\$15,300.00	2	\$30,600.00	\$15,300.00	1	\$15,300.00	\$15,300.00
	71600	Travel	\$3,500.00	3	\$10,500.00	\$3,500.00	1	\$3,500.00	\$3,500.00
	72200	Equipment	\$33,000.00	2	\$66,000.00	\$33,000.00	1	\$33,000.00	\$33,000.00
	71600	Travel	\$3,500.00	3	\$10,500.00	\$3,500.00	1	\$3,500.00	\$3,500.00
	63400	Learning Costs	\$15,300.00	2	\$30,600.00	\$15,300.00	1	\$15,300.00	\$15,300.00
2.1.3.2 Development of group of MSMEs and allocation of business advisors as per the value chain sector for mentoring, coaching and technical assistance.	72100	Contractual Services-Companies	\$20,500.00	2	\$41,000.00	\$20,500.00	1	\$20,500.00	\$20,500.00
	63400	Learning Costs	\$12,600.00	3	\$37,800.00	\$12,600.00	1	\$12,600.00	\$12,600.00
	71600	Travel	\$44,100.00	2	\$88,200.00	\$44,100.00	1	\$44,100.00	\$44,100.00
	72200	Equipment	\$69,500.00	2	\$139,000.00	\$69,500.00	1	\$69,500.00	\$69,500.00
	72100	Contractual Services-Companies	\$15,300.00	1	\$15,300.00	\$15,300.00	1	\$15,300.00	\$15,300.00
	63400	Learning Costs	\$30,600.00	1	\$30,600.00	\$30,600.00	1	\$30,600.00	\$30,600.00
	71600	Travel	\$3,500.00	1	\$3,500.00	\$3,500.00	1	\$3,500.00	\$3,500.00
	72200	Equipment	\$66,000.00	2	\$132,000.00	\$66,000.00	1	\$66,000.00	\$66,000.00
	71600	Travel	\$3,500.00	3	\$10,500.00	\$3,500.00	1	\$3,500.00	\$3,500.00
	63400	Learning Costs	\$15,300.00	2	\$30,600.00	\$15,300.00	1	\$15,300.00	\$15,300.00
2.1.3.3 Explore the possibility to establish Business Advisory Resource Center (BARC).	72200	Equipment	\$33,000.00	2	\$66,000.00	\$33,000.00	1	\$33,000.00	\$33,000.00
	71600	Travel	\$3,500.00	3	\$10,500.00	\$3,500.00	1	\$3,500.00	\$3,500.00
	63400	Learning Costs	\$15,300.00	2	\$30,600.00	\$15,300.00	1	\$15,300.00	\$15,300.00
	72100	Contractual Services-Companies	\$69,500.00	2	\$139,000.00	\$69,500.00	1	\$69,500.00	\$69,500.00
	63400	Learning Costs	\$30,600.00	1	\$30,600.00	\$30,600.00	1	\$30,600.00	\$30,600.00
	71600	Travel	\$3,500.00	1	\$3,500.00	\$3,500.00	1	\$3,500.00	\$3,500.00
	72200	Equipment	\$66,000.00	2	\$132,000.00	\$66,000.00	1	\$66,000.00	\$66,000.00
	71600	Travel	\$3,500.00	3	\$10,500.00	\$3,500.00	1	\$3,500.00	\$3,500.00
	63400	Learning Costs	\$15,300.00	2	\$30,600.00	\$15,300.00	1	\$15,300.00	\$15,300.00
	72100	Contractual Services-Companies	\$69,500.00	2	\$139,000.00	\$69,500.00	1	\$69,500.00	\$69,500.00
Sub-total Heading 2.1									
Activity 2.2.1 : Reconstruction of market facilities and infrastructures have improved access and services for MSMEs and private sectors to improve productivity									
2.2.1.1 Organizing meeting with SFD/PWP and district authority to access fund for the market infrastructure rehabilitation.									
72100	Contractual Services-Companies	\$50,500.00	2	\$101,000.00	\$50,500.00	1	\$50,500.00	\$50,500.00	
63400	Learning Costs	\$67,000.00	2	\$134,000.00	\$67,000.00	1	\$67,000.00	\$67,000.00	
71600	Travel	\$1,600.00	3	\$4,800.00	\$1,600.00	1	\$1,600.00	\$1,600.00	
75700	Workshops / Training	\$2,000.00	3	\$6,000.00	\$2,000.00	1	\$2,000.00	\$2,000.00	
72100	Contractual Services-Companies	\$7,000.00	2	\$14,000.00	\$7,000.00	1	\$7,000.00	\$7,000.00	
63400	Learning Costs	\$8,000.00	2.00	\$16,000.00	\$8,000.00	1	\$8,000.00	\$8,000.00	
71600	Travel	\$800.00	1	\$8,000.00	\$4,000.00	1	\$4,000.00	\$4,000.00	
72100	Contractual Services-Companies	\$27,350.00	2	\$54,700.00	\$27,350.00	1	\$27,350.00	\$27,350.00	
2.1.3.1 Selection of technical consultants/ business advisors in each targeted district.									
72100	Contractual Services-Companies	\$27,350.00	2	\$54,700.00	\$27,350.00	1	\$27,350.00	\$27,350.00	
63400	Learning Costs	\$4,000.00	2	\$8,000.00	\$4,000.00	1	\$4,000.00	\$4,000.00	
71600	Travel	\$1,200.00	2	\$2,400.00	\$1,200.00	0	\$1,200.00	\$0.00	
2.1.3.2 Development of group of MSMEs and allocation of business advisors as per the value chain sector for mentoring, coaching and technical assistance.									
71600	Travel	\$4,200.00	3	\$12,600.00	\$4,200.00	1	\$4,200.00	\$4,200.00	
63400	Learning Costs	\$20,500.00	2	\$41,000.00	\$20,500.00	1	\$20,500.00	\$20,500.00	
72100	Contractual Services-Companies	\$94,750.00	2	\$189,500.00	\$94,750.00	1	\$94,750.00	\$94,750.00	
72200	Equipment	\$44,100.00	2	\$88,200.00	\$44,100.00	1	\$44,100.00	\$44,100.00	
72100	Contractual Services-Companies	\$69,500.00	2	\$139,000.00	\$69,500.00	1	\$69,500.00	\$69,500.00	
63400	Learning Costs	\$15,300.00	2	\$30,600.00	\$15,300.00	1	\$15,300.00	\$15,300.00	
71600	Travel	\$3,500.00	3	\$10,500.00	\$3,500.00	1	\$3,500.00	\$3,500.00	
72200	Equipment	\$33,000.00	2	\$66,000.00	\$33,000.00	1	\$33,000.00	\$33,000.00	
2.1.3.3 Explore the possibility to establish Business Advisory Resource Center (BARC).									
72200	Equipment	\$33,000.00	2	\$66,000.00	\$33,000.00	1	\$33,000.00	\$33,000.00	
71600	Travel	\$3,500.00	3	\$10,500.00	\$3,500.00	1	\$3,500.00	\$3,500.00	
63400	Learning Costs	\$15,300.00	2	\$30,600.00	\$15,300.00	1	\$15,300.00	\$15,300.00	
72100	Contractual Services-Companies	\$69,500.00	2	\$139,000.00	\$69,500.00	1	\$69,500.00	\$69,500.00	
63400	Learning Costs	\$30,600.00	1	\$30,600.00	\$30,600.00	1	\$30,600.00	\$30,600.00	
71600	Travel	\$3,500.00	1	\$3,500.00	\$3,500.00	1	\$3,500.00	\$3,500.00	
72200	Equipment	\$66,000.00	2	\$132,000.00	\$66,000.00	1	\$66,000.00	\$66,000.00	
Sub-total Heading 2.1									
Activity 2.2.1 : Reconstruction of market facilities and infrastructures have improved access and services for MSMEs and private sectors to improve productivity									
2.2.1.1 Organizing meeting with SFD/PWP and district authority to access fund for the market infrastructure rehabilitation.									
72100	Contractual Services-Companies	\$50,500.00	2	\$101,000.00	\$50,500.00	1	\$50,500.00	\$50,500.00	
63400	Learning Costs	\$67,000.00	2	\$134,000.00	\$67,000.00	1	\$67,000.00	\$67,000.00	
71600	Travel	\$1,600.00	3	\$4,800.00	\$1,600.00	1	\$1,600.00	\$1,600.00	
75700	Workshops / Training	\$2,000.00	3	\$6,000.00	\$2,000.00	1	\$2,000.00	\$2,000.00	
72100	Contractual Services-Companies	\$7,000.00	2	\$14,000.00	\$7,000.00	1	\$7,000.00	\$7,000.00	
63400	Learning Costs	\$8,000.00	2.00	\$16,000.00	\$8,000.00	1	\$8,000.00	\$8,000.00	
71600	Travel	\$800.00	1	\$8,000.00	\$4,000.00	1	\$4,000.00	\$4,000.00	
72100	Contractual Services-Companies	\$27,350.00	2	\$54,700.00	\$27,350.00	1	\$27,350.00	\$27,350.00	
2.1.3.1 Selection of technical consultants/ business advisors in each targeted district.									
72100	Contractual Services-Companies	\$27,350.00	2	\$54,700.00	\$27,350.00	1	\$27,350.00	\$27,350.00	
63400	Learning Costs	\$4,000.00	2	\$8,000.00	\$4,000.00	1	\$4,000.00	\$4,000.00	
71600	Travel	\$1,200.00	2	\$2,400.00	\$1,200.00	0	\$1,200.00	\$0.00	
2.1.3.2 Development of group of MSMEs and allocation of business advisors as per the value chain sector for mentoring, coaching and technical assistance.									
71600	Travel	\$4,200.00	3	\$12,600.00	\$4,200.00	1	\$4,200.00	\$4,200.00	
63400	Learning Costs	\$20,500.00	2	\$41,000.00	\$20,500.00	1	\$20,500.00	\$20,500.00	
72100	Contractual Services-Companies	\$94,750.00	2	\$189,500.00	\$94,750.00	1	\$94,750.00	\$94,750.00	
72200	Equipment	\$44,100.00	2	\$88,200.00	\$44,100.00	1	\$44,100.00	\$44,100.00	
72100	Contractual Services-Companies	\$69,500.00	2	\$139,000.00	\$69,500.00	1	\$69,500.00	\$69,500.00	
63400	Learning Costs	\$15,300.00	2	\$30,600.00	\$15,300.00	1	\$15,300.00	\$15,300.00	
71600	Travel	\$3,500.00	3	\$10,500.00	\$3,500.00	1	\$3,500.00	\$3,500.00	
72200	Equipment	\$33,000.00	2	\$66,000.00	\$33,000.00	1	\$33,000.00	\$33,000.00	
2.1.3.3 Explore the possibility to establish Business Advisory Resource Center (BARC).									
72200	Equipment	\$33,000.00	2	\$66,000.00	\$33,000.00	1	\$33,000.00	\$33,000.00	
71600	Travel	\$3,500.00	3	\$10,500.00	\$3,500.00	1	\$3,500.00	\$3,500.00	
63400	Learning Costs	\$15,300.00	2	\$30,600.00	\$15,300.00	1	\$15,300.00	\$15,300.00	
72100	Contractual Services-Companies	\$69,500.00	2	\$139,000.00	\$69,500.00	1	\$69,500.00	\$69,500.00	
63400	Learning Costs	\$30,600.00	1	\$30,600.00	\$30,600.00	1	\$30,600.00	\$30,600.00	
71600	Travel	\$3,500.00	1	\$3,500.00	\$3,500.00	1	\$3,500.00	\$3,500.00	
72200	Equipment	\$66,000.00	2	\$132,000.00	\$66,000.00	1	\$66,000.00	\$66,000.00	
Sub-total Heading 2.1									
Activity 2.2.1 : Reconstruction of market facilities and infrastructures have improved access and services for MSMEs and private sectors to improve productivity									

	Actions	Account Code	Budget Description	Total Nr of Units	Unit Value	Total budget	Nr of Units - Y1	Unit Value	Total value - YEAR 1	
	2.2.1.3 Identification of market centers at sub-district, district and governorate levels to be rehabilitated	72100	Contractual Services-Companies	1	\$18,859.26	\$18,859.26	1	\$18,859.26	\$18,859.26	
		63400	Learning Costs	2	\$12,850.00	\$25,700.00	1	\$12,850.00	\$12,850.00	
		71600	Travel	3	\$800.00	\$2,400.00	1	\$800.00	\$800.00	
		75700	Workshops / Training	1	\$1,000.00	\$1,000.00	1	\$1,000.00	\$1,000.00	
	2.2.1.4 Capacity building of private sectors and MSMEs on Occupational Health and Safety (OHS) to ensure mitigation of any potential hazard incidence.	72100	Contractual Services-Companies	2	\$85,000.00	\$170,000.00	1	\$85,000.00	\$85,000.00	
		63400	Learning Costs	2	\$113,000.00	\$226,000.00	1	\$113,000.00	\$113,000.00	
		71600	Travel	3	\$2,000.00	\$6,000.00	1	\$2,000.00	\$2,000.00	
		75700	Workshops / Training	4	\$1,900.00	\$7,600.00	1	\$1,900.00	\$1,900.00	
	2.2.1.5 Provision of grant from district fund and SMEPs grant facility through banks for market rehabilitation.	72600	Grant	4.00	\$1,612,500.00	\$6,450,000.00	1	\$1,612,500.00	\$1,612,500.00	
	Activity 2.2.2 :Improved access to microfinance services (capital and grant) for the recovery of micro, small and medium enterprises with good potential for job creation and income generation					\$1,052,100.00			\$186,883.33	
	2.2.2.1 Identification of microfinance institutions (MFIs) in the targeted location..	72100	Contractual Services-Companies	2	\$5,000.00	\$10,000.00	1	\$5,000.00	\$5,000.00	
		71600	Travel	1	\$5,000.00	\$5,000.00	1	\$5,000.00	\$5,000.00	
		75700	Workshops / Training	1	\$5,000.00	\$5,000.00	1	\$5,000.00	\$5,000.00	
	2.2.2.2 Establishment of grant and loan facility support provision by the SMEPs.	72100	Contractual Services-Companies	2	\$5,050.00	\$10,100.00	1	\$5,050.00	\$5,050.00	
		71600	Travel	2	\$2,000.00	\$4,000.00	1	\$2,000.00	\$2,000.00	
		75700	Workshops / Training	2	\$6,500.00	\$13,000.00	1	\$6,500.00	\$6,500.00	
	2.2.2.3 Development of business proposals for the selected value chain sectors by the targeted individuals and review by advisory committee .	72100	Contractual Services-Companies	1	\$28,000.00	\$28,000.00	0	\$28,000.00	\$0.00	
		71600	Travel	1	\$9,000.00	\$9,000.00	0	\$9,000.00	\$0.00	
		75700	Workshops / Training	1	\$18,000.00	\$18,000.00	0	\$18,000.00	\$0.00	
2.2.2.4 Selection of business proposals and provision of loan and grant through existing system to targeted individuals for MSMEs establishment.	72600	Grant	6	\$158,333.33	\$950,000.00	1	\$158,333.33	\$158,333.33		
Sub-total Heading 2.2						\$8,236,259.26			\$2,171,692.59	
Budget Heading 3 / Project Management						\$13,829,387.14			\$4,616,212.35	
Project Management	Activity 3.1 Adequate technical and operational management of the project to achieve intended objectives is ensured.					\$13,144,387.14			\$4,431,212.35	
	3.1.1 Project Staff international and national					\$0.00				
	3.1.1.1 Project Staff international Chief Technical Advisor/Project Manager - P5	61300	Salary & Post Adj Cst-IP Staff	3	\$114,851.25	\$344,553.76	1	\$114,851.25	\$114,851.25	
		62300	Recurrent Payroll Costs-IP Stf	3	\$107,923.55	\$323,770.64	1	\$107,923.55	\$107,923.55	
		63300	Non-Recurrent Payroll - IP Stf	3	\$83,217.15	\$249,651.45	1	\$83,217.15	\$83,217.15	
		63500	Insurance and Security Costs	3	\$17,112.93	\$51,338.78	1	\$17,112.93	\$17,112.93	
		64300	Staff Mgmt Costs - IP Staff	3	\$1,607.86	\$4,823.57	1	\$1,607.86	\$1,607.86	
		65100	After Service Insurance	3	\$12,287.49	\$36,862.47	1	\$12,287.49	\$12,287.49	
	3.1.1.2 Project Staff international - Operations Manager/Program Management Specialist- P4	61300	Salary & Post Adj Cst-IP Staff	3	\$103,918.72	\$311,756.15	1	\$103,918.72	\$103,918.72	
		62300	Recurrent Payroll Costs-IP Stf	3	\$97,650.45	\$292,951.35	1	\$97,650.45	\$97,650.45	
		63300	Non-Recurrent Payroll - IP Stf	3	\$75,295.82	\$225,887.46	1	\$75,295.82	\$75,295.82	
		63500	Insurance and Security Costs	3	\$15,483.97	\$46,451.91	1	\$15,483.97	\$15,483.97	
		64300	Staff Mgmt Costs - IP Staff	3	\$1,454.81	\$4,364.42	1	\$1,454.81	\$1,454.81	
		65100	After Service Insurance	3	\$11,117.86	\$33,353.58	1	\$11,117.86	\$11,117.86	
	3.1.1.3 Project Staff international- Project Specialist (50%) - Brusselsr - P3	61300	Salary & Post Adj Cst-IP Staff	3	\$46,569.00	\$139,707.00	1	\$46,569.00	\$46,569.00	
		62300	Recurrent Payroll Costs-IP Stf	3	\$48,569.00	\$145,707.00	1	\$48,569.00	\$48,569.00	
	3.1.1.4 Project Staff international - M&E and Reporting Specialist -P3	61300	Salary & Post Adj Cst-IP Staff	3	\$91,259.08	\$273,777.24	1	\$91,259.08	\$91,259.08	
		62300	Recurrent Payroll Costs-IP Stf	3	\$85,754.43	\$257,263.29	1	\$85,754.43	\$85,754.43	
		63300	Non-Recurrent Payroll - IP Stf	3	\$66,123.10	\$198,369.29	1	\$66,123.10	\$66,123.10	
		63500	Insurance and Security Costs	3	\$13,597.67	\$40,793.02	1	\$13,597.67	\$13,597.67	
		64300	Staff Mgmt Costs - IP Staff	3	\$1,277.58	\$3,832.73	1	\$1,277.58	\$1,277.58	
		65100	After Service Insurance	3	\$9,763.46	\$29,290.37	1	\$9,763.46	\$9,763.46	
	3.1.1.5 Project national Staff - SB5 - National Coordinator IR & ER	71400	Contractual Services - Individ	6	\$64,848.63	\$389,091.78	2	\$64,848.63	\$129,697.26	
	3.1.1.6 Project National Staff - SB4 - 5 Field Coordinator, Thematic Heading Specialist IR & ER, MIS Specialist and M&E/Reporting Officer	71400	Contractual Services - Individ	27	\$43,586.00	\$1,176,822.00	9	\$43,586.00	\$392,274.00	
	3.1.1.7 Project national Staff - SB3 - Communication Officer	71400	Contractual Services - Individ	3	\$27,701.44	\$83,104.31	1	\$27,701.44	\$27,701.44	
	3.1.1.8 Project national Staff - SB2 - Project Assistant IR & ER	71400	Contractual Services - Individ	6	\$22,634.00	\$135,804.00	2	\$22,634.00	\$45,268.00	
	3.1.2 Consultants to Support Project team Based on the requirments	71200	Consultants	3	\$870,500.00	\$2,611,500.00	1	\$870,500.00	\$870,500.00	
	3.1.3 Office costs (office space, accommodation, security, general operating expenses)	74500	Common Services Share	3	\$770,750.00	\$2,312,250.00	1	\$770,750.00	\$770,750.00	
	3.1.4 Furniture and IT equipment						\$0.00			
	3.1.4.1 Furniture and IT equipment (Laptops Laptop accessories,(Dockstations , keyboard , screens , laptop bags)	72800	Information Technology Equipmt	19	\$3,200.00	\$60,800.00	19	\$3,200.00	\$60,800.00	
	3.1.4.2 Furniture and IT equipment (Camera and Accessories (Lenses , stands , Battery, Memory) + hards + flash and other IT equipment	72800	Information Technology Equipmt	1	\$4,200.00	\$4,200.00	1	\$4,200.00	\$4,200.00	
	3.1.5 Management services, Quality Assurance and Oversight services , Communication and Visibility, Regional services, Operations services	71400	Country office Support	3	\$309,478.29	\$928,434.88	1	\$309,478.29	\$309,478.29	
	3.1.6 Staff duty travel (International Flights UNHAS Flights ,Transport costs for field Missions and DSA)	71600	Travel	45	\$3,211.80	\$144,531.00	17	\$3,211.80	\$54,600.60	
	3.1.7 Monitoring services (Third Party payment)	74100	Professional Services	3	\$214,666.67	\$644,000.00	1	\$214,666.67	\$214,666.67	

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Footnotes:
1. Budget has been prepared with reference to InforEuro Exchange rate 08/2020
2. With regards to Article 11.3 of the General Conditions of the Contribution Agreement, the budget headings will be 1.1/1.2/1.3/2.1/2.2/3

Actions		Account Code	Budget Description	Total Nr of Units	Unit Value	Total budget	Nr of Units - Y1	Unit Value	Total value - YEAR 1
3.1.8 Auditing (Third Party Spot checks/ Audit fees...)		74100	Professional Services	3	\$546,440.93	\$1,639,343.69	1	\$546,440.93	\$546,440.93
Activity 3.2 : Lessons learnt are developed and shared and contribute to shaping the post-conflict Yemeni state.					\$685,000.00				\$185,000.00
3.2.1 Evaluation		74100	Professional Services	1	\$130,000.00	\$130,000.00	0	\$130,000.00	\$0.00
3.2.2 Annual conferences (International Flights UNHAS Flights ,Transport costs for field Missions and DSA)		71600	Travel	3	\$86,666.67	\$260,000.00	1	\$86,666.67	\$86,666.67
3.2.3 Learning / Knowledge Materials: design and printing		72500	Publications	3	\$23,333.33	\$70,000.00	1	\$23,333.33	\$23,333.33
3.2.4 Communication & Visibility actions (Audiovisual & Photographs Production ,Promotional Items , Public Event and visit , Awareness Campaigns, Commemorative Plaques, Display Panels and banners)		72100	Contractual Services-Companies	3	\$75,000.00	\$225,000.00	1	\$75,000.00	\$75,000.00
Sub-total Heading 3					\$13,829,387.14				\$4,616,212.35
Total Direct Cost					\$76,603,869.16			Total Direct Cost	\$21,578,135.95
Indirect Costs/GMS (7%)					\$5,362,270.84			Indirect Costs/GMS (7%)	\$1,510,469.52
Total					\$81,966,140.00			Total	\$23,088,605.47

United Nations Development Programme
Sana'a - Republic of Yemen
Direct Project Cost Calculation - "Supporting Resilience of Local Authorities and Local Communities"
Figures in US Dollars
Date: 25 March 2019
DPC Calculation for the first year 2020

Project Title	Duty Station	Office Space			Security Head Cost			Secured Accommodation Int'l			Dispensary Costs			Transportation Costs			Grand Total
		Unit Cost/ Person	# of Staff	Total	Unit Cost	# of Staff	Total	Unit Cost	# of Int'l Staff	Total	Unit Cost	# of Staff	Total	Unit Cost	# of Staff	Total	
Support Resilience of LA & LC	Sana'a	11,600	13	\$ 150,800.00	9,300	13	120,900.00	100,000	3	300,000	1,750	13	\$ 22,750.00	6,800	13	88,400	682,850
	Aden	5,000	2	\$ 10,000.00	9,300	2	18,600.00	50,000		-	1,750	1	\$ 1,750.00	6,800	2	13,600	43,950
	Hodeidah	5,000	2	\$ 10,000.00	9,300	2	18,600.00	75,000		-	1,750	1	\$ 1,750.00	6,800	2	13,600	43,950
Total				170,800			158,100			300,000			26,250			115,600	770,750

National Staff 14
International Staff 3

	Actions	Budget Description	Clarification of the budget items	Justification of the estimated costs Year 1 (*)
Budget Heading 1. Increased institutional and socio-economic resilience in targeted districts in Yemen				
Heading 1.1: Strengthened Local authorities' capacities to respond to community needs for services in an inclusive and accountable manner.	Activity 1.1.1 Governorate authorities have the capacities, tools and incentives to provide better technical guidance and capacity development to district authorities			
	1.1.1.1 Update and customize training and coaching materials on public expenditure management (from DSDLP)	Consultants	One international consultant and one national consultant will be selected based on competency process of selection excluding per diem and travel.	\$800*30ds (international consultant) +\$120*30ds (national consultant) with NC
		Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	IC travel to Yemen for 20 days (\$150*20ds). Including per diem and other travel-related costs
		professional services	One local printing company will be selected based on competency process of selection.	Manual printing
	1.1.1.2 Establish and train District Facilitation Teams (4 TOTs per gov * 5 days each * 10 pax)	Professional Services	A training provider will be selected based on competency process of selection.	\$67.5*8Govs*10pax
		Workshops / Training	costs of workshops are calculated according to past experience including contracting for the workshops' facilitators and other costs including hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.	4*8 GOV*2000
	1.1.1.3 DFT training on gender-sensitive and youth-sensitive approaches (1 TOT 3 days for 10 pax per hub * 4 hubs)	Professional Services	DFT training provider will be selected based on competency process of selection.	
		Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	\$150 x*15pax*4ws*4ds
		Workshops / Training	costs of workshops are calculated according to a past experience including contracting for the workshops' facilitators and other costs including hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.	\$4000*4WS
	1.1.1.4 Specialized curricula resources on promoting women and youth roles in decision-making	Consultants	One national consultant and one international consultant will be selected based on competency process of selection excluding travel.	15 days IC + 15 days NC
		Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	10pax*\$100+1000 (10 mission to Sanaa)
		Professional Services	One local printing company will be selected based on competency process of selection	Printing
	Activity 1.1.2 :Linkages between district authorities and communities are strengthened through the activation of representative Sub-District Committees.			
	1.1.2.1 Establish and train Sub-District Committees (district-level training for 2 days * 1 workshops for 50 people + SD level training for 10 people for 2 days)	Consultants	One international consultant for 30 days will be selected based on competency process of selection excluding per diem and travel costs	30 days * 800 USD
		Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	20 USD/day transport and misc stipend for SDC trainees of out of town
		Professional Services	A training provider will be selected based on competency process of selection.	District-level training for 2 days * 1 workshop for 50 people + SD level training for 10 people for 2 days
		Workshops / Training	1 training in district capital for 50 people for 4000 USD and 1 training in each SD for 10 people for 500 USD. Cost is calculated according to past experience including contracting for the workshops' facilitators and other costs including hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.	
	1.1.2.2 Train local CSOs on local governance system (1 workshop per district for 30 pax * 4 days)	Consultants	One international consultant for 10 days will be selected based on competency process of selection excluding per diem and travel	10 days *800 USD
		Professional Services	A training provider will be selected based on competency process of selection.	(1 workshop per district for 30 pax * 4 days)
		Workshops / Training	costs of workshops are calculated according to a past experience including contracting for the workshops' facilitators and other costs including hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.	40 Dist. * 4000\$ Each
	1.1.2.3 Training local actors on conflict-sensitive local governance (2 workshops per district for 20 pax * 3 days)	Consultants	One international consultant for 10 days will be selected based on competency process of selection excluding per diem and travel	10 days *800 USD
		Travel	10 \$ * 4 night * 40 district * 20 Pax	(district-level training for 2 days * 1 workshops for 50 people + SD level training for 10 people for 2 days)
		Professional Services	A training provider will be selected based on competency process of selection.	(2 workshops per district for 20 pax * 3 days)
		Workshops / Training	costs of workshops are calculated according to a past experience including contracting for the workshops' facilitators and other costs including hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.	80 WS * 1,875 Each
	1.1.2.4 Conduct participatory conflict scans (where not yet done)	Professional Services	A company specialized in conflict scans, preferably in Yemen, will be selected on competency process of selection	

Activity 1.1.3 :District authorities are more capable of assessing needs, planning, implementing and reporting on their achievements in a participatory and inclusive manner			
1.1.3.1 District-level capacity assessments by DFTs and production of District Capacity Development Plans (CDPs)	Professional Services	Responsible party (to be identified during Inception Phase) will conduct capacity assessment at selected districts	
	Workshops / Training	Planning meeting based on assessments-	4*1000
1.1.3.2 Establish and train District Core Teams (2 TOTs per DCTs * 10 pax*3 days, training by DFTs)	Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	DSA 30 USD/day for DFTs for 5 pax per TOT
	Professional Services	A training provider will be selected based on competency process of selection.	(2 TOTs per DCTs * 10 pax*3 days, training by DFTs)
1.1.3.3 Implementation of DCDPs (training, mentoring) by DFTs and DCTs (3 workshops per district for 20 pax *2d + DFT/DCT incentives 10\$/day*10pax*30 days).	Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	DFT member travel: 5 members to 25 districts for 3 days by 30 USD/day (no travel needed to 10 districts close to governorate center)
	Professional Services	A training provider will be selected based on competency process of selection.	(3 workshops per district for 20 pax *2d + DFT/DCT incentives 10\$/day*10pax*30 days).
1.1.3.4 Strengthening of data management systems (incl. ICT) in district authorities .	Professional Services	ICT service provider to enhance data mangement systems will be will be selected based on competency process of selection.	Fixed amount
	Workshops / Training	costs of workshops are calculated according to past experience including contracting for the workshops' facilitators and other costs inclding hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.	
	Information Technology Equipmt	Costs have been estimated based on market value.	14 distrcts *\$3000
1.1.3.5 Support (technical, financial) to CSOs to pilot social accountability initiatives in 24 districts on service delivery and revenue management (3 CSO per governorate * 7000 \$)	Professional Services	Responsible party (to be identified during Inception Phase) to provide technical and financial support to CSOs	(3 CSO per governorate * 21,000 \$)
	Grant	For details of the grants structure and distribution mechanism, including the size of grants, see the expanded narrative in the DoA. Structure, grant size and distribution mechanisms will be further finetuned during the Inception Phase, as requested by the EU (including the number and location of districts SIERY will operate). In addition, exact number of particular size grants will depend on the development priorities, as identified after a systematic and participatory process, by communities, district authorities and business committees – fluctuations in size and volume are foreseen but cannot be exactly predicted, nor will SIERY pre-empt local democratic decisions.	
1.1.3.6 Institutional and capacity-building support to Women's Affairs Units and women staff in district Diwans (1 WS for 50 pax per gov*3 d + equipment + coaching)	Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	40 women travelling to 8 govs for 4 days (DSA 30 USD/day)
	Professional Services	A training provider will be selected based on competency process of selection.	1 WS for 50 pax per gov*3 d + equipment + coaching
	Workshops / Training	costs of workshops are calculated according to a past experience including contracting for the workshops' facilitators and other costs inclding hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.	8 workshops * \$4000
	Equipment	equipmet of \$2000 to be purachased for each 40 disrcts.Costs have been estimated based on market value.	40 districts * \$2000
Activity 1.1.4: District authorities manage their human and financial resources more efficiently and accountably.			
1.1.4.1 Support HNEC in the implementation of the election operational plan at the field level	Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	DFT members travel to districts (far fro gov center)
	Professional Services	Responsible party (to be identified during Inception Phase) to provide support to HNEC in the shape of meetings, mentoring and other advisory services, if and when needed	For each district: 5 DFT members for 5 days (10 \$/day) + NC for 10 days + NC for 10 days to design methodology
	Workshops / Training	costs of meetings are based calculated according to a past experience including contracting for the workshops' facilitators and other costs inclding hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.	1 day meeting in each District
1.1.4.2 Implementation of District Accountability Improvement Plans (DAIPs) (coaching)	Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	5 DFT members spend 15 days in districts far from gov center (30) to coach DCTs in implementing DAIPs and receive 30\$ day DSA 30dst* 5*15*30

	Professional Services	Responsible party (to be identified during Inception Phase) to implement District Accountability Improvement plans.	5 DCT members per district receive incentives (10\$) for 20 days to implement DAIP + NC to oversee process for 30 days 40 Dst*(5*10\$*20 days)+ 40 dst*100\$*15days
1.1.4.3 Assessment of local revenue potential	Consultants	One international consultant for 40 days to design methodology and analyse results	40 days *800 USD
	Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	IC travel to Yemen for 10 days
	Professional Services	Responsible party (to be identified during Inception Phase) to conduct assessment of local revenue potential will be selected based on competency process of selection	
1.1.4.4 Training and mentoring for higher collection rate, transparency and acceptance of revenue collection, by DFTs & DCTs	Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	
	Professional Services	One training provider will be will be selected based on competency process of selection.	
1.1.4.5 Technical / logistical support to Project Units @ governorate level to enhance project technical design and costing.	Workshops / Training	costs of workshops are calculated according to a past experience including contracting for the workshops' facilitators and other costs inclding hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.	10 workshops * USD 5000
	Equipment	Costs have been estimated based on market value.	\$10000*10 governorates
	Professional Services	Responsible party (to be identified during Inception Phase) to provide techical and logistical support will be selected based on competency process of selection	
1.1.4.6 Support governorate-based COCA branches to conduct regular audits of district accounts.	Professional Services	Responsible party (to be identified during Inception Phase) will facilitate, support, mentor and provide other advisory service, if and when necessary, to governate-based COCA branches to conduct regular audits of district accounts	
Sub-total Heading 1.1			
Heading 1.2: Improved capacities of public services providers for scaling up the reach out to the most vulnerable.	Activity 1.2.1 : Pathways for resilience and recovery of basic and social services are identified by inclusive local platforms and reflected in annual plans		
	1.2.1.1 Establishing and training District Recovery Platforms (DRPs) with 20 pax each	Workshops / Training	costs of workshops are calculated according to a past experience including contracting for the workshops' facilitators and other costs inclding hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.
		Equipment	Costs have been estimated based on market value.
		Travel	Travel allowance and other related travel cost based on actual days and UNDP rates
		Professional Services	A training and mentoring provider will be selected based on competency process of selection
	1.2.1.2 District service delivery audits for key sector areas with the participation of DRPs (6 sectors)	Professional Services	A basic service auditor/satisfaction measuring company will be selected based on competency process of selection
	1.2.1.3 Planning for 3-year District Resilience & Recovery Plans (D2RPs)	Workshops / Training	costs of workshops are calculated according to a past experience including contracting for the workshops' facilitators and other costs inclding hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.
		Travel	Travel allowance and other related travel cost based on actual days and UNDP rates
		Professional Services	Responsible party (to be identified during Inception Phase) will facilitate, support, mentor and provide other advisory service, if and when necessary, the planning processes associated with the D2RPs
	1.2.1.4 Technical support to regular district annual planning and budgeting aligned with D2RPs.	Professional Services	Responsible partner to provide teachical support will be selected based on competency process of selection
	1.2.1.5 Leadership and communications training for women & youth members of DRPs (1 event*3 days*gov*30 pax)	Workshops / Training	costs of workshops are calculated according to a past experience including contracting for the workshops' facilitators and other costs inclding hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.
		Travel	Travel allowance and other related travel cost based on actual days and UNDP rates
		Professional Services	A training provider will be selected based on competency process of selection
	Activity 1.2.2 : Key sustainable development dimensions (local economy, resilient urbanization) are considered by local authorities and initial actions taken in line with the SDGs.		
	1.2.2.1 Raise awareness on SDG localization and pilot in 4 governorates (2 events per gov*20 pax*3 days + international consultant)	Workshops / Training	costs of workshops are calculated according to a past experience including contracting for the workshops' facilitators and other costs inclding hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.
		Consultants	One international consultant for 30 days will be selected based on competecy process of selection.
		Travel	Travel allowance and other related travel cost based on actual days and UNDP rates
		Professional Services	Responsible party (to be identified during Inception Phase) to conduct SDGs awareness raising activities in 4 governorates.
	1.2.2.2 LER: Establish & train Governorate Economic Recovery Committees (GERCs) (2 workshops * 4 days * 10 pax)	Workshops / Training	costs of workshops are calculated according to a past experience including contracting for the workshops' facilitators and other costs inclding hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.

	Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	10 Pax* 4ds * \$50
	Professional Services	A training provider will be selected based on competency process of selection	(2 workshops * 4 days * 10 pax)
1.2.2.3 LER: Diagnostics on local economy, business environment and productive sectors (in partnership with Pillar 3).	Professional Services	A specialized consultancy company (in diagnostics on local economy, business environment and productive sectors) will be selected based on competency process of selection	
1.2.2.4 LER: Support GERC to adopt LER Action Plan and select priority projects (3 meetings * 10 pax)	Workshops / Training	costs of workshops are calculated op according to a past experience including contracting for the workshops' facilitators and other costs inclding hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.	3 meetings * 8 governorates *\$300
	Professional Services	A logistics and organizing service provider to provide logistics services to 3 meetings	3 meetings * 10 pax
1.2.2.5 RU: Establish & train Urban Planning & Management Committees (UPMCs) (2 events * 4 days * 10 pax)	Workshops / Training	costs of workshops are calculated according to a past experience including contracting for the workshops' facilitators and other costs inclding hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.	(2 events * 4 days * 10 pax)
	Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	
	Professional Services	A training provider will be selected based on competency process of selection	(2 events * 4 days * 10 pax)
1.2.2.6 RU: Conduct City Profiles in 3 cities	Professional Services	A specialized consultancy company or agency (on Urban Profiles) will be selected based on competency process of selection	
1.2.2.7 RU: Support UPMCs to prepare Resilient Urbanization Action Plans and select priority projects for funding.	Workshops / Training	costs of workshops are calculated according to a past experience including contracting for the workshops' facilitators and other costs inclding hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.	
	Professional Services	A specialized consultancy company (on resilient urban planning) will be selected based on competency process of selection	
1.2.2.8 RU: Technical support to long-term urban planning	Professional Services	Responsible party (to be identified during Inception Phase) to provide technical support will be selected based on competency process of selection	
Activity 1.2.3 : Multi-purpose local recovery funding supports the implementation of local priorities.			
1.2.3.1 Establish L2RF and finalize SOPs & allocation formulas with the Project Board	Workshops / Training	costs of workshops are calculated op according to a past experience including contracting for the workshops' facilitators and other costs inclding hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.	
	Consultants	One international consultant for 20 days will be selected based on competency process of selection.	20 days *800 USD
	Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	Yemen mission for 10 days + travel costs
	Professional Services	Responsible party (to be identified during Inception Phase) will facilitate, support, mentor and provide other advisory services, if and when needed, in the processes associated with the establishment of L2RF, SOPs etc.	
1.2.3.2 District block grants - Community Solutions window	Grant	For details of the grants structure and distribution mechanism, including the size of grants, see the expanded narrative in the DoA. Structure, grant size and distribution mechanisms will be further finetuned during the Inception Phase, as requested by the EU (including the number and location of districts SIERY will operate). In addition, exact number of particular size grants will depend on the development priorities, as identified after a systematic and participatory process, by communities, district authorities and business committees – fluctuations in size and volume are foreseen but cannot be exactly predicted, nor will SIERY pre-empt local democratic decisions.	
1.2.3.3 District block grants - District Services window	Grant		
1.2.3.4 District Authority Logistics Grant	Grant		
1.2.3.5 Governorate Authority Logistics Grant	Grant		
1.2.3.6 LER Governorate grants	Grant		
1.2.3.7 Urbanization grants	Grant		
Activity 1.2.4 : Integrated support to restoring education services in affected communities helps restore livelihoods, stability and social cohesion			
1.2.4.1 Develop capacities on educational planning for local authorities	Consultants	One international consultant for 30 days will be selected based on competency process of selection.	30days*800 USD
	Travel	travel allowance for 5 persons for 10 days	5 pax * 10 ds *100 USD + 1000 USD (other travel expenses)
	Professional Services	A training provider will be selected based on competency process of selection	
	Workshops / Training	costs of meetings are based calculated according to a past experience including contracting for the workshops' facilitators and other costs inclding hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.	
1.2.4.2 Provide integrated support to restoring education services in affected communities	Grant	For details of the grants structure and distribution mechanism, including the size of grants, see the expanded narrative in the DoA. Structure, grant size and distribution mechanisms will be further finetuned during the Inception Phase, as requested by the EU (including the number and location of districts SIERY will operate). In addition, exact number of particular size grants will depend on the development priorities, as identified after a systematic and participatory process, by communities, district authorities and business committees – fluctuations in size and volume are foreseen but cannot be exactly predicted, nor will SIERY pre-empt local democratic decisions.	
	Consultants	One international consultant for 60 days will be selected based on competency process of selection.	60 days *800 USD
	Travel	Travel allowances for 10 persons for 10 days	10 pax * 10days *100 Usd + 2000 (other travel expenses - UNHAS)

<p>1.2.4.3 Rehabilitate classrooms, WASH facilities, school furniture, distribution of school supplies, training of school personnel on safety and risk management, and back-to-school campaigns for enrolment</p> <p>1.2.4.4 Support school children well-being through teacher training, child protection activities, psycho-social and rehabilitative support to children with special needs</p> <p>1.2.4.5 Support the education system: capacity building for local and national education stakeholders</p> <p>Sub-total Heading 1.2</p> <p>Heading 1.3: Strengthened central-local and horizontal relations between local governance stakeholders.</p> <p>Activity 1.3.1 : Regulatory and institutional measures needed to restore functional central-local relations are taken.</p> <p>1.3.1.1 In-depth diagnostic on inter-governmental relations</p> <p>1.3.1.2 Support central - local dialogue (Y1: 2 events per region North - South*20 pax*3 days)</p> <p>1.3.1.3 e-solutions for central - local communications</p> <p>Activity 1.3.2 : Capacities of key central authorities to support the resilience of local governance system strengthened.</p> <p>1.3.2.1 Capacity development of MoLA, MoPIC & MoF + COCA</p> <p>1.3.2.2 Support to women's affairs units in key ministries (4 workshops for 20 pax)</p>	Professional Services	A training provider will be selected based on competency process of selection	
	Workshops / Training	costs of meetings are based calculated according to a past experience including contracting for the workshops' facilitators and other costs inclding hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.	
	Grant	For details of the grants structure and distribution mechanism, including the size of grants, see the expanded narrative in the DoA. Structure, grant size and distribution mechanisms will be further finetuned during the Inception Phase, as requested by the EU (including the number and location of districts SIERY will operate). In addition, exact number of particular size grants will depend on the development priorities, as identified after a systematic and participatory process, by communities, district authorities and business committees – fluctuations in size and volume are foreseen but cannot be exactly predicted, nor will SIERY pre-empt local democratic decisions.	
	Consultants	One international consultant for 30 days will be selected based on competency process of selection.	30 days *800 USD +1,200USD
	Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	IC travel to Amman / Yemen for 20 days and 2 trips
	Professional Services	A training provider will be selected based on competency process of selection	
	Workshops / Training	costs of meetings are based calculated according to a past experience including contracting for the workshops' facilitators and other costs inclding hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.	
	consultants	One international consultant for 32 days will be selected based on competency process of selection.	32 days *800 USD +1,400 USD
	Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	5 pax * 10 ds *100 USD + 1000 USD (other travel expenses)
	Professional services	A training provider will be selected based on competency process of selection	
	Workshops/training	costs of meetings are based calculated according to a past experience including contracting for the workshops' facilitators and other costs inclding hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.	
	Workshops / Training	costs of workshops are calculated according to a past experience including contracting for the workshops' facilitators and other costs inclding hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.	
	Consultants	One international consultant for 25 days will be selected based on competency process of selection.	25 days * USD
	Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	10 Night * 284 \$
	Professional Services	A spealized consultancy company (in government structures) will be selected based on competency process of selection	
	Workshops / Training	costs of workshops are calculated according to a past experience including contracting for the workshops' facilitators and other costs inclding hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.	
	Consultants	Two national consultants for 10 days (5 days/event) to support central local dialogue will be selected based on competency process of selection	10 days *120 USD *2 NCs
	Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	(10 Pax * 100\$ * 3night) * 4Events
	Workshops / Training	costs of workshops are calculated according to a past experience including contracting for the workshops' facilitators and other costs inclding hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.	
	Information Technology Equipmt	Costs have been estimated based on market value.	
	Professional Services	A local ICT service provider will be selected based on competency process of selection	
	Workshops / Training	costs of workshops are calculated according to a past experience including contracting for the workshops' facilitators and other costs inclding hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.	(3 workshops * 4 ministries * 3000)
	Consultants	Five national consultants for 12 day will be nomiated by respective authorities and one national consultant for 100 days will be selected based on competency process of selection	12 days * 120 USD *5 NCs & 100 days *120 USD
	Professional Services	A training provider will be selected based on competency process of selection	(3 workshops * 4 ministries for 20 pax each in-country)
	Workshops / Training	costs of workshops are calculated according to a past experience including contracting for the workshops' facilitators and other costs inclding hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.	4 Workshop * 5000 \$
	Consultants	One national consultant for 50 days will be selected based on competency process of selection	50 days * 120 USD
	Equipment	Costs have been estimated based on market value.	
	Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	10 Pax* 4 WS * 100 \$

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1.3.2.3 Support to discussing decentralization in the context of the peace process (Yearly event in Amman for 30 pax*3 days + international consultant)	Professional Services	A training provider will be selected based on competency process of selection	
	Workshops / Training	costs of workshops are calculated according to a past experience including contracting for the workshops' facilitators and other costs including hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.	
	Consultants	One international consultant for 10 days will be selected based on competency process of selection	10 days * 800USD
	Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	30 Pax *284 \$ and 700 *30
Activity 1.3.3 : Platforms of local governance actors, including local authorities, are fostered, strengthened and connected to international peer support networks			
1.3.3.1 Establishing and training sub-regional platforms (Y1: 1 platform, Y2: 2 platforms, Y3: 3)	Workshops / Training	costs of workshops are calculated according to a past experience including contracting for the workshops' facilitators and other costs including hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.	2 Events * 5000 \$
	Consultants	One national consultant for 30 days will be selected based on competency process of selection	30 days * 120USD
	Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	2 Events *100 \$ * 20 Pax
	Professional Services	A training provider will be selected based on competency process of selection	
1.3.3.2 Cooperation with ULCG-MEWA (Y2-Y3: participation in 2 regional events in MENA * 10 pax each)	Workshops / Training	costs of workshops are calculated according to a past experience including contracting for the workshops' facilitators and other costs including hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.	
	Consultants		
	Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	
	Professional Services	A training provider will be selected based on competency process of selection	
1.3.3.3 South-South exchanges (1 study visit per year - 15 pax 1 week)	Workshops / Training	costs of workshops are calculated according to a past experience including contracting for the workshops' facilitators and other costs including hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.	
	Consultants		
	Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	
	Professional Services	A training provider will be selected based on competency process of selection	
Sub-total Heading 1.3			

Budget Heading 2 : Improved business environment for economy recovery and employment opportunities
**Heading 2.1:
Strengthened
linkages/cooperation
opportunities between MSMEs,
private sector and MFIs involved
in the value chains**

Activity 2.1.1 : Enhanced business and technical skill development on value chain approach for medium and long terms income generation and employment prospects			
2.1.1.1 Review and update value chain analysis of promising sectors (honey, fisheries, livestock, coffee, horticulture and waste to energy).	Contractual Services-Companies	details will be discussed and decided upon inception phase	
	Learning Costs	To be discussed and decided upon in detail during the Inception Phase, this line includes activities to share good practice, solution design and collective action, such as conferences, informal evaluation/reflection meetings, impromptu meeting in-situ by the RP, etc	
	Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	24 Pax *600 \$
	Workshops / Training	costs of workshops are calculated according to a past experience including contracting for the workshops' facilitators and other costs including hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.	2 WS * 3000 \$
2.1.1.2 Identification of maximum three promising sectors for interventions.	Contractual Services-Companies	details will be discussed and decided upon inception phase	
	Learning Costs	To be discussed and decided upon in detail during the Inception Phase, this line includes activities to share good practice, solution design and collective action, such as conferences, informal evaluation/reflection meetings, impromptu meeting in-situ by	
	Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	10 Pax *100 \$ * 5 Night
	Workshops / Training	costs of workshops are calculated according to a past experience including contracting for the workshops' facilitators and other costs including hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.	1 WS * 5000 \$
2.1.1.3 Need based business skills capacity building by SMEPs for targeted individuals through certified trainers.	Contractual Services-Companies	details will be discussed and decided upon inception phase	
	Learning Costs	To be discussed and decided upon in detail during the Inception Phase, this line includes activities to share good practice, solution design and collective action, such as conferences, informal evaluation/reflection meetings, impromptu meeting in-situ by	
	Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	20 Pax *500 \$
	Workshops / Training	costs of workshops are calculated according to a past experience including contracting for the workshops' facilitators and other costs including hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.	1 WS * 5150 \$
2.1.1.4 Promotion of women and youth's engagement in the capacity development of business skills.	Contractual Services-Companies	details will be discussed and decided upon inception phase	

	Learning Costs	To be discussed and decided upon in detail during the Inception Phase, this line includes activities to share good practice, solution design and collective action, such as conferences, informal evaluation/reflection meetings, impromptu meeting in-situ by the RP, etc	
	Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	10 Pax * 100 \$ * 5 Night + 440 \$ other travel cost
	Workshops / Training	costs of workshops are calculated according to a past experience including contracting for the workshops' facilitators and other costs including hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.	2 WS * 3750 \$
Activity 2.1.2 Improved networks of producers (MSMEs), private sectors and microfinance institutions to strengthen the existing value chain association at district level.			
2.1.2.1 Selection of existing business associations.	Contractual Services-Companies	details will be discussed and decided upon inception phase	
	Learning Costs	To be discussed and decided upon in detail during the Inception Phase, this line includes activities to share good practice, solution design and collective action, such as conferences, informal evaluation/reflection meetings, impromptu meeting in-situ by the RP, etc	
	Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	2 Pax * 100 \$ * 5 Night and 300 other travel cost
	Workshops / Training	costs of workshops are calculated according to a past experience including contracting for the workshops' facilitators and other costs including hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.	1 WS * 1000 \$
2.1.2.2 Technical support to the associations (training and consultancy support) and development of business proposal/ plans by the associations.	Contractual Services-Companies	details will be discussed and decided upon inception phase	
	Learning Costs	To be discussed and decided upon in detail during the Inception Phase, this line includes activities to share good practice, solution design and collective action, such as conferences, informal evaluation/reflection meetings, impromptu meeting in-situ by the RP, etc	
	Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	3 Pax * 100 \$ * 5 Night
	Workshops / Training	costs of workshops are calculated according to a past experience including contracting for the workshops' facilitators and other costs including hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.	1 WS * 2000 \$
2.1.2.3 Provision of financial grants through financial service providers to the business advisors (BAs).	Grant	For details of the grants structure and distribution mechanism, including the size of grants, see the expanded narrative in the DoA. Structure, grant size and distribution mechanisms will be further finetuned during the Inception Phase, as requested by the EU (including the number and location of districts SIERY will operate). In addition, exact number of particular size grants will depend on the development priorities, as identified after a systematic and participatory process, by communities, district authorities and business committees – fluctuations in size and volume are foreseen but cannot be exactly predicted, nor will SIERY pre-empt local democratic decisions.	
2.1.2.4 Networking events for business associations for the income generation activities.	Contractual Services-Companies	details will be discussed and decided upon inception phase	
	Learning Costs	To be discussed and decided upon in detail during the Inception Phase, this line includes activities to share good practice, solution design and collective action, such as conferences, informal evaluation/reflection meetings, impromptu meeting in-situ by the RP, etc	
	Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	3 Pax * 100 \$ * 6 Night
2.1.2.5 Organization of exposure visits for cross exchange and learning for MSMEs, MFIs and private sectors	Contractual Services-Companies	details will be discussed and decided upon inception phase	
	Learning Costs	To be discussed and decided upon in detail during the Inception Phase, this line includes activities to share good practice, solution design and collective action, such as conferences, informal evaluation/reflection meetings, impromptu meeting in-situ by the RP, etc	
	Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	4 Pax * 100 \$ * 6 Night
Activity 2.1.3 Enhanced business advisory support and assistance to MSMEs to improve business continuity, risk management, marketing and expansion of business			
2.1.3.1 Selection of technical consultants/ business advisors in each targeted district.	Contractual Services-Companies	details will be discussed and decided upon inception phase	
	Learning Costs	To be discussed and decided upon in detail during the Inception Phase, this line includes activities to share good practice, solution design and collective action, such as conferences, informal evaluation/reflection meetings, impromptu meeting in-situ by the RP, etc	
	Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	
2.1.3.2 Development of group of MSMEs and allocation of business advisors as per the value chain sector for mentoring, coaching and technical assistance.	Contractual Services-Companies	details will be discussed and decided upon inception phase	
	Learning Costs	To be discussed and decided upon in detail during the Inception Phase, this line includes activities to share good practice, solution design and collective action, such as conferences, informal evaluation/reflection meetings, impromptu meeting in-situ by the RP, etc	
	Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	4 Pax * 100 \$ * 10 Night and 200 other Travel cost

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Heading 2.2: Increased and de-risked access to financial services for economic agents in promising value chains. Gender marker: 2	2.1.3.3 Explore the possibility to establish Business Advisory Resource Center (BARC).	Equipment		
		Contractual Services-Companies	details will be discussed and decided upon inception phase	
		Learning Costs	To be discussed and decided upon in detail during the Inception Phase, this line includes activities to share good practice, solution design and collective action, such as conferences, informal evaluation/reflection meetings, impromptu meeting in-situ by the RP, etc	
		Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	284 \$ * 10 Nights and 660 \$ other travel cost
		Equipment	Costs have been estimated based on market value.	
	Sub-total Heading 2.1			
	Activity 2.2.1 : Reconstruction of market facilities and infrastructures have improved access and services for MSMEs and private sectors to improve productivity			
	2.2.1.1 Organizing meeting with SFD/PWP and district authority to access fund for the market infrastructure rehabilitation.	Contractual Services-Companies	details will be discussed and decided upon inception phase	
		Learning Costs	To be discussed and decided upon in detail during the Inception Phase, this line includes activities to share good practice, solution design and collective action, such as conferences, informal evaluation/reflection meetings, impromptu meeting in-situ by the RP, etc	
		Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	2 PAX *100 \$ * 6 Nights and 400 other travel cost
		Workshops / Training	costs of workshops are calculated according to a past experience including contracting for the workshops' facilitators and other costs including hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.	
	2.2.1.2 Identification of skilled and unskilled individuals for market rehabilitation for emergency employment.	Contractual Services-Companies	details will be discussed and decided upon inception phase	
		Learning Costs	To be discussed and decided upon in detail during the Inception Phase, this line includes activities to share good practice, solution design and collective action, such as conferences, informal evaluation/reflection meetings, impromptu meeting in-situ by the RP, etc	
		Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	100\$ * 6 Night+ 200 \$
		Workshops / Training	costs of workshops are calculated according to a past experience including contracting for the workshops' facilitators and other costs including hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.	
	2.2.1.3 Identification of market centers at sub-district, district and governorate levels to be rehabilitated	Contractual Services-Companies	details will be discussed and decided upon inception phase	
		Learning Costs	To be discussed and decided upon in detail during the Inception Phase, this line includes activities to share good practice, solution design and collective action, such as conferences, informal evaluation/reflection meetings, impromptu meeting in-situ by the RP, etc	
		Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	6 Night *100 \$ and 200 \$ other travel cost
		Workshops / Training	costs of workshops are calculated according to a past experience including contracting for the workshops' facilitators and other costs including hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.	1 WS * 1000 \$
	2.2.1.4 Capacity building of private sectors and MSMEs on Occupational Health and Safety (OHS) to ensure mitigation of any potential hazard incidence.	Contractual Services-Companies	details will be discussed and decided upon inception phase	
		Learning Costs	To be discussed and decided upon in detail during the Inception Phase, this line includes activities to share good practice, solution design and collective action, such as conferences, informal evaluation/reflection meetings, impromptu meeting in-situ by the RP, etc	
		Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	2 PAX *100 \$ * 8 Nights and 400 other travel cost
		Workshops / Training	costs of workshops are calculated according to a past experience including contracting for the workshops' facilitators and other costs including hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.	1 WS * 1900 \$
	2.2.1.5 Provision of grant from district fund and SMEPs grant facility through banks for market rehabilitation.	Grant	For details of the grants structure and distribution mechanism, including the size of grants, see the expanded narrative in the DoA. Structure, grant size and distribution mechanisms will be further finetuned during the Inception Phase, as requested by the EU (including the number and location of districts SIERY will operate). In addition, exact number of particular size grants will depend on the development priorities, as identified after a systematic and participatory process, by communities, district authorities and business committees – fluctuations in size and volume are foreseen but cannot be exactly predicted, nor will SIERY pre-empt local democratic decisions.	
	Activity 2.2.2 :Improved access to microfinance services (capital and grant) for the recovery of micro, small and medium enterprises with good potential for job creation and income generation			

2.2.2.1 Identification of microfinance institutions (MFIs) in the targeted location..	Contractual Services-Companies	details will be discussed and decided upon inception phase	
	Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	10 Pax *100 \$ *5 Night
	Workshops / Training	costs of workshops are calculated op according to a past experience including contracting for the workshops' facilitators and other costs inclding hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.	1 WS * 4000 \$
2.2.2.2 Establishment of grant and loan facility support provision by the SMEPs.	Contractual Services-Companies	details will be discussed and decided upon inception phase	
	Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	4 Pax * 100 \$ * 4 Night
	Workshops / Training	costs of workshops are calculated according to a past experience including contracting for the workshops' facilitators and other costs inclding hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.	1 WS * 6,500 \$
2.2.2.3 Development of business proposals for the selected value chain sectors by the targeted individuals and review by advisory committee .	Contractual Services-Companies	details will be discussed and decided upon inception phase	
	Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	
	Workshops / Training	costs of workshops are calculated according to a past experience including contracting for the workshops' facilitators and other costs inclding hall rental, stationary for the workshop and lunch and transportation costs provided for the attendees.	
2.2.2.4 Selection of business proposals and provision of loan and grant through existing system to targeted individuals for MSMEs establishment.	Grant	For details of the grants structure and distribution mechanism, including the size of grants, see the expanded narrative in the DoA. Structure, grant size and distribution mechanisms will be further finetuned during the Inception Phase, as requested by the EU (including the number and location of districts SIERY will operate). In addition, exact number of particular size grants will depend on the development priorities, as identified after a systematic and participatory process, by communities, district authorities and business committees – fluctuations in size and volume are foreseen but cannot be exactly predicted, nor will SIERY pre-empt local democratic decisions.	
Sub-total Heading 2.2			

Budget Heading 3 / Project Management**Project Management**

Activity 3.1 Adequate technical and operational management of the project to achieve intended objectives is ensured.			
3.1.1 Project Staff international and national			
3.1.1.1 Project Staff international Chief Technical Advisor/Project Manager - P5	Salary & Post Adj Cst-IP Staff	International Technical staff: •One Chief Technical Advisor/Project Manager (international, P5, 100%) •One Operation Manager/Senior Programme Specialist (P4, international, 100%) •One Project Specialist (P3, international, 50%) •One M&E Specialist (P3, international, 100%)	UN Salary Scale and Proforma Cost for P3-P5 international staff position. It includes actual salaries plus social security charges and other remuneration costs attributed to the identified staff positions, including relevant benefits and entitlements applied under standard UNDP rules and which are governed by UN staff rules.
	Recurrent Payroll Costs-IP Stf		
	Non-Recurrent Payroll - IP Stf		
	Insurance and Security Costs		
	Staff Mgmt Costs - IP Staff		
	After Service Insurance		
3.1.1.2 Project Staff international - Operations Manager/Program Management Specialist- P4	Salary & Post Adj Cst-IP Staff		
	Recurrent Payroll Costs-IP Stf		
	Non-Recurrent Payroll - IP Stf		
	Insurance and Security Costs		
	Staff Mgmt Costs - IP Staff		
	After Service Insurance		
3.1.1.3 Project Staff international- Project Specialist (50%) - Brusselsr - P3	Salary & Post Adj Cst-IP Staff		
	Recurrent Payroll Costs-IP Stf		
3.1.1.4 Project Staff international - M&E and Reporting Specialist -P3	Salary & Post Adj Cst-IP Staff		
	Recurrent Payroll Costs-IP Stf		
	Non-Recurrent Payroll - IP Stf		
	Insurance and Security Costs		
	Staff Mgmt Costs - IP Staff		
	After Service Insurance		
3.1.1.5 Project national Staff - SB5 - National Coordinator IR & ER	Contractual Services - Individ	National Technical staff: •Two National Coordinators (NCs, national, SB5, 100%): •Two Thematic Heading Specialists (national, SB4, 100%): •One Communications Officer (CO, national, SB3, 100%): •One M&E / Reporting Officer (national, SB4, 100%): •One MIS Specialist (national, SB4, 33%): •One Finance Assistant (national, SB3, 100%): •Two Project Assistants (national, SB2, 100%): •One driver (national, SB1, 100%)	Salaries calculated for all SIERY staff related costs are based on the UN payroll system for fixed staff at NOA, NOB and NOC level. Included in the payroll are also other costs and benefits such as danger pay, social security contribution, living and medical allowance, development and training.
3.1.1.6 Project National Staff - SB4 - 5 Field Coordinator, Thematic Heading Specialist IR & ER, MIS Specialist and M&E/Reporting Officer	Contractual Services - Individ		
3.1.1.7 Project national Staff - SB3 - Communication Officer	Contractual Services - Individ		

3.1.1.8 Project national Staff - SB2 - Project Assistant IR & ER	Contractual Services - Individ	•Five Field Coordinators (national, SB4, 100%)	
3.1.2 Consultants to Support Project Team Based on the requirements	Consultants	Will be selected based on competency process of selection. The total number depends on if and when services are required.	
3.1.3 Office costs (office space, accommodation, security, general operating expenses)	Common Services Share	Project share to the common cost services i.e. secured accommodation, security, dispensary, office space and secured transportation	Please see calculation in the "common services" sheet
3.1.4 Furniture and IT equipment			
3.1.4.1 Furniture and IT equipment (Laptops Laptop accessories,(Dockstations , keyboard , screens , laptop bags)	Information Technology Equipmt	Costs have been estimated based on market value.	
3.1.4.2 Furniture and IT equipment (Camera and Accessories (Lenses , stands , Battery, Memory) + hards + flash and other IT equipment	Information Technology Equipmt	Costs have been estimated based on market value.	
3.1.5 Management services, Quality Assurance and Oversight services , Communication and Visibility, Regional services, Operations services	Country office Support	The cost recovery will be collected based on the CO staffing time spend to support project implementation with their associated Defined Operating Expenses as per the calculation timesheets.	
3.1.6 Staff duty travel (International Flights UNHAS Flights ,Transport costs for field Missions and DSA)	Travel	Travel allowance and other related travel cost based on actual days and UNDP rates	
3.1.7 Monitoring services (Third Party payment)	Professional Services	A third party to provide monitoring services will be selected based on competency process of selection	
3.1.8 Auditing (Third Party Spot checks/ Audit fees,...)	Professional Services	A third party to provide spot checks/auditing services will be selected based on competency process of selection	Audit and spot checks represents 2% of the total expenditures
Activity 3.2 : Lessons learnt are developed and shared and contribute to shaping the post-conflict Yemeni state.			
3.2.1 Evaluation	Professional Services	A third party to do evaluation at the end of the projec will be selected based on competency process of selection	
3.2.2 Annual conferences (International Flights UNHAS Flights ,Transport costs for field Missions and DSA)	Travel	It is calculated based on average of the UN international DSA and average of UN local DSA in Yemen	
3.2.3 Learning / Knowledge Materials: design and printing	Publications	Costs of designing and printing	
3.2.4 Communication & Visibility actions	Contractual Services-Companies	to implementation of Communication & Visibility Plan that include Audiovisual & Photographs Production ,Promotional Items , Public Event and visit , Awareness Campaigns, Commemorative Plaques, Display Panels and banners	
Sub-total Project Managemnet			
	Total Direct Cost		
	Indirect Costs/GMS(7%)		
	Total		

(*) Justifications for Year 1, 2 and 3 will be updated/provided following the inception phase or at the latest with the progress reports when requesting further pre-financing



FINANCIAL IDENTIFICATION

PRIVACY STATEMENT

http://ec.europa.eu/budget/contracts_grants/info_contracts/financial_id_en.shtml

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 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 10022-4617

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

Shannon Laverchia, AVP
TTS Client Operations
One Penn Plaza
New York, NY 10119
302-324-6518

DATE (Obligatory)

17 OCTOBER 2016

SIGNATURE OF ACCOUNT HOLDER (Obligatory)

Julie Anne Mejia

JULIE ANNE MEJIA

Treasurer

UNDP Treasury Division

- 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.

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ANNEX V

Request for payment for Contribution Agreement

Date of the request for payment <.....>

For the attention of

<Address of the Contracting Authority>

<Financial unit indicated in the Contribution Agreement>¹

Reference number of the Contribution Agreement: MIDEAST/2020/416-174

Title of the Contribution Agreement: ***"Strengthening Institutional and Economic Resilience in Yemen (SIERY)"***

Name and address of the Organisation: ...

Request for payment number: ...

Period covered by the request for payment: ...

Dear Sir/Madam,

I hereby request payment of pre-financing/interim payment/balance² under the Contribution Agreement mentioned above.

The amount requested is [in accordance with Article 4 of the Special Conditions of the Contribution Agreement/the following: ...]³

Please find attached the following supporting documents:

- narrative and financial progress report (for pre-financing / interim payments)
- final narrative and financial report (for payment of the balance)⁴

The payment should be made to the following bank account: .⁵

Please when making the payment indicate the following communication: ...

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>

¹ If applicable, please do not forget to address a copy of this letter to the European Union Delegation mentioned in Article 5 of the Special Conditions of the Contribution Agreement.
² Delete the options which do not apply.
³ Delete the option which does not apply.
⁴ Delete the items which do not apply.
⁵ Indicate the account number shown on the financial identification form annexed to the Contribution Agreement. In the event of change of bank account, please complete and attach a new financial identification form as per model.

N.B.: Instalments of pre-financing, interim payments and final payments shall be made upon approval of the payment request accompanied by a progress or final report (see Articles 19 of the General Conditions of Contribution Agreement).

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Annex VI: COMMUNICATION AND VISIBILITY PLAN
STRENGTHENING INSTITUTIONAL AND ECONOMIC RESILIENCE IN
YEMEN

Communication objectives

This United Nations Development Programme's Strengthening Institutional and Economic Resilience in Yemen Project (SIERY) Communications and Visibility Plan provides an overview of the various approaches and activities planned. The aim is to communicate and provide visibility of the project and its donor, the European Union (EU), to Yemenis, regionally and to the international community.

The Plan will highlight the value added of the EU/UNDP partnership toward local governance, institutional resilience and economic recovery with Yemeni authorities and the European members states and citizens.

The overarching objectives of the Communications and Visibility Plan is to:

- Raise awareness of the EU-UNDP partnership in promoting local governance, institutional resilience and economic recovery in Yemen;
- Raise awareness about the project, its purpose, activities, partners and beneficiaries;
- Communicate the positive achievements of the project, focusing on the outputs and the impact of the results achieved among the target audience; and,
- Ensure all stakeholders have access to information regarding objectives, progress towards their achievements and the impact of the Project's activities.

All communication and visibility activities will be implemented in accordance with Article 11 of the Financial and Administrative Framework Agreement concluded between the European Union and the United Nations, Article 8 of the Annex II to the EU-UNDP Contribution Agreement (General Conditions) and the Joint Visibility Guidelines for EC UN Actions in the field (see <https://ec.europa.eu/europeaid/node/45481> for guidance).

The importance of strategic communication

Given Yemen's complex political environment – and the potential sensitivity of work such as local level strengthening of institutional resilience – SIERY communication and visibility activities will be coordinated in collaboration – where appropriate – with the Office of the UN Special Envoy of the Secretary General for Yemen and the UN Resident and Humanitarian Coordinator to ensure a synergized approach. In addition, security considerations must be given in planning and organizing communications and visibility related activities based on the evolution of the situation on the ground.

Key messages

Whilst communication activities will tailor messages to suitable target audiences, a consistent thread will be incorporated, focusing on the achievements and positive impacts of the EU-UNDP Partnership as well as positioning the SIERY project as:

- An EU-funded and UNDP implemented project in support of resilience and recovery efforts in Yemen;

- A strong partnership between the EU and the UNDP in supporting local authorities in Yemen to strengthen institutional and economic resilience and recovery;
- Strengthening capacity of the local authorities in delivering basic and emerging public services to the Yemen population and in leading economic recovery processes; enhancing communities and local stakeholders' capacity to participate in local decision making processes; and strengthening economic opportunities, incl. for women, youth and vulnerable groups through inclusive and participatory local economic recovery.
- Improving the living conditions and resilience of vulnerable populations in particular in the municipalities most affected by migratory flows and/or damaged by the conflict.

Target Audiences

For the purpose of this project, the target groups for the Communication and Visibility Plan have been broadly categorized as follows:

- End Beneficiaries/Communities.
- Women and Youth.
- Development community and local partners
- Key Stakeholders (national and international),
- European Union/General public from EU member states: to raise awareness about the project and its aims and disseminate information about project's achievements to the general public in EU member states.

Media Used

Website and social media: The UNDP Yemen website, including a European Union-specific donor page – will house all relevant information and audiovisual materials. Where suitable, targeted social media campaigns will be developed to help promote the work of the project. Emphasis will be on local, national, regional and international audiences. With SIERY approval and where appropriate, social media sites such as YouTube, Twitter, Facebook and Instagram will be used to promote project activity updates and to distribute relevant information and audiovisual materials more widely.

Press releases, human interest stories, infographics and other written documents will be developed around significant milestones to contribute to the building of trust, legitimacy and partnerships between local authorities and citizens.

Resources

Human Resources: The soon-to-be-hired Communications Officer will lead the implementation of the SIERY Communications and Visibility Plan. He/she is responsible for the planning and design of internal and external strategies for communications and outreach and for the elaboration and implementation of the publication's strategy and plan for the project. The Communications Officer will be charged 100% of his/her time to the project for 36 months.

Annex VII 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 Contribution Agreement <insert reference of the concrete Agreement>, (the "Agreement"), based on my own judgement and on the information at my disposal, including, inter alia, the results of the audits and controls carried out, that:

1. The information submitted under Article 3 General Conditions of the Agreement for the financial period dd/mm/yyyy to dd/mm/yyyy is properly presented, complete and accurate;
2. The expenditure was used for its intended purpose as defined in Annex I of the Agreement;
3. The control systems put in place give the necessary assurances that the underlying transactions were managed in accordance with the provision of this Agreement.
4. The Organisation performed the activities in compliance with the obligations laid down in the Agreement and applying the accounting, internal control, audit systems, and procedures for grants and procurement, including a review procedure,¹ referred to in Article 1.3 of the Special Conditions and which have been positively assessed in the ex-ante pillars assessment.

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

[However, the following reservations should be noted:]².

<insert place and date>

.....
(signature)

<Insert forename and surname>

¹ Adapt if grants and/or procurement procedures is/are not the one(s) assessed by the Commission
² Option to be used in case of reservations.

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