برنامج تحسين القدرة على الصمود في الريف اليمني
Enhanced Rural Resilience in Yemen (ERRY)
(2016-2019)
Joint Programme Outcome(s):
1. Communities are better able to manage local risks and shocks for increased economic self-reliance and enhanced social cohesion;
2. Institutions are more responsive, accountable and effective to deliver services, build the social contract and meet community identified needs.

**Programme Duration:**
- 36 months
- Anticipated start/end dates: 1 March 2016

**Total estimated budget**: USD 38,032,053.56

**Sources of funded budget**:

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Executive Summary

The conflict has caused major loss of life, internal displacement and the destruction of infrastructure and service delivery across main sectors, further exacerbating a pre-existing humanitarian crisis.

The Enhanced Rural Resilience in Yemen Programme (ERRY) is a 34.8 Million Euro joint programme funded by the European Union. It designed to enhance the self-reliance of rural people and communities to better cope with crises, risks and shocks.

The joint programme will be implemented in four governorates: Hajjah, Hodeidah, Lahj and Abyan. Within each governorate between 2 and 5 districts may be targeted.

The overall objective of the ERRY joint programme will be achieved through a complementary approach building on participating agencies’ comparative advantages through the following two outcomes:

1. Communities are better able to manage local risks and shocks for increased economic self-reliance and enhanced social cohesion;
2. Institutions are more responsive, accountable and effective to deliver services, build the social contract and meet community identified needs.

The ERRY joint programme will introduce a coordinated resilience approach to reduce vulnerabilities and contribute to improved levels of community stability in targeted areas, local governance and reduced competition over scarce resources through the introduction of renewable energy. It will also follow the Multi-Dimensional Livelihoods assessment’s recommendation to address issues through joint programming and in strategic partnerships between humanitarian and development partners. The following results are expected to be achieved:

- Output 1.1: Community livelihoods and productive assets are improved to strengthen resilience and economic self-reliance;
- Output 1.2: Communities benefit from improved and more sustainable livelihoods opportunities through better access to solar energy;
- Output 1.3: Informal networks promote social cohesion through community dialogue and delivery of services
- Output 2.1: Functions, financing and capacity of local authorities enabled to deliver improved basic services and respond to public priorities;
- Output 2.2: Increased capacity of local actors and strengthened partnership of private sector to enhance collective actions, aid delivery and economic recovery;

ERRY will focus on the most vulnerable such as women, the unemployed, youth, the Muhamasheen, internally displaced persons (IDPs) and stressed host communities, using inclusive, participatory and conflict-sensitive tools to mobilize and involve them in the proposed activities.

Active partnerships with local authorities, the private sector, communities, the Social Fund for Development (SFD) and NGOs will be sought for the successful implementation of the programme.

To summarize, an estimated 63,000 vulnerable individuals will indirectly benefit from improved economic self-reliance and livelihoods opportunities as part of ERRY. This includes targeting of 100 communities for participatory planning and prioritization across the four Governorates reaching an approximate 100,000 citizens. Solar energy will also be introduced to 100 communities, with additional linkages sought through enterprise recovery to reach markets. Local governance will be enhanced through capacity building of four Governorates and eight local district authorities servicing the entire local population. To reduce tensions and improve social cohesion for resilience-building, 200 insider mediators for two years will be trained, strengthening informal networks for economic revitalization and basic services to be delivered.
Situation Analysis

More than half of the 25 million Yemeni population were already below the poverty line before the escalation of the war, with 8 million Yemenis receiving humanitarian assistance. Development and public services had already stalled in the aftermath of the 2011 crisis. Six months into the protracted crisis, humanitarian actors estimate that 80% of Yemen’s population is now in need of assistance to cope.1

The transition process had largely centered on the political dialogue and Sana’a focused state reforms and humanitarian assistance. The remarkable resilience of the Yemeni population that endured decades of underdevelopment is now being tested to its limits. The prolonged war erodes all remaining coping mechanisms that they have left, plunging them into vulnerability, poverty and insecurity in an unprecedented scale of humanitarian disaster. The need for restoring resilience for survival and foundation building of communities, institutions and peace is urgent and essential as is humanitarian relief and political dialogue to end the war.

Yemen’s political transition was triggered by Yemeni youth and women demanding democracy and opportunities amidst the wave of Arab Spring demonstrations in 2011. Many events followed starting from the transition agreement brokered by the Gulf Cooperation Council (GCC) in November 2011 and ending with the current war. Given the scope of the emergency and the deteriorating situation, the United Nations revised the Humanitarian Response Plan in June, calling for USD 1.6 billion in assistance to target 11.7 million people out of the 21.1 million people in need.

Conflict, poverty and vulnerability

Over 80% of the poor reside in rural areas and almost half of them live on less than US$2 a day.2 Yemen’s Human Development Index (HDI) of 2014 is at 0.500, ranking 154 out of 187 countries.3 The Gender Inequality Index of 0.733, puts Yemen at the bottom of the 149 countries measured.4 The protracted crises in Yemen have also taken a heavy toll on food security. It is estimated that 80% of the population have unreliable access to clean water (it doubled since the start of the war). An estimated 46.5% of children under five years suffer from chronic malnutrition, 39% are underweight, and 16.3% face acute malnutrition.5 In addition, 27% of pregnant women and 35% of lactating women are malnourished. Yemen’s main staple wheat is 95% dependent on imports, exposing the country’s vulnerability to international food commodity price volatility.6

Social protection and safety nets

Yemen has a few social protection and safety nets programmes including the Social Welfare Fund (SWF), which covers around 33% of Yemeni households, community-driven development programs under the Social Fund for Development (SFD); the Public Works Project (PWP) and other smaller programs, such as the Disability Fund and the Agriculture and Fishery Promotion Fund. However, Yemen’s public spending on these programs, accounting for 0.6–1% of GDP, is modest compared to similar programs in other low income countries (between 1.5 - 2% of GDP) and Yemen’s spending on energy subsidies (more than 7% of GDP). Most of the social protection measures are now non-functioning. The recent withdrawal of key donor funding to these programmes will have an impact on the beneficiaries (existing and potential), many of whom are very poor.

Macro-economic challenges

Yemen’s post-2011 economic recovery was inadequate to make a dent in unemployment and poverty. Fundamental reforms were postponed for fear of derailing the national dialogue that was central to the political transition. Prior to the current civil war, Yemen’s economy was already in a dire situation. The macroeconomic situation deteriorated further in 2014, with increased sabotage of power and oil facilities, causing severe fuel and power shortages and impacting oil revenue, in turn, worsening the fiscal and external positions. The growth slowed down to 0.3% in 2014 and it is estimated that the economy shrunk by 35% in 2015, according to MOPIC. The government reduced public expenditures in 2014 with cuts in fuel subsidies, public sector wages and social transfers, impacting the poorest.

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1 Humanitarian Needs Overview, June 2015.
2 IFAD, Enabling Poor Rural People to Overcome Poverty in Yemen, December 2011
4 UNDP Human Development Report 2014
Yemen was granted support in mid-2014 through the IMF’s Extended Credit Facility based on a broad agreement on priority reforms. In September 2014, the IMF approved a three-year loan program of US$ 553 million. The ability to deliver services that protect the poor remains highly vulnerable to the country’s security environment and related stability of oil production and exports. Critical donors to the government such as Saudi Arabia and other Gulf States, the World Bank and IMF suspended their assistance.

The disruption of Yemen’s domestic economic activity will result in growing loss of jobs and income for a large number of households, as businesses stop their operations, central government reduces payments to public servants, and existing social protection programmes suspend their outreach to 2 million Yemenis. Income losses, combined with rising prices of commodities, have resulted in a significant decrease of purchasing power, putting at risk the ability of households to meet basic needs and increasing existing vulnerabilities. In rural areas, the planting season will most likely not take place due to insecurity, displacement, and unavailability of agricultural inputs, further aggravating food insecurity in the long-run.

The private sector in Yemen remains underdeveloped

Investment risks are high and investor confidence is low. In 2011, 91.4% of Yemenis made a living in the informal sector, including two thirds of the wealthiest people. The private sector is confronted with red tape, bureaucracy, corruption, unavailability and high costs of basic services, lack of electricity, high cost of finance, and poor law enforcement. Kidnappings and assassination attempts by AQAP and other groups increase the business cost and risks for local and foreign investors. With weak state institutions and a bloated public sector, private sector development is critical for job creation and poverty reduction. Building investor confidence, requires improvements in security and political stability, as well as improvements in the business environment. Underpinning these requirements are strengthened and reformed state institutions.

Cognizant of the essential role of the private sector for economic recovery, Prime Minister Bahah’s government engaged in an agreement in November, 2014 with the private sector for public-private dialogue and cooperation on priority reforms. Unfortunately, the resignation of the Cabinet in January 2015 and unfolding political crisis as elaborated in the previous sections has halted this initiative. The business climate and confidence is rapidly deteriorating. Hard currency (US dollars) is difficult or impossible to obtain in the market. Due to lack of legitimate government, Letter of Credits for imports of commodities have been suspended. Businesses are laying off jobs and reducing or closing operations.

Developments since March 2015

Since mid-March 2015, the conflict has spread to 20 of Yemen’s 22 governorates, prompting a large-scale crisis and aggravating an already dire humanitarian crisis brought on by years of poverty, poor governance and instability. Human rights violations are reported to be committed by all warring parties. Since the intensification of fighting, the number of people in need of some form of humanitarian assistance has increased by 33% from 15.9 million to 21.1 million people. This means that 80% of Yemen’s population now require some assistance to meet their basic needs for food, water, healthcare, shelter and other basic supplies, or to protect their fundamental rights. More than 12 million people have been directly affected by the conflict, including more than 7 million children. More than 6,000 civilians have been killed: 1,121 children and over 35,000 injured and 1,650 children. One million people have become internally displaced and over 42,000 people, mostly third-country nationals have fled the country.

Strategies, including lessons learned and the proposed joint programme

This revised Yemen Humanitarian Response Plan provides an ambitious, but achievable and targeted, plan for the humanitarian community to meet the needs of those who are most vulnerable. The plan has been prioritized to ensure a focus on protection of civilians and provision of life-saving assistance, while also recognizing specific disadvantages facing women and girls. To ensure that the revised plan can be implemented, humanitarian organizations are scaling up operations, increasing the number of staff in country and enhancing pipelines of supplies coming into the country. The revision of the 2015 Yemen Humanitarian Response Plan (YHRP) has been prompted

7 UNDP Multidimensional Livelihoods Assessment in Conflict Areas in Yemen 2014.
8 Figures as of 10 August 2016
by the humanitarian impact of escalating conflict. The plan provides a framework to provide assistance to 11.7 million people, identifies top priorities and outlines top-line activities that will underpin the response.

In the case of the Eddy, a joint programme approach was chosen as the best vehicle for the achievement of the results and realizing maximum impact taking into account the comparative advantages and complementarity of the four participating UN organizations (PUNOs), FAO, ILO, UNDP and WFP:

- **FAO**: Provision of technical expertise to introduce sustainable and efficient practices in agriculture, livestock, and fisheries; training of programme participants to improve production, productivity, resulting in improved incomes, self-employment through value chain development. Support NWRA in the decentralized water management through empowerment of the Water User Associations (WUA) and other local stakeholders in evident based water and land management to reduce water use, increase water productivity while avoiding decline in agricultural production and rural income.

- **ILO**: ILO is the tripartite UN agency focused on creating decent work and protecting rights in the workplace in order to realize social justice. ILO is supporting Yemen in several key areas including in reform of national legislation, child labor, and youth employment. The ILO will build the capacity of skills training providers and business development service providers, and emphasis will be put on workplace based learning to improve employability and entrepreneurship. In particular, the program will support the upgrading informal apprenticeships, through improving the training provision, the workplace environment and the productivity of small businesses - linked with training providers. ILO will also intervene at the institutional level to enable national partners to deliver non-financial business development services such as training and coaching among others to potential business start-ups (a special will be place on women, youth and IDPs to ensure better integration within the target governorates). In addition, support will be provided to the Social Fund for Development to develop of post Cash for Work services, through design, piloting graduation packages.

- **UNDP**: UNDP works in nearly 170 countries and territories, helping to achieve the eradication of poverty, and the reduction of inequalities and exclusion. UNDP helps countries to develop policies, leadership skills, partnering abilities, institutional capabilities and build resilience in order to sustain development results. UNDP focuses on helping countries build and share solutions in three main areas: Sustainable development; Democratic governance and peacebuilding; and, Climate and disaster resilience. UNDP has worked in Yemen since 1967. UNDP has mandate and significant experience in capacity building of local government and Civil Society actors. UNDP was co-chair of the Sustainable Livelihoods and Employment Generation working group and the Early Recovery (renamed in March 2016: “Emergency Employment and Community Rehabilitation”) Cluster in Yemen. UNDP has led a comprehensive, multidimensional livelihoods assessment in conflict areas in Yemen (2014) on behalf of the wider UNCT, providing a critical evidence base for livelihoods programmes Yemen. UNDP has played a leading role, along with the ILO, in developing the UN Policy on employment creation, income creation and reintegration in post-conflict situations.

- **WFP**: Guarantee immediate income-generation, through cash transfers, by engaging the most vulnerable in the society, using a participatory process. WFP will also contribute to asset rehabilitation and asset building, at the community level, by implementing the projects identified by the community through a participatory process; and ensure sustainability of the assets created, by forming management committees. In the face of shocks, such as drought, floods and conflicts, the employment generated and the asset rehabilitated/ created are expected to enhance the resilience at individual as well as at community level.

**Specific programme strategies adopted to achieve agreed outcomes:**

The Eddy Joint Programme will introduce a coordinated resilience approach to reduce vulnerabilities and contribute to improved levels of community stability in targeted areas, local governance and reduced competition over scarce resources through the introduction of renewable energy. It will also follow the Multi-Dimensional Livelihoods assessment’s recommendation to address issues through joint programming and in strategic partnerships between humanitarian and development partners.
The resilience-based approach complements, but is distinct from humanitarian support by focusing, amongst others, on:

i) Creating a basis to transition towards sustainable development and supporting self-reliance wherever possible;

ii) Cooperating with and jointly implementing the programme through local partners, based on comparative advantages (i.e. local capacity development, joint identification of project priorities and beneficiaries, etc.);

iii) Ensuring a multi-sectoral livelihoods approach, addressing the impact of conflict across different livelihoods assets (i.e. financial, social, human, physical, natural);

ERRY will focus on the link between Relief, Rehabilitation and Development. Where possible, ERRY will be implemented in areas that are relatively secure and stable and where there is limited or no humanitarian assistance currently being provided. In light of the fluidity of the conflict, coordination with providers of humanitarian assistance will be ensured through the cluster system.

The programme’s vision takes an integrated and bottom-up approach to strengthening resilience in affected communities. Resilience will be pursued in targeted areas at different levels, addressing service delivery, social cohesion, basic services and livelihoods recovery as a means to address the negative impacts of the conflict. The programme aims to contribute to stabilization in Yemen’s communities and to provide a solid foundation for the country’s recovery when the political situation allows.

The programme will support local level engagement of community leaders and coalitions of informal and formal actors to identify community priorities and implement locally-owned recovery efforts that target local conflict drivers. The programme will facilitate over time a closer engagement between communities and what remained of their local authorities to avoid a total collapse of the social contract through the loss of state-society relations. The value and feasibility of direct engagement and support to local state institutions will be carefully assessed against associated political and reputational risks, given the dire situation of the public sector and legitimacy issues. It focuses on how the strategies address the key causes of the problems which have been identified, and the partners involved in each phase. It includes details on the intended manner in which the programme should unfold in its various phases. It provides a brief description of the division of labor between the UN partners, the added value of each to the intended joint programme outcomes, and the participating UN organizations capacity to deliver agreed outputs.

The capacities necessary for the implementation were carefully considered and the selected implementing partners have the capacity to achieve the intended results.

Selection of geographical areas

In consultation with key government ministries, governorates have been selected on the following criteria: access, poverty levels, levels of food insecurity, unemployment and presence of partner agencies. The programme will be implemented in four Governorates, namely Hajjah, Hodeidah, Abyan and Lahj. Districts will be selected on the basis of a combination of criteria that will include: (a) Access and availability of implementing partners; (b) Poverty and unemployment rates; (c) Levels of food insecurity; (d) Absence of Qat production in the respective districts/communities (if possible); (e) Potential to open new land of agriculture and link to sustainable access for water; and (f) Limited or no humanitarian assistance provided so far.

Target groups:

While activities are designed to benefit communities at large, activities under the programme will include dedicated efforts to identify the most vulnerable groups as well as their specific needs. A ‘Vulnerable Group Targeting Tool’ developed by UNDP provides a methodology to jointly make informed decisions on beneficiary selection criteria and to identify culturally appropriate and socially sensitive intervention options, through a consultative process.

ERRY targets unemployed youth, women and other marginalized groups, including IDPs and community members affected by displacement (host communities), households with highest levels of food insecurity and malnutrition, women-headed households, men and women with disabilities and minority groups. The total number of IDPs in

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9 This methodology combines a set of tools for participatory field research, based on those developed for the Multi-Dimensional Livelihoods Assessment, to be used in the programme districts including: key informant semi-structured interviews; tailored focus group to allow a safe space for discussion; and transect walks, at the community level, complimented by a desk study and consultation with implementing agencies in Sana’a. In this way the specific needs and possible solutions for various groups within communities, including youth, women and marginalized groups, will clearly ascertained and incorporated into planning.
Yemen is unprecedented in the country’s history of displacement, nearly tripling the previous record number of 545,000 IDPs in 2012. These will form an important part of the targeted groups.

In addition, data from the Social Development Fund as well as WFP will be used to help identify programme participants on the basis of poverty level and food insecurity. Also, the entrepreneurial potential of target groups will also be assessed as part of the targeting mechanism through specific tools designed for this purpose (e.g. Silatech's Tamheed test for literate beneficiaries).

**Scoping and agreeing on project activities:**

ERRY will have a rolling work-plan, presented to the national Programme Steering Committee. These work-plans will be divided into a number of separately scoped and agreed activities.

The starting point will be to build on the diagnostic work already carried out by each agency. The focus of the inception phase will be to scope and agree proposed activities in detail, with an emphasis on implementing agreed improvements as quickly as possible.

Activities will be grouped together into outputs and outcomes in order to make management and results more streamlined, and to enable linkages and dependencies to be incorporated into our planning. Activities will be confirmed during the inception phase.

**Lessons Learned:**

The strategy of this joint programme builds on a number of lessons learned, including:

**The crisis in Yemen is not only a humanitarian and political crisis, but also a development crisis and needs to be addressed simultaneously.**

In the past, the international development support has been focused on supporting the political process and the humanitarian needs and not enough on development. One of the factors contributing to the failure of the GCC-brokered transition agreement was the disproportionate focus by international partners on the political process in Sana’a and humanitarian assistance in a limited geographical sphere while other parts of the country where the majority of the impoverished population reside were relatively neglected. This has created a number of problems as the transitional period progressed. To start with, the state institutions which have chronic and severe human and financial resource deficiency were unable to play their role as they were heavily reliant on international assistance which was not forthcoming. Secondly, an increasing gap emerged between the statements regarding the successes of the National Dialogue Conference and other political developments, on the one hand, and the deteriorating living conditions and lack of development dividends on the other. This created popular discontent and enabled the Houthis to take advantage of this popular discontent to take over large parts of Yemen.

The review of key Mutual Accountability Framework (MAF) priorities as well as the final report by the Executive Bureau for the fourth quarter of 2014 confirms that the support of international development partners was almost exclusively focused on supporting formal and central institutions with very little support for local communities, informal institutions and local authorities. The formal and informal governance assessment which UNDP undertook between 2013 and 2014 confirmed that in many areas like security and justice almost 90% of cases are resolved through informal institutions and actors. The lack of investment at local level and in communities, including community justice and policing, not only missed the opportunity of enhancing service delivery at the local level but also missed an important opening of strengthening the link between formal and informal institutions as well as between the Government of Yemen and its citizens and communities.

**The response of the international community must strengthen the bridge between humanitarian and development interventions through early recovery and resilience building.** A large number of IDPs civilians in conflict-intense areas and other vulnerable people need humanitarian relief, including food, water and shelter. However, most of the population have been affected by the collapse of the economy and public services, fuel and power shortage, infrastructural damage, medical and psycho-social conditions and deterioration of security. Yemenis need to be able to build resilience in the prolonged complex crisis, restore their livelihoods and communities, rehabilitate damaged infrastructure, invest in education, access energy, goods and quality public services, and to continue to plan for their futures. Introducing development-thinking in the humanitarian response now will help build resilience across Yemen and buttress the overall impact and cost-effectiveness of the international response to facilitate a rapid return to sustainable development pathways.
Key cross-cutting concerns:

The following cross-cutting concerns have been identified:

**Social cohesion** will be strengthened through addressing conflict drivers at the community level, enhancing inclusion, fair community resource allocation and sense of belonging through participatory mechanisms of Community Development Committees and similar structures. It is also important to recognize and to address the psychosocial trauma and stress the population have cumulated that may affect their ability to engage and act in the course of the project’s activities. While the level of post-trauma psychological effects will require a more dedicated response beyond this project, professionals and NGOs trained in this area will be solicited in the targeted areas of the project to provide appropriate support to affected people.

**Gender:** Programme activities will ensure inclusion of women at all stage of implementation, i.e. assessment, implementation and M&E considering the social and cultural barriers rural women face in Yemen. The programme will not only actively seek to address the specific needs and opportunities for women, care will be taken to ensure that activities provided for women are culturally acceptable and can be accessed by women. Yet, where possible, the programme will aim to also break barriers to actively support women’s economic empowerment and participation in decision-making.10

Community Development Committees (CDCs) previously established in Abyan and Ibb Governorates by UNDP ensured a minimum 30% women’s participation. Capacity development of Insider Mediators will include at least 30% of women peacebuilders at the community level as well as women’s participation in the Water User Associations.

In addition to that, the programme will work closely with community members to foster attitudes that allow women to go beyond the culturally assigned roles. Activities will include: i) the organization of focus-group discussions, including with male role models within the communities; ii) train groups of male role models to work with other men in communities to open up space for women to engage in income generating activities under the programme and beyond; iii) support communication of success stories where women’s engagement in self or wage employment activities positively contributed to income generation at household or community levels. The programme will build on good practice examples11 from other contexts such as Sudan to support involvement of male community members to promote women’s economic empowerment as well as address sensitive issues such as domestic violence; iv) focus group discussions exclusively for women, to monitor women’s experience of programme participation and mitigate actions that can potentially have adverse or unexpected effects at household levels.

**Environment:** Any cash for work activity that would involve rehabilitation or construction will entail an environmental impact assessment. The introduction and expansion of solar energy, as a form renewable energy, will also mitigate the negative impact of the crisis on the environment given the high fuel dependency and the increased use of wood and charcoal by families.

**Qat:** Qat constitutes a major problem for Yemen today, which also threatens its future, including from environmental, social and economic perspectives. While addressing the cultural aspects of qat is challenging, analysis so far underlines that the high profitability of qat production in comparison to other crops, leaves very limited openings to address the root causes of the problem, particularly when taking into account high levels of poverty and a youth unemployment rate of 50%. Therefore, any sustainable development plan, from an environmental, social and economic perspective is largely dependent upon an alternative to the increased growth and water usage of qat. Qat considerations are therefore carefully mainstreamed throughout each activity from a ‘do no harm’ approach i.e. avoiding facilitation of qat use or production and positively contributing to reduce qat dependency wherever possible within the scope of the programme.

**Conflict sensitivity:** Conflict sensitivity means that participating agencies are aware of the dynamics and consequences that an intervention may generate, and take measures to address these to avoid aggravating the existing conflict or creating additional sources of tension. The updated Conflict and Development Analysis (July 2015) has informed the ERRY formulation process so that its proposed actions are designed in a conflict-sensitive manner.

10 It is important to note, however, that barriers to women’s economic empowerment include not only economic opportunities, but also legal status and rights (i.e. property ownership, inheritance, land rights, marriage and economic conditions, etc.), as well as voice and participation in economic decision-making.

11 UNDP (2012) Blame it on the war: gender dimensions of violence
For community-level interventions, conflict and situation analysis that will be conducted as a part of identification of Insider Mediators will also facilitate conflict sensitivity across the activities. Partners are well aware of the fact that access to water is an important source of conflict in rural areas. In order positively contribute to social cohesion and resolve conflict related to access water, programme activities including replacement of community assets will be identified through local CDCs. Insider Mediators will also provide advice on other conflict drivers at the community level so that ERRY activities can better address them and remedial actions are taken during implementation.

**Sustainability of results:**

Resilience building by definition aims to build capacities and assets that enable communities, households and individuals to manage and sustain their livelihoods and developmental activities beyond the programme. Local authorities’ commitment to support CDCs as well as to pursue their own responsibilities (defined by the Local Authority Law No (4) of 2000) is a condition to identify the districts and target communities. By working with local 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. Building effective relations and including partners at all stages of the project process, with roles and responsibilities clearly defined, and involving as many stakeholders as possible in discussions about the phasing out process helps in ensuring sustainability of activities.

However, critical limitations to government ownership are real, noting the current absence of legitimate national Government counterparts on the ground, which might cause risks on sustainability and ownership of programme results. Self-reliance is an important aspect and will be part of the community mobilization process. Sustainability and ownership of the project will be ensured by the involvement of communities in the planning and design of interventions and by ensuring community contributions and investments in the programme components’ costs. Furthermore, an assessment of community environment and capacity to ensure local ownership, motivation and incentives to maintain and operate resources and assets created with programme support will be executed.

**Economic sustainability:** The resilience-based approaches used, in particular under Outcome 1 and Output 1, are market-oriented and informed by market and value chain assessments. The programme seeks to create critical linkages with agricultural and non-agricultural value chains to support sustainable employment opportunities, amongst others through demand-driven skills development and the creation of market opportunities. The trainings carried out will be linked with job opportunities that are available in the rural areas. Moreover, in this programme, strong gender components are present and special attention is given to the inclusion of women ensuring the participation of women in the long term. There is a strong emphasis on building the capacity of national partners and stakeholders to carry out capacity building and initiative through its own resources, especially the CDCs as catalyst of a community mobilization dynamic.

However, it is important to note that the ongoing crisis has resulted in a significant aggravation of the economic situation with large-scale increase of unemployment, private sector downsizing and closure, difficulties in sourcing hard currency and accessing liquidity and severe import-export constraints. While ERRY will deliver concrete community-level economic results, through stabilization and economic self-reliance activities, broader economic impact and sustainability of results are contingent upon the national economic ecosystem and political/security stability.

**Environmental sustainability:** Water User Associations and CDCs will be formed and/or strengthened in order to increase local ownership, sustainability and ensure maintenance of the cash-for-work interventions that will be led around the rehabilitation of water and sanitation community infrastructure and awareness-raising on the sustainable use of water.

A main component of the programme will focus on introducing solar energy as a form of renewable energy source, in order to reduce competition over scarce natural resources, which have been a source of local conflicts. Partners will carefully monitor that when solar driven water pumps are introduced, that this will be done in combination with improved water irrigation systems and awareness-raising to ensure sustainable use of available water resources. The community will also be taught how to take care and maintain the solar equipment. The solar energy market has expanded in the country to increasing demand. Amongst existing dealers there are some with reliable technology while new suppliers have also joined the sector. UNDP has a global Long Term Agreement (LTA) enabling procurement of solar equipment from the Arab States region. Market risks do exist and relate to price fluctuation as prices sometimes go up dramatically, over 120%, then to drop due to entry of industry newcomers by 40-50%. This
risk is mitigated since the solar energy sector has become a booming business in crisis-affected Yemen. Transportation and installation costs amount to 12-15% of the solar procurement cost. Local expertise in terms of technical needs assessment and installation of equipment is available and qualified.
Management and Coordination Arrangements

In this joint programme, using the pass-through modality, a Steering Committee will provide strategic direction and advisory authority. UNDP as the Convening Agency will be responsible for coordinating programmatic aspects, and the Administrative Agent (UNDP’s Multi-Partner Trust Fund Office) will be responsible for financial management, with each participating UN organization having programmatic and financial responsibility for the funds entrusted to it.

The National Programme Steering Committee (PSC)

The national Programme Steering Committee (PSC) is the Joint Programme oversight and advisory authority, representing the highest body for strategic guidance, fiduciary and management oversight/coordination. Advisory in nature, the PSC reviews and endorses the Joint Programme Document and annual work plans, provides strategic direction and oversight, advises on allocation criteria for resources, reviews implementation progress and addresses problems, reviews progress reports budget revisions/reallocations, and evaluation reports, notes audit reports (published in accordance with each PUNOs’ disclosure policy), and initiates investigations (if needed). The Programme Steering Committee is supported by a Joint Programme Coordination Unit. The national Programme Steering Committee will meet semi-annually.

The PSC will include senior representatives of all signatories of the Joint Programme Document; may also include other members in observer capacity, such as civil society organizations. It will be co-chaired by the UN Resident Coordinator, a senior representative of the Ministry of Planning and International Cooperation (representing the Government of Yemen) and a representative from the European Union.

Convening Agency (UNDP) and Joint Programme Coordination Unit in Sana’a and sub-national

Under ERRY, UNDP is acting as the Convening Agency and will provide joint coordination support. UNDP will be accountable for coordination of programmatic activities and narrative reporting through two instruments:

The Joint Programme Coordination Unit is responsible for operational and programmatic coordination that includes: 1) coordinating all the Joint Programme partners, 2) coordinating and compiling annual work plans and narrative reports, 3) coordinating monitoring of annual targets, 4) calling and reporting on Steering Committee meetings, 5) facilitating audits and evaluation, 6) reporting back to the Steering Committee; and 7) may be involved in resource mobilization. The Joint Coordination Unit is involved in day-to-day coordination, but does not hold any financial or programmatic accountability.
The Joint Programme Coordination Unit will be led by a Joint Programme Manager, supported by a Communications Specialist, an M&E and Reporting Specialist, and an Administrative and Finance Assistant.

The Joint Programme Coordination Unit will be hosted by UNDP within its premises, and operate with a dedicated budget and staff that will cover risk management, conflict sensitivity, communications, M&E, and coordination and oversight requirements for the duration of ERRY and sustain its programmatic and operational presence in Yemen, including budget for possible relocation/evacuation of international personnel, depending on the slot allocation of staff. A key task of the unit would be to ensure coherence across the programme’s components and outputs. This will be done in a number of different ways, including:

- Building on thematic linkages between outputs and locations (at the central and governorate levels) and organizing thematic lessons learning exercises which will also involve counterparts;
- Develop communication and knowledge with the aim of promoting the overall coherence of the programme. This formal structure will also encourage the development of informal relationships between partners;
- Ensuring that the role of joint programme manager is focused on coherence and taking advantage of synergies between components;
- Using a joint template for M&E and communications governing each intervention under the programme, which will encourage each implementation team to consider the same key cross-cutting issues and facilitate the learning of lessons between components;
- Promoting common resources and sharing facilities, interpreters etc., between components and locations.

Sub-national level, office and logistics management

Sub-national Joint Programme Coordination will be led by FAO for Hajjah and Hodeidah Governorates (based in Hodeidah) and by UNDP for Abyan and Lahj Governorates (based in Aden). Sub-national coordination will report to the Joint Programme Manager. The overall programme coordination among agencies and the national PSC will be achieved from Sana’a, but the operational coordination of activities across outcomes and agencies will be initiated at the region level which covers the four targeted governorates.

The sub-national Joint Programme Coordination Units may facilitate setting up of premises for PUNO personnel, liaise with authorities, with a dedicated budget and staff to set up a structure (office, furniture, equipment, communications, and operational expenses) in a new or existing office and guarantee programmatic and operational capacity for field visits and stakeholder coordination meetings.

The national and sub-national coordination structures will be established during the joint programme’s and will be adapted as appropriate.

Support staff is identified for ERRY including programme staff in the respective UN Hubs, who may include profiles such as project assistants, coordinators, interpreters/translators and drivers.
Fund Management Arrangements

This Joint Programme Account will be administered by the Administrative Agent in accordance with the regulations, rules, directives and procedures applicable to it, including those relating to interest. According to the pass-through modality, the UNDP Multi-Partner Trust Fund Office (MPTF Office) will serve as the Administrative Agent (AA) of the Joint Programme.

The AA will be accountable for effective and impartial fiduciary management and financial reporting. The AA will be responsible for financial/administrative management that includes: 1) receiving donor contributions, 2) disbursing funds to Participating UN Organizations based on Steering Committee instructions, and 3) consolidating periodic financial reports and final financial report. The AA may be involved in day-to-day administration, including:

- make disbursements to Participating UN Organizations from the Joint Programme Account based on instructions from the Steering Committee, in line with the budget set forth in the Joint Programme Document.

- establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds received from the donor(s) pursuant the Administrative Arrangement.

The Participating UN Organizations will:

- Assume full programmatic and financial responsibility and accountability for the funds disbursed by the AA as detailed in the Management Arrangements and Coordination section;

- Establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent.

Each UN organization is entitled to deduct their indirect costs on contributions received according to their own regulation and rules, taking into account the size and complexity of the programme. Each UN organization will deduct 7 per cent as overheads costs of the total allocation received for the agency.

PUNOs have bank accounts set up in Yemen. These accounts will be managed by authorized staff who will maintain comprehensive records of local bank account transactions (including clearly labelled receipts) and produce monthly reconciliations. Information will flow through to our invoices and will also be summarized for inclusion in the bi-annual reports.

The operational departments in each organization, will support the financial management of the programme through approving timesheets, expenses and contractor invoices, as well as preparing internal financial reports, including periodic financial reports.

PUNOs will undertake capacity assessment of implementing partners prior to grant approval. They will:

- work with local partners that have already been trained under other projects where possible, including the PBF;

- build capacity of implementation partners, including training of trainers’ initiatives, through current programme as well as other UNCT projects;

- set up monitoring mechanism through independent third parties to identify weaknesses and provide timely support

PUNOs will assess the feasibility of using alternative (informal) financial providers such as micro-finance institutions, money changers/exchange offices. Whenever possible, PUNOs will consider in-kind support vs cash-based interventions

The scope and frequency of monitoring, reporting, assurance and audit will be agreed prior to programme implementation, based on cash transfer modalities, the size and frequency of disbursements, also taking into consideration the capacity of implementing partners, and can be adjusted in its course in accordance with applicable policies, processes and procedures of the participating UN organizations. ¹²

¹² For the ExCom agencies, the provisions required under the Harmonized Approach to Cash Transfers (HACT) as detailed in their CPAPs or in other agreements covering cash transfers will apply.
Monitoring, Evaluation and Reporting

The Joint Programme Coordination Unit will be responsible for establishing an M&E system across the participating UN agencies. Third party monitoring may be explored according to the security situation and field access through qualified NGOs.

Monitoring:

A set of gender and conflict sensitive indicators will be defined to measure the performance of the programme at the outputs and outcomes levels. If not available, the baseline data for those indicators will be collected at the beginning of the programme, especially those to monitor change for the most vulnerable groups and individuals targeted. Moreover, UNDP has already conducted several assessments in the livelihoods area that provides quantitative and qualitative information about the current situation at the governorates level, which could be used as baseline reference for the programme.\(^{13}\) Indicators will be monitored on a regular basis, the frequency will be set according to the level of results intended to be measure (outputs vs outcome) and the utilization to be done of the indicator (monitoring vs evaluation). A peacebuilding strategy, check list and set of monitoring indicators will be developed in the programme initiation phase (during the first three months of implementation) to be used under the different programme components.

Annual joint monitoring visit will be conducted, to assess the implementation of activities and progress towards the results and to formulate concrete recommendations to ensure the achievement of the expected results.

A monitoring, evaluation and reporting action plan will be created to ensure that all relevant activities are being conducted in a timely manner. Project evaluations will be shared with the EU, serving as an important part of the overall EU accountability framework.

A monitoring and evaluation officer will be recruited for the programme, to implement all M&E related activities and ensure real time monitoring to ensure timely adjustments to implementation promoting maximum impact and conflict sensitivity.

Annual/Regular reviews:

- Bi-monthly coordination meeting (technical level working group) at the sub-national levels at the onset of the programme and then to be re-scheduled as necessary;
- Monthly coordination meeting (technical level working group) at the national level (can rotate);
- Quarterly review with the joint programme team will be organized to monitor the implementation of the AWP, analyze delays and envisage solutions envisaged;
- Annual (or bi-annual) review with the joint programme team in preparation of the annual Steering Committee meeting that will examine the implementation of activities against the annual work plan, achievement of results against the expected outputs and outcome, and preparation/adoption of the following annual work plan.

Evaluation:

A mid-term evaluation of the programme will be conducted to assess the progress towards the results, identify the main difficulties/constraints and formulate practical recommendations to improve the programme implementation as to achieve the expected results. A final evaluation will be realized to assess the achievement of the results and the impact of the programme for the targeted populations.

In addition to ongoing re-alignments in response to real-time monitoring the risks and assumptions will be managed to achieve the agreed joint programme results. They will also be reviewed on an annual basis and more regularly if appropriate.

Reporting:

\(^{13}\) Multidimensional Livelihoods Assessment in Conflict Affected Areas in Yemen, 2013 and the forthcoming Integrated Rapid Assessment that is ongoing.
A quarterly progress report will be produced for internal purposes, at the end of the first, second and third quarter, as to monitor the implementation of the annual work plan, the risks and main issues, and to evaluate the progress towards the expected outputs. At the end of the calendar year, an annual report will be produced to: monitor the completion of the annual work plan (AWP), assess the results achieved towards the expected outputs and outcomes; analyze the major constraints (risks, issues...) that might impact the delivery of results and propose concrete solutions/mitigation measures; analyze key challenges and lessons learnt; present the financial reporting; established the AWP for the following year.

Once a year, the AA in coordination with the Joint Coordination Unit will consolidate the narrative and financial report for submission by 31 May (the annual report will be validated by the annual review of the PSC). As the EU requires an interim report to request second and subsequent tranches, additional reports may have to be produced for this purpose.

A common reporting format will be adopted by all participating UN organizations14.

14 The Standard Progress Report, used by the ExCom agencies or any other reporting format used by any other UN organization may be adapted for the purpose. Donor requirements should also be kept in mind. The reporting format should be approved by the joint programme steering committee.
<table>
<thead>
<tr>
<th>Description</th>
<th>Category</th>
<th>Impact &amp; Probability</th>
<th>Counter measures / Management response</th>
</tr>
</thead>
</table>
| Lack of Government cohesion and functionality            | Political    | Inadequate national ownership of the joint programme. Impact 4 Probability 5 | - Use of Direct Implementation Modality  
  - Ensure representation of government representatives in the Steering Committee and conduct outreach/introductory events on ERRY when applicable  
  - Work with local institutions  
  - Conflict analysis to understand parties and their interests  
  Communication to clarify the objectives of programme interventions and impartiality. |
| Perception that international/UN interventions are not impartial | Political    | Greater need for conflict sensitivity mechanisms as scrutiny of programme activities is accrued Impact 4 Probability 5 | - Continuous engagement and monitoring of perceptions at the community level.  
  - Working through local, neutral and socially accepted partners.  
  - Continuous sharing of local knowledge  
  - Programme to invest in careful selection of beneficiaries, with strong involvement of local partners and community members with different affiliations.  
  - Conflict analysis to consider the consequences of UN’s interventions and partnership |
| Continued deterioration of security situation             | Security     | Implementation constraints due to: i) agencies’ limited access to target areas; ii) increased threat levels on international staff. Impact 4 Probability 4 | - Undertake regular security assessments for continuous monitoring of security conditions and for remedial action as needed  
  - Use of implementation modalities that are less dependent on international staff and less likely to be impacted by security incidents e.g. partnerships with local entities, NGOs and private sector  
  - Third party monitoring  
  - Use short-term deployment of international experts to mitigate longer term in-country residence |
| Lack of financial resources of local authorities          | Financial    | No sustainability of project impact regardless of capacity of local authorities improved Impact 4 Probability 4 | - Capacity development of local authorities to support local level resource mobilization  
  - Capacity development of local authorities to collect local revenues |
<table>
<thead>
<tr>
<th>Limited capacity of implementing partners</th>
<th>Operational</th>
<th>Limited technical, managerial and/or financial expertise</th>
<th>Impact 3</th>
<th>Probability 4</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>- Undertake capacity assessment of implementing partners prior to grant approval.</td>
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<td>- Work with local partners that have already been trained under other projects where possible, including the PBF</td>
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<tr>
<td></td>
<td></td>
<td>- Build capacity of implementation partners, including training of trainers’ initiatives, through current programme as well as other UNCT projects.</td>
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<tr>
<td></td>
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<td>- Set up monitoring mechanism through independent third parties to identify weaknesses and provide timely support.</td>
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</table>

| Continued humanitarian crisis and war | Operational | Beneficiaries immediate needs focus on subsistent needs. Lack of capacity/space for mid-term investment and planning Commitment/limited participation/engagement in programme |
|--------------------------------------|-------------|--------------------------------------------------------|----------|--------------|
|                                      |             | - Interventions planned to meet both the subsistent needs and to create space for people’s future investment/planning |
|                                      |             | - Coordinate with humanitarian activities |
|                                      |             | - Communications to clarify advantages of interventions for resilience |

| Perception of inequity of benefit among regions, communities or target groups | Conflicts | Resentment towards the UN / the programme, increasing security risks or undermining ownership and support by local communities. |
|------------------------------------------------------------------------------|----------|--------------------------------------------------------|----------|--------------|
|                                                                                |          | - Ensure geographical areas are selected on the basis of clear criteria, including levels of unemployment, poverty, food insecurity and vulnerability to tension or conflict |
|                                                                                |          | - Community needs and selection criteria at jointly determined through Community Development Committees (CDCs) |
|                                                                                |          | - CDCs will be representative of different groups within the community |
|                                                                                |          | - Awareness raising and communication campaigns will be a core area under the programme to mitigate risk |

| Unintended support to qat use and/or production | Socio-economic, environmental, political | Programme interventions could, unintentionally, contribute to the use, or production of qat, for instance through its aim to increase access to water. |
|-------------------------------------------------|-----------------------------------------|--------------------------------------------------------|----------|--------------|
|                                                 |                                         | - Qat issues have been carefully analyzed and used as a basis to identify programme interventions and design. Continuous monitoring and lesson learning to guide changes of delivery in subsequent stages of the project if necessary; |
|                                                 |                                         | - The programme will provide strong advocacy campaigns and awareness raising (at both national and community levels through the 60 community development committees that will be established as well as through liaison with anti-qat NGO's such as "Generation without Qat" and relevant government agencies), in an effort to change perception in the use of qat and raise awareness |
on available alternative livelihoods.

- **Policy on no use of qat during programme activities:** Programme beneficiaries will not be allowed to use qat during project activities, in line with current SFD policy;

- **Anti-qat policy of implementing partners:** The programme will work only with implementing partners/ NGOs that issue an anti-qat policy;

- **Avoiding qat areas in selection of regions:** The programme will aim to work outside intensive qat production areas, if possible in balance with other criteria like poverty and food security indicators;

- **Promotion of alternative cash crops:** The programme will seek to introduce alternative opportunities to farmers, in particular the promotion of other, (more) profitable cash crops;

- **Do no harm/ risk mitigation - anti-qat components will be mainstreamed across all outcomes. Actions will be included to ensure programme activities will be carefully planned, and monitored wherever possible, to ensure to ‘do no harm’ by preventing any of the increased assets resulting from the programme to benefit qat growers e.g. that increased access to water or irrigation will not be used for qat production.**

| Economic     | Lack of financial resources to deliver results, Limited mobility (in case of fuel cost) | - Identify implementation in the target areas to reduce the necessity of mobility  
- Plan alternative activities |
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<tr>
<td><strong>Inflation</strong></td>
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</tbody>
</table>
| **Banking/financial system collapse**| Limited/lack of liquidity, Difficulties of transport | - Assess feasibility of using alternative (informal) financial providers such as micro-finance institutions, money changers/exchange offices  
- Consider in-kind support vs cash-based interventions |
Table 2: Joint Programme Monitoring Framework (JPMF)

<table>
<thead>
<tr>
<th>Expected Results (Outcomes &amp; outputs)</th>
<th>Indicators (with baselines &amp; indicative timeframe)</th>
<th>Means of verification</th>
<th>Collection methods (with indicative timeframe &amp; frequency)</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Outcome 1: Communities are better able to manage local risks and shocks for increased economic self-reliance and enhanced social cohesion</strong></td>
<td><strong>JP Output 1.1:</strong> Community livelihoods and productive assets are improved to strengthen resilience and economic self-reliance</td>
<td>Key performance indicators: 1. 100 community resilience plans are developed 2. At least 14,000 vulnerable and food insecure individuals indirectly benefiting from emergency income generating revenues that provides immediate income 3. At least 21,000 men and women indirectly benefiting from improved skills to establish community-oriented social businesses for self-reliance 4. 28,000 men and women indirectly benefiting from technical and economic capacities built on agriculture value chains. <strong>Baseline</strong> 1. No community resilience plans exist 2. Emergency employment options to stabilize rural livelihoods are limited 3. Limited entrepreneurial pathways available in rural (remote) areas for affected/vulnerable groups 4. Technical and operational capacities of communities to engage in viable value chain opportunities are inadequate and there is no institutionalization of farmer field school schemes</td>
<td>1. Report from implementing partner, third party monitoring report</td>
<td>Third-party Monitoring visits Review of TP’s reports Review of IP’s reports (Quarterly)</td>
</tr>
<tr>
<td></td>
<td><strong>JP Output 1.2:</strong> Communities benefit from improved and more sustainable livelihood opportunities through better access to solar energy</td>
<td>Key performance indicators: 1. Seven solar energy resilience building programming initiatives formulated and implemented 2. At least 100 rural communities will improve their access to solar energy 3. Introduction of solar energy applications to improve performance of 12 economically productivity assets 4. Solar energy market mix conducted and networking developed among solar dealers</td>
<td>1. National programme framework 2. Project periodical report</td>
<td>Third-party Monitoring visits Review of TP’s reports Review of IP’s reports (Quarterly)</td>
</tr>
</tbody>
</table>
### Baseline
1. No programme framework to promote solar energy resilience building in Yemen is in place
2. TBD in targeted locations
3. Limited applications of solar energy for productive uses (TBD in targeted areas)
4. No solar energy market mix in place for promotion of solar energy solutions

### JP Output 1.3:
**Informal networks promote social cohesion through community dialogue and delivery of services**

**Indicators:**
1. 30 communities where WUA developed a mechanism to facilitate dialogues for water resource management, agriculture production system, and crop production system

**Means of Verification**
1. Project periodical report
2. Report from implementing partner, Third-party monitoring report
3. Report from implementing partners, focused group meeting with target community members

**Baseline:**
1. Water User Association (WUA) are either not existent or are not fully operational in the targeted governorates
2. 34 community-based dialogue mechanisms were established in Abyan but not in other governorates
3. No significant evidence of efforts to build consensus, dialogue or resolve disputes peacefully (based on a qualitative scoring and means of verification)

**Means of Verification**
1. Project periodical report
2. Report from implementing partner, Third-party monitoring report
3. Focused group meeting with target community members and order phone verification

### Outcome 2: Institutions are responsive, accountable and effective to deliver services, build the social contract and meet community identified needs

### JP Output 2.1:
**Functions, financing and capacity of local authorities enabled to deliver improved basic services and respond to public priorities**

**Key performance indicators:**
1.1 Local authorities are better able to plan, monitor, and coordinate aid and recovery
1.1.1 Conduct public service damage assessment by citizen and develop citizen monitoring system
1.1.2 (Re)activate DMT and restore minimum public service delivery
1.1.3 Develop a district recovery plan with monitoring framework
1.1.4 Establish coordination mechanism at the governorate

**Means of Verification**
1. Project periodical report
2. Project completion/evaluation report
3. Project periodic report

**Third-party Monitoring visits**
Review of TP’s reports
Review of IP’s reports
Review of IP’s reports (Quarterly)

**Means of Verification**
1. Project periodic report
2. Project completion/evaluation report
3. Project periodic report

**Third-party Monitoring visits**
Review of TP’s reports
Review of IP’s reports
Review of IP’s reports (Quarterly)

**Joint Coordination Unit M&E and Reporting Specialist**
FAO M&E Specialist
UNDP M&E Specialist
<table>
<thead>
<tr>
<th><strong>JP Output 2.2:</strong></th>
<th><strong>Increased capacity of local actors and strengthened partnership of private sector to enhance economic recovery</strong></th>
</tr>
</thead>
</table>
| **Key performance indicators:** | 1. 1,400 community members indirectly benefit from informal upgrading apprenticeship schemes and business development services  
2. 40% more likely not to apply for cash for work with SFD again in the following year  
3. At least two business association/economic institution with governorate coverage have their capacity needs assessed and addressed for greater enterprise recovery engagement |
| **Baseline** | 1. Business development services and informal apprenticeship schemes have a limited outreach to the rural areas (TBD in the targeted areas)  
2. Dependency on short term employment schemes is high with limited graduation strategies  
3. Business associations/economic institutions have a limited technical and operational engagement in enterprise recovery |

| | 1. Project periodic report  
2. Project completion/evaluation report |
| --- | --- |
| **Third-party Monitoring visits** | Review of TP’s reports  
Review of IP’s reports  
Review of IP’s reports  
Quarterly |
| **Joint Coordination Unit M&E and Reporting Specialist** | ILO M&E Specialist  
UNDP M&E Specialist |
Legal Context or Basis of Relationship

The legal basis for the relationships between the Government and each of the UN organizations participating to this joint programme is reflected in the table below:

Table 3: Basis of Relationship

<table>
<thead>
<tr>
<th>Participating UN organization</th>
<th>Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNDP</td>
<td>This project document shall be the instrument referred to in Article 1 of the Standard Basic Assistance Agreement (SBAA) between the Government of the Republic of Yemen and UNDP, signed on 11 April 1976.</td>
</tr>
<tr>
<td>WFP</td>
<td>The United Nations World Food Programme (WFP) has been in Yemen since 1967. The currently valid agreement with the Government is the Basic Agreement signed on 6 June 2006.</td>
</tr>
<tr>
<td>ILO</td>
<td>Yemen became a member State of the ILO in 1965. The technical assistance of the ILO to Yemen is governed by the Standard Technical Assistance/Cooperation agreement (26 July 1956) and its Supplementary Text (14 April 1963).</td>
</tr>
</tbody>
</table>

The Implementing Partners/Executing Agency\(^\text{15}\) agree to undertake all reasonable efforts to ensure that none of the funds received pursuant to this Joint Programme are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by Participating UN organizations do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via [http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm](http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm). This provision must be included in all sub-contracts or sub-agreements entered into under this programme document.

\(^\text{15}\) Executing Agency in case of UNDP in countries with no signed Country Programme Action Plans
Work plan and Budget

The present section details the ERRY joint programme results to be achieved and activities to be undertaken by participating agencies.

The programme results and activities, as well as related budget and work plan, are presented in Table 4 below.

**Outcome 1: Communities are better able to manage local risks and shocks for increased economic self-reliance and enhanced social cohesion**

**Output 1: Community livelihoods and productive assets are improved to strengthen resilience and economic self-reliance**

*Activity Result 1.1 – Inclusive community-based governance systems are strengthened to develop community resilience plans and identify community priority actions (UNDP)*

The aim is to strengthen community-based governance structures such as Community Development Committees (CDCs) as a basis for community-driven empowerment and decision-making. CDCs will informally mobilize community members to develop integrated community resilience plans that will be supported by UNDP through Community Compacts. CDCs should be capable of leading the implementation of Community Compacts (with support from NGO implementing partners) inclusively and accountably. When feasible, other agencies will be encouraged to provide livelihoods support through CDCs using Community Compacts to allow for synergies. CDCs will also advocate for their communities’ needs to local authorities. Particular emphasis will be put by UNDP on increasing the awareness and capacity of CDCs to mainstream conflict sensitivity and gender equality in collective actions at community level and to ensure proper targeting of women and youth among the beneficiaries of UNDP-funded community compacts. 100 CDCs will be established (and/or operationalized where an equivalent structure already exists).

*Activity Result 1.2 - Livelihoods opportunities are provided through stabilized cash and voucher for work, focusing on community asset rehabilitation (WFP)*

For most vulnerable groups, stabilization of livelihoods is a prerequisite to resilience-building to guarantee immediate income-generation and contribute to asset rehabilitation and asset building at the community level. This component will focus on enhancing resilience through asset accumulation. WFP will draw its productive safety nets and livelihood support programmatic experience that particularly targets rural shock-affected communities and households through asset accumulation. Their food security levels will be enhanced to transition towards resilience and recovery. Under this activity, food insecure households will have access to food (through cash or food transfers as indicated by local market conditions) during the critical period of the year. At the same time households will be engaged in productive activities oriented to create or restore productive community assets as well as assets that enhance communities’ resilience in the face of shocks such as drought, floods and conflict. Over 2,000 vulnerable individuals will be targeted across the four governorates, creating direct positive livelihood impact for 14,000 people in addition to the communities themselves.

*Activity Result 1.3- Income-generating revenues are created through enterprise recovery (such as within the framework of 3x6 approach) targeting communities affected by the crisis (UNDP)*

The aim is to support livelihoods with the provision of seed capital to establish micro and small social businesses using small grants schemes. The “3x6 approach” that was successfully implemented in Yemen to promote youth and women employment in the post-2011 conflict transition will be adapted to ensure inclusion, ownership and impact.

UNDP will provide cash-for-work in close cooperation with SFD where possible. Cash-for-work will help build seed capital and ownership into the entrepreneurship promotion scheme. The most viable business plans that are developed as a result of the inclusive business training will be provided cash or in-kind grants (capitalization) with particular preference for social businesses. Social businesses will be informed by initial market assessments conducted at the district level. Social businesses will also benefit from synergies with different interventions of the joint programme, specifically water management, alternative and renewable energy and complement FAO’s support to agricultural livelihoods opportunities through agricultural value chains.
Greater integration with business networks, markets, financial access, as well as business development services will be pursued through strategic partnerships with business associations, local authorities, financial providers as well as Business Support Centers where applicable.

**Activity result 1.4 - Skills developed of women and men in agricultural value chains (FAO)**

A review and study of the key value chains in the crop, livestock and fishery sectors will be conducted. The study will identify opportunities as well as value chain challenges.

Farmer field schools (FFS) will be established at the start in each target community to enhance the farming and production capacity as well as managerial ability of farmers. These groups will entail seasonal learning and experimentation. In close connection to established FFS groups and needs and demands articulated by the groups’ farmers, engagement in value chain and trade will be enhanced. Value chain assessments in selected enterprises will advise and inform group learning activities and help in framing a commercial-oriented production.

This will be achieved through: (a) training “value chain master trainers”, (b) developing knowledge products, (c) supporting institutionalization of the value chain capacity building process, and (d) creating value chain development (VCD) learning networks aiming at demonstrating practical and systematic approaches to poverty reduction through a market-led approach for indigenous products. The key activities include training group members on VCD management, enterprise and market development, savings and credit management as well as on M&E. The EU funds will be used to scale up existing projects (in case of overlapping governorates) and expand the work in additional Governorates. 4,000 rural individuals will see their value chain development skills improved through this activity.

Note: A detailed set of activities and procurement plan will be finalized during the inception phase of this project.

**Output 2- Communities benefit from solar energy for sustainable livelihoods opportunities**

**Activity Result 2.1 – Expansion of solar energy applications to strengthen rural energy resilience, capacity building and recovery (UNDP)**

UNDP will conduct a rapid assessment to map energy gaps in rural areas and identify immediate, medium and long-term actions for solar energy resilience building. The assessment will produce a roadmap for prioritization of solar equipment and services to be provided drawing on best practice and experiences for scale up and replication including through cooperation with other countries (“south-south cooperation”) on rural energy resilience.

UNDP will also raise awareness to support demonstration of the application of solar energy to improve efficiency of rural productive assets, to promote the use of solar energy for household and commercial applications, as well as for business development. Awareness raising and capacity building on solar energy application and maintenance will enhance awareness especially among local communities, on the potential role of solar energy in meeting basic rural energy needs for livelihood resilience, as an alternative to fossil fuels, while at the same time improve quality of solar services.

**Activity Result 2.2 Decentralized solar energy services installed in public service centers to reinforce livelihood resilience of vulnerable rural communities (UNDP)**

The provision of solar energy will help secure the electricity needs for the delivery of essential public services for vulnerable rural communities focusing on community infrastructure e.g. refrigeration to store vaccines and medicines; solar water pumps for communal areas, street lights for greater communal security; among others. This will include support to social businesses that are supported under ERRY through UNDP’s 3x6 approach as well as other social businesses that operate within the solar energy sector. Trainings will also be provided to local cooperatives for installation and maintenance of community solar energy systems.

**Activity Result 2.3 - Solar energy introduced to support enhancement of rural community energy resilience (UNDP)**

The application of solar energy alternatives by implementing pilot interventions focusing on productive assets such as integrated solar water pumping in collaboration with local cooperatives, and concerned institutions will be demonstrated across the targeted governorates.

resilience of the vulnerability communities. The interventions will include installment, monitoring and evaluation of solar energy technologies in the targeted areas contributing to promotion of effective application of reliable
solar energy sources and its replication. The local community will also be training in operation and maintenance of solar energy systems.

Activity Result 2.4: Marketing of micro-business development for solar energy supported (UNDP)

This component includes the marketing of micro-business development for solar energy, including a rapid assessment on the solar market potential to support business development in the solar energy sector, with a special focus on micro businesses.

Secondly, this component will support the development of a solar market mix (i.e. product/equipment, price, promotion and distribution) to encourage private sector engagement and support energy service demands through provision of solar energy. Partnerships and networks between national solar dealers, local private sector and key stakeholders will be promoted within the four targeted governorates. Solar business development will also be supported through technical assistance, vocational training and access to market. Partnership and networking amongst the solar energy dealers at the national and local levels will be encouraged to promote expansion of solar energy applications in the rural areas.

Output 3: Informal networks promote social cohesion through community dialogue and delivery of services

Activity Result 3.1 - Water User Associations (WUA) established (FAO)

ERRY will strengthen existing or new WUAs (including women members) to promote better water management and reduce local conflicts. This component will focus on the start-up phase of WUAs and on incentives that drive the establishment and operation of WUAs. Support will include WUAs organizational capacity, technical capacity and its financial sustainability and by ensuring that good governance and equitably principles are well understood and applied. This component will introduce and implement these principles in the existing tribal system, and require extensive consultations to overcome possible community challenges. The major incentive for farmers to change their present production systems will be that their production system will be modernized and their net farm income remains equal or increases.

Based on the lessons learned, the role of WUAs should not be restricted to water resources management, but should include the agriculture production systems. By doing so, farmers will be more motivated to become closely involved in the operations of the WUA as it will not only monitor the (ground) water resources management to reduce depletion within the project area but the WUAs will also act on behalf of farmers to improve their crop production system and affect directly their net farming revenue. The WUA will be organized and trained so they can continue to develop and intensify their farming operations by applying efficient irrigation techniques to reduce the usage rates of water to acceptable levels. The farmers will be guided by the project through a process of negotiated changes so that they can contribute to more sustainable water management that should reflect on their wellbeing and their families. Important criteria for the changes are that farmers’ net income should increase through the creation of value chain and more crop per drop approach.

FAO will provide technical advice and expertise for sustainable crop production intensification aimed to increase crop production per unit area, taking into consideration all relevant factors affecting productivity and sustainability with a particular focus on environmental sustainability through an ecosystem approach. Particular attention will be given to improved management of water resources to produce high value cash crops and promote overall more efficient farm and agricultural production and practices.

Responding to the increasing competition over water resources through labor intensive work, water sensitive agricultural practice and access to water small enterprises e.g. supplies and plumbing, the programme will promote environmentally sustainable water use for agriculture. The repair or construction of productive assets and introduction of improved agricultural techniques, such as precision irrigation, will help increase crop productivity and improve food security. The application of sustainable natural resource management principles for land use and water sources will also contribute to conflict reduction. These approaches will ultimately enable communities to withstand and cope with economic shocks, natural disasters and conflicts. Water User Associations will be supported across 30 communities.

Activity Result 3.2: Insider Mediators are better able to prevent and resolve community level conflicts (including areas such as exclusion and natural resources based conflicts) (UNDP)
“Insider Mediators” are national actors (individuals, group entities, institutions, etc.) possessing high levels of legitimacy and trust with the parties involved in specific conflict(s) and thus the unique ability to directly or indirectly influence conflict parties’ behavior and thinking. UNDP will expand the cadre of insider mediators in the target communities with at least 30% of women insider mediators.

UNDP will conflict and situation analysis in target communities to ensure an understanding of the social, cultural and political realities and constraints faced by insider mediators in the communities. While particular cultural and social contexts related to gender will be taken into consideration, conflict and situation analysis will include gender analysis to promote greater participation by women and potentially reach a consensus on a new role and responsibility for women in peacebuilding and conflict resolutions. The conflict and situation analysis will serve as a platform for cultivating common understanding among community members about conflict drivers and threats facing target communities and the level of community capacity available and needed to address and adapt to threats. Once insider mediators are identified, a capacity development strategy will be developed.

Capacity development for insider mediators includes knowledge and skill development such as conflict analysis, mediation and negotiation skills, leadership and gender. In addition, they are expected to promote social cohesion and capacity development which will incorporate understanding of conflict and tensions related to identity, inter-ethnic relations, inter- and intra-religious, gender-based violence, role of traditional mechanisms. Based on the skills and knowledge acquired and based on the conflict and situation analysis, the insider mediators will identify specific entry points to promote social cohesion and address causes of conflicts within their communities. The aim is to help to bring about changes in attitude and behaviors in a non-adversarial and collaborative manner. New approaches and initiatives that promote social cohesion through behavior and attitude change will be supported with small grants.

Outcome 2: Institutions are responsive, accountable and effective to deliver services, build the social contract and meet community identified needs

Output 1: Functions, financing and capacity of local authorities enabled to deliver improved basic services and respond to public priorities

Activity Result 2.2.1 - Local authorities are better able to plan, monitor, and coordinate aid and recovery (UNDP)

UNDP will support local authorities’ most urgent capacity development needs so that they can take the lead in humanitarian and recovery planning, monitoring and coordination. While civil servants’ salaries are still being paid, services provided by local authorities are limited to water, health and financial payment related. Some local authorities are still collecting taxes and fees which are used to implement government projects. In facilitating local authorities’ service delivery, a core team/crisis management team which consists of representatives of main service delivery departments, will be reactivated and supported.

To ensure evidence-based planning, public service availability will be assessed in target districts at the start of the project. Due to the limited capacities of district authorities to conduct such assessments i.e. limited finance and human resources, a mechanism will be created through which CSOs will collect and share information with local authorities in each target district. These assessments will be linked with essential public services required for humanitarian activities and with cash-for-work activities, as much as possible. The data collected will be deposited in a database managed by local authorities. A process of developing district recovery plans will be supported by training and coaching in planning and monitoring in strengthening citizen participation. If available, community plans developed by CDCs under Outcome 1 will be considered and consultations will be facilitated with CDC members. At the Governorate level, a coordination mechanism for aid management and the required capacity will be developed in close cooperation with the Governors’ offices, including the planning and finance departments.

Output 2: Increased capacity of local actors and strengthened partnership of private sector to enhance economic recovery.

Activity Result 2.2.1: Strengthened capacity of local partners to deliver on skills and employability, the entrepreneurial and on the job training (ILO)

In parallel to the value chain analysis conducted by FAO in the agricultural sector, ILO will also implement a rapid Participatory Value Chain Analysis for non-agricultural sectors with high potential for job creation. ILO will work through the CDCs. Emphasis will be on the identification of bottlenecks for job creation that will be later tackled
with direct interventions, either through training services under this component, or through other components tackling advocacy, coordination and governance at governorate/local levels.

In addition, capacity building will be provided to training providers on: (a) a competency-based approach to training; (b) pedagogical skills for instructors; and (c) testing and certification methods. Emphasis will be put on workplace-based learning. In particular, the project will support the “upgrading informal apprenticeships”, i.e. concurrently improving the training provision, the workplace environment and the productivity of small businesses - linked with training providers. Capacity building for Business Development Services (BDS) will also be provided. ILO will also link with WFP for the development of post Cash for Work services. This support will be provided for the design and piloting of graduation packages.

ILO will also intervene at the institutional level to enable national partners such as SMEPS to deliver non-financial business development services such as training and coaching among others to potential business start-ups (a special emphasis will be placed on women, youth and IDPs to ensure better integration within the target governorates). These services, which will largely complement the grant/capitalization provision managed by UNDP for businesses or start-ups, will be targeted to the needs of the beneficiaries and institutionalized in SMEPS (and potentially other national counterparts selected) to ensure the continuity of the service provision at the end of the project. The ILO will adapt its Start and Improve Your Business programme and train local trainers and certify them in its delivery. For the special needs of women, the Women Business Owners Training programme (successfully developed and pilot tested in collaboration with SMEPS) will be rolled out in the selected governorates to provide the required business start-up assistance to women.

Given the high illiteracy rates, the recently developed business start-up programme targeting semi-literate and illiterate people will also be introduced with capacity building of the service providers. For the specific needs of youth, a combined business start-up training including financial literacy and coaching will be provided in close collaboration with private sector representatives (potential partners may include business associations and chambers of commerce and industry). All ILO programmes will be institutionalized at the local level with certified trainers and a clear implementation modality to ensure quality delivery and sustainability.

Activity Result 2.2.3. Strengthen partnership with the private sector to accelerate early recovery and employment (UNDP)

The private sector remains a key and overlooked partner in the promotion of resilience through employment and economic revitalization. UNDP will map active and credible economic entities and their networks in targeted governorates contributing to stakeholder and community profiles. UNDP will build the capacities of existing business associations and key economic institutions to respond to the country’s economic challenges using the UNDP capacity assessment tool, with a focus on the rural areas, to encourage private-sector led employment creation and the identification of new opportunities.

Private sector dialogue will be facilitated at the sub-national level to foster inclusiveness and collaboration (including with local authorities) and address business constraints. For affected businesses, micro-enterprise recovery initiatives through business associations and economic institutions will be piloted to strengthen their agency. At least two business associations/economic institutions will be supported for economic agency.
### Table 3. ERRY Results and Resource Framework, Work plan and budgets (2016-2019)\textsuperscript{16}

<table>
<thead>
<tr>
<th>Outcome 1: Communities are better able to manage local risks and shocks for increased economic self-reliance and enhanced social cohesion</th>
<th>Intended Outputs</th>
<th>Key Performance Indicators for 2018</th>
<th>Indicative Activities</th>
<th>Inputs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Output 1: Community livelihoods and productive assets are improved to strengthen resilience and economic self-reliance</strong></td>
<td><strong>Baseline</strong></td>
<td>1. 100 community resilience plans are developed</td>
<td><strong>1.1 Inclusive community-based governance system is strengthened to develop community resilience plan and identify community prioritized actions</strong></td>
<td><strong>Budget estimate:</strong> USD 1,330,000.00</td>
</tr>
<tr>
<td></td>
<td>2. At least 14,000 vulnerable and food insecure individuals indirectly benefiting from emergency income generating revenues that provides immediate income</td>
<td><strong>1.1.1 Establish and operationalize CDCs through training and technical support</strong></td>
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<tr>
<td></td>
<td>3. At least 21,000 men and women indirectly benefiting from improved skills to establish community-oriented social businesses for self-reliance</td>
<td><strong>1.1.2 Develop community resilience plans and community initiatives</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4. 28,000 men and women indirectly benefiting from technical and economic capacities built on agriculture value chains.</td>
<td><strong>1.1.3 Provide block grant based on community compact</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Means of Verification</strong></td>
<td></td>
<td>1. Report from implementing partner, third party monitoring report</td>
<td><strong>1.2 Livelihoods opportunities are provided through stabilized cash and vouchers for work, focusing on community asset rehabilitation</strong></td>
<td><strong>Budget estimate:</strong> USD 7,140,400.78</td>
</tr>
<tr>
<td></td>
<td>2. Report from implementing partner, third party monitoring report</td>
<td>1.2.1 Validate target community criteria in coordination with target districts representative bodies, including district councils</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>3. Report from implementing partner, third party monitoring report</td>
<td>1.2.2 Carry out screening and validating projects through environmental protection criteria</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4. Report from technical assistance, third party monitoring report</td>
<td>1.2.3 Prepare micro-project implementation plans including bill of quantities for the various assets identified, procurement plans for the required materials as well as labor allocation for the various micro-projects</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>1.2.4 Select of beneficiaries and monitoring implementation of physical activities ensuring quality standards of work/assets are met</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td><strong>1.3. Income-generating revenues are created through enterprise recovery (such as within the framework of 3x6 approach) targeting communities affected by the crisis</strong></td>
<td><strong>Budget estimate:</strong> USD 4,294,920.78</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>1.3.1 Conduct market assessment in targeted governorates to identify viable social businesses matching demand</td>
<td></td>
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</tbody>
</table>

\textsuperscript{16} NB. This budget is estimated based on an exchange rate of 1 USD = 0.915 EUR.
### 1.3.2 Select beneficiaries according to the vulnerability criteria agreed on with national counterparts / local communities and provide them with seed capital through community-based cash-for-work

1.3.3 Develop capacities of beneficiaries in life and business development skills, and coach them to develop their own social business plan in line with market assessment

1.3.4 Complement beneficiaries seed capital with micro grants to enable the creation of social businesses

1.3.5 Oversee establishment of business venturing as per respective business plans, with a focus on collective endeavors, supporting linkages to markets/community service centers for the established businesses

### 1.4. Skills developed of women and men in agricultural value chains

1.4.1 Identification of key agricultural value chain opportunities through market assessment and participatory community validation

1.4.2 Provision of inputs to farmers for the realisation of value chain

1.4.3 Establishment of Farmer Field Schools (FFS) in targeted locations

1.4.4 Technical training of selected farmers on skills required for value chain development

1.4.5 Institutionalisation of the FFS approach

**Budget estimate:** USD 5,169,442.00

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### 2.1. Expansion of solar energy applications programmed and operationalized to strengthen rural energy resilience, capacity building and recovery

2.1.1 Map rural energy insecurity gaps in the targeted governorates

2.1.2 Develop and implement awareness raising programme and campaign focusing on decision makers, and general public at the local level

2.1.3 Share best practices and experiences for scale-up and replication and encourage south-south cooperation on rural energy resilience building and business development

2.1.4 Develop solar programme framework defining immediate, medium and long term actions for

**Budget estimate:** USD 812,100.00

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### Output 2: Communities benefit from solar energy for sustainable livelihoods opportunities

**Baseline**

1. No programme framework to promote solar energy resilience building in Yemen is in place
2. TBD in targeted locations
3. Limited applications of solar energy for productive uses (TBD in targeted areas)
4. No solar energy market mix in place for promotion of solar energy solutions

1. Seven solar energy resilience building programming initiatives formulated and implemented
2. At least 100 rural communities will improve their access to solar energy
3. Introduction of solar energy applications to improve performance of 12 economically productivity assets
4. Solar energy market mix conducted and networking developed among solar dealers

**Budget estimate:** USD 812,100.00
<table>
<thead>
<tr>
<th>Means of Verification</th>
<th>Means of Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. National programme framework</td>
<td>2. Decentralized solar energy services installed in public service centers to reinforce livelihood resilience of vulnerable rural communities</td>
</tr>
<tr>
<td>2. Project periodical report</td>
<td>2.2. Analyze and define the short-term, medium term and long term solar energy priorities with stakeholders for feasibility of communal solar energy (i.e. for public centers including health clinics, and schools)</td>
</tr>
<tr>
<td>3. Project periodical report</td>
<td>2.2.2 Design a phased out road map for technical installation of feasible communal solar energy services (i.e. solar lanterns, solar powered street lights, solar water pumps for communal places) to improve access to basic social services</td>
</tr>
<tr>
<td>4. Project periodical report</td>
<td>2.2.3 Deliver and install the community solar energy systems</td>
</tr>
<tr>
<td></td>
<td>2.2.4 Train local cooperatives on installation and maintenance of the community solar energy systems</td>
</tr>
<tr>
<td></td>
<td>Budget estimate:</td>
</tr>
<tr>
<td></td>
<td>USD 1,955,363.00</td>
</tr>
<tr>
<td>2.2. Decentralized solar energy services installed in public service centers to reinforce livelihood resilience of vulnerable rural communities</td>
<td>2.3. Solar energy introduced to support enhancement of rural community energy resilience</td>
</tr>
<tr>
<td></td>
<td>2.3.1 Determine through a prioritization process the critical immediate and future energy needs for improving the performance of the productive assets in rural communities</td>
</tr>
<tr>
<td></td>
<td>2.3.2 Identify the demonstration sites and define roles and responsibilities of stakeholders involved, particularly local institutions including cooperatives</td>
</tr>
<tr>
<td>2.3. Solar energy introduced to support enhancement of rural community energy resilience</td>
<td>2.3.3 Design, and install pilot solar energy systems applications for economic and productive assets such as rural power generation for electrification/micro businesses and integrated solar water pumping to demonstrate economically optimal and sustainable water use</td>
</tr>
<tr>
<td></td>
<td>2.3.4 Develop and implement capacity building programme for installation, maintenance and linkage with micro-businesses on solar energy initiative</td>
</tr>
<tr>
<td></td>
<td>Budget estimate:</td>
</tr>
<tr>
<td></td>
<td>USD 1,291,007.50</td>
</tr>
<tr>
<td></td>
<td>2.4. Marketing of micro-business development for solar energy supported</td>
</tr>
<tr>
<td></td>
<td>2.4.1 Assess solar market potential to support business development in the solar energy sector, with special</td>
</tr>
<tr>
<td></td>
<td>Budget estimate:</td>
</tr>
<tr>
<td></td>
<td>USD 135,000.00</td>
</tr>
<tr>
<td>2.4.2 Develop a strategic solar market mix programme (product/equipment, price, promotion and distribution) to encourage private sector engagement and support energy service demands through provision of solar energy</td>
<td>focus on micro businesses</td>
</tr>
<tr>
<td>2.4.3 Support building partnership and networking between national solar dealers, local private sector and key stakeholders within the four targeted governorates</td>
<td>2.4.4 Support community resilience and solar business development through technical assistance and solar business development</td>
</tr>
</tbody>
</table>

**Output 3: Informal networks promote social cohesion through community dialogue and delivery of services**

**Baseline**

1. Water User Association (WUA) are either not existent or are not fully operational in the targeted governorates
2. 34 community-based dialogue mechanisms were established in Abyan but not in other governorates
3. No significant evidence of efforts to build consensus, dialogue or resolve disputes peacefully (based on a qualitative scoring and means of verification)

**Means of Verification**

1. Project periodical report
2. Report from implementing partner, Third-party monitoring report
3. Report from implementing

| 1. 30 communities where WUA developed a mechanism to facilitate dialogues for water resource management, agriculture production system, and crop production system | 3.1. Water User Association (WUA) established |
| 2. 60 community-based dialogue facilitated by insider mediators | 3.1.1 In partnership with CDCs identify and build a relationship of trust with existing or create new WUA |
| 3. Significant evidence of efforts to build consensus, dialogue or resolve disputes peacefully (based on a qualitative scoring and means of verification) | 3.1.2 Increase production and profitability through changes in crop production systems and improve on processing and marketing at the benefit of farmers. |
| 3.1.3 Promote discussion on the potential for water marketing and valuation, including the possibility to consider a financial contribution from the urban population and the private sector as the investments made by farmers will secure their drinking water supply in future. | 3.2 Insider Mediators are better able to prevent and resolve community level conflicts (including areas such as exclusion and natural resources based conflicts) |

<p>| 3.2.1 Community level conflict and situation analysis conducted | Budget estimate: |
| 3.2.2 Capacity development through mentoring and targeted trainings of insider mediators | USD 306,558.00 |
| 3.2.3 Innovative approaches of Insider Mediators supported with small grants based on work plans | Budget estimate: |
| | USD 1,083,200.00 |</p>
<table>
<thead>
<tr>
<th>Outcome 2: Institutions are responsive, accountable and effective to deliver services, build the social contract and meet community identified needs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Output 1: Functions, financing and capacity of local authorities enabled to deliver improved basic services and respond to public priorities</strong></td>
</tr>
<tr>
<td><strong>Baseline</strong></td>
</tr>
<tr>
<td>1. No capacity of local authorities for planning, budgeting, and monitoring basic services delivery</td>
</tr>
<tr>
<td>2. No framework of private sector and citizen engagement in target governorates</td>
</tr>
<tr>
<td><strong>Means of Verification</strong></td>
</tr>
<tr>
<td>1. Local authorities’ development report, recovery plan</td>
</tr>
<tr>
<td>2. Project periodic report/ completion report</td>
</tr>
<tr>
<td>1. From no capacity of local authorities for planning, budgeting and monitoring basic services delivery to very partial capacity observed in four governorates (based on a qualitative scoring and means of verification)</td>
</tr>
<tr>
<td>2. Institutional framework for engaging private sector and citizens in local recovery/resilience plan will be developed and launched in four governorates</td>
</tr>
<tr>
<td><strong>1.1 Local authorities are better able to plan, monitor, and coordinate aid and recovery</strong></td>
</tr>
<tr>
<td>1.1.1 Conduct public service damage assessment by citizen and develop citizen monitoring system</td>
</tr>
<tr>
<td>1.1.2 (Re)activate DMT and restore minimum public service delivery</td>
</tr>
<tr>
<td>1.1.3 Develop a district recovery plan with monitoring framework</td>
</tr>
<tr>
<td>1.1.4 Establish coordination mechanism at the governorate level</td>
</tr>
<tr>
<td>1.1.5 Provide technical advice to the UNDP project team and local authorities</td>
</tr>
<tr>
<td><strong>Budget estimate:</strong> USD 1,388,115.20</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Output 2: Increased capacity of local actors and strengthened partnership of private sector to enhance economic recovery</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Baseline</strong></td>
</tr>
<tr>
<td>1. Business development services and informal apprenticeship schemes have a limited outreach to the rural areas (TBD in the targeted areas)</td>
</tr>
<tr>
<td>2. Dependency on short term employment schemes is high with limited graduation strategies</td>
</tr>
<tr>
<td>3. Business associations/economic</td>
</tr>
<tr>
<td>1.400 community members indirectly benefit from informal upgrading apprenticeship schemes and business development services</td>
</tr>
<tr>
<td>40% more likely not to apply for cash for work with SFD again in the following year</td>
</tr>
<tr>
<td>At least two business association/economic institution with governorate coverage have their capacity needs assessed and addressed for greater enterprise recovery engagement</td>
</tr>
<tr>
<td><strong>2.1 Strengthen capacity of local training providers to deliver market relevant skills and entrepreneurial training</strong></td>
</tr>
<tr>
<td>2.1.1 Conduct participatory value chain analysis and skills needs assessments of non-agricultural sectors, with high potential for job creation</td>
</tr>
<tr>
<td>2.1.2 Strengthen the capacity of local training and BDS service providers and employers to implement on-the-job training and entrepreneurship/enterprise development interventions in partnership with SMEPS</td>
</tr>
<tr>
<td>2.1.3 Design and implement private sector led apprenticeship schemes and business development services including coaching and financial literacy assistance for targeted youth (including upgrading of informal apprenticeship in informal economy)</td>
</tr>
<tr>
<td><strong>Budget estimate:</strong> USD 1,075,419.00</td>
</tr>
</tbody>
</table>
institutions have a limited technical and operational engagement in enterprise recovery

Means of Verification

1. Project periodic report
2. Project completion report/evaluation
3. Project periodic report

2.1.4 Develop, test, and institutionalize post Cash for Work services pilot.

2.2. Strengthen partnership with the private sector to accelerate early recovery and employment

2.2.1 Map active and credible economic entities with networks in targeted governorates
2.2.2 Build capacities of business associations and economic institutions to encourage private sector-led employment creation

Budget estimate: USD 200,000.00

0.1 Technical and management agency resources adequate to implement activities and reach results are in place/available

FAO Budget estimate: USD 2,362,500 (+GMS: 558,508.08)
ILO Budget estimate: USD 1,325,811 (+GMS: 168,086.10)
UNDP Budget estimate: USD 2,347,521.36 (+GMS: 1,187,764.77)
WFP Budget estimate: USD 698,099.29 (+GMS: 548,695.00)

0.2 Joint (inter-agency) programme coordination unit is operationalized for effective administration, coordination, monitoring and evaluation of results

Convening Agency (UNDP) Budget estimate: USD 2,513,354.78 (additional USD 140,186.92 to FAO for the North sub-national coordination)

UNDG BUDGET FORMAT USED FOR TRUST FUND REPORTING

<table>
<thead>
<tr>
<th>s.#</th>
<th>CATEGORY</th>
<th>UNDP</th>
<th>WFP</th>
<th>FAO</th>
<th>ILO</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Indirect Support Costs (7%)</td>
<td>1,187,764.77</td>
<td>548,695.00</td>
<td>558,508.09</td>
<td>168,086.15</td>
<td>2,463,054.01</td>
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<tr>
<td></td>
<td>TOTAL Pass-Through Amount Approved</td>
<td>18,538,346.61</td>
<td>8,387,195.07</td>
<td>8,537,195.07</td>
<td>2,569,316.81</td>
<td>38,032,053.56</td>
</tr>
</tbody>
</table>

*Resource allocation may be agreed at either output or indicative activity level.

** Please read the Explanatory Note on Harmonized Financial Reporting to Donors and its Annexes for guidance on how these terms should be interpreted.