



Project Document of the Government of the Republic of Yemen and the United Nations System in Yemen



United Nations System in Yemen

UNDAF Outcome(s)/Indicator(s):	Enhancing National Capacity for Policy Analysis and Programme Development for Human Development
Expected Outcome(s)/Indicator(s):	(1) Needs assessment for MDG-based Third Plan for Sustainable Development and Poverty Reduction (2006-2010); (2) Long-term policy plan (10 year policy plan); (3) MDG-based Third Plan for Sustainable Development and Poverty Reduction (2006-2010) (medium term development plan)
Expected Output(s)/Indicator(s):	An MDG-based Third Plan for Sustainable Development and Poverty Reduction (2006-2010) prepared
International, National and Sub-national Partners:	Ministry of Planning and International Cooperation (MoPIC); All Line Ministries, bi- and multi-lateral donors, International and National NGOs, Civil Society Organizations, Private Sector, Parliament and Shoura Council, and UN Millennium Project

Executive Summary

Yemen's selection as a Millennium Project (MP) country and short-listing for the Millennium Challenge Account (MCA) threshold programme, has led to the welcome decision by the Government of developing an MDG-based PRSP medium term development plan. The need to urgently address the planning efforts leading to rational investment policy options for the MDG-based Third Plan for Sustainable Development and Poverty Reduction (2006-2010) through a high quality participatory approach is recognized by the Government of Yemen (GoY) and the UN/donor community alike.

The UN system in Yemen, in consultation with the bilateral donors and within the over arching goal of harmonizing aid delivery at the country level, intends to assist the Government of Yemen achieving the above building on an existing UNDP support project. Each of the broad aims given below addresses the specific problems identified by the UN system and Donors and would require modifying the MP recommended approach. It has the following broad aims;

1. Streamline the MDG needs assessment exercise to be responsive to the immediate need of producing a pro-poor MDG-based Third Plan for Sustainable Development and Poverty Reduction (2006-2010);
2. Create and operationalize institutional mechanisms to engage coherently and constructively as a harmonized aid community to assist a GoY led participatory process with an aim to address current capacity gaps over the medium term and to identify emergent bottlenecks with respect to the existing PRSP (2002-2005) and the next MDG-based Third Plan for Sustainable Development and Poverty Reduction (2006-2010);
3. Assist the government and take a clear position, jointly with the bilateral donors on medium and long-term investment policy options for the MDG-based Third Plan for Sustainable Development and Poverty Reduction (2006-2010).

Programme Title (RCSYEM01):

UN support to Yemen's preparation of an MDG-based Third Plan for Sustainable Development and Poverty Reduction (2006-2010)

Programme Duration (start/end dates):

March 2004 – June 2005

Fund Management Option(s):

Pass-through funding modality with UNDP as Administrative Agent

Total estimated resources of support: \$1,321,500

Allocated resources:

- UNDP \$300,000
- DFID \$500,000
(UNDP as Administrative Agent)

Other UN managed support resources:

- FAO \$50,000
- ILO \$14,000
- UNFPA \$124,500
- UNICEF \$102,000
- UN Millennium Project \$95,000
- WFP \$45,000
- WHO \$91,000

LPAC review date: 16 November 2004

BPAC review date: N/A

Programme officer: Sammy Khan, UN Resident Coordinator's Office, with programme oversight from UN Core Group

Section 1: Background

1. Introduction

The 2003 Yemen Millennium Development Goal Report (MDGR) points out that Yemen is currently off track to meet the Goals by 2015, with the possible exception of universal primary education and under-five child mortality. Accordingly, to achieve the MDGs by 2015 Yemen will need to make significant investments to build capacity in human resources, infrastructure and institutions as well as to mobilize resources to bridge the financial gap. Current constraints, can be overcome between now and 2015 to meet the Goals. To do so, however, will require a systematic and long-term plan for investing across all sectors, as well as sufficient international support. In recognition of Yemen's development efforts and in order to position Yemen to meet the MDGs by 2015, Yemen was accepted as the eighth Millennium Project pilot country in June 2004.

As the UN Secretary-General's advisory body commissioned with recommending operational frameworks for achieving the MDGs, the Millennium Project is focusing much of its effort in 2004 on working with a selected number of Governments and UN Country Teams (UNCTs) to identify how the MDGs can be most effectively operationalized at the country level.¹ This entails identifying how specific investments, policies, and processes of international assistance can be systematically integrated into ongoing poverty reduction strategies (PRSs).

In order to make sure that Yemen's planning documents are scaled up and MDG-based, the Government of Yemen has taken the decision to merge the second PRSP and the Third Five Year Development Plan into a single document - a five year MDG-based Third Plan for Sustainable Development and Poverty Reduction (2006-2010). In preparing this MDG-based Third Plan for Sustainable Development and Poverty Reduction (2006-2010), Yemen will be supported by the UN Millennium Project who will be working through the UN Country Team. In addition, Yemen has now been selected as threshold country for the Millennium Challenge Account, a US-led initiative to support countries making headway in governance, economic, and social reforms.

The exercise in preparing the Third Five-year Plan for Sustainable Development and Poverty Reduction (2006-2010) will require a three-phase planning process, as follows:

Phase I (February 2005): MDG needs assessment that compares the current development indicators of Yemen with the MDG targets and identifies the combination of investments required if Yemen is to achieve the MDGs by 2015. This needs assessment will identify the particular obstacles that are preventing faster economic development and greater progress towards poverty reduction.²

Phase II (March/April 2005): A long-term (10-15 year) policy plan for achieving the MDGs. The plan will propose and identify policies building on the needs assessment and complemented by a thorough consultative process with government stakeholders as well as the private sector, civil society and the international community.

Phase III (June 2005): Translate the long-term plan into a medium-term strategic development plan – the Third Plan for Sustainable Development and Poverty Reduction (2006-2010) – that is scaled up and

¹ For more information on the Millennium Project, including its Task Force Interim Reports, see www.unmillenniumproject.org.

² As a first approximation of what a national MDG needs assessment would look like, the Millennium Project has recently worked with local partners to conduct such MDG evaluations for five countries: Bangladesh, Cambodia, Ghana, Tanzania and Uganda (working draft available online at <http://www.unmillenniumproject.org/html/mdgcaseStudiesjan1704.html>). Note that a needs assessment is *not* the same as a policy plan with institutional design, but is instead a key input into policy design. The Millennium Project's needs assessment framework provides a template methodology for identifying the scale-up of activities needed from 2004 through 2015. By working with local partners to identify local unit costs and by proposing a simple financing model, the framework also estimates the total domestic and external resource mobilization needed to achieve the Goals.

aligned with achieving the MDGs. As outlined schematically in Figure 1, this implies a new approach to poverty reduction and development strategies, one that focuses seriously on the MDGs as targets and takes seriously the 2015 horizon. It is important to note that before reaching the 2015 target, the necessary capacity will gradually take time to be in place, which is depicted in the diagram as a gradual incline from 2006-2010.

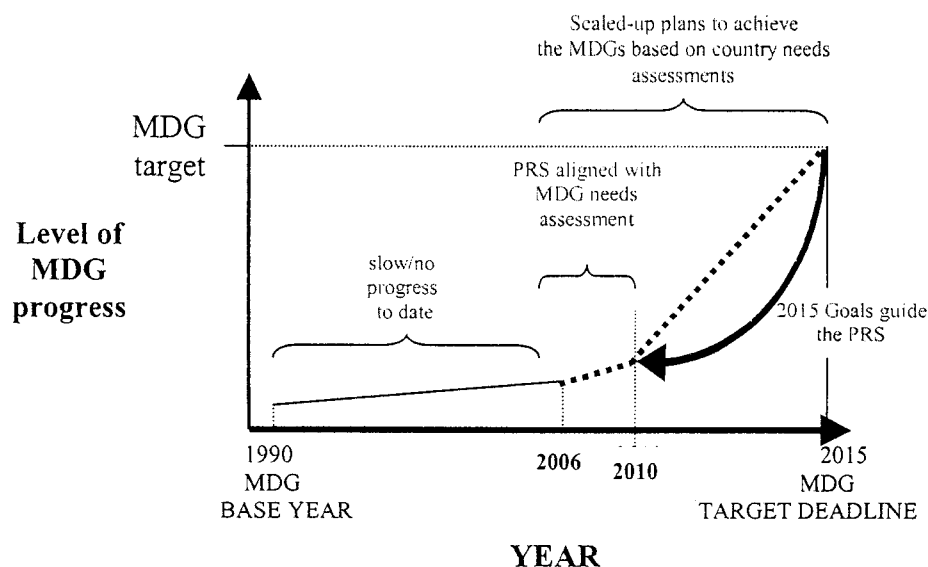


Figure 1: MDG-based Economic Development and Poverty Reduction Strategy

Structure for the Formulation of an the MDG-based Third Plan for Sustainable Development and Poverty Reduction (2006-2010)

The structure that will oversee the production of the five-year MDG-based Third Plan for Sustainable Development and Poverty Reduction (2006-2010), captures and reflects the flow of work and relationship between different institutions at both central and local levels. A Presidential decree has been passed establishing the structure and mechanisms mentioned below. (See Annex II.)

The **Higher Committee (HC)**, under the chairmanship of the Prime Minister, is responsible for the overall supervision of the preparation of an MDG-based Third Plan for Sustainable Development and Poverty Reduction (2006-2010). This work will be coordinated through the **Ministerial Committee (MC)**. The MC, chaired by Deputy Prime Minister and Minister of Planning, will interact with both the Technical Planning and Policy Committees and provide the two committees with policy guidance (including political commitments on complex issues related to reforms and financial envelopes for both the central and local levels of planning) and keep the HC informed of the progress made.

The **Technical Planning Committee (TPC)**, is composed of MoPIC and Directors of Planning of all Ministries and Institutions. The TPC will be responsible for the finalization of the products (outputs) based on the inputs coming from the Thematic Working Groups and other sectoral needs, which will not be directly addressed under the TWGs i.e. Industry, tourism, etc. As Yemen has decided to produce one five year planning, the TPC will review the MDG needs assessment and long term plan methodologies, and will introduce changes and adjustments in order to ensure synergy between the two methodologies if necessary. The Local Development Committee and the Policy Committee will support the TPC.

The **Policy Committee**, replaces the Technical Committee of the current PRSP with some modifications, will be composed of Deputy Ministers of all Ministries, Heads of Institutions, Representative from Civil Society Organizations, Private Sector, United Nations Country Team (including the World Bank), multi- and bi-lateral donors, INGOs, Heads of the TWGs, etc. will be responsible for providing feedback to the

TWGs and Technical Planning Committee on background papers for the preparation of the MDGs needs assessments, long-term policy planning, and the MDG-based Third Plan for Sustainable Development and Poverty Reduction (2006-2010).

These Committees will help ensure that local needs addressed in the MDG needs assessment and long term plans as well as in the MDG-based Third Plan for Sustainable Development and Poverty Reduction (2006-2010). The TPC will be supported by an Economist (national), 2 to 3 individual professional translators, professional report writers (English & Arabic) and 2 to 3 support staff for logistic, when required.

Thematic Working Groups

Thematic Working Groups have been reconstituted, or formed where applicable, in the following five strategic areas:

- **Education and Women's Empowerment**
- **Health and Population**
- **Infrastructure and Rural Development**
- **Environment and Water Resources Management**
- **Economic Growth and Employment Generation, with a sub-Thematic Working Group on Food Security**

Each of these five main TWGs and sub-TWG will be co-chaired by key line ministry and a donor agency. (TORs for these TWGs have been prepared and are attached.) In consultation with, and supported by, the Thematic Working Groups, a MDG needs assessment analyst(s) will carry out the MDG needs assessments and related work for their respective TWG by the end of 2004. The consultants will also liaise with other planning committees to ensure coordination and consistency.

In addition to these five groups, the existing PRSP TWGs on gender, civil society and decentralization will be maintained. Although these three existing TWGs will not be required to produce the deliverables of the other five TWGs (i.e. a MDG needs assessment and a long term plan), the substance of their work will be used to inform the work of the five main TWGs. In so doing, issues of gender, civil society and decentralization will be incorporated into the work of the five main TWGs.

Challenges

The Government has made considerable progress in undertaking this exercise. The TWGs that have been formed have been meeting on a regular basis and work has done on data collection and completing the needs assessment models. This exercise has benefited from broad participation from a wide variety of partners, including civil society, government line ministries, bilateral donors, and resident and non-resident UN agencies. The full extent of the achievements so far has been captured in two progress reports.

Nonetheless, despite this progress, concerns have emerged both on the implementation of PRS and the budgetary reform process. The UN system would support the ongoing process as identified by the three-phase process, with particular emphasis on filling the technical and capacity and coordination gaps.

An informal assessment of the current situation vis-a-vis the initiatives mentioned above has been undertaken by the UN system and the donors. The first impression of the joint UN-donor analysis is the need to shore up the ongoing progress with a view to taking the following issues into consideration:

1. How to adopt the lessons of the on-going PRSP (2002-2005) into the current process, particularly the needs assessment exercise as well as Phase II and III;
2. Lack of communication between the Government entities responsible for the former and current PRSP processes;
3. Need for stronger Millennium Project engagement in the process;
4. How to build and keep a collective momentum of a broad UN/bilateral donor/INGO coalition engaged and keyed into the above process with tangible rights-based outcomes for the short term (PRS-MDG-DP) and the long term (MDG-MP).
5. The need to have accurate data for the 'costing exercise', and guidelines for the translation of the ten-year costing into a medium-term (five-year) development framework;
6. Ensure that governance and economic reforms are crucial part of the MDG process, just as they were of the first PRSP;
7. Need to improve communication to ensure an integrated approach to cross-sectoral issues.

2. Strategic UN Engagement

The current UN Development Assistance Framework (UNDAF) 2001-2005 identifies common objectives and strategies for UN interagency cooperation and with development partners, a programme framework, and proposals for follow-up, monitoring, and evaluation. Under the UNDAF outcome to Enhance National Capacity for Policy Analysis and Programme Development for Human Development, the UN system continues to address national challenge of poverty reduction and to support the Government within its national frameworks to achieve the MDGs. The broad thrust of UN's strategic engagement in Yemen starts with the recognition that the MDG-based Third Plan for Sustainable Development and Poverty Reduction (2006-2010) will effectively be the single most important and comprehensive policy package guiding the national development for the medium term. The UN engagement is shaped by the recognition of primacy of MDG-based Third Plan for Sustainable Development and Poverty Reduction (2006-2010) with the following key core results to be achieved:

1. Stronger political commitment by the GOY of the MDG-based Third Plan for Sustainable Development and Poverty Reduction (2006-2010);
2. Coherent and rational pro-poor policy options including but not limited to income distribution and equity;
3. Transparent, measurable and clear linkages between MDG-based Third Plan for Sustainable Development and Poverty Reduction (2006-2010), the annual budgetary processes, and MDG costing;
4. Clear rights based social outcomes linked to increased annual social investment/allocation (a minimum of 4% of GDP), institutional mechanisms for monitoring and accountability and capacity building;
5. Pro-poor and pro-participatory changes in the rules of business for planning and budget formulation (involvement of more decentralized feedback) and improved financial management systems;
6. Advocacy and information sharing of the PRSP (2003-2005)/MDG-based Third Plan for Sustainable Development and Poverty Reduction (2006-2010) with the general public to encourage dialogue;
7. Increased coordination with donors in aligning development assistance to targeted areas of support to the Government.

Immediate improvement in communications and participation

The Office of the UN Resident Coordinator, assisted by UN agency focal persons, will play a more pro-active role in disseminating information to all key stakeholders. This will include all meetings of TWGs, the arrival and departure of missions and briefings. It is proposed that an annex to this project will consist of all Donor activities related to this process.

4. Support to Phase I – Needs Assessment

a. Thematic Working Groups

The needs assessment is conducted by the relevant TWGs. Each TWG should be supported by at least three people who will report to the TWG and their chairs and co-chairs:

- A Data Manager who is responsible for collecting data and working with the needs assessment methodology and spreadsheets. For some TWGs, notably the Health and Population TWG, more than one data manager may be required;
- A Coordinator who is responsible for harmonizing the work of his/her particular TWG with the work of other TWGs and who will also work with the Deputy Minister's office. This person should be the Director General of Planning of the ministry chairing the TWG, or whomever else the chair of the TWG sees fit and qualified to serve in this role;
- A Synthesizer and lead drafter who will be responsible for writing up the findings of the TWG.

In order to make sure that the issue of gender is integrated into the work of all of these TWGs, each TWG should have as a member at least one gender expert.

Moreover, the Office of the Deputy Minister of Planning and International Cooperation would require additional support, particularly through a lead synthesizer to review monitor the overall costing undertaken. This support would include a bilingual secretary in addition to development professionals. Their tasks, inter alia, would be to support the Deputy Minister's dialogue with, and harmonize the work of, each TWG; develop a communications strategy to inform ministries and government officials at the governorate level and the public at large about the exercise; as well as support his role as an interlocutor with UN agencies, donors, INGOs, national NGOs as well as the Millennium Project, particularly its Yemen Focal Point. (See Annex III)

b. The Millennium Project

The UN Millennium Project, which is based in New York, will provide technical support to the UNCT and the Government of Yemen based on the agreed timetable. A Focal Point has been appointed to support the Government and the UN system in this exercise and will make available the expertise at the Millennium Project Office. In addition, the Millennium Project has contributed US\$95,000 towards MP activities and missions to support the UN Resident Coordinator and the TWGs.

c. UN Country Team

The overall responsibility for coordinating the work of the UN Country Team (UNCT) will rest with the Office of the UN Resident Coordinator (RC). Towards this effort, a senior economist will be immediately recruited to support the UN RC and the UNCT. In addition, the UNCT will utilize additional national, regional, international experts in relevant technical areas to reinforce the capacity of the Government in the preparation of the MDG-based national poverty reduction plan. This support can be directly provided to TWGs through the provision of technical consultants, national or international experts, and/or missions, to be supported through the Joint Programme funds.

To facilitate UN coordination, under the guidance of the UN RC, the UNCT has established a UN Core Group³ that serves as a consultative body to oversee the strategic direction of the UN system support to the national development planning exercise (Phases I-III), including UN/donor engagement and technical discussions on support, evaluations, missions, and other resources requirements. This Group has agreed

³ The UN Core Group comprises of the following organisations: FAO, ILO, UNDP, UNFPA, UNICEF, WFP, WHO, World Bank, and the UN Resident Coordinator's Office

on terms of reference and is meeting regularly. The Group has also invited bilateral donors to participate in the discussions. In addition to this a document on a common consensus on the outcome of the engagement of the process was shared and endorsed provisionally. This mechanism to ensure that this process of engagement remains informed is would continuously review its response to the emerging problems and the bottlenecks in the process (the beginnings of this has been initiated by holding joint forum of bilateral donors and the UN Core Group). A further recommendation is to invite the high-level policy makers from the public sector to this forum to exchange information and keep concerns fresh on all sides.

The senior economist of the Resident Coordinator's Office will as serve Secretary to the UN Core Group, and with the support of the appointed UN agency focal point(s) will also coordinate with each agencies' TWG technical focal points who report to their respective Head of Agency on key issues, developments, and interventions. The Chair of the Core Group will be a rotating position among the UN agencies present in the Group and report to the UNCT on progress and recommendations. The UN system, including the World Bank, the Millennium Project and the NGOs, support to the TWGs is mapped by the UN Resident Coordinator's Office and revised as needed.

5. Support to Phase II and III – Medium-term Strategic Development Plan and Long-term Policy Plan

The UN system support to Phases II and III will be reviewed by the UN Core Group and joint interventions will be developed and submitted to the Joint Programme Steering Committee. This will be undertaken through a policy dialogue with all partners and a communications and advocacy strategy, with particular focus on relevant ministries and government officials at the governorates.

Section 2: Management and Coordination Arrangements⁴:

a. Coordination Committee (CC)

Composition:

- The representatives from the UN Core Group assume the role as members of the Coordination Committee.

Tasks:

- Initial technical review⁵ of proposals, and funding eligibility⁶. Following successful review, transfer of eligible proposals to the JPSC, with recommendations and all documentation from the technical review. For each proposal, the CC shall provide a ranking of funding suitability from low to high.
- The Committee will meet as needed, at least monthly. Resident donors will be invited to participate in the Committees as need.

In addition, the Coordination Committee will:

- Review of the operational activities of the Joint Programme;
- Review of the Joint Programme's reports;
- Liaise closely with Yemeni counterparts, on a continuing basis, to assure both programme and implementation coherence with Yemeni priorities.

⁴ If necessary, detailed Terms of Reference will be developed for the two committees constituting the governance structure of the Joint Programme (i.e. Joint Programme Steering Committee; Coordination Committee).

⁵ The technical review entails assessment of substantive, financial and management elements, and feasibility.

⁶ Refer to priorities for funding: capacity building, quick implementation and crisis response. Criteria and coordination arrangements will be further elaborated.

b. Joint Programme Steering Committee (JPSC)

Composition:

- RC as Chairperson, UNCT, contributing donor representatives, Government designated officials (from MoPIC, MoF, etc.), and UNDP

Tasks:

- Examination and approval of the eligible proposals in the light of their quality and merit. Where the UN Core Group (i.e. Project Acceptance Committee) cannot reach agreement on project approval within five working days of receipt, the RC will act to approve or reject the project proposal. The JPSC shall meet at least monthly, and otherwise as required. The JPSC will also be responsible for providing strategic guidance to the Joint Programme; reviewing progress; and ensuring coherence and collaboration between the Joint Programme and the national authorities' priorities.
- The criteria for approving proposals will be essentially, though not exclusively, based on meeting immediate needs within priority areas, country priorities, MDGs, recipient's absorption capacity and the executing entity's implementation capacity.
- Decisions on the selection of an executing Participating UN Organisation will be made based on demonstrated operational and absorptive capacity and expertise.
- Donors may wish to channel budgetary support to national authorities through a Participating UN Organization in the form of budget support provision. Budgetary support type of earmarking must be explicitly indicated. The funding provided is intended to cover gaps identified by the Government in its yearly budget and is targeted at specific projects aimed at poverty reduction. National and/or international NGOs can also be recipient of funds through a Participating UN Organization.

In addition the JPSC will:

- Ensure that the activities funded under the Joint Programme are coordinated with those funded from the national budget and bilateral donors;
- Advise donors on the most appropriate allocation of their resources, based on needs, priorities and absorptive capacities, when requested to do so.

c. Administration of the Fund and Management Arrangements

The Joint Programme will become effective as soon as the first donor contribution has been deposited into the provided contributions account. The Joint Programme is seen as a short-term measure covering a period from its start date to the end of the pre-interim period.

UNDP's responsibilities as Administrative Agent will include the following:

- Receipt, administration and management of contributions from donors;
- Disbursement of such funds to the Participating UN Organisations;
- Compilation of project and financial reports developed by each of the Participating UN Organisations into consolidated reports, and provision of such consolidated reports to each donor that has contributed to the Fund;

Each Participating UN Organisation would have to sign a standardized Memorandum of Understanding with UNDP based on their project submission and any alterations recommended by the Coordination Committee. Under such MOU, each Participating UN Organisation will assume full programmatic and financial accountability for the funds disbursed to them by the Administrative Agent. An exchange of letters will be used for all subsequent activities.

Each Donor would sign a standardized Letter of Agreement with UNDP as Administrative Agent, setting out the terms and conditions governing the receipt and administration of the contribution.

Project-level management, procurement and expenditures shall be governed by the regulations, rules and directives of the respective Participating UN Organizations.

d. Implementation and Budgeting of Funds

The aggregate of the amounts budgeted for the projects together with any estimated payments in respect of support services shall not exceed the total resources available to the Joint Programme.

If unforeseen increases in commitments or expenditures are expected or realized (whether due to inflationary factors, fluctuation in exchange rates or unforeseen contingencies) the assistance to be provided under the Fund may be reduced, suspended or terminated by the respective Participating UN Organisation.

e. Ownership of Equipment, Supplies and Other Property

Ownership of equipment, supplies and other property financed from the Joint Programme shall be vested in the respective Participating UN Organisation undertaking the activities. Matters relating to the transfer of ownership by the Participating UN Organisation shall be determined in accordance with the applicable policies and procedures of the Participating UN Organisation.

f. Monitoring and Evaluation

The Coordination Committee, subject to UNDP's applicable regulations, rules and policies, will monitor the Joint Programme. An evaluation of the Joint Programme will be conducted to measure and evaluate how it is achieving its targeted outputs, as well as, record best practices and lessons learned. The evaluation will be submitted to the technical Joint Programme Steering Committee for review and endorsement and subsequent circulation to all concerned by the UN Resident Coordinator.

g. Audit

Project level auditing shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of the respective Participating UN Organisation. The activities of the Administrative Agent shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP. Audit observations and recommendations from the external auditors should be reviewed and endorsed by the Coordination Committee and appropriate action plan established to ensure that audit queries are addressed and complied with.

h. Reporting

Consolidated (both financial and substantive) reporting will be provided to all Joint Programme donors by UNDP, as Administrative Agent, on a semi-annual basis. The responsibility of preparing and distributing such reports is vested in the Resident Coordinator's Office. The Resident Coordinator will provide the UNCT a final report on the activities of the Joint Programme prepared in accordance with UNDP accounting and reporting procedures.

i. Other Matters

Notwithstanding the completion of the projects financed from the Joint Programme, any unutilised balances shall continue to be held in the Joint Programme account until all commitments and liabilities incurred in implementation of the projects have been satisfied and project activities have been brought to an orderly conclusion.

The Joint Programme shall terminate upon completion of all projects and after the satisfaction of all commitments and liabilities arising from their execution. The Coordination Committee in consultation with the Donor(s) shall dispose of any balance then remaining.

Section 3: Common Work plan and Budget

UNDP is using a results-based management system where project monitoring is carried out to ensure optimal use of resources. It has developed a work plan format, which provides easy analysis of cost per each activity and results per expenditure incurred against the budgeted amount. The work plan format can also serve the purpose of an annual project and expenditure report. Thus, the work plan provides stakeholders with a user-friendly tool to monitor the implementation of the project closely.

See pages 11-18 for Joint Programme Results and Framework Matrix.

Section 4: Signatures of national counterparts and UN

For the Government of Yemen:

Signature:



Name: H.E. Mr. Ahmed Mohammed Sofan

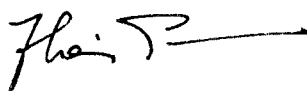
Title: Deputy Prime Minister and Minister of Planning and International Cooperation

Place: Ministry of Planning and International Cooperation

Date: 9 March 2005

For the United Nations:

Signature:



Name: Ms. Flavia Pansieri

Title: UN Resident Coordinator/UNDP Resident Representative

Place: Ministry of Planning and International Cooperation

Date: 9 March 2005

EXPECTED OUTPUTS & MONITORING ACTIVITIES	Key Activities/Annual Output Targets	TIME FRAME				RESPONSIBLE PARTY and INPUTS	PLANNED BUDGET	
		2001	2002	2003	2004		Source of Funds	Budget Description Amount
Yemen prepared by mid-2005 a scaled up and MDG-based Third Plan for Sustainable Development of Poverty Reduction 2006-2010	<i>UN support through missions and international/national consultants to the following TWGs:</i>							
1. A MDG needs assessment that identifies the combination of investments that would enable Yemen to achieve the MDGs by 2015 prepared by December 2004. Needs assessment to be conducted in the following TWGs:	a. Economic Growth and Food Security <u>Economic Growth</u> - develop needs assessment and costing models - support to developing MDG-based long-term policy plan (2006-2015) that links macroeconomic trends, policies, and institutional reform dimensions of poverty reduction - support to developing MDG-based national development plan based on long-term policy plan, considering macro-economic growth dimensions to achieving the MDGs based on the needs assessment and long-term policy plan					a. Support to Economic Growth and Employment Generation, with a sub-Thematic Working Group on Food Security	UNDP - \$80,000 UNDP - \$40,000 UNDP - \$20,000 UNDP - \$10,000 UNDP - \$10,000	Consultants Travel Workshop Technical and logistical and secretarial Support to MoPIC
2. A long term policy plan for achieving the MDGs prepared by March 2005	<u>Food Security</u> - develop needs assessment on food security, fisheries, and agriculture - support to developing MDG-based long-term policy plan (2006-2015) for the agricultural and fisheries sector - support to developing MDG-based national development plan, namely the PRSP, based on long-term policy plan					FAO Economist mission from HQ to support Food Security TWG on needs assessment and costing <u>January - June 2005</u> a. Provide economist (mission for 20 days in Yemen and 5 days desk work in Rome); b. Provide Agro-economist/Poverty Reduction Specialist (two missions for 20 days in Yemen and 5 days desk work in Rome) c. Provided 4 National Consultants (for 45 days): - Agro-economist/ Watershed management specialist - Rural development	FAO DFID	Consultants fees Consultant Fees Travel Technical Support Services Direct Operating Cost Administrative Costs
3. A consolidated 3 rd national plan and 2 nd PRSP MDG-based prepared in participatory manner by June 2005						WFP a. Economist and Food Security Specialist to conduct a study/commodity chain analysis. Specialist to work with international/national consultant b. Nutritionist to conduct an overall assessment of nutrition status of food insecure population as defined by the FIVIMS study and to recommend relevant interventions to be considered in the PRSP	WFP WFP	Consultancy fees Consultancy fees

EXPECTED OUTPUTS MONITORING ACTIVITIES	Key Indicators/ Targets	J Out	MEF				REF	JBLI	IV ai	UTS	LAN		HDC
			2001	2002	2003	2004					Source of Funds	Activity Description	
	b. Health and Population TWG - develop needs assessment and costing models - support to developing MDG-based long-term policy plan (2006-2015) for the health and population sector - support to developing MDG-based national development plan based on long-term policy plan					ILO a. Provide Employment Specialist to support the Economic Growth TWG b. ILO National Employment Symposium to discuss technical content of National Employment Agenda and generate implementation-oriented recommendations in the context of integrating the strategy into the broader development process b. Support to Health and Population TWG WHO/UNFPA a. Joint WHO/UNFPA mission (9-16 October): 2 WHO staff + International consultant + Health expert, Ms. Eva Weissman (UNFPA) WHO 1-Preparatory Phase a. Development of framework and work plan b. Finalizing structure & TOR the committees and groups c. Consensus & dissemination (Workshops) 2-Conducting Needs Assessment a. Review situation analysis b. Review relevant studies and research c. Identifying information gaps d. Developing list of interventions e. Developing lists of targets 3-Development of the Investment Plan a. Costing of the interventions b. Developing the financial strategies c. Producing a draft investment plan				DfID 			

EXPECTED OUTPUTS MONITORING ACTIVITIES	Key activities, milestones, outputs	MEASUREMENT				RE- SIBL	TY & PUTS	PLAN	BUDGET
		Q1	Q2	Q3	Q4				
						4- Finalization and Dissemination of Plans a. Translation and publication b. Dissemination workshop	DfID	a. Translation of the document from Arabic to English. (\$2,000) - Printing of 5000 copies in 2 languages (\$5,000) - One day workshop for dissemination for 120 participants (\$5,000)	\$12,000
						5- Consultancies a. 2 Consultants for training on needs assessment (Carried out in 8-16 October 04) b. Consultant for Health Sector Reform (First assignment was from 9-16 October and 2nd will start on 22 Nov. till 4th Dec. 04) c. Health Economist (Expected to be in Dec. 04 for 2 months to do training on costing) d. Consultant on Human (Expected to be in Dec. 04/Jan.05 for 3 weeks Resources Development) e. 2 consultants on Health Care Delivery (Expected to be in Dec. for 3 days. To look at health services delivery issues) f. Senior Health Economist to develop financial strategies and investment plan needed for the MDGs based PRSP (Jan - March 05) g. National Expert to assist on development of the financial strategies and the investment plan (4 months --from 1 Jan. to 30 April 2005) h. Health System Org'l Expert to assist MoPHP on reviewing and developing its org'l system (2 months)	WHO (a-e)		(\$63,500) a. \$7,5000 b. \$22,000 c. \$20,000 d. \$11,000 e. \$3,000
							DfID (f-h)	f. One person/month approx. \$15,000X3 g. One person/month approx. \$2,000X2 h. One person/month approx. \$15,000X2	\$45,000 \$8,000 \$30,000

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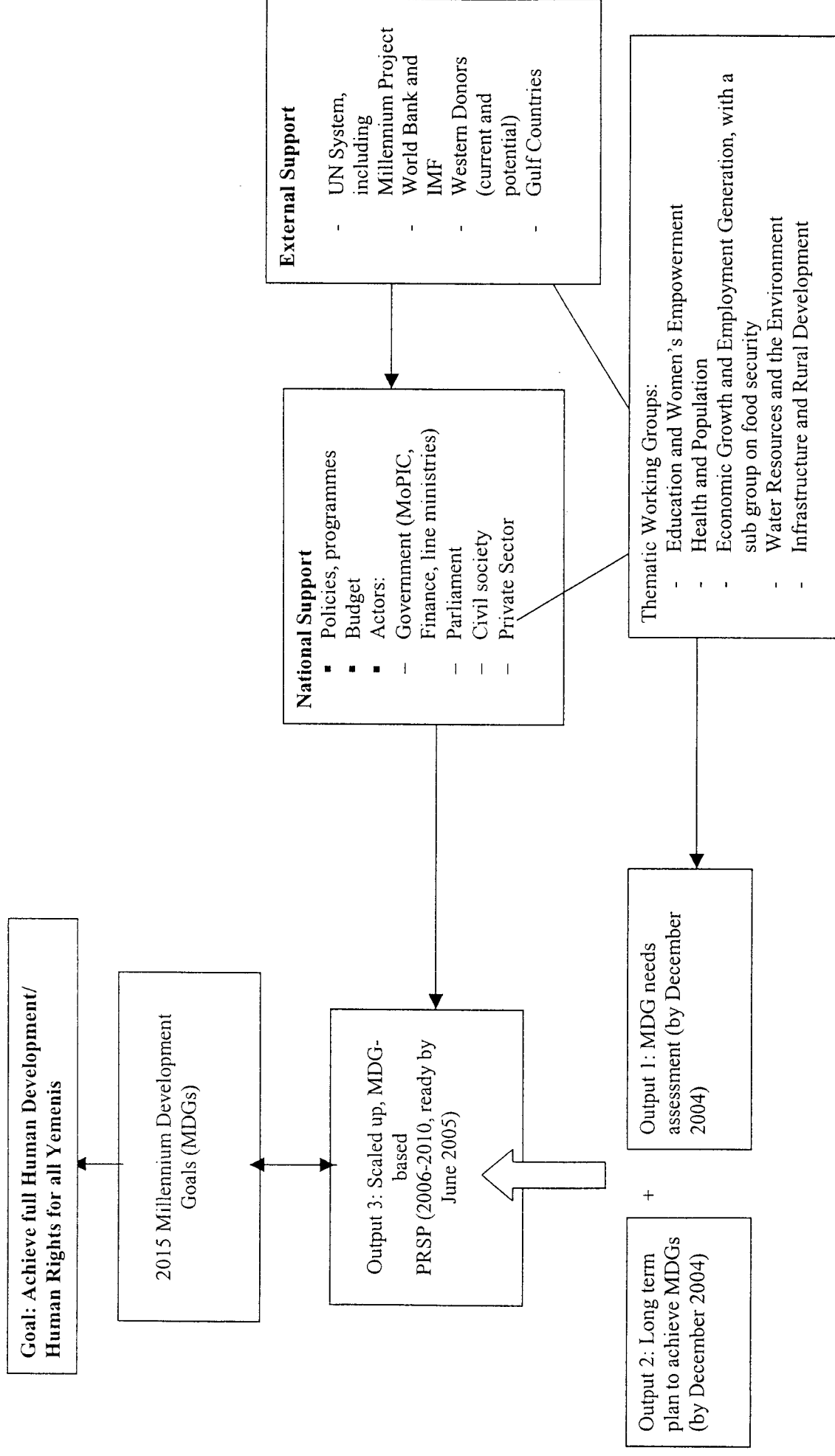
EXPECTED OUTPUTS & MONITORING ACTIVITIES	Key vital strategic outcomes	IMEI				REF	SIBL	CTY	PLUTS	PLAI		BUD
		Q1	Q2	Q3	Q4					Source of Funds	Description	
d. Infrastructure and Rural Development - develop needs assessment and costing models - support to developing MDG-based long-term policy plan (2006-2015) for the infrastructure and rural development sector - support to developing MDG-based national development plan based on long-term policy plan	e. Environment and Water Resource Management - develop needs assessment and costing models - support to developing MDG-based long-term policy plan (2006-2015) for the environment and water resource management sector - support to developing MDG-based national development plan based on long-term policy plan					UNDP				UNDP - \$80,000 support to MoPIC	Consultants Travel Workshop Technical and logistical and secretarial Support to MoPIC	(\$80,000) \$40,000 \$20,000 \$10,000 \$10,000
						UNICEF				UNICEF		\$20,000
						UNIFEM				UNDP - \$30,000 support to MoPIC	Consultants Travel Technical and logistical and secretarial Support to MoPIC	(\$60,000) \$40,000 \$10,000 \$10,000
						ILO				ILO		\$4,000
g. Civil Society - integrate into needs assessment - support to developing MDG-based long-term policy plan (2006-2015) taking into consideration civil society - support to developing MDG-based national development plan based on long-term policy plan										UNDP - \$20,000 support to MoPIC	Consultants Travel Technical and logistical and secretarial Support to MoPIC	(\$30,000) \$20,000 \$5,000 \$5,000

EXPECTED OUTPUTS MONITORING ACTIVITIES	Key activities/Outputs	MEF				REF	SIBLI	TY a	UTS	LAN	JUDG	Budget
		Q1	Q2	Q3	Q4							
	h. Decentralisation - integrate into needs assessment - support to developing MDG-based long-term policy plan (2006-2015) taking into consideration decentralisation - support to developing MDG-based national development plan based on long-term policy plan									UNDP - \$20,000 support to MoPIC DfID - \$10,000	Consultants Travel Technical, logistical, and secretarial support to MoPIC	(\$30,000) \$20,000 \$5,000 \$5,000
	Recruit where needed at least three consultants (data manager, synthesizer, coordinator) to support each TWG											
	a. Health and Population TWG					WHO			Human resource support provided to the Health TWG Core Team	DfID		\$11,200
	Recruit consultants to support the office of the Deputy Minister of Planning and International Cooperation, especially in the areas of substantive coordination.									UNDP	6-12 month contracts	\$30,000
	Recruit consultant to advise the UN system on strategic and technical macro-economic policy issues, particularly in the context of the UN system's support to the Government in preparing its MDG-based national development plan					UN Resident Coordinator's Office a. Senior Economist to provide high-level policy advice to the UN Resident Coordinator and UNCT on the socio-economic situation in Yemen and its bearing on the UN's development cooperation and planning				DfID	Initial one-year appointment	\$86,000
	Organize cluster workshops to build consensus on background papers of the TWGs					UNDP					Workshops	\$20,000
	Procure professional services for final products writing both in English and Arabic					UNDP						\$10,000

EXECUTED OUTPUTS & MONITORING ACTIVITIES	Key Indicators Targets	Key Outputs	TIME				RE SIBL	TY a PUTS	PLAT		BUDG Amount
			Q1	Q2	Q3	Q4			Source of Funds	Budget Description	
Provide technical assistance to MOPIC on lessons learnt or SWOT analysis for the PRSP process	Media Information and Advocacy Campaign for MP/Third Plan for Sustainable Development and Poverty Reduction (MDG-based PRSP)	First participatory dialogue on MP and Third Plan for Sustainable Development and Poverty Reduction (MDG-based PRSP)					UNICEF		DIID		\$10,000
							UNICEF	Workshop in Sana'a with invitation to all major newspapers, television and radio	UNICEF DIID	Workshops	\$15,000 \$10,000
							UNICEF	Topics covered: situation of poverty in Yemen; social trends; projections for future in base scenario; Yemen's international commitments; significance of MP; brief summary of MP approach and where are we currently; the needs assessment and its relationship to MDG-based PRSP; significance of MDG-based PRSP process and importance of participation.	UNICEF		\$25,000
								Workshop in Taiz on the issue with the purpose of involving a wider section of society on debate on Poverty reduction	UNICEF		
								Participants will include academic institutions, think tanks, social activists, donors, private sector, women representatives etc.			
								Possible agenda will include: poverty situation in Yemen, groups will be formed to discuss major issues causing poverty in Yemen and ways to address it. Workshop will end with recommendations to be included in the Third Plan for Sustainable Development and Poverty Reduction (MDG-based PRSP)			
								Formation of a citizen group on poverty to work closely with MoPIC on such meetings in other governorates			

EVALUATED OUTPUTS & MONITORING ACTIVITIES	Key Indicators Targets	Quarterly Targets	Period				RE SIBL	ACTY a	PUTS	Source of Funds	PLAT BUD Description	Amount
			Q1	Q2	Q3	Q4						
	Governorate Meetings on the MDG-based Third Plan for Poverty Reduction and Sustainable Development (MDG-based PRSP): Localizing MDG efforts								This will include not only issues related to MP/MDG-based PRSP but also training for planning at decentralized level. It will also include review of activities in CDP. District level local councils, governorate officials, civil society organizations, media etc will be involved	UNICEF		\$40,000
	<i>Provide training for governorate and local authority officials on the MDG-based approach to the next five-year Third Plan for Sustainable Development and Poverty Reduction (2006-2010). The training would focus on the methodology utilized by the Millennium Project, which would ensure the compatibility the next development plan with the Millennium Development Goals.</i>								Ministry of Planning and International Cooperation Localisation of MDGs in alignment with Government's MDG-based Third Plan for Sustainable Development and Poverty Reduction Five regional cluster meetings to include all governorates. Training provided for Director Generals of Planning of all governorate and local authority officials/local councils on the MDG-based approach to the next development plan.	UNDP DIID	a. Training facilitators b. Logistics and travel costs for consultants and facilitators c. Training material and printing d. Other logistics for workshops	(\$120,000) \$40,000 \$80,000
	<i>Technical Support from the UN Millennium Project to Government and TWGs</i>								UN Millennium Project technical support to TWGs	UN MP	a. Initial Mission of UN MP to Yemen (August 2004). b. Ms. Chandrika Bahadur (arr 4 Oct - Dep 6 Oct) to work with Food Security, Education, and Gender TWGs c. Mission of Prof. Tarik Yousef, MP Focal Point (17-20 December 2004) c. Ms. Mi Hua (24 Dec. - Jan. 5 2004) to work with water and Sanitation TWG.	\$95,000
TOTAL												\$1,321,500

Scaled up, MDG-based Third Plan for Sustainable Development and Poverty Reduction (2006-2010) in Yemen: Outputs and Actors



14 August
MoPIC

Chairperson: Prime Minister
 Composed of Deputy PM and Minister of Finance, Deputy PM and Minister of Planning, all concerned Ministers, Governor of Central Bank

Ministerial Committee (MC)
 Deputy Prime Minister, Minister of Planning (Chairperson)
 Minister of Social Affairs and Labor
 Minister of Local Administration
 Minister of Education
 Minister of Health and Population
 Vice Minister of Finance
 Chairperson of Central Statistical Organization
 Heads of Policy and Technical Planning Committees

Local Development Committee
 ➤ Asst Deputy Minister, Local Development (MoPIC) - Chair
 ➤ MoLA
 ➤ MoF

Technical Planning Committee
 Deputy Minister Abbasi of MoPIC - Chair
 ➤ Deputy Ministers of MoPIC
 ➤ Directors General of Planning in all Ministries and Institutions

Policy Committee
 (Same composition as the PRS Technical Committee)

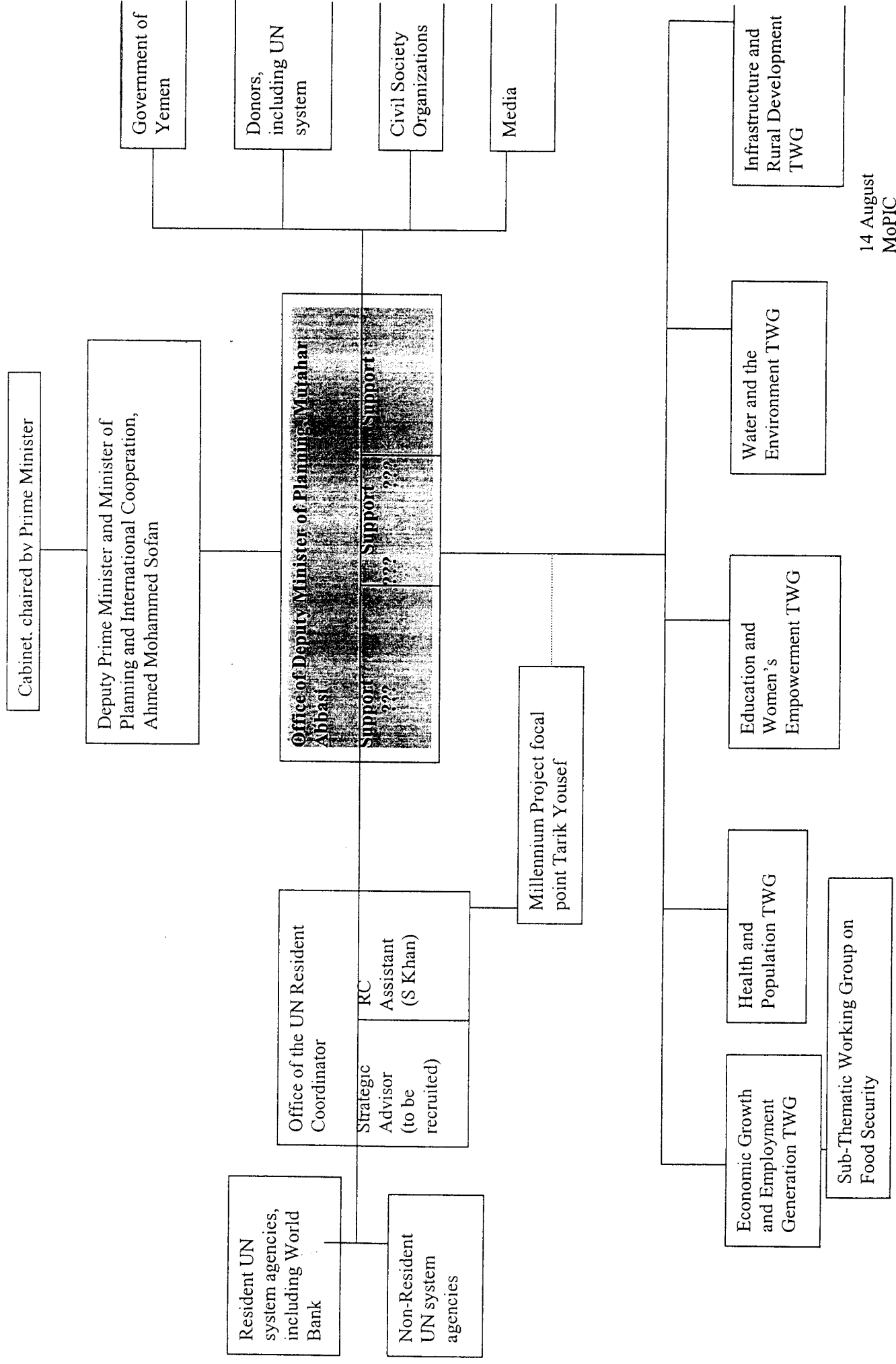
Governorates Planning Committees

Line Ministerial Committee

Thematic Working Groups
 1. Economic Growth and Employment Generation., with a sub-TWG on Food Security given
 2. Health and Population
 3. Water and the Environment
 4. Education and Women's Empowerment
 5. Infrastructure and Rural Development
 PLUS TWGs on Civil Society, Decentralization and Gender

Annex III
 Organizational Chart Explaining Relations Between Actors Preparing a MDG-based National Strategy

Annex III



Annex IV
**Standard Memorandum of Understanding between the Participating UN Organizations and the
Administrative Agent for pass-through fund management**

Memorandum of Understanding
Between
FAO, ILO, UNDP, UNFPA, UNICEF, WFP, WHO
And
United Nations Development Programme (UNDP)
regarding the Operational Aspects of the Joint Programme in Yemen

WHEREAS, FAO, ILO, UNDP, UNFPA, UNICEF, WFP, and WHO (hereinafter referred to collectively as the “Participating UN Organizations”) have developed a joint programme (hereinafter referred to as the “Joint Programme”) as part of their respective development cooperation with the Government of Yemen, as more fully described in the detailed Joint Programme document dated **9 March 2004**, document no. **RCSYEM01** (hereinafter referred to as the “Joint Programme Document”), and have agreed to establish a coordination mechanism ⁷ (hereinafter referred to as the “Joint Programme Steering Committee”) to facilitate the effective and efficient collaboration between the Participating UN Organizations and the host Government for the implementation of the Joint Programme;

WHEREAS, the Participating UN Organizations have agreed that they should adopt a coordinated approach to collaboration with donors who wish to support the implementation of the Joint Programme and have developed a Joint Programme Document to use as the basis for mobilising resources for the Joint Programme, and have further agreed that they should offer donors the opportunity to fund the Joint Programme and receive reports on the Joint Programme through a single channel; and

WHEREAS, the Participating UN Organizations have further agreed that UNDP (which is also a Participating UN Organization in connection with this Joint Programme) should be asked to serve as their administrative interface between donors and the Participating UN Organizations for these purposes and UNDP has agreed to do so in accordance with this Memorandum of Understanding.

NOW, THEREFORE, the UNDP and the Participating UN Organizations (hereinafter referred to collectively as the “Parties”) hereby agree as follows:

Article I
Appointment of Administrative Agent; its Status, Duties and Fee

1. The Participating UN Organizations hereby appoint UNDP (hereinafter referred to as the “Administrative Agent” or the “AA”) to serve as their Administrative Agent in connection with the Joint Programme, in accordance with the terms and conditions set out in this Memorandum of Understanding. The Administrative Agent accepts this appointment on the understanding that the Participating UN Organizations assume full programmatic and financial accountability for the funds disbursed to them by the Administrative Agent. This appointment shall continue until it terminates, or is terminated, in accordance with Article VII below.

2. On behalf of the Participating UN Organizations, the Administrative Agent shall:

⁷ The Parties to the Joint Programme Document will decide what is the most appropriate coordination mechanism, for example a theme group, steering committee, management committee etc. For ease of reference, this mechanism is referred to as the “Joint Programming Steering Committee” in this document.

- (a) Receive contributions from donors that wish to provide financial support to the Joint Programme through the Administrative Agent;
- (b) Administer such funds received, in accordance with this Memorandum of Understanding including the provisions relating to winding up the Joint Programme Account and related matters;
- (c) Subject to availability of funds, disburse such funds to each of the Participating UN Organizations in accordance with instructions from the Joint Programme Steering Committee, taking into account the budget set out in the Joint Programme Document (Section 3), as amended in writing from time to time by the Joint Programme Steering Committee;
- (d) Compile financial reports produced by each of the Participating UN Organizations into a consolidated report, and distribute such financial reports together with consolidated programme reports produced by the Participating UN Organizations, as further described in the Joint Programme Document, to each donor that has contributed to the Joint Programme Account and to the Joint Programme Steering Committee;
- (e) Provide final reporting, including notification that the Joint Programme has been operationally completed, in accordance with Article IV below⁸;
- (f) Perform such other activities as the Participating UN Organizations and the Administrative Agent may agree in writing.

3. The Administrative Agent shall enter into a letter of agreement, in the form attached hereto as **ANNEX V** (hereinafter referred to as a “Letter of Agreement”), with each donor that wishes to provide financial support to the Joint Programme through the Administrative Agent. The Administrative Agent shall not amend the terms of Annex V without prior written agreement of the Participating UN Organizations. The Administrative Agent shall provide the Participating UN Organizations with a copy of each Letter of Agreement it enters into.

4. Should there be a donor committee or other donor consultative mechanism established at any time in respect of the Joint Programme, the Participating UN Organizations will decide on the appropriate manner in which the Participating UN Organizations (including the Administrative Agent) will engage with such committee.

5. None of the Participating UN Organizations shall be liable for the acts or omissions of the Administrative Agent or its personnel, or of persons performing services on its behalf, except in regard to any contributory acts or omissions of other Participating UN Organizations. With respect to such contributory acts or omissions of the Participating UN Organizations, the resulting liability shall be apportioned among them or any one of them to the extent of such contributory acts or omissions, or as may otherwise be agreed.

6. The Administrative Agent shall be entitled to allocate an administrative fee of one percent (1 %) of the amount contributed by each donor signing a Letter of Agreement, to meet the Administrative Agent’s costs of performing the Administrative Agent’s functions described in this Memorandum of Understanding. Notwithstanding the foregoing, in cases the contribution is less than \$2 million, the fee

⁸ To the extent that under a particular Joint Programme the AA has responsibilities beyond those set forth in “a” through “e”, additional tasks can be added as a new “f”.

will be subject to a minimum floor of \$20,000; if the contribution is above \$10 million, the fee will be subject to a maximum ceiling of \$100,000.⁹

Article II Financial Matters

The Administrative Agent

1. The Administrative Agent shall establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds received pursuant to Letters of Agreements (hereinafter, the “Joint Programme Account”). The Joint Programme Account shall be administered by the Administrative Agent in accordance with the regulations, rules, directives and procedures applicable to it, including those relating to interest. The Joint Programme Account shall be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules, directives and procedures applicable to the Administrative Agent.
2. The Administrative Agent will not absorb gains or losses on currency exchanges. Such amounts will increase or decrease the funds available for disbursements to Participating UN Organizations
3. The Administrative Agent shall make disbursements from the Joint Programme Account based on instructions from the Joint Programme Steering Committee, in line with the budget set forth in the Joint Programme Document, as amended from time to time by the Joint Programme Steering Committee. The disbursements shall consist of direct and indirect costs as set out in the budget.
4. Subject to the availability of funds, the Administrative Agent shall normally make each disbursement within seven (7) to ten (10) business days after receipt, in accordance with the instructions received from the Joint Programme Steering Committee in line with the Joint Programme Document. The Administrative Agent shall transfer funds to each Participating UN Organization through wire transfer. Each Participating UN Organization shall advise the Administrative Agent in writing of the bank account for transfers pursuant to this Memorandum of Understanding. When making a transfer to a Participating UN Organization, the Administrative Agent will notify that Participating UN Organization’s Treasury Operations of the following: (a) the amount transferred, (b) the value date of the transfer; and (c) that the transfer is from UNDP as Administrative Agent in respect of the joint programme in Yemen pursuant to this Memorandum of Understanding.
5. Where the balance in the Joint Programme Account on the date of a scheduled disbursement is insufficient to make that disbursement, the Administrative Agent shall consult with the Joint Programme Steering Committee and make a disbursement, if any, in accordance with the Joint Programme Steering Committee’s instructions.

The Participating UN Organizations

6. Each Participating UN Organization shall establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds disbursed to it by the Administrative Agent from the Joint Programme Account. That separate ledger account shall be

⁹ In cases where the Participating UN Organizations and the AA agree that the AA’s responsibilities are more complex than envisioned in Article I, para 2 (a)-(e), such additional responsibilities will be included in Article I, para 2(f) and a higher percentage or amount for the fee of the AA than that stipulated here may be agreed with the donor or included as direct costs in the budget directly managed by the AA as appropriate

administered by each Participating UN Organization in accordance with its own regulations, rules, directives and procedures, including those relating to interest. That separate ledger account shall be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules, directives and procedures applicable to the Participating UN Organization concerned.

7. Each Participating UN Organization shall use the funds disbursed to it by the Administrative Agent from the Joint Programme Account to carry out the activities for which it is responsible as set out in the Joint Programme Document, as well as for its indirect costs. The Participating UN Organizations shall commence and continue to conduct operations for the Joint Programme only upon receipt of disbursements as instructed by the Joint Programme Steering Committee. The Participating UN Organizations shall not make any commitments above the approved budget in Section 3 of the Joint Programme Document to this document, as amended from time to time by the Joint Programme Steering Committee. If there is a need to exceed the budgeted amount, the Participating UN Organization concerned shall submit a supplementary budget request to the Joint Programme Steering Committee.

Article III

Activities of the Participating UN Organizations

1. Each of the Participating UN Organizations shall carry out its activities contemplated in the Joint Programme Document in accordance with the regulations, rules, directives and procedures applicable to it. Accordingly, personnel shall be engaged and administered, equipment, supplies and services purchased, and contracts entered into in accordance with the provisions of such regulations, rules, directives and procedures. On the termination or expiration of this Agreement, the matter of ownership shall be determined in accordance with the regulations, rules, directives and procedures applicable to such Participating UN Organizations, including, where applicable, its basic agreement with the Government of Yemen.

2. Any modifications to the activities set out in the Joint Programme Document, including as to their nature, content, sequencing or the duration thereof shall be subject to mutual agreement in writing between the relevant Participating UN Organization and the Joint Programme Steering Committee. The Participating UN Organization shall promptly notify the Administrative Agent through the Joint Programme Steering Committee, of any change in the budget as set out in the Joint Programme Document.

3. Where a Participating UN Organization wishes to carry out its Joint Programme activities through or in collaboration with a third party, it shall be responsible for discharging all commitments and obligations with such third parties, and no other Participating UN Organization, nor the Administrative Agent, shall be responsible for doing so.

4. In carrying out their Joint Programme activities, none of the Participating UN Organizations shall be considered as an agent of any of the others and, thus, the personnel of one shall not be considered as staff members, personnel or agents of any of the others. Without restricting the generality of the preceding sentence, none of the Participating UN Organizations shall be liable for the acts or omissions of the others or their personnel, or of persons performing services on their behalf.

5. Each Participating UN Organization shall advise the Administrative Agent in writing when all activities for which it is responsible under the Joint Programme have been completed

Article IV

Reporting

1. Each Participating UN Organization shall provide the Joint Programme Steering Committee and the Administrative Agent with the following statements and reports prepared in accordance with the

accounting and reporting procedures applicable to the Participating UN Organization concerned, as set forth in the Joint Programme Document. The Participating UN Organizations will endeavour to harmonize their reporting formats to the extent possible:

- (a) Narrative progress reports for each twelve-month period, to be provided no later than one month after the end of the applicable reporting period;
 - (b) Annual financial reports as of 31 December each year with respect to the funds disbursed to it from the Joint Programme Account, to be provided no later than four months after the end of the applicable reporting period;
 - (c) A final narrative report and financial report, after the completion of the Joint Programme and including the final year of the Programme, to be provided no later than 30 April of the year following the financial closing of the Programme;
 - (d) A final certified financial statement, to be provided no later than 30 June of the year following the financial closing of the Programme.
2. The Administrative Agent shall prepare consolidated narrative progress and financial reports consisting of the reports referred to in paragraph 1 (a) to (d) above submitted by each Participating UN Organization, and shall provide those consolidated reports to each donor that has contributed to the Joint Programme Account, in accordance with the timetable established in the Letter of Agreement, and to the Joint Programming Steering Committee.
3. The Administrative Agent shall also provide a financial report and a final certified financial statement to Donors and Participating UN Organizations, on its activities as Administrative Agent, to be provided no later than 30 June of the year following the financial closing of the Programme.

Article V Monitoring and Evaluation

Monitoring and evaluation of the Joint Programme shall be undertaken in accordance with the provisions contained in the Joint Programme Document, which are consistent with the respective regulations, rules and procedures of the Participating UN Organizations.

Article VI Joint Communication

Each Participating UN Organization shall take appropriate measures to publicize the Joint Programme and to give due credit to the other Participating UN Organizations. Information given to the press, to the beneficiaries of the Joint Programme, all related publicity material, official notices, reports and publications, shall acknowledge the role of the host Government, the donors, the Participating UN Organizations, the Administrative Agent and any other relevant parties. In particular, the Administrative Agent will include and ensure due recognition of the role of each Participating UN Organization and national partner in all external communications relating to the Joint Programme.

Article VII Expiration, modification and termination of the Agreement

1. This Memorandum of Understanding shall expire upon completion of the Joint Programme, subject to the continuance in force of paragraph 5 below for the purposes therein stated.

2. This Memorandum of Understanding may be modified only by written agreement between the Parties.

3. Any of the Participating UN Organizations may withdraw from this Memorandum of Understanding upon giving thirty (30) days' written notice to all other parties to this Memorandum of Understanding stating that it has given notice, in accordance with the Joint Programme Document, of its withdrawal from the Joint Programme, subject to the continuance in force of paragraph 5 below for the purpose therein stated.

4. The Administrative Agent's appointment may be terminated by the Administrative Agent (on the one hand) or by the mutual agreement of all Participating UN Organizations (on the other hand) on thirty (30) days' written notice to the other party, subject to the continuance in force of paragraph 5 below for the purpose therein stated. In the event of such termination, the Parties shall agree on measures to bring all activities to an orderly and prompt conclusion so as to minimize costs and expense.

5. Obligations assumed by the withdrawing or terminating Parties under this Memorandum of Understanding shall survive the expiration or termination of this Memorandum of Understanding or the termination of the Administrative Agent or withdrawal of a Participating UN Organization to the extent necessary to permit the orderly conclusion of the activities and the completion of final reports, the withdrawal of personnel, funds and property, the settlement of accounts between the Parties hereto and the settlement of contractual liabilities that are required in respect of any subcontractors, consultants or suppliers. Any balance remaining in the Joint Programme Account or in the individual Participating UN Organizations' separate ledger accounts shall be used for a purpose mutually agreed upon by the Administrative Agent, the donors and the Joint Programme Steering Committee.

Article VIII

Notices

1. Any action required or permitted to be taken under this Memorandum of Understanding may be taken on behalf of the Administrative Agent by the UNDP Resident Representative, or his or her designated representative and on behalf of a Participating UN Organization by the head of office in Yemen, or his or her designated representative.

2. Any notice or request required or permitted to be given or made in this Memorandum of Understanding shall be in writing. Such notice or request shall be deemed to be duly given or made when it shall have been delivered by hand, mail, cable or telex to the party to which it is required to be given or made, at such party's address specified in **ANNEX A** to this Memorandum of Understanding or at such other address as the party shall have specified in writing to the party giving such notice or making such request.

Article IX

Entry into force

This Memorandum of Understanding shall enter into force upon signature by authorized officials of the Parties and shall continue in full force and effect until it is expired or terminated.

Article X

Settlement of disputes

The Parties shall use their best efforts to promptly settle through direct negotiations any dispute, controversy or claim arising out of or in connection with this Memorandum of Understanding or any breach thereof. Any such dispute, controversy or claim which is not settled within sixty (60) days from the date either party has notified the other party of the nature

of the dispute, controversy or claim and of the measures which should be taken to rectify it, shall be resolved through consultation between the Executive Heads of each of the Participating UN Organizations and of the Administrative Agent.

IN WITNESS WHEREOF, the undersigned, duly authorized representatives of the respective Parties, have signed this Memorandum of Understanding in the English in **eight (8)** copies.

For the Administrative Agent

Signature: [Signature]
Name: Flavia Pansieri
Title: UNDP Resident Representative/UN Resident Coordinator
Place: Sana'a
Date: 9 March 2005

For FAO

Signature: [Signature]
Name: Hashim A-Shami
Title: Representative
Place: Sana'a
Date: 15/5/2005

For UNDP

Signature: [Signature]
Name: Moin Karim
Title: Deputy Resident Representative
Place: 9th March '05
Date: _____

For UNFPA

Signature: [Signature]
Name: Omer Ertur
Title: Representative a.i.
Place: Sana'a
Date: 29 March 2005

For UNICEF

Signature: [Signature]
Name: Ramesh Man Shrestha
Title: Representative
Place: Sana'a
Date: 10 APRIL 2005

For WFP

Signature: [Signature]
Name: Naila Sabra
Title: Representative
Place: Sana'a
Date: 26 Nov 05

For WHO

Signature: [Signature]
Name: Hashim El-Zein
Title: Representative
Place: 23/3/05
Date: _____

For the ILO

Signature: [Signature]
Name: Najwa Ksaifi
Title: Chief Technical Advisor
Place: Sana'a
Date: 10 April 2005

ANNEX V: DIFD – UNDP Letter of Agreement

Annex V

Form of Administration Arrangement for Cost-sharing or Trust Fund between the Department for International Development and the United Nations Development Programme

1. I am pleased to inform you of the intention of the United Kingdom to make available a contribution ("the Contribution") of £259,465 (Pounds sterling two hundred fifty nine thousand, four hundred and sixty five) as a grant, to be administered by UNDP for the Implementation of PRSP and the preparation of the next MDG based third plan for the sustainable Development and Poverty Reduction DPPR project (DFID MIS 188 542 007 CW 003). The terms of the Framework Arrangement will apply to the Contribution. UNDP will administer the Contribution in accordance with the provisions of the Framework Arrangement, except as otherwise provided herein.

2. The Contribution will be used exclusively for the following purposes:
- a) Preparation of the MDG needs assessment;
 - b) Long term policy planning for achieving the MDGs;
 - c) Medium term strategic development plan;

And as laid out in the project document.

3. The contribution will be charged the following support costs:

6% per cent for the additional cost incurred by UNDP in providing administration and handling services of the contribution.

4. The United Kingdom will deposit the Contribution as a grant with UNDP,
upon request from UNDP, in UNDP's Bank Account:

Name: UNDP Contributions GBP Account
No. 6008-6272-2030
Bank of America – London,

5 Canada Square, London E14 5AQ

SWIFT code BOFAGB22

in accordance with the following schedule

£150,000	by January 2005,
£109,465	by April 2005

The above schedule may be amended by mutual consent of UNDP and the United Kingdom dependent upon actual and estimated expenditure and need. DFID will notify UNDP Headquarters of each payment using the attached form

5. UNDP will provide to DFID with each request for payment, presented in accordance with this Section, a *financial utilisation report* of: -

- a) all amounts previously received under the Administration Arrangement;
- b) prior year's expenditure, current year's expenditure to date and unutilised budget to-date under the Administration Arrangement; and
- c) the balance on the Programme Budget Allotment.

6. It is expected that the Contribution funds will be fully utilised in accordance with the provisions of this Administration Arrangement by 31 December 2005. UNDP will only disburse the funds for the purpose of this Administration Arrangement after such date upon the approval of the United Kingdom.

7. If at any time, either Participant determines that the purposes of this Administration Arrangement can no longer be effectively or appropriately carried out, or if the Framework Arrangement is terminated, this Administration Arrangement may be terminated at the initiative of either Participant by giving three (3) months' written notice. Such termination will not oblige UNDP to repay any funds until satisfaction of all commitments and liabilities.

8. The offices responsible for co-ordination of all matters relating to this Administration Arrangement are:

For the United Kingdom

Dominic O'Neill
DFID Country Representative
British Embassy
Sana'a

For UNDP

Flavia Pansieri
UNDP Res Rep
UNDP
Sana'a

9. I would like to propose that this letter will, upon your confirmation in the manner indicated below, constitute an Arrangement between the United Kingdom and UNDP for the implementation of PRSP and the preparation of the next MDG based third plan for the Sustainable Development and Poverty Reduction DPPR.

10. Three originals of the text of this Arrangement, written in the English language, have been signed by the Participants

Yours sincerely,

DFID

DM 15-12-04

Confirmed

UNDP

7/21
Authorised Representative
Date: 15/12/04





1 Palace Street, London SW1E 5HE

Direct Line: +44 (0)20 7023

Fax Line: +44 (0)20 7023

To: UNDP Contributions Unit
304 East 45th street 4th floor
New York NY10017
USA
(fax)

UNDP PAYMENTS

Telegraphic Transfer or
Draft or BACS (TT or D or
BACS

BACS

Currency

STERLING

Amount in Figures (currency)

Amount in words

Bank Name
Bank Address

BANK OF AMERICA N.A – LONDON BRANCH
5 Canada Square, London E14 5AQENGLAND
SWIFT: BOFAGB22

Beneficiary A/C
Bank A/C No

**UNITED NATIONS DEVELOPMENT PROGRAMME –
CONTRIBUTIONS ACCOUNT
6008-62722-030**

Beneficiary Name

UNITED NATIONS DEVELOPMENT PROGRAMME

Beneficiary
Address

**UNITED NATIONS DEVELOPMENT PROGRAMME
ONE UNITED NATIONS PLAZA, NEW YORK
NY 10017
USA**

Reason for
Payment

Payment Date

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