



PEACE SUPPORT FACILITY FOR YEMEN
ANNUAL REPORT | 2020





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ACRONYMS

AA	Ansar Allah
IDPs	Internally Displaced Persons
IRG	Internationally Recognized Government
PSF	Peace Support Facility
OSESGY	Office of the United Nations Special Envoy to the Government of Yemen
SSR	Security Sector Reform
RCO	Office of the United Nations Resident and Humanitarian Coordinator
RVO	Netherlands Enterprise Agency
RRF	Rapid Response Facility
SCMCHA	Supreme Council for the Management and Coordination of Humanitarian Affairs and International Cooperation
STC	Southern Transitional Council
SCM	Steering Committee Meeting
UNMHA	UN Mission for the support of the Implementation of the Hodeida agreement
UNVIM	UN Verification and Inspection Mechanism
YRSPC	Yemen Red Sea Ports Corporation
SCM	Steering Committee Meeting
CIVIC	Centre for Civilians in Conflicts
PILPG	Public International Law & Policy Group

EXECUTIVE SUMMARY

The UN considers Yemen's war the worst humanitarian crisis in the world. Prior to the conflict, Yemen was already the poorest in the Arab region suffering from weak human development outcomes compounded with a high population growth, repeated local unrest, chronic food insecurity and fragile political transition. An estimated 80 per cent of the population, 24 million people, requires some form of humanitarian or protection assistance, including 14.3 million who are in acute need. More than 20 million Yemenis are food insecure including 10 million who are one step away from famine. Of the 333 districts in the country, 230 are facing pre-famine conditions. At least 238,000 people in 45 districts are currently in catastrophic condition and more will fall into this category unless access is expanded, including through peace consultations. An estimated 3.3 million people remain displaced. As such the conflict, and the acute level of hunger and violence, has hit women and girls in Yemen the hardest. Yemen ranks last of 149 countries analyzed in the World Economic Forum's gender gap index and last of 160 countries in UNDP's gender equality index.

After more than six years into the conflict, and over two years since the last peace talks, the Stockholm agreement - brokered by the United Nations Special Envoy of the Secretary-General for Yemen on 14 December 2018 - represented a significant step towards a comprehensive peace agreement. Building on the momentum generated by the agreement, the international community came together in Berlin in January 2019 during the High-Level Strategic Dialogue on the Peace Process and Prospects for Stabilization in Yemen to bring the UN-led process forward. It was with this intent that the Peace Support Facility (PSF) was conceptualized in Berlin as an instrument to support the peace process, under the guidance and leadership of the UN Special Envoy for Yemen and the UN Resident and Humanitarian Coordinator.

The PSF aims to support the peace process by accelerating the implementation of agreements reached under the guidance and leadership of the UN Special Envoy for Yemen and the UN Resident and Humanitarian Coordinator. In particular, the PSF aims to support the implementation of the Hodeida agreement, to strengthen the UN's presence in the city of Hodeida and the three ports of Hodeida, Salif, and Ras Issa and ensure unhindered passage of humanitarian assistance.

In September 2019, the PSF Steering Committee decided to broaden the scope of the PSF and add two additional funding Windows, while continuing its core mandate to support the peace process. The two additional Windows are:

- a) the implementation of discreet initiatives emerging from Track II¹ dialogues and,
- b) the support to transitional governance arrangements.

The PSF started to engage with OSESGY and main donors funding Track II initiatives to identify recommendations stemming from inclusive dialogues that can be turned into tangible PSF interventions. Moreover, the PSF remains an agile instrument that will be able to support transitional governance mechanisms and post-peace agreement planning once political conditions are more conducive.

Window 1, the damage assessment of the three ports (Hodeida, Salif, and Ras Issa), carried out in June 2019 by the Netherlands Enterprise Agency (RVO), noted precarious conditions of the infrastructure and equipment of these ports that require urgent rehabilitation interventions to avoid a complete standstill in port operations. To address the significant implementation challenges faced in Hodeida, UNDP established the Ports Project Steering Committee comprising of the de-facto Ministry of Transport, the Supreme Council for the Management and Coordination of Humanitarian Affairs and International Cooperation (SCMCHA) and the Yemen Red Sea Ports Corporation (YRSPC). Towards the end of 2020, the PSF successfully implemented different initiatives, including the Hodeida port Liebherr gantry cranes assessment. The assessment report was shared with the manufacturer of these gantry cranes, Liebherr Container Cranes Ltd, to ascertain the condition of the two

1 Track II diplomacy or "backchannel diplomacy" is the practice of "non-governmental, informal and unofficial contacts and activities between private citizens or groups of individuals, sometimes called 'non-state actors'". It contrasts with Track I diplomacy, which is official, governmental diplomacy.

cranes. The company concluded that one of the two gantry cranes is repairable, while the other is not. In addition, the Training Center of the Port of Hodeida was rehabilitated, furnished, and equipped to support the capacity-building of the YRSPC. Training of Port staff has resumed, and the following courses have and continue to be offered including: Information Technology (IT), marine, fire and safety awareness. Moreover, several procurements of crucial spare parts necessary to restore the ports of Hodeida, Salif, and Ras Issa were carried out and spare parts delivered to Hodeida Port. Provision of crucial spare parts restores the stalled rolling equipment back to productivity that leads to improved port operations.

Window 2 of the PSF has sought to deliver initiatives stemming out of Track II dialogues to build peace from the ground up. The PSF worked closely with the SSR unit of the OSESGY to vet the community safety package aiming to improve the lives of civilians through stronger safety mechanisms at local level. The community safety initiatives started up in November 2020 in seven Yemeni governorates (Abyan, Aden, Hadramout, Marib, Sa'adah, Shabwah, and Taiz). Three agreements were signed with partner organizations to contribute to OSESGY's efforts on laying the ground for future transitional arrangements and a nation-wide ceasefire. These activities will contribute to the effort of the Special Envoy to reach sustainable peace agreement in Yemen by contributing to building trust between parties to local conflicts to find solutions tailored for their specific local needs through community dialogues. These confidence building mechanisms will allow the emergence of leadership that will advocate for their needs to be carried forward in negotiations for a more comprehensive peace agreement. The PSF is also working in close coordination with the Berghof Foundation and its local partner organization Political Development Forum to implement the outcomes of a local mediation initiative in Dhamar and Magreb Ans in the water management sector.

In 2020, in close cooperation with the OSESGY and UNOCHA, the PSF was successful in quickly mobilizing both political and financial support for the Phase I Assessment Mission for the Salvage of the Floating, Storage, and Offloading (FSO) Safer Tanker near the coastline of Hodeida.

The implementation of initiatives under the PSF was met with several challenges, mainly related to the difficulty of moving the political process forward, huge mistrust between the parties to the conflict, and the overall slow implementation of the Stockholm Agreement. For this, it has proven difficult to identify initiatives that would be agreed upon by both parties (Government of Yemen (GoY) and Ansar Allah (AA)) under the framework of the PSF Window 1 and to have the necessary security situation in place to implement related activities.

In the last high-level Steering Committee Meeting (SCM) held in September 2020, the partners of the PSF have agreed on the extension of the PSF for an additional two-year period ending 31 December 2022, and at the same time created more flexibility for interventions by lifting the mutual consent parameter between the parties to the conflict. Donors also recommended the implementation of a mid-term evaluation of the PSF to document lessons learned, risk assessment, and the way forward. The mid-term evaluation will be organized in the first quarter of 2021



SITUATIONAL BACKGROUND

Yemen remains the world’s largest humanitarian crisis and aid operation. The crisis is the result of a brutal armed conflict that escalated six years ago. It has killed and injured tens of thousands of civilians, causing immense suffering for the Yemeni people. In 2020, the conflict intensified, the number of frontlines increased from 33 to 49, and 172,000 people were displaced, bringing the number of Internally Displaced Persons (IDPs) to at least 4 million.

The economy and the currency continued to deteriorate as foreign reserves were depleted, and the government was unable to subsidize food and other commodities for which Yemen is 90 per cent import reliant. The situation was exacerbated by the global COVID-19 turndown which led to a sharp drop in remittances – the largest source of foreign currency and a lifeline for many families where 80 per cent of people live below the poverty line. As a result, millions more people cannot afford to meet their basic needs. A fuel crisis in the north, part of a dispute over the use of revenues, led to fuel shortages and price hikes. Government capacity to regularly pay salaries and pensions to public employees has been hindered and public services have been degraded.

The PSF has been created in April 2019 further to the December 2018 Stockholm negotiations led by the United Nations Secretary General’s Special Envoy to Yemen. Parties to the conflict agreed to redeploy forces in Hodeida, exchange prisoners and move forward with initiatives in Taiz. After endorsing the Stockholm Agreement, the UN Security Council established a new special political mission, United Nations Mission for the support of the implementation of the Hodeida Agreement (UNMHA), to monitor the parties’ compliance with agreements reached in Stockholm. The PSF was designed - in extensive consultations with donors² - to support the technical implementation of initiatives agreed by the parties, facilitated by the UN Special Envoy and the Resident Coordinator. It aims to build confidence in the peace process with flexible initiatives that deliver tangible and rapid improvements in the daily lives of people, incentivizing parties to deepen their engagement in the Special Envoy’s peace process and reinforce public support for it.

The PSF Steering Committee – which is mandated to provide oversight authority on the overall work, priorities, and strategic directions of the Facility – agreed in September 2019 to restructure the PSF to reflect the current realities in Yemen and to further incentivize community-led reconciliation not only in Hodeida but throughout Yemen. As a result, the Facility has established a 3-window structure, including:

Window 1:

Implementation of the Hodeida agreement and new initiatives requested by the parties with a clear link to the Stockholm Agreement or any other future agreement between Yemeni parties under UN auspices. This Window remains as per original structure.

Window 2 :

Delivery of discreet activities in Track II support with the goal of catalyzing the political process. This Window focuses exclusively on implementing activities that stem out from dialogues to build peace from the ground up. The PSF worked closely with the SSR unit of the OSESGY to develop the community safety package aiming to improve the lives of civilians through stronger safety mechanisms at the local level. Another initiative tabled by the Berghof foundation and sponsored by Germany focuses on dialogues to resolve conflicts around water management.



2 Germany, Canada, France, European Union, Norway, United Kingdom, Denmark, Sweden, Switzerland, the United States of America, and the Netherlands.

Window 3:

aims at supporting transitional governance arrangements as and when the parties agree. This is an additional Window, which may extend support - for instance - to the Presidency, Central Bank, security sector and other core government institutions. This Window may provide more flexibility for the PSF to play a role in case of positive developments and prospects for a peace agreement materialize themselves.

The PSF contributes to the Output 3 of the UNDP Country Programme Framework -2019-2021 namely: "Yemenis contribute to and benefit from peacebuilding processes". In addition, it is aligned with the UNDP Strategic Plan Outcome 3: "strengthening resilience to shock and crises" and primarily linked to the Sustainable Development Goal (SDG) 16 aimed at supporting peace, justice, and strong institutions.

In 2020, the PSF made some progress across the first and second windows. However, the overall implementation was hindered by political and military developments in the country. First, the implementation of the Stockholm Agreement faced several challenges and was characterized by slow implementation. The understanding on Taiz did not crystallize into an agreement or tangible action; the prisoner exchange faced many obstacles to reach agreements between the parties on the details of its implementation. However, noticeable progress was made in October 2020 when over 1,000 prisoners were released from both parties to the conflict. The Special Envoy has called the swap the largest operation of its kind in the history of the conflict in Yemen. The Hodeida agreement made some progress through different meetings of the Redeployment Coordination Committee (RCC), chaired, and facilitated by UNMHA. However, minimal progress has been witnessed on the ground and periods of relative de-escalation were counterbalanced by moments of escalated violence and clashes throughout the year. The unilateral redeployment of Ansar Allah from the Ports of Hodeida, Salif, and Ras Issa in May 2019 was not met positively by the Internationally Recognized Government (IRG) of Yemen, which caused a temporary stall in the talks and heightened tensions.

Second, formal negotiations towards a comprehensive peace agreement did not resume in 2020 and despite efforts by the OSESGY to work towards a de-escalation, this has not fully materialized. In addition, the Riyadh Agreement, signed in November 2019 between the IRG and the Southern Transitional Council (STC) with the aim to resolve the conflict in the south, faced several challenges due to disagreements over the implementation of the military and security part of the agreement, in addition to the lack of trust between the two parties. The Riyadh Agreement materialized towards the end of 2020 with the formation of a power-sharing government. However, despite the Prime Minister and senior government officials returning to Aden end of December 2020, they failed so far to restore the situation.

In light of the above, and as further detailed in the following sections, the PSF main results in 2020 were: progress towards the emergency rehabilitation of the Ports of Hodeida, Salif, and Ras Issa through the rehabilitation, furnishing and equipping of the Hodeida Port Training Center; procurement of spare parts; Liebherr gantry crane assessment, and launching of community safety initiatives aimed at creating channels to armed groups and security forces to improve their awareness of, and respect for, civilian protection. The PSF has also made progress in identifying an implementing partner to undertake the assessment of the water infrastructure to support the dialogue around water management in Dhamar city and Maghreb Ans led by Berghof foundation.

RESULTS AND ACHIEVEMENTS – PROGRESS TOWARDS OUTPUTS

Key results – highlights

- A comprehensive damage assessment of the two Liebherr cranes in the Port of Hodeida undertaken with the recommendation to repair one.
- The rehabilitation of the Training Center Hodeida Port, completed, equipped, and furnished.
- Procurement of Phase I spare parts of the handling equipment is completed and handed over to the YRSPC. In addition, the procurement of Phase II and III is ongoing.
- Operationalization of PSF Window 2 completed. Four (4) Responsible Parties (RPs) are contracted within Window 2 and implementation is ongoing.
- Agreement with UNOPS for Phase I of the FSO SAFER Tanker salvage mission completed and funds transferred.
- 90% of PSF staff have been recruited.

Output 1 - The implementation of the Stockholm agreement or any other future agreement are supported through initiatives agreed by the parties.

1.1 Port of Hodeida, Salif, and Ras Issa Initiative

o Liebherr Crane assessment

In partnership with the Netherlands Enterprise Agency (RVO), in July and August 2020, an assessment of the two Liebherr gantry (ship to shore) cranes was conducted. The assessment report was subsequently shared with Liebherr ContainerCranesLtd(Ireland), the manufacturer of these gantry cranes, to ascertain the condition of the two (2) ship to shore cranes and provide a recommendation on the status and way forward. The verdict from Liebherr is that one (1) gantry crane is repairable and one (1) is not. The next subsequent steps are to have a phased implementation approach with regards to restoring the gantry cranes and provide additional mobile harbour cranes (two) to facilitate cargo handling at Hodeida port in 2021 and onward.

o Rehabilitation of Training Center

In April 2020, the rehabilitation works of Training Centre, Hodeida Port were completed. Subsequently, the training center was furnished and equipped in October 2020. An itemized furniture and equipment list is provided - please refer to Annex 2 (a).

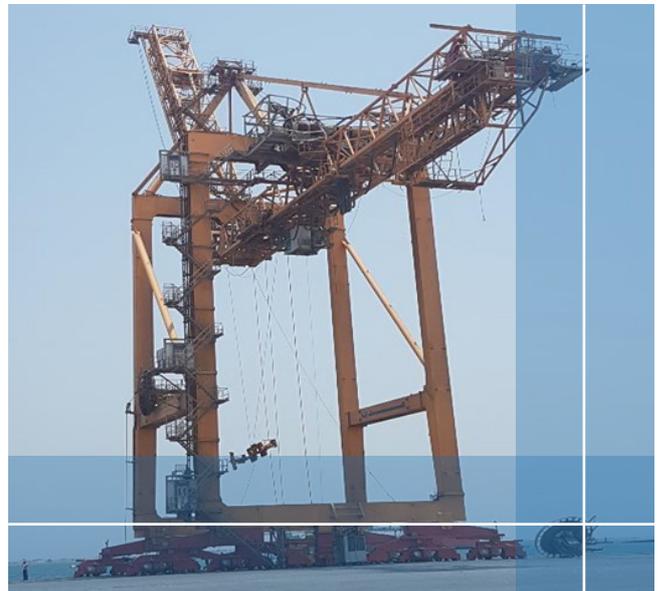


Photo of crane in Hodeida port

Training of Port staff has resumed, and the following courses have and continue to be offered including: Information Technology (IT), marine, fire and safety awareness. Restoration of the severely dilapidated training center to a fully functional one is a critical milestone for Hodeida Port that enhances building capacity of the YRSPC staff.



Training Center at Port of Hodeida - Before rehabilitation



Training Center at Port of Hodeida - After rehabilitation



Delivery of marine plates in the Port of Hodeida

o Procurement of Spare Parts for Generators and Rolling Equipment

As part of Priority I projects of the 2019 damage and capacity assessment report, a prerequisite for maintaining the humanitarian support for the people of Yemen, procurement of crucial spare parts was identified as an urgent requirement to restore the Ports of Hodeida, Salif, and Ras Issa. Phase I handling equipment spare parts were procured, delivered, and handed over to YRSPC, Hodeida Port - please refer to Annex 2 (b) for an itemized list of equipment provided. Provision of crucial spare parts restores the stalled rolling equipment back to productivity that leads to improved port operations.

1.2 Assessment of Marib Power Plant

The assessment of Marib power plants could not be implemented since 2019 due to security issues. The September 2020 Steering Committee meeting approved its cancellation. The initiative will be revisited once the security situation is more conducive.

1.3 FSO SAFER Tanker

The UN and the international community have been strongly advocating with the parties to the conflict for an assessment and possible repairs of the SAFER tanker. Since 2019, the 1970's era floating oil storage and offloading vessel has been moored in the Red Sea, north of Hodeida, and has been severely under-

Output 2 - Discreet activities emerging out of Track II initiatives are implemented with the goal of catalyzing the political process.

maintained. Further damage could result in an explosion or spill of disastrous environmental consequences and huge humanitarian implications.

Given the confidence-building nature of the activity, it was agreed that PSF is well positioned to serve as a risk- and burden-sharing instrument for the international community to support the assessment and repairs of the tanker.

Germany, France, Sweden, and Norway have contributed \$US 6.4 million to the Phase I of the salvage mission. UNDP established an interagency agreement with UNOPS that is responsible for the implementation of the mission. In 2020, \$US 2.3 million have been advanced to ensure they are in a position for a rapid implementation once the green light is given by the AA authorities. UNOPS commenced to undertake procurement of specialized diving equipment and rental of a vessel.

A Track II partners meeting was held online in April 2020 as part of a series of Track II coordination meetings initiated by the OSESGY and the EU Delegation to Yemen. The meeting was an opportunity for the PSF to present the objectives of its Window 2 that the project aims to launch as well as share the proposal submission framework. Further to the meeting, three initiatives were tabled to the PSF for funding/implementation.

2.1 Community Safety Package

A small number of organizations have made significant progress in creating channels to armed groups and security forces to improve their awareness of and respect for civilian protection. These topics emerged from several Track II dialogues, with calls to involving communities to make security actors more accountable and willing to prioritize local community needs; and to create durable formats for communication between communities and security actors.

These organizations formed a network (nicknamed The Bad Luck Donkeys) to share information and ideas. They recognized the need to expand these initiatives and link them to the peace process where they can shape transitional security arrangements

to be more inclusive and responsive to local needs. In addition, this contributes to women's participation, since reframing the issues around community concerns enables women activists to access and influence the security debate.

Chaired by the OSESGY Security Sector Reform team, the network developed a package of initiatives which are now being implemented under PSF's newly opened Window 2. They include safety awareness campaigns and consultations between communities and security actors to address the impact of local security activities on the civilian population.

The implementing organizations, groups with long experience on the ground and extensive partnerships with Yemeni Civil Society Organizations began work in December 2020, with oversight by OSESGY and UNDP. While the main value of these initiatives is to reduce the burden of the conflict on the civilian population, providing them some "breathing space," the projects also enable communities and civil society to inject locally designed options for security and safety arrangements into OSESGY's Track I process.

Three organizations have signed Responsible Party Agreements with UNDP to implement activities in 2020 and 2021. These include:

1. Enhancing Community Protection and Safety initiative tabled by CIVIC aims to promote the protection of civilians in Yemen.
2. Enhancing Local Security initiative tabled by Partner in Law and Policy Group (PILPG) and aims to enhance dialogue and trust between local communities and local government authorities.
3. Safer Schools Yemen - The Safer School initiative, aiming to support advocacy and awareness initiatives to enable students to return safely to school, tabled by Safer Yemen commenced in late 2020 to better address and communicate safety concerns presented by security forces.

2.2 Addressing community conflict surrounding water infrastructure in Dhamar

As part of Window 2, Berghof Foundation tabled an initiative in Dhamar. The initiative emerged from local stakeholder consultations, the intervention will contribute to "building peace from the ground up" and – given the advanced status of preparations will be implemented early 2021.

The proposed Dhamar interventions focus upon the resolution of water management-related conflicts: one will provide safe drinking water to citizens in Al-Jadid and Ruma neighborhoods and another will rehabilitate the Dhoba pumping station to provide water to the Maghreb Ans district.

Discussions will be mediated by Berghof Foundation and the Political Development Forum. The Letter of Agreement has been finalised and will be signed with the Public Works Project (PWP) to conduct an initial assessment of water infrastructure in Dhamar city and Maghreb Ans. The dialogue will resume once the preparation works including a technical assessment to immediately start the rehabilitation of the infrastructure has been concluded.

2.3 Clearing a path to peace: A cleaning campaign on the frontlines of Taiz

The proposal in Taiz, proposed by DeepRoot Consulting, is to conduct a clean-up campaign to remove mounds of garbage from neighborhoods near both sides of the city's frontlines. It entails negotiating a limited ceasefire to allow workers to clear the rubbish and move between the two areas of control. In addition to addressing a major

public health concern, the aim is to build trust between the parties (relevant to Track I and II efforts) to open the humanitarian corridor and reduce hostilities. Due to the on-going conflict in the region, the initiative was delayed due to security concerns and could not start in 2020.

Output 3 - Transitional governance and post-peace agreement arrangements are supported as and when the parties agree.

Output 4 - The Project Management Unit of the Peace Support Facility is set up and operational.

o Window 3:

is an important placeholder for any initiative that would serve to support transitional arrangements in case positive developments and prospects for a peace agreement materialize. This may extend support for instance to the Presidency, the Central Bank, the security sector, and other core government functions, and it will be contingent upon discussion and buy-in by the warring parties. To date, the current political and military circumstances have not favored the activation of this Window.

o Staffing:

The PSF team has been drawn down from its initial size, owing to the slow implementation of the peace initiatives in Yemen, combined with the COVID-19 breakout and visa cancellations or delays in visa approval by the de-facto authorities that has been going on since the project start up.

The recruitment of some positions has been paused; they will be revisited if the size of the project requires them at later stage. The PSF has now met 90 per cent of its target for staffing. The Gender and Social Inclusion Specialist position was deferred for 2021. In the meantime, a Gender Specialist has been deployed under a consultancy agreement to develop a gender strategy and to bring a more robust gender dimension to the revised project document. Out of 10 positions, 9 staff are deployed. Out of the 9 staff recruited, 30 per cent are international female staff holding managerial positions.

CHALLENGES AND RESPONSES

The PSF has experienced several challenges. Some of them since its start-up, to which the COVID-19 pandemic came in addition to affect its implementation. The main challenges are the following:

Status-quo of the political process:

Following 2019 slowdown in the political negotiation, no significant progress has been made in 2020. Negotiations around the joint cease fire have not produced the expected outcome and the Riyadh Agreement finally seeing light in December 2020 did not provide entry points to the PSF in support of the UN Special Envoy and the Resident Coordinator efforts to get bipartisan buy-in around potential initiatives. The difficulty to secure bipartisan political agreement combined with the mounting hostility around Marib resulted in the cancellation of the Marib power plants initiative under Window 1. The bipartisan consent criterion to select initiatives has been lifted by the SCM in September 2020 to allow the PSF to move forward with initiatives identified by the Special envoy and the Resident Coordinator under Window 1.

The implementation of Window 2 initiatives has also been affected by delays in getting necessary government approvals both in the north and the south.

Given the political environment in 2020, Window 3 could not be initiated since it remains tied to the brokering of a comprehensive peace agreement.

Challenges related to the lack of commitment of De-facto authorities around the scope of the SAF-ER salvage mission:

No progress has been made in the implementation of this mission due to continuous changes and additional demands from AA. Procurement to secure a vessel and specialized material is ongoing waiting for access to be granted and the scope of the intervention to be finalized.

Challenges to identify new initiatives:

No new initiatives have been identified in 2020 due to setbacks in the political negotiations and lack of agreement on the joint declaration. The PSF is exploring the possibility of extending the community safety package if additional funds can be mobilized while brainstorming on possible new interventions considering the new mediation strategy OSESGY is following which seeks to support separate elements that could help the resumption of political dialogue.

**ACHIEVEMENTS
AGAINST THE RESULTS
FRAMEWORK**

Indicator	Annual Target	Progress	Status
Project Output 1: The implementation of the Stockholm agreement or any other future agreement are supported through initiatives agreed by the parties			
1.1 # of initiatives agreed upon by the parties implemented	2	1 implemented	Partially achieved - The intervention on the port of Hodeida is being implemented while the assessment of Marib Power plant has been cancelled due to the ongoing hostilities in Marib.
1.2 # of infrastructure rehabilitated	1	1	Fully achieved – Rehabilitation of the Training Center of the Hodeida Port has been completed, equipped, and furnished. Training of Port staff has resumed, and the following courses have continued to be offered including: Information Technology (IT), marine, fire and safety awareness.
Project Output 2: Discreet activities emerging out of Track II initiatives are implemented with the goal of catalyzing the political process.			
2.1 # of recommendations emerged from Track II dialogues implemented	3	2 implemented	Partially achieved – 3 initiatives recommended have been assessed and vetted. Two are being implemented while the 3 rd one is on hold waiting for the security situation to be more conducive.
2.2 # of locations targeted by PSF peace-related interventions	7	7	Fully achieved - Since this indicator is meant for only Window 2, all the 7 areas targeted by the different responsible parties are being covered.
2.3 # of people benefiting from improved services and living conditions	2000	TBD	Partially achieved – This indicator was introduced only after the revision of the project document following the Steering Committee’s decision in September 2019. Activities are being implemented and achievement will be measured later.
Project Output 3: Transitional governance arrangements are supported as and when the parties agree			
3.1 # of transitional mechanisms supported by PSF	0	0	Partially achieved - This indicator was introduced only after the revision of the project document following the Steering Committee’s decision in September 2019. PSF stands ready to implement related activities when progress on the peace process is made.
3.2 # of core institutions assisted	0	0	Partially achieved - This indicator was introduced only after revision of the project document following the Steering Committee’s decision in September 2019 . PSF stands ready to implement related activities when progress on the peace process is made.
Project Output 4: The Project Management Unit of the Peace Support Facility is set up and operational			
4.1 # of PSF project staff recruited	9	8	Fully achieved - 90% of the total staff foreseen in the PSF organogram has been recruited. The remaining one recruitment will be advertised in 2021. Note that a consultant has been deployed late 2020 to support on this functioning. The gap has been filled waiting for the recruitment to be completed early 2021.

CONTRIBUTION TO LONGER-TERM RESULTS

The PSF is by nature heavily dependent on the peace process, hence its contribution to the overall peace process lacks consistency due to the absence of agreement from which significant initiatives contributing to the overall peace process could be identified and implemented.

Under Window 1, despite a very slow start, the procurement processes under Priority I of the rehabilitation of the ports of Hodeida, Salif, and Ras Issa were launched. Some procurement processes have been completed. Such results contribute to achieving the Stockholm Agreement implementation.

The deployment of a team dedicated to the implementation of the Stockholm Agreement has

The SAFER tanker salvage mission could contribute to strengthening the UN positioning on the port, but its potential as CBM is hampered by the lack of commitment of the de-facto authorities in moving it forward while the consequences of an oil spill would be devastating for the Red Sea coastline in terms of environmental, economic, and livelihood impact.

The implementation of Priority II projects would result in the addition of a sustainable dimension toward the achievement of the objective of setting the port up to internationally accepted commercial standards. Other dimensions attached to this are being discussed in terms of revenue management. Such discussions should be moved forward to support a more self-sustained functioning of the port that would contribute to delivering more commercial goods at a more affordable cost to

strengthened the UN presence in the ports, ensuring their continued functionality and the passage of humanitarian aid. The team engages daily with the YRSPC, national and local authorities and this has resulted in an improved cooperation between UNDP and the Port Authority. This has led to Phase I priority projects approved and are in different phases of implementation. Specifically, all procurement processes have been launched while majority have been concluded. In addition, significant progress has been made in Phase II priority initiatives approval. These interventions will produce tangible results by mid-2021 while enabling a conducive environment to quick start the implementation of Priority II package.

the people of Yemen while increasing the inflow of humanitarian aid.

Window 2 has been effectively launched late 2020 but responsible parties have been identified, agreements signed, and first instalments paid. This Window will hopefully contribute to the objective of building peace at community level through confidence building interventions - to build peace from the ground up to contribute to the broader peace process.

Window 3 which is tied to the brokering of a more comprehensive peace agreement to support transitional governance mechanism cannot be launched at this stage since no significant peace agreement has been reached by the parties. This Window has no entry point to achieve its contribution to the overall outcome of a sustained peace in Yemen.

CROSS CUTTING ISSUES

Gender Mainstreaming

The Peace Support Facility will seek to advance women's empowerment recognizing that women and girls experience acute vulnerabilities during conflict, stabilization, recovery, and rebuilding and that, in line with the UN Security Council Resolution (UNSCR) 1325, women have a key role to play in peacebuilding.

The Facility has deployed late 2020 an SDG and Social Inclusion Expert on a consultancy agreement to fill the gap waiting for the recruitment of the expertise for a longer term. This position is funded by Sweden. The Expert should bring a more robust gender dimension to the work of the PSF through the development of a Gender Strategy.

While initiatives implemented under PSF Window 1 are focusing on large-scale infrastructure rehabilitation where the identification of opportunities for gender mainstreaming may prove challenging, the project is working with the responsible parties under Window 2 to ensure gender equality in terms of access to the trainings and grants is included. In terms of reporting, RPs are requested to desegregate data to measure achievement in terms of gender inclusion. It is also important to highlight that the project staffing includes 30 per cent of women in managerial positions, an effort remains to be done towards recruiting female national staff. A particular attention will be given to achieving this should the project expand and need to recruit for the positions that have been paused, especially for the longer-term engagement.

The OSESGY is working with the parties towards a stronger representation of women in the negotiations as well as increasing the use of gender sensitive language in the peace process. These efforts may also contribute to a gender mainstreaming of initiatives implemented under the PSF.

The PSF remains committed to identify opportunities to advance the Women, Peace and Security agenda in line with UNSCR 1325 and other relevant resolutions. In this regard, the project has reached out to UNWOMEN to establish partnership to seek for join-programming opportunities to implement initiative that would advance the women peace and security agenda or at least implement joint initiatives in near future.

Response to COVID-19

In response to COVID-19 pandemic, the PSF project has partnered with Rapid Response Facility (RRF) project for UNDP Yemen to provide hybrid solar-powered energy solution to a healthcare facility in Seiyun District of Hadramaut Governorate. The target health facility was selected because it has a COVID Isolation Unit with capacity to accommodate about 1,000 patients. So far, an energy gap assessment was conducted to develop the specifications and bill of quantity. Procurement is on-going. The contribution received from Italy in the amount of \$US 290,522 has been earmarked to respond to the COVID-19 pandemic through clean energy initiatives across SDG 7.

Partnerships

The PSF has built-on the partnerships established since 2019.

- **With OSESGY and RCO** to overall frame the project within the political context of the peace process in Yemen, to identify opportunities for project interventions and to jointly assess risks and feasibility of identified initiatives. This forum also consults with other UNDP Programme pillars to create synergies and avoid duplication of interventions.
- **With the Ministry of Transport and the YRSPC** for the implementation of the emergency port rehabilitation. Discussions with the Ministry of Transport in the de-facto authority-controlled areas ensure political buy-in for the initiative, while the relationship with the YRSPC is to ensure regular technical feedback on the activities implemented. The Port Project Manager has continuously been working on the establishment of the Port Project's Steering Committee that hopefully will materialize early 2021.

- **With the Port of Rotterdam, the Netherlands Enterprise Organization** and Liebherr Ireland which deployed two experts to conduct the damage assessment of the gantry cranes that suffered extensive damage due to airstrikes in the port of Hodeida. While RVO has deployed experts to undertake the assessment under the guidance of the manufacturer, Liebherr Container Company Limited who not only provided technical support, but the recommendation and way forward regarding gantry cranes. In addition, Liebherr Container Company Limited is a very crucial partner of the Ports Project.
- **With Responsible Parties** under Window 2, the PSF has established agreements with Centre for Civilians in Conflicts (CIVIC), Public international law & Policy Group (PILPG), and Safer Yemen to implement the community safety package while Public Works Project (PWP) has been contracted under the framework of the CBM around conflict around water management.
- **With the donor community** which has been engaged in the PSF from the very onset, keen to support the peace process. Germany and the United Kingdom also deployed two of their staff early in 2019 to support the design of the Facility. The PSF is funded by 12 donors who have continuously supported the work of the PSF, particularly by supporting its positioning as a platform for risk and burden sharing to channel funds and serve as a forum for a coordinated international response.

Environmental Considerations

Environmental considerations regarding the Emergency Rehabilitation of Hodeida Ports are being developed into its dedicated project document. Similar considerations will be done for other possible large-scale infrastructure projects, as well as for local-level ones as relevant.

Coordination

Four aspects are to be noted in this regard:

- **A PSF coordination group** comprising of UNDP, RCO, and OSESGY has been established. The group meets on a regular basis to identify project opportunities for the PSF, conduct risk and feasibility assessments of the proposed initiatives, and address implementation bottlenecks.
- **Technical-level coordination with donors** to brief them on PSF progress and solicit feedback about possible future interventions and approaches. In 2020, three coordination meetings were held (28 April, 28 July, and 10 December). The project team has maintained regular contacts with donors to revise the project document, cost sharing agreements, and establish new agreements. The regular bilateral exchanges are also an opportunity to answer specific demands from donors.
- **PSF Steering Committee** which is a high-level platform with the UN Special Envoy, the Resident Coordinator, the UNDP Resident Representatives, and senior representatives from donor countries. Due to the COVID-19 pandemic, the meeting was held virtually on 29 September. The meeting was an opportunity to extend the PSF lifespan to December 2022, to change the selection criterion while allowing a strategic discussion around the future needs to make the PSF a more sustainable instrument.
- **Port Project technical committee** which is a platform comprising of all the project partners (UNDP, UNMHA, YRSPC, and WFP) to discuss technical issues specific to the port component of the PSF to provide a platform where decisions, foreseen changes or emerging initiatives regarding the port can be discussed is yet to be held its first meeting. Despite the close monitoring of the Ports Project Manager, we expect its first meeting to take place early 2021.

RISK MANAGEMENT

Description	Type	Impact/ Probability	Countermeasures
Security conditions impede staff deployment, mobility, and face to face consultations with stakeholders.	Security	I = 4 P = 3	Continuous monitoring of political and security developments was done in close coordination with RCO and OSESGY.
Residual risk of project implementation is assessed as too high.	Political / Strategic	I = 5 P = 3	Through UN senior management's engagement with the parties, it was ensured that parties recognized that implementation is predicated by the need for robust independent risk assessment.
In the absence of peace agreement, space for peace support activities remains limited.	Strategic/ Political	I = 3 P = 4	In consultation with the UN Special Envoy and RC, it was proposed to the Steering Committee that the PSF can support more local-level initiatives by implementing recommendations stemming out of Track II dialogues.
Perception by the parties of partiality and unfairness of project activities.	Political / Strategic	I: 4 P: 2	Close and regular coordination between RC, SE and UNDP RR took place to ensure equity of PSF interventions and gauge parties' acceptance.
Lack of resources and capacity undermine project implementation.	Operational	I = 5 P = 3	Regular coordination with donors took place to ensure needed resources were in place.
Local ownership by Yemeni partners is limited by lack of confidence in peace and the UN.	Strategic/ Operational	I = 4 P = 4	Through engagement of UN senior management with the parties, agreement from authorities at all levels was secured. UNDP established a National Steering Committee for the port project to ensure stronger buy-in and address bottlenecks in implementation.
Recommendations emerging from Track II partners do not fit the scope of the PSF.	Strategic/ Operational	I = 3 P = 2	An operationalization document was developed to clarify Window 2 scope, criteria, and procedures. Coordination with OSESGY and donors was done to organize a Track II coordination meeting in early 2020 to describe the PSF to partners.

LESSONS LEARNED

- The PSF has throughout the year maintained close coordination with donors, the OSESGY, and RCO via regular donor briefs to keep the instrument as flexible as possible, including openness to implement new initiatives, should the political dialogue require it. This allowed the PSF to conclude that the criterion of bipartisan agreement around identified initiatives is a major blockade to its implementation. The PSF tabled to the SCM a recommendation to lift this requirement which was approved by the SCM in September 2020. The revision of the selection criteria will allow the PSF to proceed with initiative as soon as they are identified by RCO and/or OSESGY. It also has allowed the PSF to be positioned as a forum for donors harmonized approach to respond to the SAFER issue and a flexible mechanism to contribute to the SAFER without undergoing lengthy bureaucracy to establish new contribution agreements.
- The PSF could not benefit, in terms of new interventions from the Riyadh Agreement and the joint ceasefire declaration, that could not be fully achieved. Despite this setback, the PSF has maintained close coordination with OSESGY to discuss potential areas of intervention under the framework of the Riyadh Agreement. This dialogue will be continued to allow the PSF to seize opportunities as they arise.
- Learning from its experience where some identified risks have materialized under the implementation of the port of Hodeida initiative, the PSF has established risk assessment frameworks for the 3 initiatives implemented under Window 2 while regularly monitoring across the 2 Windows the existing risk log based on political and security developments on the ground. The same approach will be kept should Window 3 be launched.
- Since the assessment and later rehabilitation of Marib power plants have been postponed due to the security situation, this combined with the fuel blockage around the last QR 2020, the PSF should prioritize alternative supply of energy (Solar) in the Hodeida power station to keep the port running considering that the 2019 electrical assessment concluded there were no incentive in rehabilitating the existing station due to its obsolescence. This will keep the port running while providing environmentally friendly sources of energy to the population.
- Since the political negotiations have not produced many opportunities for the PSF to identify new initiatives, the initiatives sponsored by Track II partners were the only new opportunities in 2020, hence the PSF should collaborate and encourage OSESGY to organize more Track II meetings to find new opportunities while accelerating discussions with the YRSPC around the Priority II package of the 2019 damage assessment to keep the PSF relevant from 2020 forward. This does not exclude discussions with OSESGY around new opportunities around Track I dialogue.
- It is important to maintain a close coordination and regular dialogues with donors to keep them abreast of PSF developments and engage them on the different initiatives and approaches. This approach has facilitated the revision of the project to adapt it to the situation while speeding donor support to the salvage mission of the SAFER tanker. This should be pursued for the 2021 strategic outlook.

CONCLUSIONS AND WAY FORWARD

Considering that the PSF has been established to support implementation of recommendations arising from the peace process, since 2019, the major initiative has been the implementation of the rehabilitation of the port of Hodeida. The priority projects are being implemented. Expected results were achieved toward the end of 2020, a trend that is expected to continue. This has allowed the PSF to start discussions with the YRSPC on Priority II projects for the ports of Hodeida, Salif, and Ras Issa to consider longer-term interventions to fully restore and rehabilitate the Ports of Hodeida, Salif, and Ras Issa that will ultimately contribute to Yemen's economic recovery.

The PSF has had opportunities for interventions in the South under Window 2, community safety initiative, this should be taken as an opportunity to build a network in the south to find more opportunities to balance its intervention between the two parties to reduce the risk of being perceived as biased. The deployment of the new government should be seized to approach them to find niches for potential interventions and maybe an opportunity to start reflecting on stabilization-like interventions of larger scale in the South.

The main obstacle that the PSF faced since its start-up has been a lack of significant progress on the political process. This not only applies to the limited implementation of the Hodeida agreement, and Stockholm Agreement at large, but also to the national-level peace negotiations which have not officially resumed.

While the PSF has demonstrated its flexibility as an instrument to support OSESGY's work with the parties, a more conducive political environment is needed to veritably unleash the PSF potential to support the peace process, specially to launch Window 3. The operationalization of Window 2 was the only new initiatives implemented in 2020, the COVID-19 challenge did not allow Track II meetings to be held. The PSF should work with OSESGY to expand regular Track II meetings to find more initiatives and to try to turn Window 2 into the main driver of the PSF, while monitoring the political developments for more opportunities. The deployment of a Gender and Social Inclusion expertise in near future will be an opportunity to orient the PSF work under Window 2 in a more gender-focused direction to empower women and advocate for their promotion in leadership positions in their communities to have their special needs considered in the peace dialogue.

The PSF will keep the communication and coordination with the parties through regular donor briefs at technical level to mitigate and address operational and political risks that may arise during the implementation, as well as make recommendations to SCM for strategic reorientation if need be. The SCM, under the leadership of the UN Special Envoy and the UN Resident Coordinator will continue to lead on this engagement at political level. To keep the donors engaged at strategical level, the PSF will organize a SCM during the first semester of 2021 while working on a concept paper on the strategic outlook in 2021 forward to keep the facility relevant.

ANNEX 01 - FINANCIAL REPORT

ANNEX 1: FINANCIAL REPORT

Out of the initial project budget of \$US 20 million envisaged for the initial period of two years (2019-2020), the PSF has mobilized \$US 19,140,245 from Germany, EU, France, Norway, Sweden, Switzerland, Canada, Netherlands, Italy, United Kingdom and UNDP. This constitutes 96 per cent of the total project budget. A funding gap of \$US 859,755 (4 per cent of the budget) remain unfunded.

Italy has contributed \$US 290,522 to the COVID 19 pandemic response to procure solar panels for hospitals treating COVID 19 patients in Yemen.

PSF also received additional funding from Germany, France, Norway, and Sweden in the amount of \$US 6,492,689 for the FSO SAFER Tanker damage assessment. The implementation will be carried out by UNOPS in 2021.

In the Steering Committee Meeting held in September 2020, it was decided that as PSF will be extended for two additional years, there needs to be a mid-term evaluation of the project to document lessons learned, risk assessment and the way forward for the project. The mid-term evaluation will be organized in the first quarter of 2021.

Financial Status

In 2020, the total amount of \$US 6,152,048 has been spent for PSF activities. The amount for the damage assessment of FSO Tanker \$US 6,492,689 have been transferred to UNOPS who is the implementing agency. The amount transferred to UNOPS is accounted for in a clearing account, reported expenditure will be progressively recorded. It is important to note that the clearing account is neither a commitment nor an expense. The total expenditure stands at 49 per cent including the clearing account amount.

Summary of PSF Resource Mobilization

Donor Contributions	Amount in \$US	Donor Contributions	Amount in \$US
Germany	5,116,868.27	Sweden	1,077,702.00
Canada	1,524,390.00	Swiss Development Cooperation (SDC)	1,016,260.00
Denmark	2,104,947.00	European Union	1,118,900.00
United Kingdom	2,094,241.00	UNDP	377,904.37
France	1,098,901.00	Netherlands	2,246,966.00
Norway	1,072,644.00	Italy	290,521.85
Total Contributions Received for PSF			19,140,245.49
Total Budget			20,000,000.00
Financing Gap			859,754.51

Safer Tanker: contribution by donor

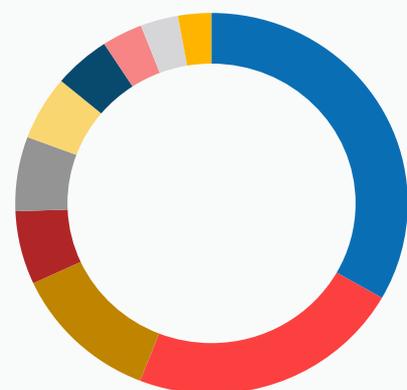
Donor Contributions	Amount in \$US
Germany	2,202,745.99
France	295,988.30
Norway	1,344,347.63
Sweden	2,649,606.76
Total Contributions Received for FSO Tanker	6,492,688.68

Summary of Expenditure by Donors

Donors	\$US Disbursement	\$US Clearing Account	\$US Total Expenditure	\$US Contribution	\$US Balance	% utilization
Denmark	592,887	-	592,887	2,104,947	1,512,060	28%
EU	427,277	-	427,277	1,118,900	691,623	38%
France	478,518	295,988	774,507	1,394,889	620,382	56%
UNDP	390,374	-	390,374	390,374	-	100%
Germany	1,985,550	2,202,746	4,188,296	7,319,614	3,131,318	57%
Norway	196,234	1,344,348	1,540,582	2,416,992	876,410	64%
UK	807,531	-	807,531	2,094,241	1,286,710	39%
SIDA	236,922	2,649,607	2,886,529	3,727,309	840,780	77%
SDC	336,072	-	336,072	1,016,260	680,188	33%
Netherlands	11,858	-	11,858	2,246,966	2,235,108	1%
Canada	688,394	-	688,394	1,524,390	835,996	45%
Italy	432	-	432	290,522	290,090	0.15%
Grand Total	6,152,048	6,492,689³	12,644,305	25,645,404	13,000,666	49.30%

Delivery Per Donor

DEN	5%	GER	33%	SDC	3%
EU	3%	NOR	12%	NL	0%
FRA	6%	UK	6%	CAD	6%
UNDP	3%	SIDA	23%	ITA	0%



³ The amount in the Clearing account has been transferred to UNOPS for the FSO Tanker assessment. In UNDP accounts, this is expenditure to be cleared as soon as UNOPS the financial report.

**ANNEX 02 (A) – Training Center,
List of Furniture and Equipment**

**ANNEX 02 (B) – Phase I - Han-
dling Equipment Spare Parts**

ANNEX 2 (A) – TRAINING CENTER, LIST OF FURNITURE AND EQUIPMENT

Furniture

	Item	Quantity	Hand over Date
1.	Large meeting tables	2	April 20, 2020
2.	Aluminum swivel chairs	17	
3.	Office desks	17	
4.	Swivel office chairs	40	
5.	Cabinets	12	
6.	Visitors' chairs	14	

Equipment (including IT)

	Item	Quantity	Hand over Date
1.	Desktop computer and monitor	15	October 10, 2020
2.	Microsoft office software license (2019)	15	
3.	HP LaserJet color printer	2	
4.	HP LaserJet printer (black)	1	
5.	UPS	20	
6.	Sony video projectors	2	
7.	Sony touch screen monitors	2	
8.	Sony television	1	
9.	DVD player	2	
10.	Canon camera	1	
11.	LCD panel/monitor – projection screen with hanger.	1	

ANNEX 2 (B) – PHASE 1 HANDLING EQUIPMENT SPARE PARTS

S/N	Item	Quantity	Hand over Date
1.	Marine plates for tub boats.	60	to be handed over in January 2021
2.	Reinjtes spare parts for tub boats gear box	Lumpsum items	26 December, 2020

