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THIS ACTION IS FUNDED BY THE EUROPEAN UNION

ANNEX III

of the Commission Implementing Decision on the financing of the special measure in favour of Yemen for resilience, food security and early economic recovery for 2021

Action Document for Creating opportunities for early economic recovery in Yemen

ANNUAL MEASURE

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation, and a special measures in the sense of Article 23 of NDICI-Global Europe Regulation.

1. SYNOPSIS

1.1. Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	<i>Creating opportunities for early economic recovery in Yemen</i> CRIS number: NDICI ASIA/2021/43136 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
2. Team Europe Initiative	No
3. Zone benefiting from the action	The action shall be carried out in Yemen.
4. Programming document	No programming document / Special Measure
5. Link with relevant MIP(s) objectives/expected results	N/A
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	Growth and job creation DAC code: 160
7. Sustainable Development Goals (SDGs)	Main SDG: SDG 8 “Decent Work and Economic Growth” Other significant SDGs and where appropriate, targets: SDG 5 “Gender Equality” SDG 10 “Reduced inequalities” SDG 13 “Climate Action”
8 a) DAC code(s)	16020 – Employment creation – 90% 15220 – Civilian peace-building, conflict prevention and resolution – 10%
8 b) Main Delivery Channel	UNESCO – 41304 Non-governmental organisations - 20000

9. Targets	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (from DAC form)	General policy objective	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	11. Internal markers and Tags:	Policy objectives	Not targeted	Significant objective
Digitalisation Tags: digital connectivity digital governance digital entrepreneurship job creation digital skills/literacy digital services		<input type="checkbox"/>	<input type="checkbox"/> 	<input type="checkbox"/>
Connectivity Tags: transport people2people energy digital connectivity		<input checked="" type="checkbox"/>	<input type="checkbox"/> 	<input type="checkbox"/>
Migration		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	(methodology for tagging under development)			
	Reduction of Inequalities (methodology for marker and tagging under development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. Amounts concerned	Budget line: BGUE-B2021-14.020130-C1-INTPA Total estimated cost: EUR 33 500 000 Total amount of EU budget contribution EUR 32 000 000 This action is co-financed in joint co-financing by: - UNESCO for an amount of EUR 300 000 (to be confirmed) - Kingdom of the Netherlands for an amount of EUR 1 200 000 (to be confirmed)			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing	Direct management through grants to non-governmental organisations Indirect management with an international organisation (UNESCO)			

1.2. Summary of the Action

The Action aims at **increasing economic self-reliance in order to allow communities to be better able to deal with risks and shocks** (impact).

The expected outcomes of the Action are the following:

1. Women and young people have improved their livelihoods through participation in cultural activities/enterprises (outcome 1) – Creating decent jobs in the preservation of cultural heritage and creative industries has a unique potential to reach young people and contribute to peacebuilding. As the destruction of culture is often at the frontline of conflict, the promotion of arts and culture can play an important role in restoring cultural identity, peacebuilding and recovery, as well as rebuild trust in local communities.
2. Micro, small and medium enterprises are better able to operate in a crisis situation (outcome 2) - Support to the private sector is key to enabling the recovery of the social texture of Yemen and reduce dependence on humanitarian aid. It is also crucial to provide young Yemenis, men and women, with an alternative source of livelihoods to joining the war economy dynamics.
3. Yemenis are actively engaged with issues around peace-building, conflict resolution and economic recovery (outcome 3) - An informed consensus on economic and development-related matters among actors across Yemen contributes to building trust and confidence among the parties to the conflict and can help address the underlying drivers of the conflict, which in Yemen are often economic in nature.

This Action builds upon the EU's substantial investment in Yemen over the last few years and responds to the commitment of the EU to achieve the Sustainable Development Goals of the **Agenda 2030**, mirrored in the **European Consensus on Development**. It also contributes to realise the **EU policy objectives in priority areas**, notably green deal, sustainable growth and jobs, with an emphasis on women and youth empowerment contributing to the Gender Action Plan III.

2. RATIONALE

2.1. Context

After six years of civil war, Yemen has become the **worst human-made humanitarian crisis in the world**. The protracted conflict has caused significant loss of life, displacement and damage to infrastructure, as well as a strong economic downturn and a loss of livelihoods for large parts of the population. With Yemen largely dependent on imports for food and basic commodities, the de facto embargo imposed by some neighbouring countries has had a disastrous impact on the supply situation provoking a collapse of the economy.

As a result, over 80% of the Yemeni population is in need of humanitarian assistance or protection. **The humanitarian system is overstretched, unable to meet all needs.**

Yemen is also facing a significant **development crisis**. Yemen is traditionally one of the poorest countries in the world, ranked 179 out of 189 on the Human Development Index (HDI 0.470), with approximately three quarters of the population affected by poverty in 2020 and women more severely impacted than men. The country has faced structural development challenges for decades but the situation worsened drastically since the start of the current conflict in 2015, which has already set human development in Yemen back by more than 20 years (the current HDI is the same as in 1998).

The **economic situation** in Yemen is characterised by a drastic increase of the inflation rate, fragmentation of economic institutions, a liquidity crisis, devaluation of the Yemeni Riyal, non-payment of public salaries and soaring unemployment. State authority has weakened as a result of the de facto split of the country and the non-payment of public salaries over several years. About 40% of households have lost their primary source of income. The private sector has also suffered severe losses, compounded by difficulties in accessing liquidity or credit and forcing massive lay-offs and closures. As a result, **basic service delivery in many districts of the country relies entirely on humanitarian and development assistance.**

Yemen faces two additional compounding challenges. Firstly, **gender inequality** is a major obstacle to development progress and poverty reduction in Yemen, which ranks 162th out of 162 countries in the 2020 Gender Inequality Index, with a score of 0.795). Female participation in the labour market is only 6%. Employment opportunities for women are not only curtailed as a consequence of the conflict but also due to strict societal norms and related government regulations.

Secondly, Yemen is **vulnerable to climate change**. Current projections indicate that rising temperatures and frequent droughts will increase land degradation and desertification. Sea level rise will result in increased coastal flooding and possible damages to infrastructure and ecosystems, leading to sea-water intrusion affecting the country's already fragile freshwater balance and consequently also agriculture and livelihoods.

2.2. Problem Analysis

Short problem analysis:

The ongoing conflict in Yemen has severely damaged the economic infrastructure of the country and caused a liquidity crisis of unprecedented dimension, with serious consequences on the primary source of income of almost half of Yemeni households. The conflict is having a pervasive impact also on the private sector, which has suffered severe losses, compounded by difficulties in accessing liquidity or credit and forcing massive lay-offs and closures. Yet, the private sector plays a vital role in turning the wheel of economic activity in Yemen. Therefore, enabling the private sector to become more resilient to conflict can help communities better able to deal with risks and shocks by increasing economic self-reliance.

The main challenges taken into account are:

Deterioration of women's and young people's livelihoods: The conflict has exacerbated chronic unemployment, affecting approximately 70% of the population under the age of 25. Female participation in the labour market is only 6%. In addition, young artists have struggled to practice art publicly during the conflict through poetry, street art, exhibitions and performances. These initiatives lack financial resources, capacities, outreach and institutional support.

The void in cultural expression has increased public despair and disillusionment among young people, and has impeded their ability to engage in dialogue, reconciliation and peace.

Capacity gaps within the private sector: The Yemeni private sector suffers from significant management gaps in strategic planning, business development, sustainable funding, networking, international linkages, and visibility.

Challenges facing cultural heritage preservation in Yemen: Several World Heritage Sites as well as valuable landmarks of cultural and historical importance have been severely damaged by the ongoing conflict. Lack of awareness of preservation standards, extreme weather conditions, and citizens-led violations constitute additional threats. Damages affect not only public and private buildings but also public spaces, equipment as well as infrastructures (water, sanitation, pavement, telecommunication, and electricity), thus worsening the security and living conditions of local communities living within and around the historical sites. In addition, there are significant gaps among local government agencies dealing with heritage in terms of sustainable planning, preventive conservation and disaster mitigation.

Limited local engagement on peace-building and conflict resolution: the potential of existing Yemeni development knowledge is not fully exploited. Women and young people are not consistently engaged in research, public discourse and advocacy on development, economy and post-conflict reconstruction.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

The Social Fund for Development (SFD): SFD is a quasi-governmental organisation whose programmatic priorities are to increase access to basic services, enhance economic opportunities, and promote the resilience of low-income Yemenis, through the creation of cash-for-work schemes and microenterprise programmes. SFD will be contracted to implement cash-for-work rehabilitation schemes and organise capacity-building workshops for local heritage management in the cities covered by this Action.

Public Works Project (PWP): this body was established in 1996 in coordination between the Yemen government and the World Bank. Its objectives are to create jobs, provide infrastructure services, and enhance the community participation in the development process and to improve the capacity of the contracting and consulting services in Yemen. After a series of positive collaborations, UNESCO will use their expertise to complement large-scale rehabilitation works managed by SFD in areas where PWP has greater field presence.

General Organization for the Preservation of Heritage Cities in Yemen (GOPHCY): Due to several organisational and capacity concerns, GOPHCY is not proposed as a direct implementation partner, but GOPHCY nonetheless remains the official preservation authority where the most professional and local knowledge about the historic cities is concentrated. GOPHCY's input is necessary for effective implementation and performance has been successful so far in dealing with technical and feasibility studies under UNESCO's supervision.

Al-Amal Microfinance Bank (AMB): A leading microfinance institution, AMB has 17 branches in main cities of eight governorates. It covers the rest of governorates and rural areas via financial agents (money changers) and non-financial agents (merchants) in more than 3,300 points of sale (POS). Currently, the bank implements through those agents some projects related to solar energy and agricultural loans. It serves 40% of active microfinance clients in Yemen.

Development Champions Forum, women and men who have been involved in state institutions, private sector, academia and/or civil society for decades and thus have the knowledge, experience and networks to address Yemen's most pressing issues on an expert level.

3. DESCRIPTION OF THE ACTION

3.1. Objectives and Expected Outputs

The **overall objective** (impact) of this Action is to create opportunities for early inclusive economic recovery in Yemen.

The **specific objectives** (outcomes) of this Action are to:

1. Women and young people have improved their livelihoods through participation in cultural activities/enterprises ;
2. Micro, small and medium enterprises are better able to operate in a crisis situation;
3. Yemenis are actively engaged with issues around peace-building, conflict resolution and economic recovery.

The **outputs** to be delivered by this Action contributing to corresponding Specific Objectives are:

- 1.1 Livelihood opportunities are created for young people living in vulnerable situations, through cash-for-work schemes in rehabilitation of built heritage, public and commercial spaces
- 1.2 Young cultural entrepreneurs and Civil Society Organisations (CSOs) adapt strategic management practices and technical upskilling for sustainable income generation, entrepreneurship and peace building
- 1.3 Citizens-generated data on heritage are monetised by local youth communities and awareness is raised on the status of heritage in Yemen and its untapped role for employability, economic resilience and recovery
- 2.1 Young men and women are provided with knowledge and skills to establish businesses
- 2.2 Entrepreneurs or those interested in establishing a new enterprise are provided with access to finance
- 3.1 The Development Champions, women and young people reach out to policy and decision-makers
- 3.2 The Development Champions Forum is institutionalised
- 3.3 Youth Forums become an inclusive place for debate.

3.2. Indicative Activities

Activities related to Output 1.1:

- Provide micro-finance tools (small grants / loans) to newly established cooperatives of young workers, both women and men;
- Rehabilitate heritage in Yemen.

Activities related to Output 1.2:

- Provide technical training for young entrepreneurs (both women and men) and CSO;
- Develop a virtual exchange program;
- Deliver organisational support to social and cultural enterprises.

Activities related to Output 1.3:

- Provide heritage education to a newly established networks of young journalists and influencers (both women and men);
- Develop serious games to promote cultural heritage;
- Promote successful experience via social media campaigns, photographic and video documentation.

Activities related to Output 2.1:

- Organise trainings and consultations for women and young entrepreneurs, particularly those investing in in natural capital (Agriculture, Fisheries, Water, Forests) and energy and resource efficiency (renewable energy, waste, transport);
- Prepare business plans for sustaining or establishing businesses;
- Promote business-to-business dialogue and exchange of experience, e.g. between producers and consumers committed to sustainable sourcing and to circular economy.

Activities related to Output 2.2:

- Provide grants to women and young entrepreneurs;
- Support entrepreneurs on access to finance.

Activities related to Output 3.1:

- Prepare policy briefs on key economic, peacebuilding, stabilisation topics;
- Organise briefing meetings with key stakeholders.

Activities related to Output 3.1:

- Register the Development Champions Forum as an independent entity;
- Staff the Secretariat of the Development Champions Forum.

Activities related to Output 3.3:

- Organise Youth Forums;
- Organise workshops on socio-economic development.

3.3. Mainstreaming

Environmental Protection & Climate Change

Outcomes of the SEA (Strategic Environmental Assessment) screening (relevant for budget support and strategic-level interventions)

The SEA screening concluded that key environmental and climate-related aspects need be addressed during design.

Environmental and climate-related considerations are at the very centre of this Action. By supporting climate resilience, the Action addresses environmental limitations and risk factors to support food security and livelihoods, whilst developing the adaptive, absorptive and transformative resilience capacity to address environmental shocks. A community level environmental protection and climate risk mitigation will accompany this Action.

Outcomes of the EIA (Environmental Impact Assessment) screening (relevant for projects and/or specific interventions within a project)

The EIA screening classified the action as Category B (not requiring an EIA, but for which environment aspects will be addressed during design.

The design of the action will take into account the following aspects:

- the extent to which the environment may affect the effectiveness and sustainability of the Action
- the impact that the Action may generate on the environment

Outcome of the CRA (Climate Risk Assessment) screening (relevant for projects and/or specific interventions within a project)

The CRA screening concluded that this action is at low risk (no need for further assessment.

The Action contributes to develop climate adaptation by boosting climate resilience and promote ecological, social and economic adjustments to moderate potential damages or to benefit from opportunities associated with climate change.

Gender equality and empowerment of women and girls

As per OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that gender equality is an important and deliberate objective, but not the principal reason for undertaking the Action.

The action will have a strong focus on gender mainstreaming and empowerment of women in its design and implementation, including by:

- Ensuring gender sensitivity, acceptability and access to programme interventions, whether due to location, timing, cultural suitability or need for identification documents which may affect participation.
- Specific interventions to strengthen inclusive economic recovery and livelihoods programming, in partnership with women-led CSOs and with targeted support to women.
- Championing women's roles in conflict prevention, peacebuilding and mediation.
- Supporting women's roles in civil society and local governance structures.

Human Rights

The Action adopts a human rights-based approach (HRBA) and it promotes the fulfilment of the rights of youth and women, in particular the right to work and the right to freely participate in the cultural life. The 5 HRBA will be ensured during the implementation of the action (respect of all rights, participation, non-discrimination, accountability and transparency).

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D0. This implies that the Action does not specifically target people with disabilities.

Democracy

The Action encourages an open participation of women and youth in the public discourse on economic de-escalation, peacebuilding, conflict prevention and stabilisation.

In addition, by restoring the national cultural identity, the Action will considerably contribute to the building of a culture of “living together” and thus to peace and human security.

Conflict sensitivity, peace and resilience

A ‘Do No Harm’ approach will guide the design and the implementation of this Action. Understanding the relations between stakeholders and the issues that create tensions will help to tailor interventions that do not exacerbate but rather reduce conflict. Opportunities for pro-active peace building and conflict mitigation will be actively sought.

Disaster Risk Reduction

In line with the Sendai Framework for disaster risk reduction, the proposed action is informed by a transformative resilience. It aims to build on the existing local capacities of skilled and unskilled local communities to improve their livelihoods. It will therefore develop endogenous networks that will absorb and mitigate the negative shocks of the present period of conflict and social crisis; but, rather than short-term measures, it will establish long-term adaptive mechanisms to reinforce the conditions for economic recovery to reduce the likelihood of future outbreaks of violence.

Humanitarian-development-peace nexus approach

The economic collapse is one of the main drivers of both the humanitarian and development crises. At the same time, the economy plays a fundamental role in paving the way toward peace. Therefore, adopting a triple nexus approach is essential to maximise the impact of the support. For this reasons, a closer cooperation with DG ECHO and EEAS colleagues as well as humanitarian and peace actors on the ground will be sought.

3.4. Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
Lack of security	Risk 1	High	High/Medium	Target low conflict intensity areas; where necessary, use remote management. Implementing partners will put in place security measures to protect personnel, programming and assets.
Covid-19	Risk 2	Medium	Medium	Contingency plans for remote working and safe access to communities.
Limited capacity, legitimacy and functionality at central level.	Risk 3	High	High	Continued coordination across all levels of government. Work more closely with the local authorities at district and community levels.
Worsening relations with authorities	Risk 4	Medium	Medium	Partnerships with local organisations known for their neutrality, good relations with authorities and operational autonomy. EU neutrality is crucial.
Economic and financial collapse	Risk 5	High	High	Assess feasibility of using alternative financial providers such as micro-finance institutions, money changers/exchange offices.
Cash disbursement in	Risk 6	Medium	Low	Strengthen data collection on financial transfers and close monitoring of implementation. Consultations with local

insecure environment				partners to adopt appropriate delivery systems.
Gender norms prevent women's participation	Risk 7	Medium	Medium	Further analyse gender-related challenges and increase awareness on women's participation in economic and cultural activities. A systematic gender approach including measures to fight against sexual harassment or other forms of gender based violence.
Corruption and Financial Fraud	Risk 8	Medium	Medium	The action will ensure the 5 HRBA principles: respect to all human rights, transparency, accountability, participation and non-discrimination. Transparency and accountability measures for all procurement procedures will be put in place.

Lessons Learnt:

The Action will build on a comprehensive set of **lessons learned** from completed and ongoing donors' interventions in support of different livelihoods, particularly those that support cultural entrepreneurship and micro-finance to ensure effective targeting of women, youth, IDPs and other disadvantaged groups in line with the Human Rights and Democracy Strategy. In addition, it will be complemented by thematic programmes in the pillars of human rights, civil society, and peace and stability.

Main lessons learned:

- Livelihood stabilisation and community assets rehabilitation for resilience building. Stabilisation of livelihoods is a prerequisite for resilience building, to guarantee immediate cash and income-generation opportunities and contribute to assets rehabilitation and building at the community level. This was confirmed by the Enhanced Rural Resilience in Yemen Joint Programme mid-term review, which showed that the programme's livelihoods and economic empowerment activities, especially those focused on rehabilitating communal assets, had the most notable impacts on the capacity of households and communities to manage the ongoing shock.

- Increased Women Participation and Economic Empowerment. One of the key lessons learned is that women's participation in social cohesion and conflict resolution as insider mediators has contributed significantly to addressing resource-based conflicts. In addition, skills development, dairy product processing and small business support provided to women groups have led to considerable improvements in food and nutrition security and income for households. However, structural barriers hamper women's economic empowerment, since the ongoing conflict has placed them in a positions of increased vulnerability. An assessment of trends during 2015 revealed that girls and women were at an increased risk of physical assault. The Gender-Based Violence Information Management System, established in Yemen in 2015 and led by the United Nations Population Fund, has indicated that, among other issues, forced marriage has been a growing trend during the conflict.

3.5. The Intervention Logic

The underlying intervention logic for this action is that the lack of employment and income is a key driver of local conflicts in Yemen. Increasing income opportunities can thus have a positive impact on conflict dynamics. At the same time, women's employment has proven to be an area in which progress is possible and which is less sensitive than some other aspects of women's rights. Therefore, it will be important to build on advances in this area and to ensure that any progress is sustained and not reversed in a future post-conflict setting.

The proposed Action aims to support early economic recovery in Yemen, through three mutually reinforcing work streams:

1. Create job opportunities for young women and men through cash for work schemes or grants, to promote youth and women's economic empowerment. This work stream will focus on the cultural and creative industries, which have a unique potential to reach young people and contribute to peacebuilding. As the destruction of culture is often at the frontline of conflict, the promotion of arts and culture can play an important role in peacebuilding and recovery efforts that promote cultural rights and rebuild trust in local communities.
2. Support micro, small and medium enterprises, with a focus on women-run businesses and low-carbon and climate-resilient businesses through the provision of grants and capacity building. Support to the private sector is key to enabling the recovery of the social – and indirectly political – texture of Yemen.

Support the work of Yemeni experts to advance gender-sensitive and conflict-sensitive research and policy debate on development, economy and post-conflict reconstruction and inform decision makers. Building informed consensus on economic and development-related matters among actors from across the political spectrum and across Yemen contributes to building trust and confidence among the parties to the conflict and can help address underlying drivers of the conflict, which in Yemen are often economic in nature.

3.6. Logical Framework Matrix

Results	Results chain:	Indicators:	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact (Overall Objective)	Increasing economic self-reliance allows communities to be better able to deal with risks and shocks	Number of people in need of humanitarian assistance (disaggregated by sex)	20.7 million of people in need (2021)	To be defined during the inception phase	Humanitarian Needs Overview Dataset (OCHA)	<i>Not applicable</i>
Outcome 1 (Specific Objective)	1. Women and young people have improved their livelihoods through participation in cultural activities/enterprises sector.	1.1 Number of young women and men who have improved their income through employment in the cultural sector (disaggregated by sex)	1.1 2,436 young workers, including 303 women, engaged in cash-based Urban Rehabilitation have improved daily wages from 8 USD to 10 USD for unskilled workers and from 15 USD to 20 USD for skilled workers. (June 2021)	To be defined during the inception phase	1.1 Cash-for-Work Phase I Results Framework issued by UNESCO	<ul style="list-style-type: none"> The impact of the overall conflict does not worsen security extensively. The majority of the targeted areas remain accessible. <p>The current liquidity challenges remains at a manageable level.</p>
Outcome 2 (Specific Objective)	2. Micro, small and medium enterprises are better able to operate in a crisis situation	2.1 Number of (a) jobs, (b) green jobs supported/sustained by the EU (**), disaggregated by sex 2.2 The quality of Micro, Small and Medium Enterprises (MSME)s' performance	2.1 a) 0 jobs b) 0 green jobs (2021) 2.2 not yet recorded	To be defined during the inception phase	2.1 Project reports 2.2 MSMES' performance assessment reports	<ul style="list-style-type: none"> Microfinance institutions (MFI)s are willing to finance MSMEs plans. The dialogue between MFIs and MSMEs remain stable and private

						sector is consulted throughout.
Outcome 3 (Specific Objective)	3. Yemenis are actively engaged with issues around peace-building, conflict resolution and economic recovery	3.1 Number of women and men engaged in the public discourse on peace-building, conflict resolution and economic recovery by the EU (disaggregated by sex) 3.2 Number of Yemenis being satisfied by the level engagement supported by the EU (disaggregated by sex)	3.1 a) 0 men b) 0 women (2021) 3.2 not yet recorded (2021)	To be defined during the inception phase	3.1 Minutes of the meetings 3.2 Questionnaire to targeted Yemenis	<ul style="list-style-type: none"> • The access to government data is improved. • Collaboration between different stakeholders remain stable.
Output 1 related to outcome 1	1.1 Livelihood opportunities are created for youth communities living in vulnerable conditions, through cash-for-work schemes in rehabilitation of built heritage, public and commercial spaces	1.1.1 Number of heritage, public and commercial spaces rehabilitated with the EU support 1.1.2 Number of people benefitting from cash-for-work thanks to the EU support, disaggregated by sex and age (disaggregated by sex)	1.1.1 151 sites rehabilitated, including private houses, two museums and public spaces (squares and gardens). (June 2021) 1.1.2 2.436 young workers, including 303 women, were engaged in cash-based Urban Rehabilitation. Youth represents around 60% of the total workers	To be defined during the inception phase	1.1.1 Inventories, photographic documentation, Cash-for-Work Phase I Results Framework issued by UNESCO 1.1.2 Employment records (SFD registers), Cash-for-Work Phase I Results Framework issued by UNESCO	<ul style="list-style-type: none"> • The identification of sites is facilitated by national and local authorities. • Cash for work schemes are accepted within beneficiary communities

			involved. people benefitting from cash-for- work (June 2021)			
Output 2 related to outcome 1	1.2 Young cultural entrepreneurs and CSOs adapt strategic management practices and technical upskilling for sustainable income generation, entrepreneurship and peace building	1.2.1 Number of young cultural entrepreneurs and CSOs empowered through technical capacity building initiatives delivered with the EU support 1.2.2 Number of people participating in the activities organised by the Yemeni Creative Incubator Hub thanks to the EU support	1.2.1 14 CSOs supported under small grants programme; 113 representatives of cultural associations trained 78 young culture operators and influencers trained on cultural heritage preservation and supported with evidence-based knowledge. (June 2021) 1.2.2 395 beneficiaries, including 188 females people (June 2021)	To be defined during the inception phase	1.2.1 Project reports, training attendance sheet, Cash-for-Work Phase I Results Framework issued by UNESCO 1.2.2 Registration list, Cash-for-Work Phase I Results Framework issued by UNESCO	<ul style="list-style-type: none"> Young cultural entrepreneurs and CSOs are willing to improve their technical capacity in the cultural sector
Output 3 related to outcome 1	1.3 Citizens-generated data on heritage are monetized by local	1.3.1 Number of people reached by social media campaigns,	1.3.1 7 million people reached	To be defined during the	1.3.1 Media/social media	<ul style="list-style-type: none"> The production of

	youth communities and awareness is raised on the status of heritage in Yemen and its untapped role for employability, economic resilience and recovery including via a new collaborative platform.	<p>photographic and video documentation developed with the EU support</p> <p>1.3.2 Number of young people provided with heritage and cultural education</p>	<p>through communication and visibility campaigns (June 2021)</p> <p>1.3.2 471 young people (June 2021)</p>	inception phase	<p>records, Cash-for-Work Phase I Results Framework issued by UNESCO</p> <p>1.3.2 Training attendance sheet, Cash-for-Work Phase I Results Framework issued by UNESCO</p>	communication and awareness materials is facilitated by local communities
Output 1 related to outcome 2	2.1 Young men and women are provided with knowledge and skills to establish businesses.	2.1.1 Number of young men and women trained with the EU support	2.1.1 0 young men and women trained (2021)	To be defined during the inception phase	2.1.1 Project reports, training attendance sheet	<ul style="list-style-type: none"> Young men and women are willing to improve their knowledge and skills
Output 2 related to outcome 2	2.2 Entrepreneurs or those interested in establishing a new enterprise are provided with access to finance.	2.1.2 Number of beneficiaries with access to financial services with the EU support (disaggregated by sex)	2.1.2 0 beneficiaries (2021)	To be defined during the inception phase	2.1.2 Project reports and grant agreements	<ul style="list-style-type: none"> Entrepreneurs meet the conditions to access to finance
Output 1 related to outcome 3	3.1 The Development Champions, women and young people reach out to policy and decision-makers	<p>3.1.1 Number of policy briefs prepared with the EU support which reach out to policy and decision-makers</p> <p>3.1.2 Number of key stakeholders attending EU-supported workshops</p>	<p>3.1.1 0 policy briefs (2021)</p> <p>3.1.2 0 stakeholders (2021)</p>	To be defined during the inception phase	<p>3.1.1 Development Champions website</p> <p>3.1.2 Agenda of workshops,</p>	<ul style="list-style-type: none"> The access to government data is improved. Collaboration between different stakeholders remain stable.

					list of participants	
Output 2 related to outcome 3	3.2 The Development Champions Forum is institutionalised	3.2.1 Registration of the Development Champions Forum (DCF) as an organisation 3.2.2 Number of staff involved in the definition of the DCF mandate, governance structure and work plan.	3.2.1 Not yet registered (2021) 3.2.2 0 staff involved (2021)	To be defined during the inception phase	3.2.1 Registration certificate 3.2.2 Minutes of the DCF meetings	<ul style="list-style-type: none"> DCF's establishment and operations are not hindered by local or national authorities.
Output 3 related to outcome 3	3.3 Youth Forums become and inclusive place for debate.	3.3.1 Number and % women and men participation in Youth Forums established with the EU support and operating sustainably 3.3.2 Gender balance of participants in Youth Forums	3.3.1 0 Forums (2021) 3.3.2 not attained (2021)	To be defined during the inception phase	3.3.1 Project reports and field surveys 3.3.2 List of attendance	<ul style="list-style-type: none"> The participation of young people and women in the Youth Forums is supported by local and national authorities.

4. IMPLEMENTATION ARRANGEMENTS

4.1. Financing Agreement

In order to implement this action, it is not envisaged to conclude a financing agreement with the partner country.

4.2. Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of adoption by the Commission of this Financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3. Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures¹.

4.3.1. Direct Management (Grants)

Grants: (direct management)

(a) Purpose of the grant(s)

The purpose of this grant is to contribute to the achievement of outcome 2 of the Action: Micro, small and medium enterprises are better able to operate in a crisis situation

(b) Type of applicants targeted

The applicant targeted consists of a non-governmental organisation active in the field of job creation and private sector development. A direct grant will be awarded to the organisation that fulfils the criteria mentioned in the paragraph below.

(c) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to a **non-governmental organisation** selected using the following criteria:

- Proven experience in Yemen and in the Middle East/Gulf region;
- Relevant technical expertise in entrepreneurship and job creation as well as women economic empowerment;
- Partnership with Yemeni financing institutions, banks and/or economic operators;
- Previous experience in conflict affected countries.

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because the country is in a crisis situation. Moreover, the Action has specific characteristics requiring field and technical expertise as well as the capacity to access insecure and remote areas.

Grants: (direct management)

¹ www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

(a) Purpose of the grant(s)

The purpose of this grant is to contribute to the achievement of outcome 3 of the Action: Yemenis are actively engaged with issues around peace-building, conflict resolution and economic recovery.

b) Type of applicants targeted

The type of applicants targeted through this grant are non-governmental organisations (NGOs) whose experience and activities are focused on economic analysis, provision of advice and consultancy on economic and political matters.

(c) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to the **Center for Applied Research in Partnership with the Orient (CARPO)**.

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because the country is in a crisis situation. The selection of the above mentioned entity is based on the following criteria:

- Proven experience in Yemen and in the Middle East/Gulf region;
- Relevant technical expertise in policy analysis and consultancy on topics of political and economic relevance;
- Partnership with Yemeni experts in the field of politics and economics;
- Previous experience in conflict affected countries, including in Yemen.

The Center for Applied Research in Partnership with the Orient (CARPO) is a Germany-based organisation whose work is situated at the nexus of research, consultancy and exchange with a focus on implementing projects in close cooperation and partnership with stakeholders in the Middle East. The CARPO team has long-standing experience in the implementation of projects in cooperation with partners from the region and a deep understanding of the Yemeni context.

In case the envisaged entity would need to be replaced, the Commission's services may select a replacement entity using the same criteria. If the entity is replaced, the decision to replace it needs to be justified. **(d) Exception to the non-retroactivity of costs**

The Commission authorises that the costs incurred may be recognised as eligible as of 1st of September 2021 to ensure business continuity with previous phase of the project and to align the EU co-financing with the contribution of the Kingdom of the Netherlands. The retroactivity of costs is further justified by the protracted crisis situation in Yemen.

4.3.2. Indirect Management with an international organisation

A part of this Action (Specific Objective 1) may be implemented in indirect management with the **United Nations Educational Scientific and Cultural Organisation (UNESCO)**. This implementation entails creating jobs in the preservation of cultural heritage and creative industries, capitalize on existing technical resources, networks of trained young workers, as well as modern methodologies of heritage rehabilitation in conflict context. The envisaged entity has been selected using the following criteria:

- Proven experience in the region;
- Relevant technical expertise in the cultural sector, including on cultural heritage preservation;
- Previous experience in conflict affected countries, including in Yemen.

As the UN agency with a comparative advantage in the field of culture, heritage and youth, UNESCO GCC and Yemen Office, through its local antenna in Yemen, is able to support youth-centered rehabilitation programmes reinforcing economic resilience. Through its human rights-based cultural framework, UNESCO advances initiatives in line with the 1972 World Heritage Convention to promote heritage for sustainable development, conflict prevention and risk mitigation, and reconciliation and recovery. UNESCO's work is also guided by the 2005 Convention on the protection and promotion of the diversity of the cultural expressions, which recognizes the untapped potential of the culture sector that counts for 6.1% of the global economy. Creative industries generate annual revenues of US\$ 2,250

billion and nearly 30 million jobs worldwide, employing more people aged 15 to 29 than any other sector. The cultural and creative industries have become essential for inclusive economic growth, reducing inequalities and achieving the goals set out in the 2030 Sustainable Development Agenda. UNESCO disposes of a high quality expertise in this area, consisting of training tools on cultural entrepreneurship, joint UNESCO/EU expert's facility, monitoring and evaluation tools as well as a long-standing experience in funding and developing tangible CSOs-led cultural projects at the grass-roots level including in context of armed conflict.

In case the envisaged entity would need to be replaced, the Commission's services may select a replacement entity using the same criteria. If the entity is replaced, the decision to replace it needs to be justified.

4.4. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

4.5. Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)	Indicative third-party contribution (amount in EUR) (to be confirmed)
Specific Objective 1 : Promote the economic empowerment of young women and men, while preserving cultural heritage and contributing to peacebuilding		
Indirect management with the United Nations Educational Scientific and Cultural Organization (UNESCO) - cf. section 4.3.2	20 000 000	300 000
Specific Objective 2 : Support micro, small and medium enterprises, with a focus on women-led businesses and green businesses		
Grant (direct award) - cf. section 4.3.1	10 000 000	
Specific Objective 3 : Contribute to economic de-escalation, peacebuilding, conflict prevention and stabilisation by engaging with informed Yemeni voices		
Grant (direct award) - Center for Applied Research in Partnership with the Orient (CARPO) - cf. section 4.3.1	2 000 000	1 200 000
Evaluation and Audit		
Evaluation – cf. 5.2 Audit – cf. 5.3	Will be covered by another Decision	
Total	32 000 000	1 500 000

4.6. Organisational Set-up and Responsibilities

A **Steering Committee (SC)** will be established. The SC is the programme oversight and advisory authority, representing the highest body for strategic guidance, fiduciary and management oversight/coordination. It will be responsible for the oversight of both components of this Action. The SC is co-chaired by a senior representative of the Government of Yemen, the implementing partner(s) and a representative of the European Union. Observers can be invited to attend the SC on a regular or an ad hoc basis. The Steering Committee will meet at least bi-annually. The Secretariat will be ensured by the implementing partner(s).

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

Gender equality, human rights and human rights-based approach expertise will be ensured during the implementation of the Action as possible. They will also be integrated in relevant technical assistance and capacity building activities and documents (i.e. ToRs etc) as minimum requirements of expertise.

5. PERFORMANCE MEASUREMENT

5.1. Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

- The implementing partners are responsible of collecting data and for implementing the necessary analysis in line with the logical framework (disaggregated by sex);
- The specific requirements in terms of information and data collection methods are defined by the implementing partners;
- The selection of monitoring tools should always be compatible with the competencies of the people in charge of data collection, analysis and reporting;
- Monitoring and evaluation will assess gender equality results and the implementation of the rights based approach working principles (applying all human rights for all; meaningful and inclusive participation and access to decision-making; non-discrimination and equality; accountability and rule of law for all; and transparency and access to information supported by disaggregated data). Monitoring and evaluation will be based on indicators that are disaggregated by sex, age and disability when applicable.

5.2. Evaluation

Having regard to the importance of the Action, a mid-term and final evaluation(s) will be carried out for this Action or its components via independent consultants contracted by the Commission.

A mid-term evaluation will be carried out for problem solving, learning purposes, in particular with respect to the support to private sector and women's economic empowerment.

A final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that complementary actions will be needed due to the level of vulnerabilities and state fragility.

The Commission shall inform the implementing partner at least 1 month in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Evaluation services may be contracted under a service contract.

5.3. Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6. STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

APPENDIX 1 REPORTING IN OPSYS

An Intervention² (also generally called project/programme) is the operational entity associated to a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Interventions are the most effective (hence optimal) entities for the operational follow-up by the Commission of its external development operations. As such, Interventions constitute the base unit for managing operational implementations, assessing performance, monitoring, evaluation, internal and external communication, reporting and aggregation.

Primary Interventions are those contracts or groups of contracts bearing reportable results and respecting the following business rule: 'a given contract can only contribute to one primary intervention and not more than one'. An individual contract that does not produce direct reportable results and cannot be logically grouped with other result reportable contracts is considered a 'support entities'. The addition of all primary interventions and support entities is equivalent to the full development portfolio of the Institution.

Primary Interventions are identified during the design of each action by the responsible service (Delegation or Headquarters operational Unit).

The level of the Primary Intervention is defined in the related Action Document and it is revisable; it can be a(n) (group of) action(s) or a (group of) contract(s).

Tick in the left side column one of the three possible options for the level of definition of the Primary Intervention(s) identified in this action.

In the case of 'Group of actions' level, add references to the present action and other action concerning the same Primary Intervention.

In the case of 'Contract level', add the reference to the corresponding budgetary items in point 4.6, Indicative Budget.

Option 1: Action level		
<input type="checkbox"/>	Single action	Present action: all contracts in the present action
Option 2: Group of actions level		
<input type="checkbox"/>	Group of actions	Actions reference (CRIS#/OPSYS#):
Option 3: Contract level		
<input checked="" type="checkbox"/>	Group of contracts 1	The three contracts contained in the present actions

² [ARES \(2021\)4204912](#) - For the purpose of consistency between terms in OPSYS, DG INTPA, DG NEAR and FPI have harmonised 5 key terms, including 'action' and 'Intervention' where an 'action' is the content (or part of the content) of a Commission Financing Decision and 'Intervention' is a coherent set of activities and results which constitutes an effective level for the operational follow-up by the EC of its operations on the ground. See more on the [concept of intervention](#).

