

Country Programme Action Plan
Between the
Government of the Republic of Yemen
and
United Nations Development
Programme
2007-2011

The Framework

The Government of the Republic of Yemen and the UNDP-Yemen are in mutual agreement to the content of this document and their responsibilities in the implementation of the country programme.

Furthering their mutual agreement and cooperation for the realization of the Millennium Development Goals and the United Nations Conventions and Summits to which the Government of the Republic of Yemen and UNDP are committed;

Building upon the experience gained and progress made during the implementation of the previous Country Programme (2002 to 2006),

Entering into a new into a new period of cooperation (2007 to 2011),

Declare that these responsibilities will be fulfilled in a spirit of close cooperation and have agreed as follows:

Part I. Basis of Relationship

1.1 WHEREAS the Government of the Republic of Yemen (hereinafter referred to as "the Government") and the United Nations Development Programme (hereinafter referred to as UNDP) have entered into a basic agreement to govern UNDP's assistance to the country (Standard Basic Assistance Agreement (SBAA) [or other agreement depending on country], which was signed by both parties on 11 April 1977. Based on Article I, paragraph 2 of the SBAA, UNDP's assistance to the Government shall be made available to the Government and shall be furnished and received in accordance with the relevant and applicable resolutions and decisions of the competent UNDP organs, and subject to the availability of the necessary funds to the UNDP. In particular, decision 2005/1 of 28 January 2005 of UNDP's Executive Board approved the new Financial Regulations and Rules and along with them the new definitions of 'execution' and 'implementation' enabling UNDP to fully implement the new Common Country Programming Procedures resulting from the UNDG simplification and harmonization initiative. In light of this decision this CPAP together with an AWP (which shall form part of this CPAP, and is incorporated herein by reference) concluded hereunder constitute together a project document as referred to in the SBAA [or other appropriate governing agreement].

Part II. Situation Analysis

2.1 This document derives from the Country Programme Document (CPD), and was developed jointly by the Government of Yemen and the United Nations Development Programme (UNDP).

2.2 Although Yemen has improved its score on the human development index since 1990, it is still classified as a low human development country. Based on the Common Country Assessment (CCA) and the Millennium Development Goals (MDG) report, Yemen is unlikely to reach most MDGs by 2015 without substantial redirection of policies, injection of additional funds and capacity building. Even though per capita gross

national product (GNP) rose to \$ 650 in 2004, generalized poverty exists, with 42% of the population below the poverty line as per the 1998 Household Budget Survey¹. The country's ability to expand job opportunities and social services to cater to its youthful population, which is expected to double in 23 years, is hampered by the declining oil production and unsustainably high rates of water use, which will lead to the exhaustion of assessed oil reserves within ten years, and threaten the very survival of many water scarce areas. Based on the assessment of progress against the MDGs, the only area where current rates of change at the national level offer hope of reaching the target by 2015 is universal primary education. However, given inter-governorate disparities, achievement of the desired 100% access to primary education across the whole country, especially for girls, is not assured.

2.3 The CCA has identified four underlying reasons for the poor outcome of development interventions in Yemen: **(a) Lack of transparency and participation; (b) Disempowerment of women and children; (c) Inequitable and unsustainable use of water resources; and (d) Jobless growth together with a growing population.**

2.4 Governance failures contribute to lack of transparency and participation, gender inequality, inequitable use of water resources and jobless growth. Access to oil revenues has granted the State autonomy from the local economy. The delicate balance between the central government and a tribal society has led to a situation that gives substantial influence to tribal leaders and other socially influential persons. Respect for, and protection of human rights in general, and women's rights in particular, are yet to be institutionalized, despite some positive moves. The legal system lacks credibility in creating conditions for the full enjoyment of the rights granted to the Yemeni population by the Constitution. Responsive and capable local governance and effective participation of civil society in public life remain elusive, and corruption has proven to be an intractable problem.

2.5 Even though Yemen has endorsed the Convention on Elimination of All Forms of Discrimination (CEDAW), and taken steps to remove inconsistencies with its provisions, the ability of the women to participate fully in development remains constrained.

2.6 Yemen's water utilization rates substantially exceed the annual recharge of ground water tables. There are also concerns about the concentration of ever more limited and precious water resources in the hands of the wealthier and more influential segments of society.

2.7 Yemen has followed an economic development path that is over dependent on the capital intensive oil sector, with little attention paid to job creation and equitable and sustainable growth. This has led to high youth unemployment rates which, if left unchecked, will exceed 40% within a decade, with the accompanying risk of social and political instability.

¹ A new household budget survey is currently under way and results are expected by end 2006.

Part III. Past Cooperation and Lessons Learned

- 3.1 This section draws on the findings of the "Country Evaluation: Assessment of Development Results", recently conducted by the Evaluation Office of UNDP.
- 3.2 The UNDP programme for 2002-2006 focused on (a) governance, including decentralization, justice, human rights, elections and mine clearance; (b) poverty issues such as the Poverty Reduction Strategy Paper (PRSP), the Poverty Reduction Strategy (PRS) monitoring and evaluation system, microfinance, community-based development and HIV/AIDS; and (c) sustainable natural resources development, including biodiversity protection, pollution control and water resource and natural disaster management.
- 3.3 Supported by the United Nations Capital Development Fund (UNCDF), UNDP advocated and raised resources for decentralization, and built the capacity of the Ministry of Local Administration (MoLA) to support nascent local authorities. UNDP became a trusted partner by providing quality technical assistance, substantive guidance and strong project management and oversight.
- 3.4 UNDP assisted with the 2003 election, i.e. how to manage the electoral system, train personnel and improve public information, voter registration and education. In 2006 the Supreme Commission for Elections and Referenda (SCER) will be supported to develop an effective outreach structure and encourage greater civil society organization (CSO) involvement.
- 3.5 The mine action programme, covering mine awareness and care of mine victims, completed a mine impact survey, helped clear 30 percent of mined areas and built the capacity of the Yemen Mine Action Center.
- 3.6 The PRS Monitoring Unit produces annual reports on progress in poverty alleviation and the MDGs. A common database of socio-economic indicators has been established and the second Household Budget Survey, to be completed in March 2006, has been initiated. The Government's leadership role in the PRSP process has been strengthened via capacity-building, coordination and advocacy efforts, with the Government now leading several of the five PRSP thematic groups.
- 3.7 Microfinance institutions (MFIs) are now able to reach beneficiaries, particularly women, and assist them on a sustainable basis. Community credit societies have strengthened self-help capacities of communities and set-up lending windows for social and economic development, mobilizing over \$ 2 million for basic social infrastructure. Social indicators in target areas have risen, and the average household has seen a 32% increase in income.
- 3.8 UNDP targeted some programmes towards women, but there was no overall strategic approach to gender equality. The Micro-Start initiative supported women's empowerment. However, gender mainstreaming was not rigorously incorporated into the first PRSP process.

3.9 UNDP efforts raised awareness of environmental challenges and prompted changes, such as establishment of the Ministry of Water and Environment, drafting of the National Environment Action Plan (NEAP), and approval of a Water Strategy and Investment Plan. Disaster management plans are being prepared to deal with natural disasters, including earthquakes, floods, droughts, desertification, and landslides.

3.10 UNDP facilitated both the publication of the first Human Rights report by the Ministry of Human Rights and the training of security personnel in human rights.

3.11 The use of Information Communication Technologies for Development (ICTD) in the Debt Management Financial Accounting System (DEMFAS) and Automated Systems for Customs Data (ASYCUDA) have been promoted. The ASYCUDA system has increased customs collection and improved governance in the Customs Authority.

Part IV. Proposed Programme

4.1 The UNDAF reflects the priorities of the National Development Plan for Poverty Reduction and Reform (NDPPRR). It was developed in collaboration with the Government, donors and civil society.

4.2 The UNDAF has identified the following four areas of cooperation between the United Nations agencies and the Government of Yemen: (a) governance; (b) gender equality and women's empowerment; (c) population and basic social services; and (d) pro-poor growth.

4.3 Within the UNDAF, UNDP focuses on governance and pro-poor growth. UNDP will also foster gender equality and women's empowerment by supporting gender mainstreaming. This will be done by building national capacity for inclusive and equitable development, while undertaking selected activities directly targeting women's needs and rights.

4.4 UNDP will promote an enabling environment for transparent, equitable and accountable policies and decision making. To that end, UNDP will work with the legislative and judicial entities in the country, in addition to its traditional work with the executive branch.

4.5 Tackling poverty requires a dual approach of improving governance and equipping the poor with necessary skills and access to resources to avail of economic opportunities. UNDP will support reform of economic governance in areas such as competition policy and banking, and improving access of youth and women to skills, markets and credit through vocational training, micro-enterprise development and micro-finance.

Governance

4.6 The UNDAF priorities for fostering democratic governance are grouped in four major outcomes, namely:

(a) improved institutional capacity within the government of Yemen and civil society to ensure implementation of ratified human rights treaties in a systematic manner; (b) enhanced national capacities to demand and deliver transparency and accountability of public officials; (c) improved government structures and mechanisms at both centralized and decentralized levels responding to citizens' needs and rights; and (d) institutionalized rule of law and equal access to justice.

4.7 The process for institutionalizing a democratic culture will be supported by UNDP. Informed debate on use of public resources will be promoted, as well as capacity building of civil society for public debates on major issues of concern to society. UNDP will also ensure that legislatures have the capacity to effectively discharge their oversight functions over the executive branch.

4.8 In cooperation with the Office of the High Commission on Human Rights (OHCHR) and CSOs, support will be provided for the establishment of an independent human rights body, harmonization of national laws with ratified human rights obligations, strengthening the capacity of authorities and civil society to protect, promote, monitor and disseminate human rights and equal access to justice.

4.9 Decentralization and local governance are important areas of support, encompassing the review and reform of legislation and policies, capacity development for local government planning and fiscal management. Support to the Ministry of Local Administration will continue, with focus on the development and implementation of a national decentralization strategy, strengthening capacity of local authorities and civil society to plan and implement the local development agenda, strengthening national capacities for effective fiscal decentralization, and institutionalization of a system of participatory national and local development planning. UNDP will continue its strong partnership with UNCDF in introducing local governance schemes.

4.10 UNDP will, in collaboration with the United Nations Electoral Assistance Division, support the SCER to ensure sustainable, transparent and participatory electoral processes and expand democratic participation, particularly for under-represented segments of society, notably women, by facilitating greater civic, democratic and voter awareness. In cooperation with civil society and local government, women's leadership skills will be built, to ensure more meaningful participation of women in decision making positions at national and local levels.

Gender equality and women's empowerment

4.11 UNDP will contribute to the UNDAF outcome of *improved institutional and human capacity to promote gender equality and empower women in social, political, economic and legal spheres*. In addition to the areas of gender mainstreaming, access to justice, political participation, violence against women, gender budgeting, and improving the social position of women, there is a strong focus on women's empowerment in the areas of governance and pro-poor growth.

Pro-poor growth

4.12 Economic growth with equity is the engine for alleviating poverty. Therefore, expanded internal and external investment is crucial for addressing unemployment and underemployment in the country.

4.13 UNDP will support efficient and sustainable use of resources for equitable, job-creating growth, with a focus on youth and women.

4.14 UNDP, with potential partners including the United Nations System agencies, will contribute to the following results:

- (a) Strengthened and supportive economic policy, institutional framework and operating environment;
- (b) Enhanced scope for the participation of youth and women in economic activities;
- (c) Improved productivity of small enterprises and rural households, and access by food-insecure households to food through equitable and sustainable access to resources; and
- (d) Sustainable and equitable use of natural resources.

4.15 Special attention will be paid to achieving the MDGs and reducing human poverty through pro-poor policy reform and local poverty initiatives. Access by the working poor to decent work will be facilitated. Private sector development will be supported to create economic opportunities for all, including youth and women, and thus also deal with the potentially explosive youth unemployment problem and address gender disparities in access to opportunities.

4.16 UNDP will work with partners, including the World Bank, to improve the business environment, and to enable the private sector to flourish. The translation of sectoral and overall economic policies and strategies into action will be supported. National capacity to negotiate global and regional trade agreements that provide for diversifying the export base and increasing employment will be built, while continuing to strengthen national capacity for monitoring progress against MDGs and the NDPPRR.

4.17 The capacity of Yemeni institutions will be built to equip new entrants to the labour force, especially youth and women, with the requisite skills and package of support services to either enter formal employment or engage in self-employment activities. The productivity of youth and women will be improved by upgrading their technical and managerial skills, thus promoting a wider empowerment agenda.

4.18 UNDP will use its global experience to support small and medium enterprises (SMEs) in order to allow greater numbers of the poor to engage in self-employment activities. It will also help existing SMEs to grow by working to remove some of the constraints they face in accessing government contracts and formal credit.

4.19 With the majority of Yemenis living in rural areas and dependent on the use of natural resources, poverty and environmental degradation are closely interrelated. Therefore, the ability of the poor to derive their livelihood and income from these resources in a sustainable and equitable manner will be built up. This will be done by

integrating the principles of sustainable natural resource management into national planning frameworks and promoting community participation, with priority attention to gnat, tobacco and other water-intensive crops.

4.20 Yemen has rich biodiversity, which can be used to develop eco-tourism. This biodiversity, however, is declining, and its effective management is hampered by institutional weaknesses and lack of awareness among the stakeholders. UNDP has an established a competitive advantage in this field, and can contribute to:

- (a) Strengthened capacity at the central and local levels to develop and implement environmental strategies;
- (b) Enhanced national capacities for the management of protected areas; and
- (c) Enhanced environmental awareness in civil society.

4.21 The mainstreaming of disaster risk reduction into national development planning processes, and improved emergency preparedness and response capacity will be supported by promoting community based mechanisms for disaster management. Mine clearance work will continue, and a fully functioning national institution for this purpose will be promoted through technical capacity building, legislation and the setting of national standards.

HIV/AIDS

4.22 Yemen is a low HIV/AIDS prevalence country, and there is limited institutional capacity to monitor and respond to a pandemic, should it occur. UNDP, as part of the HIV/AIDS Thematic Working Group, will focus on legal issues, capacity building and public awareness. Particular attention will be paid to enhancing government coordination capacity, while breaking the silence surrounding the disease. Priority will be given to institutional capacity building, particularly in the area of needs assessment and resource planning.

Part V. Partnership Strategy

Abstract from UNDAF

Part VI. Programme Management

6.1 The programme will be nationally executed under the overall coordination of the Ministry of Planning and International Cooperation (MoPIC) (Government Coordinating Agency). Government ministries, NGOs, IGOs, UN agencies including UNDP will implement the programme activities. The Government Coordinating Agency will nominate the Government Co-operating Agency directly responsible for the Government's participation in each UNDP assisted AWP. The AWPs describe the specific results to be achieved and will form the basic agreement between UNDP and each implementing partner on the use of resources. The reference to "Implementing Partner(s)" shall mean "Executing Agency(ies)" as used in the SBAA.

- 6.2 In programme design and implementation, UNDP works closely with key partners. The country programme builds on the United Nations reform principles, especially simplification and harmonization, by operating in line with the harmonized common country programming instruments such as the UNDAF results matrix, monitoring and evaluation, and programme resources frameworks in the CPAP and the AWP. To the extent possible UNDP and partners will use the minimum documents necessary, namely the signed CPAP and signed AWP to implement programmatic initiatives. However, as necessary and appropriate, project documents would be prepared using, inter alia, the relevant text from the CPAP, and AWP. UNDP will sign the project documents with partners to in accordance with corporate practices and local requirements. In line with the undg Joint Programming Guidance Note, the scope of inter-agency cooperation is strengthened to cultivate new programme and geographical convergence.
- 6.3 Atlas contributes to timely, efficient delivery of activities and effective financial monitoring to manage projects and the UNDP programme.
- 6.4 All cash transfers to an Implementing Partner are based on the Annual Work Plans agreed between the Implementing Partner and UNDP.
- 6.5 Cash transfers for activities detailed in AWP can be made by UNDP using the following modalities:
1. Cash transferred directly to the Implementing Partner:
 - a. Prior to the start of activities (direct cash transfer), or
 - b. After activities have been completed (reimbursement);
 2. Direct payment to vendors or third parties for obligations incurred by the Implementing Partners on the basis of requests signed by the designated official of the Implementing Partner;
 3. Direct payments to vendors or third parties for obligations incurred by UN agencies in support of activities agreed with Implementing Partners.

[In countries where it has been agreed that cash shall be transferred to institutions other than the Implementing Partner (e.g., the Treasury) please replace with the following text]

- 6.6 Cash transfers for activities detailed in AWP can be made by a UN agency using the following modalities:
1. Cash transferred to the [national institution] for forwarding to the Implementing Partner:
 - a. Prior to the start of activities (direct cash transfer), or
 - b. After activities have been completed (reimbursement)
 2. Direct payment to vendors or third parties for obligations incurred by the Implementing Partners on the basis of requests signed by the designated official of the Implementing Partner.
 3. Direct payments to vendors or third parties for obligations incurred by UN agencies in support of activities agreed with Implementing Partners

Where cash transfers are made to the [national institution] the [national institution] shall transfer such cash promptly² to the Implementing Partner.

- 6.7 Direct cash transfers shall be requested and released for programme implementation periods not exceeding three months. Reimbursements of previously authorized expenditures shall be requested and released quarterly or after the completion of activities. The UNDP shall not be obligated to reimburse expenditure made by the Implementing Partner over and above the authorized amounts.
- 6.8 Following the completion of any activity, any balance of funds shall be reprogrammed by mutual agreement between the Implementing Partner and UNDP, or refunded.
- 6.9 Cash transfer modalities, the size of disbursements, and the scope and frequency of assurance activities may depend on the findings of a review of the public financial management capacity in the case of a Government Implementing Partner, and of an assessment of the financial management capacity of the non-UN Implementing Partner. A qualified consultant, such as a public accounting firm, selected by UNDP may conduct such an assessment, in which the Implementing Partner shall participate. (*Where Government wishes, add: The Implementing Partner may participate in the selection of the consultant*).
- 6.10 Cash transfer modalities, the size of disbursements, and the scope and frequency of assurance activities may be revised in the course of programme implementation based on the findings of programme monitoring, expenditure monitoring and reporting, and audits.
- 6.11 Resource mobilization efforts will be intensified to support the RRF and ensure sustainability of the programme. Mobilization of other resources in the form of cost sharing, trust funds, or government cash counterpart contributions will be undertaken to secure funding for the programme.

Part VII. Monitoring and Evaluation

- 7.1 Monitoring and evaluation of the CPAP will be undertaken in line with the UNDAF results matrix and monitoring and evaluation plan. The Government and UNDP will be responsible for setting up the necessary M&E mechanisms, tools and conducting reviews, in order to ensure continuous monitoring and evaluation of the CPAP, with the view to ensuring efficient utilization of programme resources as well as accountability, transparency and integrity³. The implementing partners will provide periodic reports on the progress, achievements and results of their projects, outlining the challenges faced in project implementation as well as resource utilization as

² The UN country team may wish to agree on the specific number of days in lieu of "promptly".

³ For more details, Cash Transfer Framework should be referred.

articulated in the AWP. The reporting will be in accordance with the procedures and harmonized with UN agencies to the extent possible.

<Examples of country-specific M & E special arrangements (this may not apply to all countries)>:

- The Millennium Development Goals Report (MDGR) that is developed for _____ (name of country) will serve as the primary means for reporting on UNDAF activities, complemented by the Annual Report and Workplan of the Resident Coordinator. A linkage will be established between the indicators used to measure UNDAF outputs and the contribution of these outputs to the achievement of the MDGs.⁴

7.2 Implementing partners agree to cooperate with UNDP for monitoring all activities supported by cash transfers and will facilitate access to relevant financial records and personnel responsible for the administration of cash provided by the UNDP. To that effect, Implementing partners agree to the following:

1. Periodic on-site reviews and spot checks of their financial records by UNDP or its representatives,
2. Programmatic monitoring of activities following UNDP's standards and guidance for site visits and field monitoring,
3. Special or scheduled audits. UNDP, in collaboration with other UN agencies (where so desired: and in consultation with the [coordinating Ministry]) will establish an annual audit plan, giving priority to audits of Implementing Partners with large amounts of cash assistance provided by UNDP, and those whose financial management capacity needs strengthening.

7.3 To facilitate assurance activities, Implementing partners and UNDP may agree to use a programme monitoring and financial control tool allowing data sharing and analysis.

Select from the following two options:

(Where an assessment of the Public Financial Management system has confirmed that the capacity of the Supreme Audit Institution is high and willing and able to conduct scheduled and special audits.)

7.4 The Supreme Audit Institution may undertake the audits of government Implementing Partners. If the SAI chooses not to undertake the audits of specific Implementing Partners to the frequency and scope required by UNDP, UNDP will commission the audits to be undertaken by private sector audit services.

(Where no assessment of the Public Financial Management Capacity has been conducted, or such an assessment identified weaknesses in the capacity of the Supreme Audit Institution.)

⁴ Pakistan CPAP

- 7.5 The audits will be commissioned by UNDP and undertaken by private audit services. (Where government insists on selecting the audit services, replace last sentence with: The Implementing Partner may select such a public accounting firm from a shortlist of accounting firms pre-approved by UNDP).
- 7.6 Assessments and audits of non-government Implementing Partners will be conducted in accordance with the policies and procedures of UNDP.

Part VIII. Commitments of UNDP

- 8.1 UNDP will ensure coherence between the CPAP/AWP, UNDAF results matrix and MDGs, including M & E reporting. Through annual reviews and periodic progress reporting, responsibilities between UNDP, the Government and implementing partners will be emphasized.
- 8.2 In case of direct cash transfer or reimbursement, UNDP shall notify the Implementing Partner of the amount approved by UNDP and shall disburse funds to the Implementing Partner in [here insert the number of days as per agency schedule].
- 8.3 In case of direct payment to vendors or third parties for obligations incurred by the Implementing Partners on the basis of requests signed by the designated official of the Implementing Partner; or to vendors or third parties for obligations incurred by UNDP in support of activities agreed with Implementing Partners, UNDP shall proceed with the payment within [here insert the number of days as per agency schedule].
- 8.4 UNDP shall not have any direct liability under the contractual arrangements concluded between the Implementing Partner and a third party vendor.
- 8.5 Where more than one UN agency provides cash to the same Implementing Partner, programme monitoring, financial monitoring and auditing will be undertaken jointly or coordinated with those UN agencies.

Part IX. Commitments of the Government

- 9.1 The Government will honor its commitments in accordance with the provisions of the Standard Basic Assistance Agreement (SBAA) of 11 April 1977. The Government shall apply the provisions of the Convention on the Privileges and Immunities of the United Nations agencies to UNDP's property, funds, and assets and to its officials and consultants. In addition the Government will accord to UNDP and its officials and to other persons performing services on behalf of UNDP, the privileges, immunities and facilities as set out in the SBAA (or other agreement in non-SBAA countries).
- 9.2 *In case of government cost-sharing through the CPAP, the following clauses should be included⁵:*
- i. The schedule of payments and UNDP bank account details.

⁵ The clearance of the Finance Division on these clauses is expected soon

- ii. The value of the payment, if made in a currency other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by the UNDP of the payment, the value of the balance of funds still held at that time will be adjusted accordingly. If, in such a case, a loss in the value of the balance of funds is recorded, UNDP shall inform the Government with a view to determining whether any further financing could be provided by the Government. Should such further financing not be available, the assistance to be provided to the CPAP may be reduced, suspended or terminated by UNDP.
- iii. The above schedule of payments takes into account the requirement that the payments shall be made in advance of the implementation of planned activities. It may be amended to be consistent with the progress of CPAP delivery.
- iv. UNDP shall receive and administer the payment in accordance with the regulations, rules and directives of UNDP.
- v. All financial accounts and statements shall be expressed in United States dollars.
- vi. If unforeseen increases in expenditures or commitments are expected or realized (whether owing to inflationary factors, fluctuation in exchange rates or unforeseen contingencies), UNDP shall submit to the government on a timely basis a supplementary estimate showing the further financing that will be necessary. The Government shall use its best endeavors to obtain the additional funds required.
- vii. If the payments referred above are not received in accordance with the payment schedule, or if the additional financing required in accordance with paragraph [vi] above is not forthcoming from the Government or other sources, the assistance to be provided to the CPAP under this Agreement may be reduced, suspended or terminated by UNDP.
- viii. Any interest income attributable to the contribution shall be credited to UNDP Account and shall be utilized in accordance with established UNDP procedures
- ix. In accordance with the decisions and directives of UNDP's Executive Board reflected in its Policy on Cost Recovery from Other Resources, the Contribution shall be subject to cost recovery by UNDP for two distinct cost categories related to the provision of support services, namely:
 - (a) Indirect costs incurred by UNDP headquarters and country office structures in providing General Management Support (GMS) services. To cover these GMS costs, the contribution shall be charged a fee equal to [specify a % no less than 5%].
 - (b) Direct costs incurred for implementation support services (ISS) provided by UNDP and/or an executing entity or implementing partner. As

long as they are unequivocally linked to the specific programme/project, these costs are built into the project budget against a relevant budget line and, in the case of clearly identifiable transactional services, charged to the project/programme according to standard service rates.

The aggregate of the amounts budgeted for the CPAP, together with the estimated costs of reimbursement of related support services, shall not exceed the total resources available to the CPAP under this agreement.

- x. Ownership of equipment, supplies and other properties financed from the contribution shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.
 - xi. The contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP
- 9.3 Mechanisms for participatory planning, monitoring and evaluation on the progress of the country programme involving civil society and other development partners will be implemented. The Government is also committed to organize periodic programme review, planning and joint strategy meetings and where appropriate, coordination of sectoral and thematic development partners groups to facilitate the participation of donors, civil society, private sector and UN agencies. In addition, the Government will facilitate periodic monitoring visits by UNDP staff and/or designated officials for the purpose of monitoring, meeting beneficiaries, assessing the progress and evaluating the impact of the use of programme resources. The Government will make available to UNDP in a timely manner any information about policy and legislative changes occurring during the implementation of the CPAP that might have an impact in co-operation.
- 9.4 A standard Fund Authorization and Certificate of Expenditures (FACE) report, reflecting the activity lines of the Annual Work Plan (AWP), will be used by Implementing Partners to request the release of funds, or to secure the agreement that UNDP will reimburse or directly pay for planned expenditure. The Implementing Partners will use the FACE to report on the utilization of cash received. The Implementing Partner shall identify the designated official(s) authorized to provide the account details, request and certify the use of cash. The FACE will be certified by the designated official(s) of the Implementing Partner.
- 9.5 Cash transferred to Implementing Partners should be spent for the purpose of activities as agreed in the AWP's only.
- 9.6 Cash received by the Government and national NGO Implementing Partners shall be used in accordance with established national regulations, policies and procedures consistent with international standards, in particular ensuring that cash

is expended for activities as agreed in the AWP, and ensuring that reports on the full utilization of all received cash are submitted to UNDP within six months after receipt of the funds. Where any of the national regulations, policies and procedures is not consistent with international standards, the UN agency regulations, policies and procedures will apply.

- 9.7 In the case of international NGO and IGO Implementing Partners cash received shall be used in accordance with international standards in particular ensuring that cash is expended for activities as agreed in the AWP, and ensuring that reports on the full utilization of all received cash are submitted to UNDP within six months after receipt of the funds.
- 9.8 To facilitate scheduled and special audits, each Implementing Partner receiving cash from UNDP will provide UNDP or its representative with timely access to:
- all financial records which establish the transactional record of the cash transfers provided by UNDP;
 - All relevant documentation and personnel associated with the functioning of the Implementing Partner's internal control structure through which the cash transfers have passed.
- 9.9 The findings of each audit will be reported to the Implementing Partner and UNDP. Each Implementing Partner will furthermore
- Receive and review the audit report issued by the auditors.
 - Provide a timely statement of the acceptance or rejection of any audit recommendation to the UNDP that provided cash (and where the SAI has been identified to conduct the audits, add: and to the SAI).
 - Undertake timely actions to address the accepted audit recommendations.
 - Report on the actions taken to implement accepted recommendations to the UN agencies (and where the SAI has been identified to conduct the audits, add: and to the SAI), on a quarterly basis (or as locally agreed).

Part X. Other Provisions

<Start sections with paragraph number 10.1 onwards>

- *States that this CPAP supersedes any previously signed CPAP;*
- *States that the CPAP may be modified by mutual consent of both parties*
- *States that nothing in this CPAP shall in any way be construed to waive the protection of UNDP accorded by the contents and substance of the United Nations Convention on Privileges and Immunities to which the Government is a signatory.*

- 10.1 This CPAP enters into force on the date signed by both Parties and in the case the CPAP is signed on different dates, then it shall enter into force on the date of the later signature. The CPAP shall continue in force until 31 December 2011.
- 10.2 This CPAP supersedes any previously signed CPAP between the Government of the Republic of Yemen and UNDP and may be modified by mutual consent of both parties on the recommendations of the joint strategy meeting.

IN WITNESS THEREOF the undersigned, being duly authorized, have signed this Country Programme Action Plan on this day [day, month, and year] in Sana'a, Republic of Yemen.

For the Government of the Republic of
Yemen

For the United Nations Development Programme
(UNDP – Yemen)

Signature: _____

Signature: _____

H.E. Mr. Abdul Karim Ismail Al-Arhabi

Flavia Pansieri

Minister of Planning and International
Cooperation

Resident Representative

Annex I: Country Programme Action Plan Results and Resources Framework

In developing the annex, UNDP and the Government are encouraged to use the logframe approach, by defining the results chain, the indicators, the means of verification, and the assumptions.

The Results and Resources Framework (RRF) constitutes the core of the CPAP. The CPAP RRF further elaborates the CPD RRF and is linked to the UNDAF results matrix. It spells out the key results that UNDP will be accountable for over the period of the programme cycle.

Annex: CPAP RESULTS AND RESOURCES FRAMEWORK

Pre-Poor Economic Growth

Expected UNDAF outcome #1: Enhanced environment for efficient sustainable use of resources leading to equitable, job creating growth in promising sectors, with strengthened focus on youth and women										
UNDP programme component	Expected Outcomes	Expected Outputs	Annualized Output targets and indicators	Implementing Partners	Indicative Resources by programme component (per year, US\$)					
					2003	2004	2005	2006	2007	Total
Pro-Poor Economic Growth	4.1 Strengthened and supportive economic policy, institutional framework and operating environment	4.4.1 Policy/programmes for implementation of macro and sectoral economic strategies agreed in 3 key areas, population dynamics/employment/private sector development.	<p>4.4.1 Targets</p> <ul style="list-style-type: none"> Double the amount of jobs held by women in private sector Move Yemen out of the group of countries with poor CPIA rating Increase value of savings/GDP by 30% <p>Indicators</p> <ul style="list-style-type: none"> Disaggregated unemployment rate Key economic governance indicators Savings and investment as percentage of GDP 	FAO, ILO, WB, UNIDO, UNDESA, IMF, USAID, EC, Dutch, DFID, Cent. Bank Yemen, Finance, Png./Int'l. Coop./ other Min., Ag. and Indus. Dev. Banks, MFIs, Chamber of Commerce	Regular Resources					
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	in economic activities	<p>4.2.3 Improved livelihoods for women through skill enhancement and participation in income-generating activities and micro-enterprises</p>	<p>enrolled in vocational centres</p> <ul style="list-style-type: none"> • Decrease unemployment rate among graduates by X% <p>Indicators</p> <ul style="list-style-type: none"> • Number of trainees in vocational centres broken down by age and sex • Unemployment rate amongst graduates of vocational training centres <p>4.2.3</p> <p>Targets</p> <ul style="list-style-type: none"> • Reduction of food insecure households to below 21% <p>Indicators</p> <ul style="list-style-type: none"> • Number of food insecure household 	<p>Other Resources</p>
	4.3	Productivity of small enterprises and small farmers improved, through equitable and sustainable access to resources and services for micro, small and medium enterprises (MSME), with special attention to the needs of young and female entrepreneurs	<p>4.3.2 Improved access to credit and marketing in rural households and MSMEs</p> <p>4.3.3 Focused support to enterprise development, through business incubators and trade capacity building</p>	<p>UNIDO, ILO, WFP, IFAD, UNCDF, UNHCR, WTO, ITC, UNEP, UNFPA, EC, USAID, DFID, Dutch, Cent. Bk Yemen, MFIs, Ag. Dev. Bank</p>
	4.4	Sustainable and equitable use of natural resources improved	<p>4.4.1 Enhanced national and local capacities for sustainable management of natural resources including water</p>	<p>Regular Resources</p> <p>Other Resources</p>

		<p>30%</p> <p>Indicators</p> <ul style="list-style-type: none"> • Degree of integration of EIA in developmental studies • Deforestation rates • Usage of alternatives to firewood/coal <p>4.4.2</p> <p>Targets</p> <ul style="list-style-type: none"> • National disaster management system is operational • Zero land mine victims by 2010 • 3.1 A further 1/3 of mined areas, consisting of all high and medium risk and 27% of low impact areas cleared by 2010 	<p>NGOs, ministries, WBCT UNCT ASSOCs., WHO, Demining Authority</p>	<table border="1"> <tr> <td colspan="4" style="text-align: center;"><i>Regular Resources</i></td> </tr> <tr> <td>TRAC1</td> <td></td> <td></td> <td></td> </tr> <tr> <td>TRAC2&3</td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="4" style="text-align: center;"><i>Other Resources</i></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </table>	<i>Regular Resources</i>				TRAC1				TRAC2&3				<i>Other Resources</i>											
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<p>4.4.2 Reduced risk from impact of natural and man-made disasters is reduced to enhance national security and stability of economic growth</p>	<p>Indicators</p> <ul style="list-style-type: none"> • 1 Existence of Disaster management plans • 2 Number of landmine victims • 3 Areas cleared of land mines 	<p>Civil Defense, NGOs, Ministry of Interior</p>	<table border="1"> <tr> <td colspan="4" style="text-align: center;"><i>Regular Resources</i></td> </tr> <tr> <td>TRAC1</td> <td></td> <td></td> <td></td> </tr> <tr> <td>TRAC2&3</td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="4" style="text-align: center;"><i>Other Resources</i></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </table>	<i>Regular Resources</i>				TRAC1				TRAC2&3				<i>Other Resources</i>												
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Annex: CPAP RESULTS AND RESOURCES FRAMEWORK

Good Governance

Expected UNDAF outcome #1: Enhanced transparency and accountability of public institutions and participation of all constituencies in systematic national and local decision-making within the scope of international treaties ratified by the Republic of Yemen

UNDP programme component	Expected Outcomes	Expected Outputs	Annualized Output targets and indicators	Implementing Partners	Indicative Resources by programme component (per year, US\$)					
					2003	2004	2005	2006	2007	Total
Fostering democratic governance: <i>Justice and human rights</i>	Improved institutional capacity within the Government of Yemen and civil society to ensure implementation of ratified human rights treaties	<ol style="list-style-type: none"> Strengthened legal/institutional capacities for promotion/ protection of human rights Capacity developed to meet international treaty obligations Increased capacity of public, CSO/NGOs/ Media to advocate for rights enshrined in international treaties 	<p>Targets:</p> <ul style="list-style-type: none"> 30% of the justice sector personnel are female A four-fold increase in the legal aid budget Increase number of functioning juvenile courts by 10 50% of courts have automated archive systems <p>Indicators:</p> <ul style="list-style-type: none"> Number of women working in the justice system Funding level for legal aid Number of juvenile courts established and functioning Number of courts with automated archives 	UNDP in collaboration with UNHCR and UNICEF, DFID, RNE working with Ministries of Justice, Interior, legal associations and traditional leaders	TRAC1					
					TRAC2&3					
Gender mainstreaming	Increased reflection of gender concerns in the allocation of public financial resources.	<ol style="list-style-type: none"> National laws modified in line with CEDAW provisions Improved access of women to both formal and traditional justice 	<p>Targets:</p> <ul style="list-style-type: none"> 60 female judges and 60 help desks for women in courts. Number of women voters increased by 50%; ten fold increase in female candidates; 	UNDP, UNFPA, WFP, UNICEF, UNHCR, Dutch, GTZ, Denmark, Japan, Women's National Committee	TRAC1					
					TRAC2&3					
					<i>Regular Resources</i>					
					<i>Other Resources</i>					
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	Social perception and attitude towards status and roles of women and men improved	<p>systems</p> <p>3. Strengthened monitoring of gender mainstreaming and the development of gender indicators in all UN programmes</p> <p>4. Increased active representation and participation of women in decision making political and social sectors</p> <p>5. Increased national and community level action to eliminate violence against women</p>	<ul style="list-style-type: none"> 15% of Parliament/ Shura/local council members women; 5 centers for victims of domestic violence. All social sector ministries/ two economic ministries use gender budgeting; 10 CSOs/ women's organizations monitor gender budgeting. 5 weekly programmes on gender issues; % of married 15-19-year-old women halved; society leaders/advocates promoting awareness campaigns. <p>Indicators:</p> <ul style="list-style-type: none"> Level of access of women to justice systems; Detailed monitoring gender mainstreaming/gender indicators for all UN programmes; Number of women participating in decision making, in political and social sectors; Actions taken to eliminate violence against women. Line ministries' capacity to apply, assess, and monitor gender differentiated budgets; capacity of women's organizations to monitor gender budgeting in development activities. Level of mobilization of Media/CSO networks to change gender role-perceptions; religious/political/traditional leaders/advocates promote status of women. 	<p>(WNC), Oxfam, WHO, FAO, ILO.</p>				
Parliament development	Enhanced national capacities to demand and deliver transparency and accountability of public officials	<p>The targets</p> <p>At least 3 major parliamentary committees have sufficient staff to raise a methodical investigation of the Government, follow up on corruption cases and communicate with the media</p>	<p>The targets</p> <p>At least 3 major parliamentary committees have sufficient staff to raise a methodical investigation of the Government, follow up on corruption cases and communicate with the media</p>	Parliament and Shoura councils	TRAC1	TRAC2&3	Regular Resources	Other Resources

			<p>A transparent information sharing system on cases of corruption</p> <p>The indicators Number of parliamentary support staff for monitoring transparency and accountability of public officials Number of reports on violations of public finance rules presented to Parliament and the public</p>																																				
UNDP programme component <i>Decentralization local governance and urban/rural development</i>	Expected Outcomes Improved government structures and mechanisms at both centralized and decentralized levels responding to citizens' needs and rights	Expected Outputs 1) National Decentralization Strategy (NDS) operational, with strong engagement of local authorities and civil society entities in managing and overseeing local development in a participatory and equitable way manner 2) An institutionalized system of participatory national and local development planning 3) Strengthened capacity for an effective fiscal decentralization that allows local districts to meet investment requirements and operational costs 4) Increased participation of children, youth and women as decision makers in decentralized governance	Annualized Output targets and indicators The targets Clarified mandate, related functional assignment and institutional structures of central sector ministries, governorates and districts A 20% annual increase in the number of districts producing participatory local plans and budgets The indicators Clarity of mandates and functional assignments of different levels of government Number of districts producing local plans and budgets through elected local councils The targets Documented and clear linkage of annual budgeting process with DPPR (MTEF) and MDGs at national level and in selected districts. At least 2/3 of donor assistance harmonized with the national plan and local plans in selected districts.	Implementing Partners <i>Decentralization local governance and urban/rural development</i>	Indicative Resources by programme component (per year, US\$) <table border="1"> <thead> <tr> <th>2003</th> <th>2004</th> <th>2005</th> <th>2006</th> <th>2007</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td colspan="6" style="text-align: center;"><i>Regular Resources</i></td> </tr> <tr> <td>TRAC1</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>TRAC2&3</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="6" style="text-align: center;"><i>Other Resources</i></td> </tr> </tbody> </table>					2003	2004	2005	2006	2007	Total	<i>Regular Resources</i>						TRAC1						TRAC2&3						<i>Other Resources</i>					
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			<p>The indicators Existence of MTEF-linked (Medium Term Expenditure Framework) annual budgets at national and local levels. The extent of donor harmonization with national and district development priorities</p> <p>The targets At least 20% of local elected positions are held by women At least 30% of local government employees are made up of women</p> <p>The indicators Number of women members in local elected bodies Number of women employed by local government bodies</p>				
Elections	Enhanced national capacities to demand and deliver transparency and accountability of public officials	Legal and institutional frameworks for ensuring fair and free multiparty elections strengthened	<p>The targets - Regular reporting of electoral violations to courts by 2011 - all needed adjustments in election law provisions are undertaken and endorsed</p> <p>The indicators - Number of electoral violation cases presented to courts - Number of election law provisions that need adjustment</p>	SCER, National Democratic Institute, CSOs, Media	TRAC1 TRAC2&3	Regular Resources Other Resources	
HIV/AIDS: Leadership capacity development to address HIV/AIDS	Improved capacities of authorities to meet obligations and of the public to demand their rights; better delivery of/access to quality social services including health, education, water/sanitation and social protection.	High-risk groups and vulnerable children and adolescents reached with health life-skills services, with a focus on reproductive rights and health, STIs, HIV/AIDS, qat and tobacco use in targeted areas			TRAC1 TRAC2&3	Regular Resources Other Resources	

