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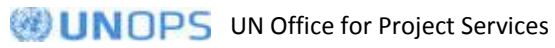
First Consolidated Annual Progress Report on Activities Implemented under the Yemen National Dialogue and Constitutional Reform Trust Fund (YNDCRTF)

**Report of the Administrative Agent of the YNDCRTF
for the Period 1 January - 31 December 2013**

Multi-Partner Trust Fund Office
Bureau of Management
United Nations Development Programme
<http://mptf.undp.org>

31 May 2014

PARTICIPATING ORGANIZATIONS



CONTRIBUTORS



Denmark



Department for International
Development (DFID)



Germany



Japan



Netherlands



Swedish International Development
Cooperation



European Union

DEFINITIONS

Allocation

Amount approved by the Steering Committee for a project/programme.

Approved Project/Programme

A project/programme including budget, etc., that is approved by the Steering Committee for fund allocation purposes.

Contributor Commitment

Amount(s) committed by a donor to a Fund in a signed Standard Administrative Arrangement with the UNDP Multi-Partner Trust Fund Office (MPTF Office), in its capacity as the Administrative Agent. A commitment may be paid or pending payment.

Contributor Deposit

Cash deposit received by the MPTF Office for the Fund from a contributor in accordance with a signed Standard Administrative Arrangement.

Delivery Rate

The percentage of funds that have been utilized, calculated by comparing expenditures reported by a Participating Organization against the 'net funded amount'.

Indirect Support Costs

A general cost that cannot be directly related to any particular programme or activity of the Participating Organizations. UNDG policy establishes a fixed indirect cost rate of 7% of programmable costs.

Net Funded Amount

Amount transferred to a Participating Organization less any refunds transferred back to the MPTF Office by a Participating Organization.

Participating Organization

A UN Organization or other inter-governmental Organization that is an implementing partner in a Fund, as represented by signing a Memorandum of Understanding (MOU) with the MPTF Office for a particular Fund.

Project Expenditure

The sum of expenses and/or expenditure reported by all Participating Organizations for a Fund irrespective of which basis of accounting each Participating Organization follows for donor reporting.

Project Financial Closure

A project or programme is considered financially closed when all financial obligations of an operationally completed project or programme have been settled, and no further financial charges may be incurred.

Project Operational Closure

A project or programme is considered operationally closed when all programmatic activities for which Participating Organization(s) received funding have been completed.

Project Start Date

Date of transfer of first instalment from the MPTF Office to the Participating Organization.

Total Approved Budget

This represents the cumulative amount of allocations approved by the Steering Committee.

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Executive summary

This First Consolidated Annual Progress Report on Activities Implemented under the Yemen National Dialogue and Constitution Reform Trust Fund (YNDCRTF) covers the period from 1 January to 31 December 2013. It reports on the implementation of the National Dialogue Conference (NDC) project, implemented by the United Nations Office for Project Services (UNOPS) and supported by the Office of the Special Adviser to the Secretary General on Yemen (OSASG).

This project provided support to the National Dialogue Secretariat (NDS) who was the national implementing government entity in this programme and was established to coordinate the NDC operational, technical support and communication/outreach.

The NDC was planned to conclude after six months, to be followed by a constitution drafting process. In the event, it took a further four months, until 25th January 2014, for the Conference to reach a conclusion. Further to this, Trust Fund contributions and pledges amounted to around \$18m, \$5m short of project budget of \$23.1m. It was therefore necessary to reorder spending priorities in favour of ensuring that the operational costs of an extended conference were met, this was achieved at the expense of resources planned to further communications, public participation and outreach.

At the end of this reporting period, the NDC had successfully concluded, in draft, upon a majority of the issues. These included some important and challenging outcomes on enhancing women's political participation as well as their social and economic rights, and on addressing the pertinent issues and confidence building measures of the southern questions. The SASG was in the process of facilitating dialogue and eventual agreement on the final points of contention that were blocking a comprehensive consensus on the outcomes, funded in part through this project.

1 Introduction

The YNDCRTF was established to support Yemen's national dialogue and constitution-making processes in October 2012. It is established in accordance with the Gulf Cooperation Council (GCC) Initiative and the Agreement on the implementation mechanism for the transition process in Yemen (the "Agreement") signed by both Yemeni sides on 23 November 2011, and in accordance with Security Council resolutions 2014 (2011) and 2051 (2012). The YNDCRTF was established under the sponsorship of the Government of Yemen (GoY) and the United Nations, represented by the Office of the UN Special Adviser of the Secretary-General on Yemen (OSASG), in consultation with the UN Country Team.

The YNDCRTF is administered by the United Nations Development Programme (UNDP) through its Multi-Partner Trust Fund Office (MPTF Office) on behalf of the Participating UN Organizations, as agreed with the Yemeni Government. As the Administrative Agent, UNDP prepares and submits annual consolidated narrative and financial reports to YNDCRTF donors and stakeholders, and maintains regular financial statements on the Fund's webpage on the MPTF Office GATEWAY (<http://mptf.undp.org/factsheet/fund/YEM00>).

This First Consolidated Annual Progress Report on Activities Implemented under the YNDCRTF covers the period from 1 January to 31 December 2013. In line with the Memorandum of Understanding signed by the MPTF Office and the Participating Organizations, the Annual Progress Report is consolidated based on information and data contained in the narrative progress reports and individual financial statements submitted by Participating Organizations to the MPTF Office. It is neither an evaluation of the YNDCRTF nor the MPTF Office's assessment of the performance of the Participating Organizations. However, the report does provide stakeholders with an overview of the achievements and challenges associated with the project funded by the Yemen NDCRTF, thereby enabling strategic decisions and mitigating measures, where applicable.

As of December 2013, the YNDCRTF received a total of US\$ 14.79 million in donor contributions from seven donors. As of 31 December 2013, the Administrative Agent had transferred a total of US\$ 14.63 million to UNOPS as the Participating Organization implementing the support to the National Dialogue secretariat, based on approval by the Steering Committee, as described in the Fund's Terms of Reference (TOR). As of December 2013, the financial expenditure reported by the UNOPs was US\$ 14.17 million or 97% of the allocated funds.

The MPTF Office expects that this first Consolidated Annual Progress Report will provide a basis on which to better assess future resource requirements and to advocate and mobilize additional funding in support of the goals articulated in the Fund's TOR. The MPTF Office also envisages that the report's detailed description of progress will provide the Government of Yemen, contributing partners, potential donors and other stakeholders with a comprehensive overview of the results achieved as of the end of the reporting period. The MPTF Office hopes this overview will contribute to a better understanding of the

YNDCRTF's role as a funding instrument in the UN's work to support the peaceful and concerted political transition in Yemen.

This report is presented in seven sections. Section 1 provides a brief introduction. Section 2 describes the background and context of operations funded by the YNDCRTF. Section 3 describes the overview of the support to the National Dialogue Conference (NDC) project and an assessment of its results; and Section 5 presents the YNDCRTF's financial performance and outlines the Fund's transparency and accountability framework.

2 Background and context

As called for in the Transition Agreement, the Secretary-General through his good offices is providing on-going assistance for the implementation of the transitional process in close cooperation with the international community. The Security Council resolution on Yemen (S/2012/2051), adopted on 12 June 2012, reaffirmed the need for the full and timely implementation of the Transition Agreement in accordance with resolution 2014 (2011), and "requests the Secretary-General to continue to coordinate assistance from the international community in support of the National Dialogue and transition, as stipulated in the Implementation Mechanism of the GCC Initiative".

At a time of significant opportunities and high stakes for Yemen's future, the programme represented the UN's commitment to deliver support as One, through coordinating other existing funds and the pooled resources, for stronger unity of purpose, increased effectiveness for Yemeni partners and donors alike. By bringing under one common approach the UN's support to both the National Dialogue, including the on-going preparatory phase, and the subsequent Constitutional process, the program was designed to promote coherence and continuity of efforts, and allow for greater flexibility in resource allocation.

The objective of the UN Integrated Programme was to support Yemeni efforts to organize and manage a Yemeni-led National Dialogue and Constitution-making process that is effective, transparent, inclusive, and participatory - thus contributing to a timely and successful completion of the second phase of the transition. The UN role in support of the transition was multi-faceted, and included a combination of facilitation and direct technical assistance to the National Dialogue, with support to large scale, Yemeni led outreach throughout the country to ensure that the process is transparent, inclusive, participatory and meaningful.

The integrated programme was designed to bring together the various mandates and capacities of the UN system and the Office of the Special Adviser to the Secretary General on Yemen around a coordinated set of interventions to assist Yemeni actors in their implementation of major milestones of the political transition. These include the provision of technical and political advisory services, support to the operations of the NDS, and outreach to various constituencies, including children/adolescents, women, Internally Displaced Peoples (IDPs), minorities and youth to ensure that the Dialogue is inclusive.

3 Support to the National Dialogue Conference

The Dialogue was divided in to three stages. The first stage included a 1st round of plenary sessions and was then followed by the 1st round of working group sessions which were completed without delays. The second stage included the midterm plenary sessions and was followed by a 2nd round of Working Groups.

The Conference was conducted with a high level of geographic, political and demographic inclusiveness. Ministers, tribal leader, independent youth and women, political activists from all political parties and movements including Houthis and some of the Hiraak sent representatives to attend the NDC. The conference was broadcast live on all national TVs and radio stations. Along with the launch, a promotional video was released, developed with the support of UNDP, which highlighted children's hopes for the future of the country and was broadcast on the national TV networks. The National Dialogue was widely publicised throughout the country across all media including TV, radio, outdoor media (banners, posters), and print.

Working Group sessions were informed by provision of 19 technical advisers and UN political officers. Responding to requests submitted by the NDC delegates and from the NDS, these experts provided briefings on thematic issues, facilitated informal discussions on the margins of the Conference, and prepared several background papers and briefing notes. Working Groups visited 18 out of 21 governorates (number of governorates rose to 22 in October 2013 when Socotra became a governorate), and conducted 274 consultations with over 13,000 people.

Only two Working Groups were able to submit their final report for the final plenary initially planned for 18th September. In view of the need to reach a comprehensive consensus on all of the key issues, the Conference continued and on 25 October President Hadi called for a final plenary to follows the third plenary. During this period there were temporary suspensions of participation by some political constituencies which caused the conclusion of the Conference to be pushed back until mid-January 2014. Under guidance and political facilitation of the SASG, and with resources from this project, a number of political facilitation initiatives were developed to resolve outstanding points of contention over the NDC outcomes. These included a new mechanism, the '8+8' sub-committee which was created to resolve the outstanding issues of contention around the southern issue.

Outcome 1: Implementation of the Agreement moves forward according to agreed timelines and steps, on the basis of quality technical, financial and administrative support.

Under this outcome of the project, the peaceful transitional process was to be facilitated operationally and supported technically throughout the period. The NDC was launched on 18th March 2013 and was supported by the NDS which was fully functioning by end of March 2013. Technical support was provided by the OSASG and other international counterparts to facilitate the Working Groups sessions through various means including facilitation of discussions, provision of working papers, manuals and some capacity building. On account of the extensions to the NDC there were additional demands on the operational costs under the budget of the project. Furthermore there was greater need for political facilitation by the Special Advisor to the Secretary General (SASG) and National Dialogue Secretary General (SGND), in cooperation with President Hadi to ensure participation of all political actors, and bringing the Conference to a successful conclusion. The Dialogue eventually ended on 25 January 2014, representing a huge step toward implementation of the GCC Initiative for a peaceful transition for Yemen.

The project built upon the preparatory phase work that was funded by the UN under the UN Peacebuilding Fund, which helped to pave the way for the establishment of the NDS in early 2013. With the support of UNOPS, the NDS was fully operational and provided logistical, technical and administrative support to the NDC and its Working Groups. As of 31 March 2013 91 positions for the NDS were filled and managed, including all those of significance to launch the National Dialogue and startup the conference sessions for the 565 delegates. As the NDS required additional people to work on the preparations of the conference, 72 volunteers assisted the NDS particularly in the areas of conference administration and outreach activities. By 30 June, 125 NDS staff were contracted by UNOPS with the complete version of the NDS structure, in addition to another 75 who were under service contracts for shorter term or volunteers. The NDS was operating in three locations: 1) the Movenpick Hotel (conference location); 2) Tourist City (close to the Movenpick Hotel); and 3) the co-located office with OSASG in Haddah.

The launch event was held on 18 March in the presidential palace. The NDS, with the support of the project, assisted the Presidential office to ensure the logistical and security services to facilitate the safe participation of high level Yemeni and international delegations. Security arrangements and measures were implemented during the event and the conference which included (60,000) security personnel deployed in Sana'a to secure the main locations and relevant areas and routes.

After the launch of the National Dialogue, the first round of Plenary sessions commenced on 19 March at the Movenpick Hotel and lasted for two weeks. Daily participation by up to 529 delegates and complemented by 200 representatives of the mass media and various national and international observer missions. On 1 April the NDS organized the elections for the chairs and deputy chairs of the nine Working Groups. Women were selected to chair three of the Working Groups. Technical support was provided throughout the preparatory phase by international experts deployed to conduct introductory sessions for the different constituencies present in the conference. To ensure efficiency of the Working Groups discussions and moving the working plan forward, interpreters were recruited for interpretation services

during the sessions with the experts deployed by the OSASG and Resident experts who were deployed by various International agencies to support the Working Groups. To help ensure the smooth functioning of the Working Groups and their ability to reach consensus in a timely manner, the NDS trained 30 facilitators, 19 of whom worked directly with the chairs and deputy chairs of the Working Groups in different phases in the NDC. 19 international experts were deployed to provide technical support to the Working Groups and the Consensus Committee as well as to assist in the preparations of the constitution-making process.

The Mid-Term Plenary was successfully launched on 8 June and lasted for four weeks. The launch event was held at the Presidential Palace while the remaining sessions were held in the NDC venue at the Movenpick Hotel. The Plenary was followed by a period of the 2nd round of Working Group sessions. Daily support was provided to ensure the smooth running of the sessions. Support included: provision of security, in-country travel of delegates, transport of volunteers, conference venue and related services, translation / interpretation, technical support (facilitators, national experts, working papers, studies, field visits to relevant entities, etc.). The Consensus Committee (CC) was also established in order to help the Conference to reach agreement on all issues of the conference, consisting of the Chairs of the Working Groups and NDC presidium, with operational and technical support under this project.

The 2nd round of the Working Groups was planned to be completed by 18 September. However, periodic suspensions of some of the political constituencies delayed this. Facilitated by the SGND and SASG agreements were reached that enabled resumption of full participation in the Working Groups. Some of the Working Groups managed to submit their reports as planned; Independent Institutions, Development, Good Governance, Rights and Freedoms and Army and Security, whilst the final three submitted their reports late.

A significant challenge to the closure of the NDC was reaching consensus on the Southern issue. Intensive mediation efforts by the President, SASG and SGND helped to facilitate the Just Solution Agreement on the southern issue, which contained core principles for the creation of a new federal state and provided for a mechanism to determine the specification of the federal regions during the immediate post-NDC period.

The final Plenary session was launched on 8 October but owing to ongoing efforts to reach consensus on some issues the name of the plenary was changed to the third plenary session. This enabled those Working Group reports that were already finalised to be presented for adoption, whilst the 8+8 sub-committee continued to secure consensus on outstanding items under the Southern issue. Working Groups voting on all reports was delayed until agreement on a consolidated outcome document. In the meantime, feedback on the working group reports was received and some provisions were modified with the assistance of the Consensus Committee. The third plenary concluded on 16 January 2014 with the adoption of the NDC outcome document and the NDC formally closed on 25 January 2014.

In order to service the prolonged Conference, UNOPS extended the contracts for venue and for all the related services (without unit cost increase). Furthermore, smaller contracts for services and logistical

support were provided to enable the Special Adviser to host thematic meetings with NDC delegates.

In order to spread the burden of the extended Conference among all supporting donors, including those outside of the Trust Fund, UNOPS reached out to USAID and their implementing partner IOM to mobilize additional funding. This covered approximately \$0.5m of conference-related expenditures for the period late December 2013 to early January 2014.

Outcome 2: The outcome of the Implementation of the Transition Agreement reflects an inclusive, transparent, meaningful and participatory process. (Indicators: Citizen participation in National Dialogue; Level of awareness; Outcome document and level of inclusion of stakeholder considerations; Disaggregated voter turnout at Constitutional referendum)

In mid-February 2013, the NDS established its Media Department and a Community Participation Unit. With the support of OSASG and international technical advice recruited under the project, this unit developed a comprehensive communication strategy for the NDC period for communications and media engagement, and public outreach, education and participation.

The strategy was divided and released in four phases to match each segment of the process. During the first phase (mid-February-31 March), the focus was on raising awareness about the NDC and winning the public acknowledgement of the dialogue as crucial means to the success of the overall transition. In the second phase (April-July), the priority was on keeping the public informed of the progress of the Working Groups meetings and lay the ground for community participation activities while continuing to educate the public on the NDC process and scope. In all these phases, particular attention was given to managing the expectations of the public, adapting the messaging to different audiences and regions, and mitigating/managing the challenges presented by a deeply distrustful population in the South and anti-NDC campaigns in some elements of the media.

During the third phase, the NDS started a campaign to promote the mid-plenary outcomes and to advocate for the final outcomes of the Conference, and continued its work providing and coordinating information and education to the public.

The final phase is planned to follow the closure of the NDC in 2014. It will aim to raise public awareness about the outcomes the NDC concluded and to explain how the NDC will feed into the next phases of the transition, the constitution making process and subsequent legislation and government policy development.

Under the communications pillar of the strategy, activity is commenced with creating a visual identity for the NDC and launching its online platforms (dedicated website and social media pages on Facebook, Twitter and YouTube). In parallel, 4 Radio flashes, 9 TV flashes and 4 TV generic animations were produced with help of UNOPS and UNDP. A first round of the outdoors campaign was also launched in 14 governorates with around 4700 m2 of billboards, lampposts and banners. Furthermore, 18 local banks placed the NDC logo on their ATMs and 3 bulk SMS were sent to 6.5 million users. In addition, and with the help of IOM, the NDS established a media centre at the conference venue, fitted with 20 working-

stations; high speed Internet and dedicated sets for televisions and radios. By the launch of the NDC on 18th March 2013, 720 journalists representing over 105 media outlets inside and outside Yemen were accredited.

Television was chosen as the main media tool used by the NDC communications and media department in this project on account of research that showed that over 80% of Yemenis reported using TV as their primary source of information. Live coverage of the plenaries was provided at the expenses of the NDS (with government/Saudi funds, not Trust Fund resources) as the state owned broadcaster, Yemen TV, declined to provide this free of charge. Over 1000 live hours were broadcast by 5 Yemeni channels and 1 regional news channel (Aljazeera Mubasher). During the first and the last plenaries, the number of channels broadcasting the proceedings live reached 13 (8 local and 5 Pan Arab). The NDS also produced over 175 TV flashes, 18 of which were developed in collaboration with UNDP (financed through a complementary peacebuilding project) and others were written with the assistance of NDI and UNOPS. Most of the flashes were dedicated to promote and explain the outcomes of the NDC. NDS also contracted Yemen TV to produce a daily news show dedicated to the Working Groups meetings. Over 35 episodes were produced and broadcasted on TV, NDC website and social media platforms.

With the help of UNOPS, a Media Unit was created within the media department to create a video archive of all meetings and plenaries held in the NDC, and to prepare a daily summary for broadcast on all local and international channels. The unit, equipped with 10 cameras with their crews, worked as news agency for the NDC and recorded over 7800 hours of meetings and dispatched around 300 such daily feeds.

The NDS' online and social media presence included its website, Facebook, a YouTube channel and a Twitter feed. The NDC news website (www.ndc.ye) was the primary source of all Dialogue news (including news from the Consensus Committee, Presidium and NDS) and received around 3 million single visits since its creation in March. The website produced over 5,000 articles in both Arabic and English, which were all accessible through the Facebook NDC page (more than 127,000 followers by the end of the dialogue) and on Twitter (6,500 followers).

The NDS, assisted by UNOPS, developed an SMS system with the aim to send bulk SMSs with final outcomes and NDC news. Previously, the NDS used other INGOs resources to send NDC related messages. The estimate number of Yemenis reached through this tool exceeded 20 million.

Radio was equally important to reach Yemeni people, particularly illiterate citizens and those living in rural and remote areas. Two national and 12 local radios ensured around 400 hours of live broadcast and offered air space for NDC dedicated flashes, talk shows and competitions. NDS produced more than 250 radio flashes around NDC: four flashes before the start of the NDC; 80 civic education programmes during the second phase of the communication strategy; 100 radio flashes to promote the 2nd plenary outcomes; and over 70 radio flashes to promote and explain the final outcomes. All these materials were produced in the different Yemeni dialects and broadcasted in the 14 national and local radio stations. In addition, two competition programmes around NDC issues were broadcasted by Sana'a and Yemen FM radios. While the

live broadcast of the plenaries was granted free of charge, the NDS covered production expenses and secured air space for most of other radio programmes and flashes.

As per print and online media, 3 campaigns aiming at advocating for the NDC outcomes were launched during different periods of the NDC. The campaigns targeted 38 newspapers and several websites, especially in the South. Print and online outlets were daily informed of the progress of the NDC works by a mailing list dispatched to around 1000 journalists and media organizations and through NDC website. Besides, a systematic monitoring of NDC reporting by newspapers and websites revealed that around 42,000 articles were produced over a year of dialogue, with a daily average of 120 articles.

Throughout the project, 102 Yemeni newspaper and news websites continued to regularly cover NDC and an average of 60 journalists were hosted daily in the conference venue and Media Centre. During some plenaries, this number increased to 150 journalists visiting the NDC venue daily. The Media centre also facilitated over 980 TV and 475 radio interviews and organized 14 press conferences given by the Special Adviser, the NDS and different NDC constituencies. The centre also facilitated dozens of hearing sessions, 5 town halls and numerous coordination meetings of Working Groups and constituencies.

Outdoor visual media campaigns were also used and this consumed a significant proportion of the budget allocated for media and communications. The 1st round targeted the main cities in 14 governorates including Aden, Al-Baidha, Lahaj and Al-Mukalla in the South. It started before the launch of the dialogue with around 18,000m² of billboards, lamp post and banners (part of it sponsored by public and private sectors). This did encounter some serious challenges in the South where around 70% of the outdoor materials were vandalised, destroyed or burnt. During subsequent rounds, the NDS adapted messaging that was more relevant to issues specific to the South and this resulted in less destruction of media with only 15% during the 2nd round and less than 1% during the last two rounds. The total of outdoors materials deployed with the help of UNOPS since the launch of the communication strategy exceeded 36.000 m².

To reduce the spending on the outdoors campaigns, NDS engaged different public and private institutions and provided them with designs and messaging. The response was very positive as over 31.000 m² of additional billboards and lampposts were printed and placed in different governorates in the North thanks to this engagement.

In addition, indoors' visibility materials were provided in the venue of the NDC and during community participation activities and field visits. Other printed materials were also made available before, during and after the NDC. Thus, over 12000 "dialogue-in-a-box" were printed and distributed to CSOs and the general public (each box included a guide of issues discussed by NDC, mechanism of decision reaching and some visibility material such as pens and pins). In addition, 20.000 brochures (Q&A about the NDC) were distributed during community participation activities.

During the NDC, 10000 thematic booklets were printed with the help of UNOPS. The booklets summarize the visions of different constituencies regarding the main issues discussed such as the Southern question, Saada issue and the structure of the State.

The artistic community was also engaged around the NDC. 12 songs praising the dialogue and the peaceful

transition in Yemen were produced and distributed to local TVs and radios. Furthermore, a “dialogue film festival” was organized with the help of UNOPS and witnessed the participation of around 50 young directors from both the South and the North.

With the help of OSASG, UNOPS and the active participation of IOM, the NDS provided a large range of community participation platforms and activities. Thus, 18 “dialogue tents” were established in 14 governorates and hosted face-to-face meeting and hearing sessions throughout 2013. Over 320 local CSOs were involved and around 3 million citizens took part in these activities. Prior to that, several orientation workshops and trainings on advocacy and dialogue facilitation were delivered to the partner CSOs.

The highlight of community participation activities remains though the launch of field visits during May and June 2013. Around 220 NDC delegates visited 18 governorates (plus Socotra Island) and met with local councils, governors and local authorities, unions, CSOs and ordinary citizens. In total, they organized 274 visits, 96 of which to governmental offices. The estimate number of Yemenis who participated in this operation exceeded 13,000. Full-scale media coverage (TV, radio print and online) was ensured for these field visits.

Furthermore, hundreds of submissions were received by the NDS either directly or through mail and social media. In total, around 500 booklets, paper works and reports were submitted in hand to NDS while another 1660 valid public contributions summarizing the views of over 35.000 citizens were received via email and Facebook.

The Community Participation unit also ensured access to local and international observers to attend NDC meetings and monitor the conference progress. In sum, these observers participated in over 320 sessions and meetings and some of them produced periodical reports reflecting their independent views and assessment of the conference progress.

Thanks to different partnerships with government entities and local CSOs, several activities aiming at engaging the public, were organized all over the country. One example of a fruitful partnership was with the Ministry of Islamic Affairs and Endowment. Four forums were organized in Sana’a and Aden with the participation of over 1500 Imams and scholars to encourage their support to the final outcomes of the NDC and their active participation in disseminating them to larger audience via mosques. Other partnerships were established with Ministry of Sports, Ministry of Tourism and the Sana’a Secretariat (the Mayor).

The implementation of the communications strategy faced numerous challenges. Some of them were related to difficult access to large areas in Yemen. The South was almost completely impermeable to direct communication activities because of the strong separatist and anti-transition feelings prevailing in the street. Other rural and tribal regions were inaccessible to face-to-face or community participation activities for security reasons or geographical isolation. The NDS tried to overcome security concerns through greater reliance on audiovisual media, particularly radio. However, these measures proved to be of limited effects on account of the high rate of illiteracy (62%) and constant power cuts.

The Civic Education component of the communication strategy could not be properly implemented all over the country despite all the efforts of NDS and UN partners. The NDS, with the help of UNDP, Berghof

Foundation and IOM, prepared dozens of videos and animations explaining the main issues discussed by the NDC and decision-reaching mechanism, but local media didn't dedicate sufficient programming to the same end. With their limited human and financial resources, local media focused on talk shows and paid little attention to explain the issues and mechanisms of the Dialogue to their audiences. NDS tried to overcome this obstacle by providing content and orientation to local media but were faced with exaggerated financial demands. Indeed, the lack of engagement of local media and their financial demands aborted or delayed some planned activities.

The communication strategy also faced challenges related to the duration of the Dialogue itself. From media perspective, the NDC was sometimes considered redundant and its outcomes to not appeal to the audience. From media strategy perspective, it's difficult to promote with consistent efficiency an event of such length or prevent the media from only focusing on sensational news. The NDS tried constantly to regenerate the interest in the process by being proactive and suggesting ideas, topics and formats to local media.

During the whole period, anti-NDC campaigns were launched. The NDS media team had to devise different contingency plans to face these malicious campaigns, particularly the attacks against the Just Solution Agreement for the South. NDS also devised an urgent communication plan for the President of the Republic and president of the NDS, which appeared to be effective and beneficial for the whole process.

The delay of NDC added to the complications faced in implementing the communications strategy. It contributed to strengthening the scepticism among the population and gave room for orchestrated propaganda campaigns to gain some popularity. The scepticism at the final stage of NDC was fed by the violence spread in different areas of the country (Saada and Sanaa in the North and Hadhramout and Dhale in the South). However, the successful end of the NDC created an incredible momentum and increased the trust of the public in the process.

Despite all these challenges, the NDS communications strategy managed to give a voice to large number of Yemenis and make all NDC related news accessible through various media. By doing so, it succeeded in translating 3 important principles of the NDC into reality: transparency, inclusiveness and meaningful participation.

4 Qualitative assessment

At the time of reporting, the project was on track in providing effective support towards realizing a Yemeni-led National Dialogue process that is inclusive, transparent and meaningful. As a core state building and peace building step in Yemen's transition, the timeline and content of the National Dialogue process have been subject to contest and some amendment, and have been affected by developments in the wider political and security context of Yemen. These political and security risks were anticipated at the outset of the project, and have been largely mitigated with support of political facilitation by NDS Secretary General and SASG utilizing resources under this project.

Overall coordination between donors and implementers within and outside the Trust Fund has been good. NDS has worked closely with all implementers to provide effective coordination and sequencing of inputs, particularly in the fields of communications and public outreach. Nonetheless the extent of support was limited by a number of factors. First, the contributions from donors were not all timely, this meant that plans were dropped for UN agencies to target specific marginalized groups with greater assistance to be able to engage with the political transition. Second, the extended timeframe of the Conference forced a reprioritization of NDS resources in favour of operations. Third, whilst the quality of coordination meetings was good, the frequency should have been higher and NDS could have improved coordination through developing, sharing and maintaining a matrix of donor/implementer plans.

A number of exercises have been completed or are underway which will be used to review the implementation of the National Dialogue process in Yemen and to inform the conduct of the Constitution Drafting process in 2014. These include an evaluation of the NDS organization structure conducted by GIZ, a 'Lessons Learned' exercise conducted by OSASG, and perceptions surveys.

There were also partnerships forged with relevant government institutions with regard to briefing and engaging with the NDC Working Groups and supporting the civic outreach, such as the NDS youth campaigns which included competitions, messages delivered in mosques, and the appointment of child ambassadors. Other initiatives to support and promote the NDC were sponsored by private sector institutions such as travel agencies, banks, restaurants, and oil companies, all were coordinated by the NDS. The Community Participation Unit of the NDS initiated a mapping of all public participation activities and actors. The aim was to measure the supporting efforts deployed by CSOs, government entities and INGOs to the Dialogue. The results of this exercise revealed that around 3 million Yemenis participated in approximately 3500 NDC related grassroots activities conducted by more than 300 CSOs, youth initiatives and government institutions.

5 Financial Section

2013 FINANCIAL PERFORMANCE

This chapter presents financial data and analysis of the Yemen NDCR TF using the pass-through funding modality as of 31 December 2013. Financial information for this Fund is also available on the MPTF Office GATEWAY, at the following address: <http://mptf.undp.org/factsheet/fund/YEM00>.

1. SOURCES AND USES OF FUNDS

As of 31 December 2013, six contributors have deposited US\$ 14,791,379 in contributions and US\$ 7,774 has been earned in interest,

bringing the cumulative source of funds to US\$ 14,799,153 (see respectively, Tables 2 and 3).

Of this amount, US\$ 14,632,000 has been transferred to one Participating Organizations, of which US\$ 14,167,363 has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ 147,914. Table 1 provides an overview of the overall sources, uses, and balance of the Yemen NDCR TF as of 31 December 2013.

Table 1. Financial Overview, as of 31 December 2013 (in US Dollars)*

	Annual 2012	Annual 2013	Cumulative
Sources of Funds			
Gross Contributions	355,372	14,436,007	14,791,379
Fund Earned Interest and Investment Income	-	7,774	7,774
Interest Income received from Participating Organizations	-	-	-
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other Revenues	-	-	-
Total: Sources of Funds	355,372	14,443,781	14,799,153
Use of Funds			
Transfers to Participating Organizations	-	14,632,000	14,632,000
Refunds received from Participating Organizations	-	-	-

Net Funded Amount to Participating Organizations	-	14,632,000	14,632,000
Administrative Agent Fees	3,554	144,360	147,914
Direct Costs: (Steering Committee, Secretariat...etc.)	-	-	-
Bank Charges	-	202	202
Other Expenditures	-	-	-
Total: Uses of Funds	3,554	14,776,562	14,780,115
Change in Fund cash balance with Administrative Agent	351,819	(332,781)	19,038
Opening Fund balance (1 January)	-	351,819	-
Closing Fund balance (31 December)	351,819	19,038	19,038
Net Funded Amount to Participating Organizations	-	14,632,000	14,632,000
Participating Organizations' Expenditure	-	14,167,363	14,167,363
Balance of Funds with Participating Organizations			464,637

* Due to rounding of numbers, totals may not add up. This applies to all numbers in this report.

2. PARTNER CONTRIBUTIONS

Table 2 provides information on cumulative contributions received from all contributors to this Fund as of 31 December 2013.

Table 2 does not include the contribution of the European Union, signed in 2013 but only disbursed in February 2014. The Standard Contribution Agreement signed with the EU amounts to 1.5 million Euro.

Table 2. Contributors' Deposits, as of 31 December 2013 (in US Dollars)*

Contributors	Prior Years as of 31-Dec-2012	Current Year Jan-Dec-2013	Total
DENMARK, Government of	355,372	-	355,372
DEPARTMENT FOR INT'L DEVELOPMENT (DFID)	-	5,673,957	5,673,957
GERMANY, Government of	-	1,990,950	1,990,950
JAPAN, Government of	-	1,000,000	1,000,000
NETHERLANDS, Government of	-	1,250,000	1,250,000
SWEDISH INT'L DEVELOPMENT COOPERATION	-	4,521,100	4,521,100
Grand Total	355,372	14,436,007	14,791,379

3. INTEREST EARNED

Interest income is earned in two ways: 1) on the balance of funds held by the Administrative Agent ('Fund earned interest'), and 2) on the balance of funds held by the Participating Organizations ('Agency earned interest') where their Financial Regulations and Rules allow return of interest

to the AA. As of 31 December 2013, Fund earned interest amounts to US\$ 7,774 with no interest received from Participating Organizations, bringing the cumulative interest received to US\$ 7,774. Details are provided in the table below.

Table 3. Sources of Interest and Investment Income, as of 31 December 2013 (in US Dollars)*

Interest Earned	Prior Years as of 31-Dec-2012	Current Year Jan-Dec-2013	Total
Administrative Agent			
Fund Earned Interest and Investment Income		7,774	7,774
Total: Fund Earned Interest		7,774	7,774
Participating Organization			
Total: Agency earned interest			
Grand Total		7,774	7,774

4. TRANSFER OF FUNDS

Allocations to Participating Organizations are approved by the Steering Committee and disbursed by the Administrative Agent. As of 31 December 2013, the AA has transferred US\$ 14,632,000 to one Participating Organizations (see list below).

Table 4 provides additional information on the refunds received by the MPTF Office, and the net funded amount for each of the Participating Organizations.

Table 4. Transfer, Refund, and Net Funded Amount by Participating Organization, as of 31 December 2013 (in US Dollars)*

Participating Organization	Prior Years as of 31-Dec-2012			Current Year Jan-Dec-2013			Total		
	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded
UNOPS				14,632,000		14,632,000	14,632,000		14,632,000
Grand Total				14,632,000		14,632,000	14,632,000		14,632,000

5. EXPENDITURE AND FINANCIAL DELIVERY RATES

All final expenditures reported for the year 2013 were submitted by the Headquarters of the Participating Organizations. These were consolidated by the MPTF Office.

5.1 EXPENDITURE REPORTED BY PARTICIPATING ORGANIZATION

As shown in table 5 below, the cumulative net funded amount is US\$ 14,632,000 and cumulative expenditures reported by the Participating Organizations amount to US\$ 14,167,363. This equates to an overall Fund expenditure delivery rate of 97 percent.

Table 5. Net Funded Amount, Reported Expenditure, and Financial Delivery by Participating Organization, as of 31 December 2013 (in US Dollars)*

Participating Organization	Approved Amount	Net Funded Amount	Expenditure			Delivery Rate %
			Prior Years as of 31-Dec-2012	Current Year Jan-Dec-2013	Cumulative	
UNOPS	14,632,000	14,632,000		14,167,363	14,167,363	96.82
Grand Total	14,632,000	14,632,000		14,167,363	14,167,363	96.82

5.4 EXPENDITURE REPORTED BY CATEGORY

Project expenditures are incurred and monitored by each Participating Organization and are reported as per the agreed categories for inter-agency harmonized reporting. In 2006 the UN Development Group (UNDG) established six categories against which UN entities must report inter-agency project expenditures. Effective 1 January 2012, the UN Chief Executive Board (CEB) modified these categories as a result of IPSAS adoption to comprise eight categories. All expenditure incurred prior to 1 January 2012 have been reported in the old categories; post 1 January 2012 all expenditure are reported in the new eight categories. The old and new categories are noted to the right.

Table 6 reflects expenditure reported in the UNDG expense categories. Where the Fund has been operational pre and post 1 January 2012, the expenditures are reported using both categories. Where a Fund became operational post 1 January 2012, only the new categories are used.

In 2013, the highest percentage of expenditure was on General Operating costs with 57% and Contractual Services with 22%.

2012 CEB Expense Categories	2006 UNDG Expense Categories
1. Staff and personnel costs	1. Supplies, commodities, equipment & transport
2. Supplies, commodities and materials	2. Personnel
3. Equipment, vehicles, furniture and depreciation	3. Training counterparts
4. Contractual services	4. Contracts
5. Travel	5. Other direct costs
6. Transfers and grants	6. Indirect costs
7. General operating expenses	
8. Indirect costs	

Table 6. Expenditure by UNDG Budget Category, as of 31 December 2013 (in US Dollars)*

Category	Expenditure			Percentage of Total Programme Cost
	Prior Years as of 31-Dec-2012	Current Year Jan-Dec-2013	Total	
Supplies, Commodities, Equipment and Transport (Old)	-	-	-	
Personnel (Old)	-	-	-	
Training of Counterparts(Old)	-	-	-	
Contracts (Old)	-	-	-	
Other direct costs (Old)	-	-	-	
Staff & Personnel Cost (New)	-	1,281,699	1,281,699	9.68

Suppl, Comm, Materials (New)	-	75,829	75,829	0.57
Equip, Veh, Furn, Depn (New)	-	100,951	100,951	0.76
Contractual Services (New)	-	2,988,704	2,988,704	22.57
Travel (New)	-	1,223,823	1,223,823	9.24
Transfers and Grants (New)	-	-	-	
General Operating (New)	-	7,569,266	7,569,266	57.17
Programme Costs Total	-	13,240,271	13,240,271	100.00
Indirect Support Costs Total	-	927,092	927,092	7.00
Total	-	14,167,363	14,167,363	

Indirect Support Costs: The timing of when Indirect Support Costs are charged to a project depends on each Participating Organization's financial regulations, rules or policies. These Support Costs can be deducted upfront on receipt of a transfer based on the approved programmatic amount, or a later stage during implementation.

Therefore, the Indirect Support Costs percentage may appear to exceed the agreed upon rate of 7% for on-going projects, whereas when all projects are financially closed, this number is not to exceed 7%.

6. COST RECOVERY

Cost recovery policies for the Fund are guided by the applicable provisions of the Terms of Reference, the MOU concluded between the Administrative Agent and Participating Organizations, and the SAAs concluded between the Administrative Agent and Contributors, based on rates approved by UNDG.

The policies in place, as of 31 December 2013, were as follows:

- **The Administrative Agent (AA) fee:** 1% is charged at the time of contributor deposit and covers services provided on that contribution for the entire duration of the Fund. In the reporting period US\$ 144,360 was deducted in AA-fees. Cumulatively, as of 31 December 2013, US\$ 147,914 has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ 927,092 was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ 927,092 as of 31 December 2013.
- **Direct Costs:** The Fund governance mechanism may approve an allocation to a Participating Organization to cover costs associated with Secretariat services and overall coordination, as well as Fund level reviews and evaluations. These allocations are referred to as 'direct costs'. In 2013, there were no direct costs charged to the Fund.

7. ACCOUNTABILITY AND TRANSPARENCY

In order to effectively provide fund administration services and facilitate monitoring and reporting to the UN system and its partners, the MPTF Office has developed a public website, the MPTF Office Gateway (<http://mptf.undp.org>). Refreshed in real time every two hours from an internal enterprise resource planning system, the MPTF Office Gateway has become a standard setter for providing transparent and accountable trust fund administration services.

The Gateway provides financial information including: contributor commitments and deposits, approved programme budgets, transfers to and expenditures reported by Participating Organizations, interest income and other expenses. In addition, the Gateway provides an overview of the MPTF Office portfolio and extensive information on individual Funds, including their purpose, governance structure and key documents. By providing easy access to the growing number of narrative and financial reports, as well as related project documents, the Gateway collects and preserves important institutional knowledge and facilitates knowledge sharing and management among UN Organizations and their development partners, thereby contributing to UN coherence and development effectiveness.