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# **Second 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 2014**

**Multi-Partner Trust Fund Office**  
Bureau of Management  
United Nations Development Programme

<http://mptf.undp.org>

31 May 2015

## PARTICIPATING ORGANIZATIONS



UN Office for Project  
Services



United Nations Children's  
Fund

## CONTRIBUTORS



DENMARK, Government of



DEPARTMENT FOR INT'L DEVELOPMENT  
(DFID)



EUROPEAN UNION



GERMANY, Government of



JAPAN, Government of



NETHERLANDS, Government of



QATAR, Government of



SWEDISH INT'L DEVELOPMENT  
COOPERATION



TURKEY, Government of

## 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.

## Abbreviations and Acronyms

AA	Administrative Agent
CC	Consensus Committee
CDC	Constitution Drafting Committee
CDP	Constitution Drafting Process
CMP	Constitution-Making Process
CPU	Community Participation Unit
CSO	Civil Society Organization
GCC	Gulf Cooperation Council
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GoY	Government of Yemen
HR	Human Resources
IDP	Internally Displaced Person
IFES	International Foundation for Electoral Systems
INGO	International Non-Governmental Organization
IOM	International Organization for Migration
IRF	Immediate Response Facility
MCU	Media and Communications Unit
MOU	Memorandum of Understanding
MPTF	Multi-Partner Trust Fund
NB	National Body (to Oversee the Implementation of the NDC Outcomes)
NDI	National Democratic Institute
NDC	National Dialogue Conference
NDS	National Dialogue Secretariat
OHCHR	Office of the High Commissioner for Human Rights
OSASG	Office of the Special Adviser to the Secretary-General
PBF	Peacebuilding Fund
TOR	Terms of Reference
ToT	Trainer of Trainers
UNDP	United Nations Development Programme
UNICEF	United Nation's Children Fund

UNOPS

United Nations Office for Project Services

YNDCRTF

Yemen National Dialogue and Constitutional Reform Trust Fund

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## Executive Summary

This Second Consolidated Annual Progress Report on Activities Implemented under the Yemen National Dialogue and Constitutional Reform Trust Fund (YNDCRTF) covers the period from 1 January to 31 December 2014. It reports on the completion of National Dialogue Conference (NDC) Project and the implementation of the Constitution Drafting Process (CDP) Project implemented by United Nations Office for Project Services (UNOPS) and United Nations International Children’s Fund (UNICEF) and coordinated by the Office of the Special Adviser to the Secretary General on Yemen (OSASG).

During 2014, the YNDCRTF had two projects that were both implemented in partnership with the National Dialogue Secretariat (“the Secretariat”). The first project is the NDC Project, which started early in 2013 and ended on 19 August 2014. The biggest accomplishment of this Project in 2014 was to support the successful conclusion of the National Dialogue Conference on 25 January, including the agreement of all delegates on a list of 1,800 National Dialogue Outcomes. The second project, the CDP Project, was initiated on 20 March 2014, however was not completed in 2014 due to the deterioration of the political situation. The biggest under the CDP Project was the successful facilitation and support of a UAE retreat where the Constitution Drafting Commission (CDC) was able to finalise a draft of the constitution, completed on 5 January 2015. The planned date for the submission of this draft was to be end of July 2014, however, was delayed due to ongoing political and security constraints, which interrupted the CDC work.

At the end of the reporting period, work on the draft Constitution was successfully concluded, and consensus was reached on a majority of issues. The Women quota, agreed upon through the NDC, was among others the most controversial issues during the drafting process. This project contributed to enhancing women’s political participation, social and economic rights, and on addressing other pertinent issues. The Special Advisor to the Secretary General (SASG) on Yemen and his office’s political and technical team provided technical and mediation assistance throughout the period, also funded in part through this project.

## 1 Introduction

The Yemen National Dialogue and Constitutional Reform Trust Fund (YNDCRTF) was established in October 2012 to support Yemen's national dialogue and constitution-making processes. It was 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, in accordance with Security Council resolutions 2014 (2011) and 2051 (2012). The YNDCRTF was established with 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 Second Consolidated Annual Progress Report on Activities Implemented under the YNDCRTF covers the period from 1 January to 31 December 2014. 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 represents 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 YNDCRTF, thereby enabling strategic decisions and mitigating measures, where applicable.

As of December 2014, the YNDCRTF received a total of US\$ 25.28 million in donor contributions from nine donors. As of 31 December 2014, the Administrative Agent had transferred a total of US\$ 20.53 million to United Nations Office for Project Services (UNOPS) as the Participating Organization administering the provision of support, including through the National Dialogue Secretariat (NDS), based on approval by the Steering Committee, as described in the Fund's Terms of Reference (TOR). As of December 2014, UNOPS' financial expenditures totalled US\$ 19.43 million, 95% of the allocated funds.

The MPTF Office expects that this Second Consolidated Annual Progress Report will provide a basis upon which future resource requirements may be better assessed and additional funding may be advocated and mobilized, to support the achievement of the YNDCRTF goals as articulated in the TOR. The MPTF Office also envisages that the report's detailed description of progress will provide the national authorities of Yemen, contributing partners, potential donors and other stakeholders with a comprehensive overview of



results achieved during the reporting period. The MPTF Office hopes the report will contribute to a better understanding of the YNDCR TF's role as a critical funding instrument within the UN's support to the peaceful and concerted political transition in Yemen.

This report is presented in five sections. Section 1 provides a brief introduction. Section 2 describes the purpose and context of operations funded by the YNDCR TF. Section 3 provides an overview of YNDCR TF's support to the National Dialogue Conference (NDC) project. Section 4 details the Constitution Drafting Process (CDP) project, providing an assessment of its results. Finally, Section 5 presents the YNDCR TF's financial performance and outlines the Fund's transparency and accountability framework.

## **2 Purpose and Context by December 2014**

The NDC succeeded in drawing participation from all significant stakeholders, including previously marginalized groups such as the Houthis, small political parties, civil society representatives, youth, women, and some elements of the Hiraak Southern Movement. It witnessed a genuinely open dialogue in which major political forces have shown a willingness to sit together and amend their positions on key issues in response to discussions. The support provided by the first YNDCR TF-funded project proved to be highly valuable in facilitating the complex NDC process and is an established model that should be followed for the CDP.

The NDC succeeded in reaching consensus on a number of important issues that will inform the CDP. While there were welcome signs of convergence on fundamental issues, some matters, notably the structure of the state, have been passed on to the CDC for their specific articulation within the Constitution. Given the fragility of the political consensus and the need for expert advice that draws on international best practices and lessons learned on both technical and process matters, international support to the constitution drafting process, on logistical and substantive levels, is critical to ensuring sustainable outcomes of the national process. Continuous public participation efforts will be another important ongoing element to building the nation charter of the NDC and maintaining consensus on NDC outcomes.

The UN, under the leadership of the Special Adviser to the Secretary-General, was mandated by the UN Security Council (S/RES/2014 (2011); S/RES/2051 (2012)), the Transition Agreement and by Presidential Decree, to lead international support to facilitate Yemen's transition. The OSASG has provided operational and political facilitation support to implementing the Transition Agreement since it was signed in November 2011.

The YNDCR TF funded two projects during the report period. The outcomes of the NDC project were outlined in the First Consolidated Annual Report and activities implemented in 2014 are presented in section 3 of this report.

The planned CDP Project outcomes were developed in early 2014 with the broader strategic objective of supporting a peaceful and inclusive democratic transition in Yemen. The Project started shortly after the establishment of the Constitution Drafting Committee (CDC) by Presidential Decree on 08 March 2014 and supported directly the work of the CDC, including through the NDS, now re-established as a smaller General Secretariat, still reporting to the President of Yemen and facilitating the work of both the CDC as well as the National Body to Oversee the Implementation of the National Conference Outcomes (the “National Body”).

While technical and operational support was made available upon request and in direct response to the requirements arising, the work of the CDC was affected by an increasing political and security crisis, based on Houthi opposition to the outcomes from a post-NDC Committee established by the President to agree on the number and coverage of regions, some popular dissatisfaction with the pace of implementation of specific NDC Outcomes, and likely exacerbated by spoilers to the political transition process per se. Milestones in the political development throughout 2014 included the establishment of a UN Sanctions Committee through UNSCR 2140 (26 February 2014), the Houthi take-over of the province of Amran in June and of Sana’a in late August 2014, as well as the signature of a UN-brokered Peace and National Partnership Agreement (PNPA) by 14 political parties and movements on 21 September 2014. The CDP Project continued to support the work of the CDC, including through public outreach and through the facilitation of retreats, such as the UAE co-sponsored retreat in late 2014 that led to the finalization of a first draft of the constitution at the end of 2014.

### **3 Support to the National Dialogue Conference (NDC)**

The NDC concluded in January 2014. Following this, the National Dialogue Secretariat (NDS) was downsized and reorganized to oversee post-NDC communications as well as form the Constitution Drafting Commission General Secretariat (the Secretariat). UNOPS continued to provide operational and logistical support throughout this phase, while OSASG provided technical support through the deployment of two international experts in planning processes to assist the Secretariat in finalizing a post-NDC communication strategy and plan. The experts provided lessons learned and comparative analysis from similar processes in different countries. A number of national consultants worked on categorizing the NDC outcomes, while also providing analysis on the main contradictory issues to develop the post NDC outreach booklet and guidelines.

Under this project, the Secretariat with a new mandate and fewer staff in both the Media and Communication Unit (MCU) and the Community Participation Unit (CPU), worked on the post-NDC communication plan. The following provides an overview of results achieved during the reporting period.

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

The focus of the project was to support post-NDC communications and an outreach phase. Under this outcome, the OSASG, UNOPS and the Secretariat provided technical and operational support to plan and implement the post-NDC communication plan. National and international consultants were deployed to assist the Secretariat in planning this phase and in creating guidelines and booklets for the post- NDC communication phase.

Another Secretariat project supported during the report period was the “Dialogue Story”, which collated and disseminated print and audio-visual products documenting the national dialogue process. The Dialogue Story was implemented in three phases: Phase 1 entailed data collection and a desk review for all NDC reports and publications; Phase 2 focused on the incorporation of international perspectives and quality control; and Phase 3 was the final production and dissemination of outputs, including a bilingual book, animated videos, thematic booklets and a series of documentaries.

UNOPS continued to provide operational support to the Secretariat and contracted 13 staff during the reporting period. In addition, OSASG deployed two international consultants for the month of March to assist the Secretariat in planning post-NDC communications as well as media and outreach plans for the constitution drafting process. These consultants worked in parallel with the Constitution Drafting Commission (CDC), sharing lessons learned and experiences from other countries who had engaged in similar processes.

***Outcome 2: “The outcome of the Implementation of the Transition Agreement reflects an inclusive, transparent, meaningful and participatory process.”***

During the report period, the MCU continued and the CPU began implementation of their outreach as part of post-NDC communications strategies, which included various communication activities that promoted NDC outcomes. The MCU and CPU also extended some of their ongoing projects.

With the support of two national experts, the CPU produced a Messaging Manual, which addresses the most controversial issues and provides guidance on agreed solutions proposed in the outcome document on topics such as quota, Sharia, federalism, elections, the southern question, military and security, independent entities, women and youth, and corruption.

Two workshops were conducted to define these issues with civil society organisations (CSOs), analysts, activists and partners. To ensure proper outreach by CSOs, delegates and activists, a manual on outreach was also developed, discussed and reviewed by 30 trainers from different governorates in a four-day workshop on outreach. This outreach manual was developed to be used in all subsequent Trainer of Trainers (ToT) sessions, and provided participants with guidance on public speaking, networking, planning

and negotiation. 170 CSO representatives, activists and NDC delegates attended four ToT trainings. The trainings were conducted in four regions: Aden, Al-Janad, Saba'a and Tihama, and the Capital.

By the end of the training sessions, the trained NDC delegates, CSO representatives and activists developed action plans to promote NDC outcomes by delivering sectorial trainings on NDC outcomes for specific groups (including religious individuals, the military, and CSOs among others), as well as organizing cultural and artistic festivals in all regions.

The CPU conducted several events to promote NDC outcomes for CSOs, women and activists from different constituencies in Sana'a. Another two festivals to promote NDC outcomes were coordinated and conducted by the Secretariat in Aden, targeting 800 participants. Two workshops in Aden were conducted on promoting NDC outcomes including transitional justice targeting youth and war victims in the south. Four workshops were conducted to engage CSOs, media, religious affiliations and military leaders in promoting the NDC outcomes, with around 80 participants from Taiz and Ibb governorates in the Janad region. In addition, a grant competition program was implemented nation-wide for youth initiatives for public events to promote NDC outcomes. The competition was held in all governorates except Shabwa due to security restrictions.

### Activities Implemented in 2014

#### TV and Radio:

- National TV stations broadcast NDC outcomes on the news ticker for hours daily, based on 237 selected NDC outcomes provided to them by the MCU.
- More than 50 flashes on selected NDC outcomes were broadcast on several national TV and radio stations.

#### Outdoor Campaign & visibility materials:

- The outdoor campaign focused on promoting “success” or affirmative messages on the NDC outcomes to promote public ownership of successes, and public investment in implementing NDC outcomes. Visibility materials cover the main northern and southern city streets, with full coverage on main roads, bridges, buildings and big junctions.

#### Print Materials:

- Through multiple partnerships with private sector and government entities, thousands of copies of the NDC outcome document were printed and distributed to CSOs and activists working to promote NDC outcomes.

#### Social Media:

- The number of NDC Facebook followers increased during the reporting period, exceeding 180,000 by June 2014. Followers of the NDC Twitter account exceeded 8,000.

#### Print and Web Media:

- The MCU continued to update the NDC website with news about promotional activities for the NDC outcomes, including those conducted by CSOs. There were more than 2,342 updates during over the course of 2014.
- 35 media publications were produced on thematic NDC outcomes, including analyses of how the outcomes will impact the future of Yemen. Publications were posted on the NDC website and published in various local newspapers and websites.
- 1,120 journalists, activists and others received updates on post-NDC outreach activities, and other NDC-related news, including the implementation of NDC outcomes.

#### SMS System:

- Using the SMS two-way system, daily texts on NDC outcomes were sent to the general public, reaching up to 60,000 subscribers.

#### Community Participation:

- The CPU continued its coordination role with CSOs and served as a focal point on the NDC. It also provided information as well as resources including the NDC outcomes document, the Year of Dialogue publication and thematic booklets among others.
- Two manuals were developed to promote NDC outcomes: A messaging manual focused on the main controversial outcomes and solutions; and an outreach manual on how to effectively conduct post-NDC outreach.
- 4 ToT sessions on NDC outcomes were conducted in 4 regions with 170 participants.
- CPU conducted various events in 4 governorates to promote NDC outcomes with more than 1,000 participants from different constituents, including women, youth and war victims in the south.

## 4 Constitution Drafting Process (CDP) in Yemen

Established by Presidential Decree 26/2014 on 8 March 2014, the CDC was composed of 17 members, including four women, an application of the women quota agreed to as one of the NDC outcomes). According to the Decree, the drafting of the constitution was to be followed by public consultations and a referendum within one year. The management structure of the Commission included a Chairperson, two Deputy Chairs and a Rapporteur. The Commission was also to be supported by a Secretariat, composed of 50 experienced members of the former NDC Secretariat. Experts in the field of constitutional law were called upon as needed to assist the Commission, either in person, or through the provision of papers for their consideration. By the end of 2014, the draft constitution was complete and on 5 January 2015, was submitted to the National Body.

In addition to the formulation of the CDC, the National Body (NB) was established on 14 April 2014 by another presidential decree. Composed of 82 members who were NDC delegates, one of the objectives of the NB was to review the draft constitution to ensure all relevant NDC outcomes were accurately reflected.

The Secretariat was supported through this Project to strengthen the country-wide communication of NDC outcomes and to implement a respective Outreach strategy and plan, utilizing a diverse set of media channels targeted to maximize coverage and inclusion. In this respect, during this reporting period, the Secretariat media and communication team launched two campaigns to promote the NDC outcomes. In addition, the Project also supported the NDS' planning of a Public Consultations campaign and later a referendum campaign.

### ***Outcome 1: Implementation of the CMP advanced according to agreed timelines and steps, on the basis of coherent technical, financial and administrative support***

The targeted progress under this outcome was achieved despite an extension of the timeline for the Constitution Drafting Process. Many external factors contributed to this delay, such as the lack of security and unstable political situation. After the formulation of the CDC, the NDS was restructured to form the new Secretariat to provide technical and operational support to the Constitution Process. With the support of UNOPS, the Secretariat provided operational support to the CDC's meetings, communications and outreach campaign. The project covered the Secretariat's staffing costs, office setup and deployment of 23 international experts who provided technical support to the CDC throughout the report period. Experts provided technical advice based on lessons learned from other constitutional processes in other federal systems. In addition to over 160 working papers and presentations in process design, communications, advice was provided on a range of constitution-making issues in a federal context, including foundational principles, finance and allocation of revenues among different tiers of government, rights and freedoms, and human rights.

The OSASG channeled the UN expert support and mainly focused on drafting the Bill of Rights. Without project funding but coordinated through the project, UNICEF and OHCHR experts contributed substantially to this document, which was shared in consultation with the CDC during the drafting process. The project supported facilitation needed to reach agreement on a format for the CDP, build consensus around politically sensitive issues, and strengthen engagement of key groups into the CDP, including women.

Established in early April, the first meeting of the NB was held in September. As the NB did not have a separate secretariat to provide operational support, it received support from the General Secretariat, although this had not been initially planned. This support included logistical and operational assistance. As the NB did not receive sufficient funding from the GoY, the Secretariat had to manage with reduced resources to cover the costs of NB meetings. By the end of 2014, the NB had held several meetings to agree on the rules, procedures, decision and voting mechanism among other guiding rules to inform their work on the draft constitution revision.

#### **Activities Implemented in 2014:**

When the NDC concluded on 25 January 2014, the NDS was restructured to form the CDC General Secretariat (the “Secretariat”). By March 2014, the new Secretariat was ready to provide the needed support for the CDC. UNOPS continued to provide the necessary operational, logistical and Human Resources (HR) support to the Secretariat throughout the year. In addition to assistance received by 23 international experts as noted above, the Secretariat worked with a number of national consultants on categorizing the NDC outcomes, as well as providing analysis on the most controversial issues to develop the post NDC outreach booklet and guidelines. During the third quarter, the Secretariat recruited facilitators through the International Organization for Migration (IOM) to assist the CDC in summarizing background papers and developing matrices of proposals from different working groups. The Secretariat also assigned ten full time staff to provide logistical and operational support for the CDC meetings and ensure the needed technical support is provided and media coverage for the CDC progress.

In April 2014, a two-week retreat to Taiz was held, supported by the Secretariat and OSASG, funded by the Peace Building Fund (PBF) through a complementary project. The retreat aimed to bring together the CDC members away from distractions to start planning the drafting rules, procedures and NDC constitutional outcomes to be included in the draft Constitution. Upon return from Taiz, the CDC continued to meet at the Republican Palace in Sana’a. Later, the Secretariat coordinated a two-week retreat to Berlin, funded by the German government. The purpose of the retreat was to build CDC members’ understanding of core topics and aspects of federalism to enable them to deliberate on, and eventually draft these elements in the constitution. 16 international experts provided technical advice and facilitation, which included working papers and presentations. Several international organizations participated in the deployment of the experts including the UN, the International Foundation for Electoral Systems (IFES), the World Bank, and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).

The CDC were ready to start drafting the constitution after the two preparatory retreats, and meetings were held on a daily basis at the Republican Palace in Sana'a. However, progress was insufficient due to the country's political and security situation, which affected the CDC work both directly and indirectly. In particular, the security situation deteriorated during the third quarter of the year with several terrorist attacks and assassinations of political and community figures. An outcome of this was that CDC members did not feel secure going to the Republican Palace and traveling to meetings on a daily basis. They were also distracted by the changes in the political arena affecting the process. Due to all the distractions, the President requested to move the CDC meetings to the Moevenpick Sana'a hotel to give the members more time for the meetings and provide the members with more stable conditions and accommodation, if needed. Progress in the drafting was notably moving forward after this, however, more complications and security hazards started occurring in the Capital and by late September the meetings were again brought to a hold. Again, the CDC meetings needed to be moved to a safer location, more conducive to productive sessions and progress on the draft.

Coordinated by the OSASG, a final 2014 retreat was funded by the UAE government. The retreat was intended to take approximately 6 weeks, starting on 22 October, but ended up lasting two and a half months. Retreat objectives were: to conclude deliberations around controversial issues by reaching agreement on them; to finalize the first draft of the constitution; and to finalize the technical and editorial review of the constitution. The Secretariat, through UNOPS, provided operational and logistical support for the retreat. OSASG ensured UN Political Officers' attendance at the meetings to provide mediation support where needed. This was in addition to numerous constitution and technical experts who ensured the needed technical advice, including through preparation and provision of relevant working papers and background papers.

The focus of the final phase of the drafting process was on the chapters on independent institutions, public finance, rights and freedoms, the judiciary, the legislative authority, the executive authority, police and armed forces, and on land, water and the environment. While drafts had been completed by the end of September, unresolved issues were not resolved until December when the Special Adviser joined the retreat to facilitate and mediate deliberations. The draft was completed in late December and formatting of the document for submission to the President and NB was concluded by 5 January 2015.

The OSASG, UNOPS and the Secretariat ensured that the support of the Constitution Process was well coordinated. Throughout the year, the OSASG held bilateral meetings with member states and YNDCRTF donors to mobilize resources. As part of a complementary project, the OSASG, UNOPS, UNICEF, and OHCHR received USD\$ 2 million from another funding source, the PBF's Immediate Response Facility (IRF), to cover 25% of the initial project approved for the YNDCRTF. Due to the close interrelation between the two interventions, results outlined in this report reflect outputs from both projects (i.e. approximately 25% covered by the PBF IRF project). The IRF fund was crucial to keeping the project on track at times when there was not enough funding available within the YNDCRTF.



The YNDCR TF Inter-agency working group met throughout the year to ensure coordination among UN agencies to support the process. In the meantime, the Secretariat also held complementary bilateral meetings to coordinate and mobilize both process and technical support. Technical support provided by other international organizations such as IFES, GIZ, the World Bank, and Berghof Foundation, were coordinated by the Secretariat.

***Outcome 2: “The outcome of the Implementation of the Transition Agreement reflects an inclusive, transparent, meaningful and participatory process”***

During 2014, with operational and logistical support from UNOPS, the Secretariat implemented their outreach and communication strategy to promote the NDC outcomes and prepare for the constitution campaign and public consultation phase. The Secretariat received operational and technical support from UNOPS and OSASG as well as from other international organizations including the National Democratic Institute (NDI) to plan and implement the strategy. During this period, the focus was on promoting NDC outcomes through media and community outreach activities throughout the governorates. Assigned coordinators in the field oversaw the implementation of all activities conducted by CSOs and other youth initiatives.

The Secretariat’s strategy entailed different phases, which at some points ran in parallel. The first phase was the NDC outcomes outreach, which was repeatedly extended due to the prolonged drafting process. The second phase was the constitution awareness phase, which started in December 2014 in anticipation of the public consultations, which as the third phase, was planned to commence in early 2015. Campaigns aimed to cover all governorates to ensure all people from all regions were aware of the process and the different issues resolved in the NDC, to reduce the risk of the public’s rejection of the final constitution due to a lack of understanding. While conducting activities on the ground, the Secretariat and its partners documented the different reactions to deliberated issues and outcomes, to inform the next phase of promotion and enhance messaging by bringing all layers of the community to consensus on the issues which could potentially turn the public against the process. By the end of the year, a comprehensive plan was ready for activities entailed in the remaining phases.

**Activities Implemented in 2014:**

The Secretariat started to implement the Media and Communication strategy for the NDC outcomes and constitution in the second half of the reporting period. Working with local and international partners, the Secretariat coordinated all outreach activities on NDC outcomes. In the first two quarters, the Secretariat worked on developing manuals for the outreach and guidelines to promote for NDC Outcomes for the most deliberated issues. Several ToTs were conducted to ensure outreach was comprehensive and efficient. The campaign was launched in September with the slogan: "Matlabi is to implement the NDC outcomes", and campaign launching ceremonies took place in 4 governorates.

Billboards of the campaign were installed in all governorates. The campaign also focused on the traditional TV and radio media outlets. 40 Radio flashes and 50 TV flashes were produced and broadcasted in all national TV stations and Radio stations for the last half of 2014. The Secretariat ensured daily coverage of the CDC meetings and news updates were circulated and shared with all national TV stations and circulated to a list of +1,350 journalists. News tickers were running on four national TV stations, posting updates on the CDC progress and selected NDC outcomes. The NDC website continued to serve as a source to provide updates on the CDP and NDC outcomes promotion. The OSASG deployed an international expert to assist the Secretariat in planning the communication and outreach and to provide lessons learned from other constitutional process on the public consultation phase. Two manuals were developed for community promoters to promote the NDC outcomes. One was designed for preachers, the other was focused on outcomes related to women's rights. Other outreach activities were coordinated by the Secretariat in partnership with CSOs. Three operettas were produced by the Secretariat and youth artists to be used in the "Matlabi" campaign.

At the end of the reporting period (December 2014), 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. The process has also 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, in 2014, have been largely mitigated with support of political facilitation by the NDS Secretary General and the OSASG, utilizing resources under this project.

## 5. Financial Performance

This chapter presents financial data and analysis of the Yemen NDCR TF using the pass-through funding modality as of 31 December **2014**. Financial information for this Fund is also available on the MPTF Office GATEWAY, at the following address: <http://mptf.undp.org/factsheet/fund/YEM00>.

### 5.1 SOURCES AND USES OF FUNDS

As of 31 December **2014**, **9** contributors have deposited US\$ **25,228,890** in contributions and US\$ **22,799** has been earned in interest, bringing the

cumulative source of funds to US\$ **25,251,689**.

Of this amount, US\$ **20,529,806** has been transferred to **1** Participating Organization, of which US\$ **19,430,036** has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ **235,980**. Table 1 provides an overview of the overall sources, uses, and balance of the Yemen NDCR TF as of 31 December **2014**.

**Table 1. Financial Overview, as of 31 December 2014 (in US Dollars)**

	Annual 2013	Annual 2014	Cumulative
<b>Sources of Funds</b>			
Gross Contributions	14,436,007	10,437,511	25,228,890
Fund Earned Interest and Investment Income	7,774	15,025	22,799
Interest Income received from Participating Organizations	-	-	-
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other Revenues	-	-	-
<b>Total: Sources of Funds</b>	<b>14,443,781</b>	<b>10,452,536</b>	<b>25,251,689</b>
<b>Use of Funds</b>			
Transfers to Participating Organizations	14,632,000	5,897,806	20,529,806
Refunds received from Participating Organizations	-	-	-
<b>Net Funded Amount to Participating Organizations</b>	<b>14,632,000</b>	<b>5,897,806</b>	<b>20,529,806</b>
Administrative Agent Fees	144,360	88,066	235,980
Direct Costs: (Steering Committee, Secretariat...etc.)	-	-	-
Bank Charges	202	162	364
Other Expenditures	-	16,309	16,309
<b>Total: Uses of Funds</b>	<b>14,776,562</b>	<b>6,002,344</b>	<b>20,782,459</b>
<b>Change in Fund cash balance with Administrative Agent</b>	<b>(332,781)</b>	<b>4,450,192</b>	<b>4,469,230</b>
Opening Fund balance (1 January)	351,819	19,038	-
<b>Closing Fund balance (31 December)</b>	<b>19,038</b>	<b>4,469,230</b>	<b>4,469,230</b>

Net Funded Amount to Participating Organizations	14,632,000	5,897,806	20,529,806
Participating Organizations' Expenditure	14,167,363	5,262,673	19,430,036
<b>Balance of Funds with Participating Organizations</b>			<b>1,099,770</b>

## 5.2 PARTNER CONTRIBUTIONS

Table 2 provides information on cumulative contributions received from all contributors to this Fund as of 31 December 2014.

**Table 2. Contributors' Deposits, as of 31 December 2014 (in US Dollars)**

Contributors	Prior Years as of 31-Dec-2013	Current Year Jan-Dec-2014	Total
DENMARK, Government of	355,372	1,004,016	1,359,388
DEPARTMENT FOR INT'L DEVELOPMENT (DFID)	5,673,957	1,610,047	7,284,003
EUROPEAN UNION	-	1,996,080	1,996,080
GERMANY, Government of	1,990,950	-	1,990,950
JAPAN, Government of	1,000,000	1,001,149	2,001,149
NETHERLANDS, Government of	1,250,000	1,315,789	2,565,789
QATAR, Government of	-	1,000,000	1,000,000
SWEDISH INT'L DEVELOPMENT COOPERATION	4,521,100	2,410,430	6,931,530
TURKEY, Government of	-	100,000	100,000
<b>Grand Total</b>	<b>14,791,379</b>	<b>10,437,511</b>	<b>25,228,890</b>

## 5.3 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 2014, Fund earned interest amounts to US\$ 22,799 and interest received from Participating Organizations amounts to US\$ -, bringing the cumulative interest received to US\$ 22,799. Details are provided in the table below.

**Table 3. Sources of Interest and Investment Income, as of 31 December 2014 (in US Dollars)**

Interest Earned	Prior Years as of 31-Dec-2013	Current Year Jan-Dec-2014	Total
<b>Administrative Agent</b>			
Fund Earned Interest and Investment Income	7,774	15,025	22,799
<b>Total: Fund Earned Interest</b>	<b>7,774</b>	<b>15,025</b>	<b>22,799</b>
<b>Participating Organization</b>			
<b>Total: Agency earned interest</b>			
<b>Grand Total</b>	<b>7,774</b>	<b>15,025</b>	<b>22,799</b>

## 5.4 TRANSFER OF FUNDS

Allocations to Participating Organizations are approved by the Steering Committee and disbursed by the Administrative Agent. As of 31 December **2014**, the AA has transferred US\$ **20,529,806** to **UNOPs** as Participating Organizations.

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 2014 (in US Dollars)**

Participating Organization	Prior Years as of 31-Dec-2013			Current Year Jan-Dec-2014			Total		
	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded
UNOPS	14,632,000		14,632,000	5,897,806		5,897,806	20,529,806		20,529,806
<b>Grand Total</b>	<b>14,632,000</b>		<b>14,632,000</b>	<b>5,897,806</b>		<b>5,897,806</b>	<b>20,529,806</b>		<b>20,529,806</b>

## 5.5 EXPENDITURE AND FINANCIAL DELIVERY RATES

All final expenditures reported for the year **2014** were submitted by the Headquarters of the Participating Organizations. These were consolidated by the MPTF Office.

### 5.5.1 EXPENDITURE REPORTED BY PARTICIPATING ORGANIZATION

As shown in table below, the cumulative net funded amount is US\$ **20,529,806** and cumulative expenditures reported by the Participating Organization amount to US\$ **19,430,036**. This equates to an overall Fund expenditure delivery rate of **95** percent.

**Table 5. Net Funded Amount, Reported Expenditure, and Financial Delivery by Participating Organization, as of 31 December 2014 (in US Dollars)**

Participating Organization	Approved Amount	Net Funded Amount	Expenditure			Delivery Rate %
			Prior Years as of 31-Dec-2013	Current Year Jan-Dec-2014	Cumulative	
UNOPS	20,529,806	20,529,806	14,167,363	5,262,673	19,430,036	94.64
<b>Grand Total</b>	<b>20,529,806</b>	<b>20,529,806</b>	<b>14,167,363</b>	<b>5,262,673</b>	<b>19,430,036</b>	<b>94.64</b>

### 5.5.2 EXPENDITURE BY PROJECT

Table 5 displays the net funded amounts, expenditures reported and the financial delivery rates by Participating Organization.

**Table 6. Expenditure by Project within Sector, as of 31 December 2014 (in US Dollars)**

Sector / Project No.and Project Title		Participating Organization	Total Approved Amount	Net Funded Amount	Total Expenditure	Delivery Rate %
<b>Yemen NDCR TF</b>						
00085672	Yemeni National Dialogue Conference	UNOPS	16,795,171	16,795,171	16,790,524	99.97
00089815	Yemen Constitution Drafting Process	UNOPS	3,734,635	3,734,635	2,639,512	70.68
<b>Yemen NDCR TF: Total</b>			<b>20,529,806</b>	<b>20,529,806</b>	<b>19,430,036</b>	<b>94.64</b>
<b>Grand Total</b>			<b>20,529,806</b>	<b>20,529,806</b>	<b>19,430,036</b>	<b>94.64</b>

### 5.5.3 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. Effective 1 January 2012, the UN Chief Executive Board (CEB) modified previous categories as a result of IPSAS adoption to comprise eight categories.

**Table 7. Expenditure by UNDG Budget Category, as of 31 December 2014 (in US Dollars)**

Category	Expenditure			Percentage of Total Programme Cost
	Prior Years as of 31-Dec-2013	Current Year Jan-Dec-2014	Total	
Staff & Personnel Cost (New)	1,281,699	4,215,085	5,496,784	30.27
Suppl, Comm, Materials (New)	75,829	44,477	120,305	0.66
Equip, Veh, Furn, Depn (New)	100,951	652,138	753,089	4.15
Contractual Services (New)	2,988,704	4,411,682	7,400,386	40.75
Travel (New)	1,223,823	280,084	1,503,906	8.28
Transfers and Grants (New)	-	-	-	
General Operating (New)	7,569,266	(4,685,079)	2,884,186	15.88
<b>Programme Costs Total</b>	<b>13,240,271</b>	<b>4,918,386</b>	<b>18,158,657</b>	<b>100.00</b>
<sup>1</sup> Indirect Support Costs Total	927,092	344,287	1,271,378	7.00
<b>Total</b>	<b>14,167,363</b>	<b>5,262,673</b>	<b>19,430,036</b>	

<sup>1</sup> **Indirect Support Costs** charged by Participating Organization, based on their financial regulations, can be deducted upfront or at a later stage during implementation. The percentage may therefore appear to exceed the 7% agreed-upon for on-going projects. Once projects are financially closed, this number is not to exceed 7%.

## 5.6 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 **2014**, 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\$ **88,066** was deducted in AA-fees. Cumulatively, as of 31 December **2014**, US\$ **235,980** has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ **344,287** was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ **1,271,378** as of 31 December **2014**.

## 5.7 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.