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### ANNEX

## **Neighbourhood, Development and International Cooperation Instrument (NDICI) – Global Europe**

### **Further Exceptional Assistance Measure regarding Yemen**

#### **1. IDENTIFICATION**

Action: Further Support to the Peace Support Facility for Yemen

Action Reference: NDICI CR 2023 / 35

Cost: EUR 2 763 965 (European Union (EU) contribution).

Budget Line: 14 02 03 10

Duration: Further EAM Maximum 18 months

Lead service: FPI

#### **2. ACTION SUMMARY**

Nine years on from the start of the conflict, Yemen continues to suffer from one of the world's worst humanitarian crises. The military escalation in the Red Sea, exacerbated by the war in Gaza, is having dire economic consequences worldwide, including serious disruptions in global supply chains, and is undermining current efforts to bring Yemen's war to an end. This 18-month measure builds on previous EU contributions to the United Nations (UN) Peace Support Facility for Yemen both under the Instrument contributing to Stability and Peace and the NDICI Rapid Response Pillar. Established in the aftermath of the December 2018 Stockholm agreement, the Peace Support Facility was created to support the UN-led peace process under the guidance of the UN Secretary General's Special Envoy to Yemen with the objective to reach a sustainable peace agreement. As part of the confidence-building measures contributing to the Yemeni peace process, the UN launched a two-phased operational plan aimed at mitigating the threats emanating from the floating storage and offloading unit (FSO) *Safer*. Drawing upon the success of the first phase, this measure will support the second phase of the UN-led operation ensuring its successful completion.

#### **3. BACKGROUND AND RATIONALE**

##### **3.1 BACKGROUND**

In the ninth year of war, Yemen continues to suffer from one of the world's worst humanitarian crises. Tens of thousands of civilians have been killed or injured and public infrastructure

throughout the country has been severely damaged or destroyed. The military escalation in the Red Sea, exacerbated by the war in Gaza, is having dire economic consequences worldwide, including serious disruptions in global supply chains, and is undermining current efforts to bring Yemen's war to an end.

An inclusive and sustainable peace remains the only viable course of action to restore stability in Yemen and to end the suffering of the Yemeni population. The EU is committed to continue its efforts in support of the peace process in Yemen, focusing on empowering stakeholders on all levels to engage in a comprehensive and inclusive dialogue.

Established to support the implementation of the 2018 Stockholm Agreement, the Peace Support Facility for Yemen (the Facility) serves the purpose of supporting the peace process by accelerating the implementation of agreements reached by the parties to the conflict. In 2022, the Facility redefined its strategic direction, leading to the initiation of the second phase in the first quarter of 2023, which will continue to both support the UN-facilitated confidence-building measures between the parties to the conflict and lay the foundations for an inclusive political process under UN-auspices aimed at achieving durable peace across Yemen.

As part of the confidence-building measures contributing to the Yemeni peace process, the UN launched a two-phased operational plan aimed at mitigating the threats emanating from the FSO *Safer*, a converted oil tanker moored about nine kilometres off the coast of the Hodeidah Governorate in Yemen which contained an estimated 1.14 million barrels of oil. The ongoing war in Yemen brought production, as well as regular maintenance operations of the vessel, to a halt causing a deterioration of its structural integrity and prompting fears of a major oil spill which would have resulted in catastrophic humanitarian, environmental, economic and health consequences with lasting effects in Yemen and throughout the region.

In response, the UN launched a two-phased operational plan aimed at mitigating the threats emanating from the FSO *Safer*. The first phase of the plan was completed on 11 August 2023 when the oil was successfully transferred from the FSO *Safer* to the replacement vessel. However, while the oil transfer averted the worst-case scenario of a catastrophic spill, the decaying vessel still represents a residual environmental threat, and will eventually break apart if no further action is taken. This measure will contribute to the second phase of the UN-led operation ensuring its successful fulfilment, and serve as an incentive for parties to reach an agreement as part of a formal peace process.

### **3.2 RATIONALE FOR CRISIS RESPONSE ACTIONS UNDER THE RAPID RESPONSE PILLAR OF THE NEIGHBOURHOOD, DEVELOPMENT AND INTERNATIONAL COOPERATION INSTRUMENT**

The current conflict situation in Yemen constitutes a situation of crisis, constituting an exceptional and unforeseen situation in the sense of Article 4(4) (a) of the NDICI Regulation. An adequate response cannot be provided under any other European Union Instrument due to the urgency with which the funds are required and due to available resources already being firmly committed.

Annex IV, paragraph 1, second paragraph, points (a) and (g) of Regulation (EU) 2021/947 specifically provides for the use of the NDICI rapid response pillar to support, (a) through the provision of technical and logistical assistance, efforts undertaken by international, regional and local organisations and by State and civil society actors in promoting confidence-building, mediation, dialogue and reconciliation, transitional justice, women's and youth empowerment,

in particular with regard to community tensions and protracted conflicts, and (g) measures necessary to start the rehabilitation and reconstruction of key infrastructure, housing, public buildings and economic assets, and essential productive capacity, as well as other measures for the re-starting of economic activity, the generation of employment and the establishment of the minimum conditions necessary for sustainable social development.

**3.3 RISKS AND ASSUMPTIONS**

<b>Risk</b>	<b>Impact</b>	<b>Mitigating measures</b>
<b>Security risks</b>	High	<p>The situation both nationally and regionally is extremely volatile with the political and security situation changing rapidly.</p> <p>Monitoring of the situation will be ensured on a daily basis to adapt the implementation plans to the changing security situation. If the situation becomes too dangerous, activities will be suspended until the situation stabilizes and allows for implementation without putting at risk any staff members and beneficiaries.</p>
<b>Political and reputational risks</b>	Medium	<p>The Facility management will need to place considerable efforts on mitigating risks that could undermine the political process. The activities of the Facility will be closely coordinated between the UN Special Envoy, the Resident Coordinator, the UNDP Resident Representative and the donors. Their regular engagement will be essential to ensure that the Facility is welcomed by the parties and supported by key stakeholders.</p>
<b>Operational risks</b>	Low	<p>The Facility will rely on the engagement and support of a team of world-leading experts in maritime law, oil spill, salvage operations, engineers, naval architects, chemists and surveyors to identify and mitigate any operational risks.</p>

**4. OBJECTIVES**

**4.1 OVERALL OBJECTIVE**

The overall objective of the action is to support the UN Peace Support Facility for Yemen in its efforts to reach a sustainable peace.

## 4.2 SPECIFIC OBJECTIVES

- 4.2.1 To support the peace process in Yemen by accelerating the implementation of confidence-building measures and agreements reached by the parties to the conflict during negotiations led by the UN Secretary General's Special Envoy to Yemen.

## 5. ACTION COMPONENTS AND EXPECTED RESULTS

The main expected results/outcomes include:

**Expected Result (1):** Initiatives agreed by the parties and/or identified by the Special Envoy to further support broad peace efforts and build public support for the political process are implemented.

Activities (indicative):

- 5.1.1 Support the implementation of the second phase of the FSO *Safer* UN-led operation, encompassing, inter alia, the installation of a buoy to which the replacement vessel will be safely connected, and the towing, scrapping and safe recycling of the FSO *Safer*.

## 6. IMPLEMENTATION

### 6.1 IMPLEMENTATION MODALITIES

The Commission will ensure that the appropriate EU rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures<sup>1</sup>.

#### 6.1.1 Indirect management with a pillar assessed entity

This action may be implemented in indirect management with the United Nations Development Programme (UNDP). This implementation entails managing and implementing the UN Peace Support Facility for Yemen, with an aim to support the peace process in Yemen by accelerating the implementation of agreements reached by the parties to the conflict during negotiations led by the UN Secretary General's Special Envoy to Yemen, and in particular, to the second phase of the UN-led operation aimed at mitigating the risks emanating from the FSO *Safer*. The envisaged entity has been selected using the following criteria: the UN's unique role in the Yemeni peace talks and operational capacity on the ground and UNDP's specific mandate to manage the Facility.

### 6.2 INDICATIVE BUDGET

The total European Union contribution under this Financing Decision **will not exceed EUR 2 763 965**. A breakdown among components is provided hereunder, and is indicative.

#### Indicative budget breakdown

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

Components	EU contribution (amount in EUR)	Indicative third party contribution, in currency identified
Component 1: Further Support to the Peace Support Facility for Yemen – SAFER Salvage Operation Project, composed of 6.1.1 – Indirect management with UNDP	2 763 965	N.A.
Total	2 763 965	N.A.

### 6.3 ORGANISATIONAL SET-UP AND RESPONSIBILITIES

The action shall be implemented under indirect management. It will be devolved and sub-delegated to the **European Union Delegation in Yemen**, with the support of the Commission for the conclusion of the contracts implementing the action.

### 6.4 PERFORMANCE AND RESULTS MONITORING AND REPORTING

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final report. Each report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and outcomes) as measured by corresponding indicators, using as reference the Logframe matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

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

### 6.5 EVALUATION

Having regard to the nature of the action, an evaluation will not be carried out for this action or its components.

The Commission may, during implementation, decide to undertake such an evaluation for duly justified reasons either on its own decision or on the initiative of the partner.

The financing of the evaluation shall be covered by another measure constituting a financing decision.

### 6.6 AUDIT

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

The financing of the audit shall be covered by another measure constituting a financing decision.

## **6.7 COMMUNICATION AND VISIBILITY**

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

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

The 2022 “Communicating and Raising EU Visibility: Guidance for external actions” reference document shall be used to establish the appropriate contractual obligations.

## **7. COMPLEMENTARITY, COORDINATION AND FOLLOW-UP**

This action complements ongoing and planned actions funded through the Instrument contributing to Stability and Peace as well as through the Neighbourhood, Development and International Cooperation Instrument – Global Europe (NDICI), particularly within the triple nexus with emphasis on supporting the UN-led peace process. Overall, this initiative complements, supports and coordinates with ongoing initiatives by the UN Special Envoy to Yemen. Coordination and complementarity will be ensured with other ongoing development activities currently funded by the Directorate-General for International Partnerships (DG INTPA) and humanitarian actions funded by Directorate-General for European Civil Protection and Humanitarian Aid Operations (DG ECHO).

Overall coordination of this action will be ensured by UNDP, notably through Steering Committees where the EU will be represented.