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Republic of Yemen

Social Fund for Development

SFD'S RESPONSE
TO THE
AFTERMATH OF
2011 IN YEMEN
THROUGH
TEMPORARY
EMPLOYMENT
AND OTHER
STRATEGIES

March 2012

Contents

Scope of the Strategy Paper.....	4
PART I.....	5
1 Background.....	5
1.1 Prevalence of Poverty Prior to crisis	5
1.2 SFD's Role:-	8
1.2.1 SFD as a part of the SSN.....	8
1.2.2 SFD's Establishment and Mandate.....	8
1.2.3 Overall Achievements (Phase I to III).....	8
1.2.4 How SFD managed and responded during crisis.....	8
Part II	11
2 Refinement of SFD4 plan.....	11
2.1 SFD's reponse Strategy	11
2.1.1 Acceleration, Diversification and Expansion of SFD's Labor Intensive and Job Creation programs:-.....	12
2.1.2 Modalities of Implementation	13
2.1.3 Urban Interventions:.....	15
2.1.4 Implementation Plan:.....	16
2.1.5 Results Framework.....	17
2.1.6 Institutional Capacity of the LIWP Program to cope with new modalities.....	17
2.2 Monitoring & Evaluation arrangements.....	18
2.3 Malnutrition Programs:.....	18
2.4 State Building and Social Harmonization:.....	19
2.5 Initial refinement / Contribution of Other SFD Programs to employment through labor intensification:	19
2.5.1 Education Sector emergency program.....	20
2.5.2 Health Sector	20
2.5.3 Water & Environment	21
2.5.4 Rainfed Agriculture & Livestock Project (RALP).....	21
2.5.5 Training & Organization Support.....	21
2.5.6 SMED & SMEPS	22
2.6 Coordination with Stakeholders & Other SSN Components.....	22
2.7 SFD's response strategy and Funding:	25
2.8 Conclusions	26

Annexes..... 28

Annex 1. Summary of LIWP activities and contribution of other SFD's programs over next 4 years (2012-2015)..... 28

Annex 2. Implementation Plan 31

Annex 3. Revised Results Indicators..... 33

Annex 4. Risks & mitigation measures 35

Annex 5 Distribution of Funds by Sectors 36

Annex 6: Funding for SFD IV 37

Scope of the Strategy Paper.

With the relative calming / end to the 2011 crisis, a vast array of needs are emerging, some of purely humanitarian nature that would need immediate and urgent response such as issues of loss of employment, food insecurity, severe malnutrition, Internally Displaced Persons, while others, need to be addressed in the short and medium term such as issues of State Building, Good Governance, Social Harmonization.

As SFD4 programs aim mainly at continued improvement of the poor's access to basic services and provision of their prioritized needs as well as provision of income and work opportunities that are among the post crisis priorities, SFD will still be accountable to essentially achieve its fourth phase objectives. However, SFD can – with some refinement of its 2011-2015 plan- use its diversified programs, flexibility, operational experience, outreach capacity to play a role as part of the national response in some of the new pressing relevant fields of interventions. This refinement is the subject of this paper. Nevertheless, the content of this paper should not be perceived as a comprehensive review of SFD4 plan, it is rather a statement of SFD's response to the emerging needs with special focus and elaboration on the temporary employment while maintaining the same development objectives of SFD4.

In addition to the Creation of rapid, short term, medium and long term employment, 3 other areas of interventions are initially identified for SFD's response to the crisis impact:

- Food security & Nutrition.
- Rehabilitation of damaged relevant infrastructure¹
- State building and social harmonization.

This paper will capture mainly and in a more elaborated manner the employment element, being a main output of interventions in SFD's operations since its establishment. However, the initial directions of SFD's intended interventions in the other areas will be stated briefly and wherever possible incorporated in each relevant section.

The paper therefore highlights modifications made in the implementation modalities of the LIWP, budget implications so as to enable creation of more temporary jobs during 2012 & 2013, implementation arrangements and the revised results framework.

The paper also briefly touches on SFD's other sectors contribution to creation of temporary employment and other immediate response programs that need to be funded and scaled up to meet the various immediate and complementary needs especially those pertaining to enabling creation of Job Opportunities for the Youth such as the RAWFD and SMEPS programs.

¹ Related to SFD's typical areas of interventions

PART I

1 Background

1.1 Prevalence of Poverty Prior to crisis

Yemen is predominantly a rural country 73% of Yemenis live in rural areas while 84% of poor live in rural areas making poverty by and large a rural phenomenon. ²

In accordance with the WB Poverty Assessment of 2007, between 1998 and 2006 urban poor declined from 32% to 20.7 % while rural poor declined from 42% to 40% only, with a national prevalence of 34.8%

The impact of high food and fuel prices and global financial crisis has significantly reversed the gains in poverty reduction. According to IFPRI's³ findings 2010, the national prevalence has increased to 42.8% while rural and urban poverty have increased to 47.7% and 29.9% respectively. The reader is referred to the Comprehensive Food Security Survey (CFSS) conducted by the WFP Graph 4-1 and 4-2 for interesting information on Poverty Prevalence at the National, Governorate and Urban comparison between 2005/6 and 2010.

According to the NFSS,⁴ food insecurity affects 32.1 percent of the population in Yemen, i.e. 7.5 million do not have enough food. The phenomenon is more widespread in rural areas than in urban areas—37.3 percent in rural compared with 17.7 percent in urban areas.

More than half of all food-insecure households (52.2 percent) are engaged in making a living from the following livelihoods: wage labor (agricultural and non-agricultural); crop and livestock production; reliance on the receipt of in-country remittances, family support and social benefits; and livestock trading. (CFSS)

- ***Main coping strategies:***

Rural poor households depend on a number of diverse activities that collectively help in mitigating food insecurity mainly for the rural poor, such as that include small scale agriculture for daily subsistence, livestock production for monetary income, remittances from migration of adult males to urban centers or abroad⁵. While urban poor survival is more cash based making them vulnerable for more severe shocks under similar situations.

- ***How these have been affected by the crisis***

Before the country could recover or even start to cope with the 3 F's, (food , fuel and financial crisis) in early 2011 a new internal turmoil has led to economic stagnation, increasing poverty not only by number of poor households but also poverty depth. Although too early to assess the numbers /statistics, it is of a general consensus amongst development actors in Yemen that the

² Coping Strategies in Rural Yemen-WB Report

³ International Food Policy Research Institute

⁴ National Food Security Strategy

⁵ Coping Strategies in Rural Yemen.

situation is extremely dire, poverty is rampant, living conditions have deteriorated and food insecurity has increased.

The impact of the crisis on the urban economic stalemate (lack of security, fuel and electricity led to closure of many small enterprises) has resulted in significant increase in unemployment amongst workforce be it skilled, semi skilled or unskilled labor. While some are able to cushion the short term effects majority of unskilled labor have been driven to the brinks of poverty. The loss of income is being passed on to the rural poor and food insecure households who are heavily dependent on remittances. Urban centers most affected include Sanaa city, Taiz, by the conflict Aden , Shabwa and parts of Hadharamut due to the IDP's from Abyan.

- ***Situation after the crisis – how did the crisis exacerbate the situation***

There is no doubt that the crisis and its aftermath has led to aggravation of the poverty situation in Yemen. No accurate data / updated figures are currently available on the percentage increase in rural and urban poverty, but it is indisputably agreed that unemployment has risen to highly significant levels, food insecurity has increased from 2010 levels, resulting in families going into deeper poverty traps, rendering all efforts in lifting them rather ineffective. (**Quantitative** studies have are being undertaken by the WFP, results are not made public, Oxfam and UNICEF have also conducted surveys.

According to the UNICEF press release “A year of Yemen's turmoil has exacerbated the number of malnourished children under the age of five to around 750,000”. A recent survey conducted by UNICEF for Hodeida governorate during last quarter of 2011 came up with the following statistics “With regard to food insecurity, approx. one in seven families had been forced to reduce the children's meal size; one in eight families had been forced to reduce the children's number of meals, and one in 12 children went to bed hungry during the preceding month”.

Although the survey was for Hodeida, malnutrition is pervasive in most governorates especially amongst rural households.

The SFD (TOSU) conducted during Nov 2011, a **rapid qualitative assessment** of the impact of the crisis on the livelihoods of the poor segment of the communities. The study was based on setting hypothesis of the key poverty outcomes expected and hence verifying using focal group discussions with communities, community leaders and local authorities in 20 governorates (for security reasons Aljawf could not be accessed)

The preliminary findings of the study-as reflected below shed light on key outcomes that could be used as proxy indicators to assess the gravity of the situation on the poor communities especially in terms of increase in Food Insecurity.

Exorbitant prices of food, domestic gas and potable water, due to increase in fuel prices (domestically), intermittent shortages of fuel and lack of security in delivering goods.

- ***Depletion of productive assets***

Food insecure families have mostly reverted to disposing whatever meager assets they had possessed in the form of livestock and personal belongings to meet most pressing needs mainly purchase of basic food and decreasing expenditures on other services such as health, education ..etc.

- ***Increase in unemployment*** especially in urban areas. Due to closure / slow production in the private sector, majority of employees of all categories, skilled, semi skilled and unskilled

have been made redundant. Unskilled labor has been further hit by the stagnation of the construction industry. Stagnation of government development projects, local authorities sub-sector projects. Rural households depending on remittances have been severely affected by lack of income.

- **General Stagnation of the economy** from all perspectives of economic growth. How long will it take to pick up again is a question that may be difficult for all actors to predict for the time being.

- **Reversed Migration from Urban to rural areas.**

A new phenomenon has emerged of urban/ rural migration mainly caused by lack of security in urban areas and lack of employment causing an additional burden to rural households, hence increasing the food insecurity situation. Loss of income / malnutrition

Additional burden on rural women to cope with lack of income, high prices of food, domestic gas and drinking water are all borne by rural women, who need to collect wood for cooking and walk long distances to collect water.

Internally Displaced Persons (IDP's)

Exodus from some governorates has caused IDP's to be in an extremely dire situation with no shelter, no income and meager food sources and in many cases inability of International Aid to reach them. They cause additional burden on the local population. Exodus is to governorates that are already in the poorest governorates such as Lahej and Shabwa

- **Other Effects of the Crisis:**

- **Health Services** have been adversely affected in a considerably manner due to inadequate operational budget, lack of staffing, lack of electricity / fuel to operate clinics and hospitals. Households lack of income to spend on health services in addition to exorbitant transportation costs to health clinics.
- **Education sector** has also been adversely affected by the crisis for several reasons some rather unexpected such as using schools as military barracks or shelter for the IDP's, physical destruction of some school buildings. Other reasons include male students dropping out to look for work to help support families, families not being able to afford transportation costs, intermittent closure of schools for security reasons, families displaced or moving from some neighborhoods to others has disrupted children school attendance.
- **Agriculture Sector**

Impact of hike in fuel prices and its intermittent shortages on agriculture sector has led to a significant increase in prices of local produce such as cereal, vegetables, fruits, and animal fodder. In addition to increase in transportation costs making access to local markets not economically feasible. This has in turn affected agriculture labor who are predominantly women who hence have lost labor wages.

1.2 SFD's Role:-

1.2.1 SFD as a part of the SSN

Together with the Social Welfare Fund, the Public Works Project, the Disability Fund and the Agricultural Production and Fisheries Promotion Fund and other ingredients, SFD is part of and represents a major element of the Social Safety Net, rather than providing cash transfers (social assistance), the Social Fund for Development focuses on pro poor long term development through Community and Local Development, Capacity building, Small and Micro Enterprise Development, as well as Labor Intensive Works Programs, as such, supporting provision of basic services while substantially providing income through temporary employment as well as longer term income opportunities.

1.2.2 SFD's Establishment and Mandate

Since its establishment under the Law No. 10 of 1997, SFD was mandated to play a pro poor developmental role. Over its operational history, it accumulated a considerable experience in a wide range of much needed interventions that called for continuation and more capacity building as well as knowledge transfer at the community, local and central levels. This was reflected in the participatory designed SFD4 Plan which included also an enhanced social protection role mainly through its LIWP. This plan is already aligned with and incorporated in the fourth national Development Plan for Poverty Reduction.

1.2.3 Overall Achievements (Phase I to III)

The SFD completed the first phase of its operations (1997–2000), with investment portfolio of \$90 million, and second phase (2001–03), with \$198 million . The third phase, originally planned to run from 2004–08 with \$400 million, was extended to 2010 to synchronize with the government's third Five-Year Plan for Economic and Social Development and Poverty Reduction (2006–10). Budget was increased to \$960 million. The cumulative number of projects for the three phases reached 10,558 projects and disbursement has reached about One Billion USD. A number of 42 million working days was generated from those projects.

1.2.4 How SFD managed and responded during crisis

Initial Response:

The SFD responded, at the policy level to develop different scenarios for the various circumstances expected within the short term. These were mainly to overcome shortages in availability and flow of funding being the most critical factor with the strongest adverse impacts on SFD's operations. Each scenario laid down different measure to be taken on implementation arrangements, implications on human resources, identified major risks and necessary mitigation measures, revision of results framework outputs in unlikely case of non availability of funds. The forward and early response planning enabled SFD to hedge itself from demise in its operations.

Furthermore SFD's stance in dealing with the crisis has been to first and foremost continue delivering its most relevant services to the best it can, with the strong belief that communities need SFD now more than ever to provide basic services and job opportunities. It continued with implementation of its normal programs with priority given to LIWP and SMED programs. Average number of projects suspended during the crisis as per December 2011 reached around

23% (while only 1% for LIWP), under the circumstances these figures could have been much higher.

A brief summary of measures taken to enable SFD continue with its operations successfully during 2011, are as follows:-

- Reviewed implementation mechanisms such as increasing community and direct contracting,
- Increase use of local material and facilities
- Involve communities more in implementation process
- Increase field visits
- **Expand LIWP program** while at the same time diversify and simplify its activities/ interventions in order to increase the relief and humanitarian dimension of the program, through temporary suspension of long-term interventions while scaling up shorter term activities

During 2011, the SFD managed to disburse US\$ 132 million on about 2000 projects in 310 out of 331 districts, completed 984 sub-projects and has created a total of 6 million of work days out of which 2.3 from the LIWP program, thus, maintaining a country wide coverage of delivery under extraordinary difficult circumstances.

In line with its design it has been able to access almost all areas covering its activities nationwide including remote and areas subject to conflict and unrest.

The main ingredients for this achievement can be attributed to the following factors:

- 1 Dedication to its Mission to serve and benefit the poor communities under any circumstances.
- 2 Its flexibility and autonomy that led to fine tuning of some of its programs /implementation mechanisms to respond in a rapid manner to the emerging needs of the ultra poor and poor persons.
- 3 Its high reputation and credibility for neutrality, transparency and fairness amongst beneficiary communities
- 4 The pressing needs of the communities for basic infrastructure services
- 5 Its extensive experience and capabilities of its staff

In addition, all this was possible only because SFD had sufficient financial resources from previous years in addition to the continued (even slower funding).

Specific Achievements of the LIWP Program during 2011

To enable scaling up of the program, the LIWP implementation modality was modified to include simpler short term and diversified activities. Long term interventions were suspended for the time being. Hence achievements of the program during 2011 significantly surpassed outputs from previous years.

The Program continued to work in the fourteen governorates in targeted 50 districts (those with highest numbers of food insecure / poor population). LIWP has been least affected by the crisis. No. of sub-projects suspended are the least, due to various factors most important the priority

given by SFD in addition to them being the destitute conditions of the communities, direct contracting, use of local materials and facilities.

During 2011, the program's achievements surpassed previous years. Non earmarked funds from other programs have been shifted to LIWP to meet with scaling up of the activities. It increased the no of households from 16,841 to 27,318 and was able to disburse 17.7 million. Percentage of transfers to households reached about 70%.

LIWP Program Achievements (Original Rural Module)			
	2009-2010	2011	Total
No. of Projects ongoing + Completed	98	181	279
Amount Disbursed (million USD)	12.4	17.4	31.8
No. of Households benefitted	16841	27318	44,159
No. of work days created	898,711	1,377,629	2,276,340

Brief description of outcomes of previous internal assessments

The Impact Evaluation of the second round of the program is still under processing, however, the program has conducted internal assessment for its interventions. Below are the key findings of those assessments:

Main Outcomes:	Phase I	Phase II
Targeting poorest (index 4)	95%	100%
Expenditures of wages on food	93.5% (this included dept on food, and other expenses)	77% (net expenditure on food)
Female Labor force participation	77%	77%
Women perception on suitability of work	58%	79%
Use of Local Resources	96%	98%

Part II

2 Refinement of SFD4 plan

The outcome of the crisis has been the exacerbation of an **already existing** dire and worrisome situation with high prevalence of poverty and food insecurity even before the 2011 crisis, calling for immediate and emergency measures to be taken by National and International aid and Development Agencies.

SFD's Phase IV design, through its programs and activities are all geared towards meeting the needs / combating Poverty and Food Insecurity in Yemen, be it the CLD, TOSU, SMED and LIWP. They have all cross cutting output of creating jobs for different categories of the society skilled labor (consultants) semiskilled and unskilled labor, and training Youth to equip them with skills and tools for entering the job market. As such, those programs are still among the post crisis priorities⁶. This is also in line with the outcomes of SFD's internal discussions on the possible response to the crisis impact that concluded essential responsiveness of SFD4 plan and identified the following themes for consideration:

- Creation and expansion of rapid, short term, medium and long term employment,
- Food security.
- Malnutrition.
- State building and social harmonization.

In all of the above aspects, the most affected areas and groups will be targeted based on data from reliable surveys and studies that are expected to be available in due time.

Therefore, SFD will still be accountable to essentially achieve its fourth phase objectives. However, SFD can – with some refinement of its 2011-2015 plan- use its diversified programs, flexibility, operational experience, outreach capacity to play a role as part of the national response in certain new pressing relevant areas.

2.1 SFD's response Strategy .

In addition to other relevant areas, such as Food security, nutrition and State Building, Income through temporary employment could be considered as SFD's main response element to the emerged status due to the crisis. The strategy to be followed can be stated as:

Objective of the strategy:- To maximize income generating opportunities from temporary employment through implementation of a wide range of workfare programs of immediate, short-term and medium to long term outcomes, with nationwide coverage focusing on the most affected and vulnerable communities/groups. In addition to exploring, piloting, mainstreaming and where possible scaling up other relevant interventions in the areas of : Food Security , Malnutrition, and State building.

⁶(the new cabinet program as declared in Dec.2011 supports this conclusion and includes a specific statement on SFD's role through temporary employment).

2.1.1 Acceleration, Diversification and Expansion of SFD's Labor Intensive and Job Creation programs:-

Amongst the numerous SFD programs/sub-programs, in such circumstances, the LIWP is most appropriate for scaling up, for various obvious reasons viz its high labor intensity, capability of targeting the poor and vulnerable communities and can disburse in a rapid manner.

To enable timely response to the emerging needs of the Poor and Food insecure persons, SFD refined of its programs in particular the LIWP to meet with emerging and pressing needs of the Poor. Annex 1 gives a summary of the LIWP over the next 4 years (2012-2015), and other SFD Programs adjusted for the emergency needs.

Furthermore, the Government's program submitted for approval to the Parliament included the LIWP as one of high priority programs in responding to the crisis aftermath to mitigate unemployment.

The LIWP is originally designed with a three fold objective:- (i) increase income to achieve certain degree of food security / consumption smoothing, (ii) increase productive assets and hence (iii) reduce food insecurity and poverty. To achieve this objective the program is originally designed to work with the targeted communities for a period of 3-5 years in order to build / create productive assets that will enable households to achieve some degree of sustainability in terms of food security.

It was acknowledged that, in order to meet the urgent needs of the food insecure households whose numbers have significantly increased, both in the rural and urban areas, it would be imperative for the LIWP to be modified / tuned to enable accelerating transfer of grants and to absorb larger numbers of targeted beneficiaries in the most vulnerable communities in rural areas and create jobs opportunities for individuals in urban areas.

The adjustment is aiming, in addition to LIWP's long term development objective, improving food security / consumption smoothing during and after the crisis. To accomplish this goal, it is necessary to have interventions that are simpler and diversified so as to increase level of disbursements in the **very short term** in order to reduce vulnerability by affording minimum food security (for a period of one year) to a maximum number of those who have been hit the hardest by the crisis. This would entail working with the communities in a different modality as was originally designed for Phase IV, by scaling up the program, expand its catchment and through shorter term, simpler and diversified interventions enable the program to cope with a higher number of communities / households.

Accelerated / Rapid Response for Rural Areas.

As mentioned earlier, the effect of the crisis on rural population is exorbitant increase in food and fuel prices, transportation costs and domestic gas. Rural families that were already at the poverty thresholds and food insecurity levels are seeing their meager livelihoods deteriorating and are being further. Salvation of these households is urgent to avoid them from being entrapped into deeper Poverty traps resulting in depletion of human capital that would need greater efforts and resources in the very near future to enable households to lift themselves/ bring them back where they can cope again.

During 2011, as the crisis gained momentum, the LIWP noticed amongst the households it was working with a new phenomenon of urban-rural migration.. The number of dependents in each

household increased significantly and families could no longer cope with providing basic food needs of the families.

Description of the revised LIWP:

The expanded objective is to have nationwide coverage in rural areas where prevalence of food insecurity is high and areas of high concentration of unemployment in urban centers.

To achieve its objectives yet the Program intends to implement three parallel modalities/ methodologies for rural areas namely the original long term interventions (3-5 years to create productive assets, short term interventions 4-6 months that will also create community assets and piloting Food for Work, and, scale up urban interventions through allocation of larger budget and diversifying nature of activities to be undertaken. All three approaches have a common denominator of increasing food security, while. Prioritizing and scaling up the methodologies will depend on the severity of the continuation / cessation of the crisis. Within the same total budget of \$221 million, it is expected to generate a total of 26.95 million work days. Due to introducing short term interventions module, the number of persons benefitting from rural modules will increase from original target of 300,000 to almost 670,000. In the urban context number of direct beneficiaries are expected to reach approximately 100,000, with a minimum dependence ratio of 6 persons total beneficiaries could reach 600,000.⁷

2.1.2 Modalities of Implementation

The main module as originally envisaged:- (Budget estimates \$ 72m)

- 1 Within this modality, the LIWP will continue to work with some of its targeted communities to build productive assets. It has selected 38 communities out of those it had previously worked with, who are amongst the poorest and most vulnerable, to continue supporting them ensuring food security based on **Cash for Work**, albeit through implementing shorter term interventions lasting ones (4-6 months) to be prioritized by communities, with LIWP assistance from their long list of interventions that were originally planned to be completed within 3-5 years.

LIWP will resume working with this modality of longer term interventions to achieve its longer term objectives from mid 2012 as soon as there are assurances on availability of funds.

2. **Short-term Interventions Modality (Budget estimates \$ 68m)** will be introduced in new rural areas and is expected to target 18,000 new households. In response to urgent needs, budget allocations for 2011 activities (\$18 million) has been committed for projects based on this Module.

It will again be based **on Cash for Work** but for much simpler activities that will include terraces rehabilitation, maintenance of rural roads and irrigation canals, improving health and environment such as constructing simple latrines, hand dug water wells, rehabilitation of water springs .etc.

⁷ Each labor expects to work for around 60 days therefore with 6.7 million work days approximately 100,000 persons will benefit.

3. Piloting on a new Modality in conjunction with the WFP. (in pipeline, budget estimates \$ 8m)

In Partnership with the WFP (who approached the SFD as the most competent partner in this field), this modality will be based on Food for Work as a relief operation whereby the WFP shall deliver food to its stores in the selected areas and the SFD will contribute in distribution in addition to providing Cash. The system will be such that households will receive 50% of cost of the work in Food and the remaining 50% in Cash from SFD contributions. The program aims to target 20,000 persons initially, to be later expanded depending on the response of the communities and effectiveness of promotion campaign to be conducted.

Type of activities to be undertaken:

As mentioned earlier, simple activities will be selected spanning between 4-6 months. These will include but not limited to rehabilitation & maintenance of terraces, conservation & protection of agriculture land, rehabilitation and maintenance of irrigation canals, rural roads, drinking water sources such as wells and springs, protection of some villages from floods or sand movements, activities to improve hygiene and environment.

An important feature of the activities to be selected is reliance almost totally on local material.

Wages and Mode of Payments for rural interventions:-

As per the design of the LIWP, the average ceiling for household transfer per project will remain at \$ 600. Similarly, average daily wages for rural labor are fixed at around \$5.5 i.e 10-20 % below market rate. The nature of works involved are of a simple nature and depend on labor intensity, hence lower labor wages.

The SFD has made arrangements to use Post Office services for making payments to households. Payment procedures as follows: SFD field accountant will submit list of names and dues per household to the Branch Offices, who will in turn issue a payment check to the nearest Post Office normally located at the district level. The PO through its network will issue payments to the beneficiaries from any of its nearest located outlet.

Women Participation in labor force:-

Rural women in Yemen play a key role in income generating activities in addition to the huge burden borne for tending to other household needs fetching water, wood and animal fodder. Furthermore, many women are also head of households. Hence the program takes all measures to encourage women to benefit from employment opportunities through participation in the labor force or special activities. The program contracts with women directly especially when they head households and carry out simpler works such as delivery of light materials to site, clearing site, daycare (baby sitting)..etc.

Targeting Mechanisms:-

The LIWP has in place a detailed Guideline that extensively describes the targeting, selection criteria and the selection process. The process includes desk screening and field verification, that are normal circumstances took up to 17 days. The guideline is now being updated to include new procedures that will take into account the planned rapid response implementation modalities.

To enable the program to respond in a rapid manner but at the same time ensure integrity in targeting and selection process, the LIWP will have in place a multiple targeting method as follows:-

- Desk screening based on SFD's Poverty Indicators
- Knowledge of areas most affected by the crisis
- Use of the SWF data base on beneficiaries
- Self targeting at the household level by setting wages lower than market rate
- Cross-checking with the Local Authorities who are well informed / have sufficient data on the food insecurity households at the District level. It is worth mentioning that the SFD through its ELD program has built capacity of a good number of district managers, who are now capable of assisting the LIWP in selection of the sub-districts / communities most in need.
- Selection at household level is conducted through wealth gradation and or selection by the community leaders. The LIWP further verifies through conducting its own sampling process of a minimum 10% of households. This is of importance if the sub-districts were not originally selected by the LIWP.
- Training for Project Officers and consultants focuses on the importance of targeting.

The Impact Evaluation conducted after Phase I of the program (2009-2010) confirmed that 95% of those targeted were amongst the fourth lowest income deciles. As for Phase II, targeting was carried out by Project Officers following procedures strictly that ensured all are amongst the lowest income deciles.

The SFD programming Unit has obtained SWF data base and has linked it to its own data base, thus enabling LIWP to utilize SWF data at household level for targeting. Additional data previously not available includes household characteristics gender/ age/ activities / sources of income/ orphans/ handicapped/ disabled..etc. Access to this information will enable LIWP to quickly select communities or vice versa select communities then target households from SWF data. In both cases field verification will be conducted for a sample of households.

2.1.3 Urban Interventions:

As mentioned earlier, urban centers have been hit the hardest by the crisis due to concentration of the disputes, fuel and electricity shortages, in leading to closure of large numbers of private sector enterprises, hence increasing unemployment especially amongst the semi skilled and unskilled labor. Although accurate figures are currently not available, unemployment levels could have at least doubled.

SFD extensive experience in labor intensive interventions in the urban areas dates back to 2006. Main activities undertaken were stone paving, rehabilitation and cleaning flood channels the menu will be expanded to include upgrading poor neighborhoods, trees planting, water harvesting, surface drainage.

The new methodology for LIWP urban interventions will be based on the following principles:-

- Self targeting mechanisms by advertising at public pools/ concentration of unemployed, the opening of registration process for those interested. So far 8,000 unskilled labor have registered.
- Direct contracting of registered labor to carry out packages of work to be carried out. The Packages are advertised in the Public Pools.
- SFD prepares Bills of Quantities and fixes wage per cubic / square meter i.e. based on output.
- Average Daily wages are set at around \$6.5 which is 20% **less than the market rate.**
- Labor are paid their daily expenses and remaining dues are paid at end of each week.

Implementation Methods and modes of Payments for Urban interventions.

The LIWP intends to utilize an array of implementing agents including direct contracting, commercial contracting, NGO's and Civil Societies.

Currently, direct implementation is being used and payments are made at the field through the project accountant. It is planned to introduce Post Office services with similar arrangements as for the rural activities.

When using other implementing modes, appropriate measures will be taken, strict conditions will also be applied in the commercial /delegated contracts to ensure maximizing labor deployment.

Types of Rapid Activities to be undertaken in urban centers.

- Cleaning and maintenance of flood channels
- Cleaning & collection of solid waste disposal
- Rehabilitation of simple items damaged during the crisis such as repairing pot holes in roads, re-doing pavement, cleaning up debris..etc

The USAID through its Community Livelihood Program (CLP) signed agreements with SFD for a total amount of US\$ 1.3 million towards financing of the above listed activities in Sanaa City. It is envisaged that each activity should last not more than 2 months.

Each modality under this program and other programs would have their relevant indicators.

2.1.4 Implementation Plan:

LIWP's immediate plan (2012) intends to implement in parallel all three modules as soon as availability of funds is assured.

As mentioned earlier, during 2011, the LIWP adjusted to include only the short term activities lasting 4-6 months. Projects identified during 2011 will be implemented in 2012, while working with communities (38 identified as the poorest and most vulnerable from amongst those who LIWP had previously worked with) on long term interventions is planned to commence in mid 2012 after assurances on availability of funds.

LIWP will scale up its supplementary modality to include 18,000 households in other areas most affected by the crisis.

The Food for Work pilot module will also be piloted in conjunction with the WFP estimated to target initially 20,000 families.

During 2013, the same trend will continue with scaling up / increasing funds for module 1 to target more households for long-term interventions in building productive assets.

Continuation of Food for Work program will depend on the success of the pilot, availability of funds and persistent of need, most likely to be there at least in some governorates Hodeida, Hajja, Reimah ??(Outcomes of WFP Food Security Survey and OXFAM study)

For details on Implementation plan refer to Annex 1

2.1.5 Results Framework

The PDO and the Outcome Indicators set out in the SFD IV PAD for the LIWP will remain unchanged as the original module will still continue. The outcome indicator is also relevant for the other modules short-term interventions and Food for Work Modules. The annual outputs / quantities need to be revised to reflect the scaling up and scaling down of the various activities. These are detailed in Annex 3.

Project Development Objective (PDO)	Project Outcome Indicators as Per SFD IV PAD	Modified Levels	Justifications
		<p><i>Reduced vulnerability:</i> at least 70% of LIW direct beneficiary households are able to meet their basic cereals consumption</p> <p>(We can keep the same but for investments of Module 1</p>	<p>Based on assumption that SFD will work for 3-5 years in each area of interventions..</p>

2.1.6 Institutional Capacity of the LIWP Program to cope with new modalities.

The LIWP staff both at the Head Office and Branch Offices has increased from 14 in mid 2008 to 35 in 2011. The Project Officers are supported by consultants to complement various types of skills needed in managing LIWP contracts. The Program by virtue of its diverse interventions, wide spread nationwide coverage, intricate financial arrangements with beneficiaries, does not under estimate the complex arrangements needed for management. Major risks anticipated and necessary mitigation measures are detailed in Annex 4.

Breakdown of staff is as follows:

- Engineers
- Accountants
- Socio Economists
- Community Development

The LIWP intends to increase its staff as and when required be it at the Head office or more likely at the Branch Offices.

Moreover, 1130 consultants have so far been trained in the various fields needed for implementing the program. Consultants trained are all registered in the SFD data-base. They include Engineers /technicians (371) Accountants (186) Community development / socio economists (570)

Training activities are an on-going process, where most SFD staff including from Head Office other programs participate, new consultants are trained on a regular periodic basis, refresher courses for already trained consultants are being carried out especially for the Food for Work modality which is yet to be piloted.

The existing comprehensive data base specific for the LIWP (undergoing some updates to accommodate new features) is an indispensable tool that facilitates to a large degree management process through careful monitoring of accounts, data on beneficiaries, activities implementation (new, on-going and completed contracts) and monitoring several output and outcome indicators.

The Program has identified major risks that are anticipated and necessary mitigation measures.

2.2 Monitoring & Evaluation arrangements

The most important ingredient for the successful implementation of any LIWP program is its capacity for Monitoring & Evaluation. A credible M&E system was designed up front within the LIWP database that includes monitoring of all key indicators, payment cycle and implementation cycle. Data input is carried out at the Branch Offices every 2 weeks. Regular monitoring reports are generated at the household level (details on work done, participants and gender, amounts paid..etc) at the project level and branch office level.

Furthermore, consultants have been trained to conduct monitoring for each project based on standard themes and reporting formats. They also act as quality assurance on implementation process and quality of output.

The M&E Unit provides support and conducts evaluations for each project at least once during its project cycle. Evaluations are carried out at the village and household levels. Through the M&E Unit, two IE's have been carried out, one for Phase I and during mid 2011 for Phase II. The LIWP considers IE's its most important source for reliable feedback on the effectiveness and efficiency of the program as a whole, and impacts of its interventions and activities on the communities. **The LIWP intends to carry two IEs' mid 2013 and 2015.**

2.3 Nutrition Programs:

SFD is aware of the wide spread of food insecurity whereby almost one third of Yemen's population is already food insecure before 2011, and similar levels of Malnutrition especially among children. Although nutrition is not within SFD's normal operations yet, it will receive more attention to increase or enhance contribution to the national and international efforts in addressing critical challenges. This is initially foreseen to take place through:

- Pilot operations addressing Malnutrition in collaboration with relevant agencies.
- Increasing water collection and water improved quality.
- Improved hygiene and sanitation awareness

2.4 State Building and Social Harmonization:

The Institutional Evaluation Study conducted in 2006 as part of the Impact Evaluation process, concluded that SFD contributes to the state building agenda in many ways;

- Nurturing governance structures at various levels.
- Strengthening relationship between communities, service providers and national level state Bodies.
- Generating a sense of stability.
- Help reducing capture of resources by powerful interest groups.
- Reviving self help and social cohesion spirit.
- Fostering democratic practices and broadening participation at the local and community levels;
- Substantial contribution of the Capacity Building for Governmental and Non Governmental organizations.

Since then, further enhancement and refinement has taken place in the above areas, especially in the field of decentralization and local governance where SFD's efforts and contributions put it as a major partner and capacity building provider to the Ministry of Local Administration (MoLA).

Furthermore, the continuity of SFD's delivery in 2011 in a country wide coverage (with few exceptions) maintained a degree of trust, hope and sense of stability at a critical time.

The SFD therefore intends to continue being proactive in this field through scaling up and mainstreaming the theme to the extent possible.

2.5 Initial refinement / Contribution of Other SFD Programs to employment through labor intensification:

As mentioned earlier, the SFD's Overall PDO's for each of its components will remain unchanged. To achieve its objectives, the SFD strategy relies on **concerted efforts of its programs** that focus on pro- poor long term development through Community and Local Development, Capacity building, Small and Micro Enterprise Development, as well as Labor Intensive Works Programs, as such, collectively support provision of basic services while substantially providing income through temporary employment as well as longer term income opportunities.

Since the relative normalization of the situation, SFD's Sector programs have started to identify the urgent needs that have emerged relevant to the sectors, planned on the most appropriate approach to respond and adjusted its on-going activities to give priority to the emergency needs.

The objectives of the sector programs is to respond in the immediate & short term while yet continue with medium and long-term objectives.

In the meantime, each sector has a plan for emergency response, while in parallel (to the extent possible) scale up its normal programs to achieve maximum job creation opportunities and continue with infra-structure delivery. This is in particular for programs that are highly labor intensive such as rain water harvesting, rural roads , stone paving ..etc.

During 2012 it is planning to disburse for all its programs including LIWP around \$170 m and \$200m in 2013. The objective is to generate maximum employment during these 2 years. (During 2011, the SFD managed to disburse \$114m in all sectors other than the LIWP)

2.5.1 Education Sector emergency program

The Education sector has conducted a needs assessment to identify scale of the emergency needs that have emerged and has formulated a plan for **immediate response**, to be partially financed by the KFW (7.0 m Euros).

Main Objective is to “Contribute to the continuous access to basic & secondary education during and after the crisis”

The main themes of the plan includes:-

- Rehabilitation of school buildings and education offices damaged during crisis and other conflicts (Saadah)
- Schools occupied by IDP's, those hosting displaced students from conflict areas, and buildings that have been selected as “Alternative Schools”
- Provide furniture & equipment ransacked / destroyed
- Education in times of crisis
- Training school administration & teachers in risk management, crisis related health & protection including safety aspects, psychological assistance to students,

The plan is targeting areas affected by the crisis and other conflict & political unrest areas.

Budget for the immediate response plan is estimated at €8.3 m, while budget for the shorter term over a period of 3 years is estimated at €30-40m.

The sector aims, with availability of funds, to continue improving access on a nationwide basis rather than be restricted to replacing / enabling for children who have been affected only. These measures would critically halt SFD's contribution to the MDG Goals, which have previously been progressing on track.

2.5.2 Health Sector

Health services are amongst those severely affected by the crisis, in terms of non availability of staff, medical supplies, significant increase in prices of medicines and transportation costs to access health facilities. The SFD plans to continue and scale-up its soft ware activities to improve service delivery mainly capacity building of staff in existing health facilities.

The sector is currently preparing a proposal for SFD's emergency response to cope with **Mother & Child Health Care & Nutrition (MCHN) that has emerged as the most urgent measure needed to be taken.** Implementation of the program will be coordinated with several stakeholders, in particular the Ministry of Health and UNICEF. Main areas to be covered include (i) Control of communicable diseases and epidemics, (ii) Support essential maternal and child health (MCH) services, (iii) Human resources development (iv) Stewardship & Health Information System strengthening. Currently the sector is developing the proposal and budget estimates are not yet available.

2.5.3 Water & Environment

The W&E sector is fine tuning implementation mode for its roof rainwater harvesting activities that best target poor and vulnerable communities, and could, with simple adjustments include income generating approach. The adjustments will include for example, in addition to SFD's in-kind contribution in roof rainwater harvesting, Cash for Work modes for the very poor during construction. Similarly, modifications in modes for some interventions in the environment sector will be looked at and the possibility of linking to the extent possible with the LIWP.

These modifications will be undertaken as emergency measures in areas most in need. The SFD will review the outcomes compared with previous approaches and later decide on the most appropriate approaches to continue with.

2.5.4 Rainfed Agriculture & Livestock Project (RALP)

Rural poor households' livelihood depends to a large extent on rain-fed small scale agriculture for self consumption and livestock production for monetary income. These activities have been identified as the most effective coping strategies.

The Components of the RALP are diversified income generating activities that fit in very well with the coping strategies for the rural poor and would hence effectively respond to the current needs of the rural poor. SFD will consider to take necessary measures to accelerate and scale up activities that are suitable for immediate response.

2.5.5 Training & Organization Support

The TOS programs focus on capacity building of the most relevant agents in the development process. In order to support and facilitate implementation, SFD IV programs are designed to have internal synergies and complement each other with the TOS providing cross cutting support, through its community participation awareness, capacity building of Local Authorities, NGOs' and Civil Societies, thus improving/ enhancing to a large extent, ownership, sustainability of infrastructure and policy dialogue.

The TOSU has in place plans for scaling up its programs that targets Youth in rural areas namely the **RAWFD Program or Rural Advocates Working for Development. Objective of scaling up is to in the short term, engage/ university fresh graduates from rural areas in training programs** that will enhance skills crucial to rural development. Longer-term objectives is to embed "Agents of Change" in rural communities.

The training focuses on the role youth can play in development issues pertaining to their communities, increase awareness, identification of needs, potentials (local resources), ..etc. In addition to covering development issues, the training includes enhancing job opportunity skills such as , use of computers, ..etc.

Outcomes of the training programs could be summarized as follows:-

- Availability of trained advocates helping in development activities in the rural areas
- Work as consultants for SFD in conducting community participation activities, hence job opportunities,
- Ability to start Self help initiatives in rural communities,
- Increasing their opportunities for employment through networking (data- base of trainees). Their ability to conduct national surveys such as for Central Statistics

Organization, for International Aid Agencies..etc. It is worth to note that several Development Agencies are tapping in the SFD RAWFD Data-Base for recruitment and consultancies.

Contribute to State Building:

In response to the emerging needs for improving performance, good governance ..etc as an on going process for State Building, the SFD will scale up its programs in capacity building and organizational support at the central level. The SFD also intends to scale up its support to Decentralization through capacity building programs for local authorities at governorate and district levels. In recognition of the importance of social harmony, the SFD intends to mainstream this theme within all of its capacity building and training programs at the central government level, local authorities and communities, including the RAWFD.

Empowering for Local Development (ELD)

The program aiming at empowering Local Authorities and CBOs in 80 Districts out of which 40 will be received further Support to have the capacity to implement development projects , has been put on halt for the time being due to shortages in funds. The Program is considering building capacity of Local Authorities and NGO's in LIW implementation mechanisms, a measure that will greatly enhance scaling up of LIW.

Similarly to meet the program main objectives continuation of its **Capacity Building for NGO's, & Civil Societies** to enable SFD outsourcing to them, increasing and spreading awareness are all vital development aspects.

Capacity building in Community Participation is a fundamental cross-cutting theme in all of SFD's activities. If this program lags behind, it will adversely affect implementation of other programs; its continuation is imperative in the short, medium and long-term.

2.5.6 SMED & SMEPS

SMED through its various activities aims at increasing income generating opportunities for the poor, offer business development services and training aimed for Youth and promote micro and small enterprises.

Through their numerous activities SMED and SMEPS have geared their short and medium term programs to respond in 2012/2013 to the emergency needs of the Poor and Youth in particular aiming at mitigating Youth affliction from the crisis.

Contrary to expectations, SMED performed well during the crisis, in 2011 it managed to give loans around \$5m, active borrowers remained at 65,000 (although planned to reach 78,000), while savers increased from 60,000 to 84,000 (due to lack of security they felt safer to save with MFI's⁸). MFI's prepared contingency plans to protect to the extent possible assets, gave loans to those who are most likely to payback. The Portfolio at Risk remained low except in areas severely affected by crisis (Sanaa, Taiz and Abyan).

SMED's plan to scale-up ability of MFI's to give loans in Rural Areas.

To respond and to meet the needs of the poor by opening opportunities for income generating activities in rural areas (so far the focus is in urban and semi urban), SMED has agreements to

⁸ MFI Micro Finance Institutions

finance MFIs' to encourage them to start operations in rural areas. MFIs' are also looking into the possibility of increasing loan thresholds to take into account increase in cost of living.

Graduation project.

Although the project started in 2010 as a pilot, its objectives and mode of implementation are an ideal model for short-term response to the needs of the ultra poor and chronically food insecure.

In conjunction with the SWF, and CGAP the SMED since 2010 started a new initiative "the Graduation Project" that aims to equip the Ultra-Poor move out of extreme poverty in order to be eligible for Micro Finance loans by giving support for immediate needs and provide longer term training and assets. The **two year pilot project** will target beneficiaries (500) from the SWF list initially in 3 governorates (Taiz, Aden & Lahej). The SFD will contribute in providing assets such as livestock, and administrative costs, while the SWF will continue paying stipends and conduct training in financial services, vocational training, social/ health awareness. The pilot will be evaluated at the end of 2012, with the intention of scaling up / replicating in other governorates.

SMEPS:-

The SMEPS has in line a large number of diversified programs aiming to support its various target groups to benefit from their services in order to open windows of opportunities, especially for the Youth. SMEPS lays the seeds for creating longer term Job Opportunities / Income generating activities for the Youth.

Unfortunately, during 2011, SMEPS's was unable to implement most of its programs due to crisis. These have been carried over to 2012 and aims to complete most of them by the first quarter. Continuation of these programs is suspended due to shortages of funds.

SMEPS's Business Development Services, Business Edge and Know about Business (KAB) are all geared towards targeting Youth. The pertinent need for continuing and scaling up these programs cannot be over emphasized. The encouraging results achieved and the impetus of the programs so far are strong reasons calling for continuity and scaling up.

The Business Edge

The Business edge training package aims to train Youth on Small & Micro Enterprises(SME's) whether existing or with potential to start one. Results of survey conducted by the IFC⁹ owner of the package, over 33,000 participants have been trained in different market skills, over 3000 SME's have been established, 60 Train the Trainers (TOT) from various institutes have also been trained to cope with increase in numbers of trainees.

In order to expand its outreach, the Business edge training package is now being modified to include NGO's and the Private sector.

KAB:-

The KAB is unique training package that trains Youth on different aspects of Know about Business. Due to its success after the pilot phase, the package has been included as a syllabus module in 54 vocational training institutes; so far 3,000 have graduated from the 54 vocational training institutes nationwide. In 2012 the program is aiming to train students at 7 Community Colleges, who have a higher potential to benefit and actually apply their skills in market, and

⁹ International Financing Cooperation

intends to customize the package to be applicable for university students. The program needs to have 180 trainers out of which 80 only have been trained so far. During 2012, it is planned to train 100 additional trainers.

SMEPS's is planning to conduct a tracer study for its trainees, with the objective of linking them to MFI to encourage them to initiate their own SME's.

Women Business Owner Training:-

The training focuses on empowering women entrepreneurs of small projects and those planning to enter the business world. During 2012, SMEPS's plans to train 500 women from MFI's beneficiaries and the GIZ has requested to train 300 more who have been identified to have market skills.

SMEPS has plans in place for scaling up most of its Business Development Services to enhance Income in other productive activities such as handicraft export promotion, value chain for various agricultural activities targeting farmers and input suppliers of the value chain. SMEPS plans to scale up all pilots that had a 70-80% success rate.

Support to fisherman associations to improve productivity of fisherman by training them on the use of GPS. The tracer study results showed productivity increased by 25% , and fuel savings of over 30%. Unfortunately, only 200 out of over 10,000 fisherman of Almukalla, Shabwa and Socotra have been trained. The Program also trained 10 trainers (TOT) who will continue providing training. Furthermore, SMEP's intends to expand its training to associations along the red sea coast (Alhodeida, Makha). (Annex 5: distributions of Funds by Sectors)

2.6 Coordination with Stakeholders & Other SSN Components:

The SFD believes that an effective SSN needs the concerted efforts of all stakeholders; hence there should be reliable and strong coordination, especially on its part as one of the key contributors to the SSN. SFD has strong coordination mechanisms at various levels with line ministries the SWF, PWP, Disability Fund and other actors, in the form of exchange of data and information on interventions, implementation issues, contractors and consultants performance, collaboration in implementing some programs.

Furthermore, the SFD closely coordinates with Line Ministries (those who are part of the SSN) during developing of programs and implementation. Some of SFD's programs are implemented jointly with International Aid Agencies.

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Furthermore, the SFD closely coordinates with Line Ministries (those who are part of the SSN) during developing of programs and implementation. Some of SFD's programs are implemented jointly with International Aid Agencies.

2.8 SFD's response strategy and Funding:

Clear funding prospect represents a determinant factor in shaping SFD's response to the current circumstances, without which a concrete plan is impossible.

In spite of its implementation capacity, SFD's 4th phase plan, - including LIWP- still has a funding gap exceeding 600 Million \$.

The political unrest added a considerable degree of uncertainty to the funding gap of SFD4 plan. Under pressure of this situation, SFD discussed different scenarios for its current operations till 2015. 2 scenarios were developed:

- a- Best scenario; assuming improvement of the political atmosphere and coverage of the funding gap in a way that enables SFD to catch up implementation of its fourth phase of operations as originally planned.
- b- Adjustment of planned operations and work capacity within confirmed resources only.

In both scenarios, temporary employment is to be given priority and result framework as well as annual progress indicators to be revised where necessary as the new circumstances may require. However, timely availability of necessary funds will shape SFD's actual response to the crisis and post crisis situation and determine its effectiveness.

Funding Requirements for the LIWP Program:-

The effectiveness and efficiency of the LIWP will depend to a large extent on the predictability/ availability of funding to meet its objectives and the aspirations of the communities. The Program is aiming / planning to disburse the original allocation of \$ 221 million in the next 4 years.

Funding and Sources

Funding Source	Total Amount Pledged	Total Allocated for LIWP
World Bank	60	25
DFID	155	40
EU additional Grant	14.56	5
Netherlands for LIWP	6	6
Government Funds @10%		50
USAID CLP (Additional funding since 2012)	1.3	1.3
Total		127.3

Annual Disbursement Plan.

Year		2011	2012	2013	2014	2015
Annual	<i>Original</i>	18	36	55	55	55
	<i>Planned</i>	<i>Has been committed to project. Implementation &</i>	<i>45 including 18 million from</i>	70	60	46

		<i>disbursement will be in 2012</i>	<i>2011)</i>			
Cumulative		18	45	115	175	221
Already committed	11	40	30	28	29	127
Financing Gap*	1	36	48	30	13	128
Donor Contribution	1	32	22	20	20	95
Government share	10	10	10	10	10	50

* requiring timely commitment of funding in order to enable SFD fore preparation.

2.9 Conclusions

The refinement exercise of SFD4 plan will result in a more responsiveness approach to the new circumstances whereby:

- At least 5 Million Person*days will be added to the temporary employment output of SFD. This will be achieved through wages re adjustment and revision of implementation techniques.
- Nutrition and Social Harmonization themes will be introduced, fostered, and mainstreamed through SFD's relevant operations and training packages.
- LIWP will be diversified and have much wider geographic coverage.
- LIWP implementation will be accelerated (45M\$ &70M\$ will be disbursed in 2012 and 2013 respectively) instead of 36M\$ and (55M\$).
- Employment generated will become a cross cutting indicator for various sectors and programs.
- Continuous adjustment of programs and interventions will take place as reliable comprehensive surveys and studies become available in a way that enables for fair and well targeted response .

Finally:

The impact of hardships caused by 2011crisis calls for rapid and effective response from all concerned stakeholders; In its turn, SFD intends to accelerate and scale up its employment creation and catch up with its high rhythm of delivery as availability of sufficient resources may allow (given that SFD4 plan is faced with a funding gap of more than 600M\$)

In light of the continued uncertainty of funding the 2 work scenarios will still be valid. The strategy paper highlights the huge financing GAP of over \$600 million across all its components over the next **4 years**. The paper also highlights SFD's plans to respond in an immediate manner to the urgent needs of the poorest and most vulnerable households through creation of temporary employment, the short term response action plans of the various sectors and programs, and, finally continue delivering its long term services to meet the needs and aspirations of communities who have come to rely on SFD's capabilities to deliver in a prompt manner.

Furthermore, the paper elucidates SFD's institutional capacity, its mandate, past achievements and flexibility to adjust its programs and forward planning to enable it to be in the front lines of immediate response actors.

The main obstacle is assurances for availability of adequate funds over the next 4 years in addition to the actual expedited and timely flow of funds. This is an imperative measure for the LIWP Program whereby implementation can only commence when funds are actually available.

Annex 6 Funding for Phase IV

Annexes

Annex 1. Summary of LIWP activities and contribution of other SFD's programs over next 4 years (2012-2015)

	Objective statement	Nature of Activities		Concerned Programs	Annual Budget & Remarks
		Rural	Urban		
2012	<p>Continue with SFD Original Module working with communities 3-5 years (starting from mid 2012) and start launching the rapid / accelerated disbursement modules with Immediate to short term objectives</p> <p>Affording consumption smoothing for the vulnerable groups most affected by the crisis through creation of temporary employment.</p>	<p>Scaling up of Simple activities lasting between 4-6 months utilizing local resources based on Cash for Work</p> <p>Terrace rehabilitation, maintenance of rural roads, irrigation canals, water wells, construction of latrines, soak pits, ..etc, tree planting</p> <p>Pilot Food for Work</p> <p>Roof water harvesting (increasing SFD's contribution for labor wages in poor communities)</p> <p>Rainfed Agriculture & Livestock Production</p>	<p>Maintenance of public assets, rehabilitation of infrastructure & flood channels, stone paving streets, tree planting</p>	<p>LIWP,</p>	<p>45 m</p>
				<p>W&E</p>	
				<p>RALP</p>	
		<p>Other interventions:- Participate in nutrition programs</p> <p>Rehabilitation & furnishing of damaged schools</p>		<p>Health</p> <p>Education</p>	

		<p>Training program for schools on risk management</p> <p>Roof Rainwater Harvesting to include elements of Cash for Work</p> <p>Increase Livestock Production in rain-fed areas Continue / scale up the RAWFD¹⁰ Program</p> <p>Scale up SMEP’s Programs for Youth Training</p> <p>Continue with MF</p>		<p>W&E</p> <p>RALP</p> <p>TOSU</p> <p>SMEP</p> <p>SMED</p>	
2013	<p>Medium Term objective: Continue creating productive assets, job creation,</p> <p>Continue achieving SFD IV main objectives</p>	<p>Resume LIWP original program in some of the communities it has already started to work with.</p> <p>Continue with Cash for Work short term activities as above expand its outreach / no of households,</p> <p>If need still persists and pilot is successful continue with Food for Work</p>	<p>Continue with workfare activities that are still relevant / need to be continued in urban areas.</p>	LIWP	\$ 70.0m
		<p>Continue with activities of all other SFD programs¹¹. In both rural and urban context. Under CLD urban activities SFD will venture into upgrading of slums neighborhoods</p>		<p>CLD, TOSU, SMED, RALP</p>	SFD’ Main Budget for programs

¹⁰ Rural Advocate Working for Development

¹¹ with focus on Labor intensive methodologies

2014	Long term development Objectives to enhance coping strategies/ food security, buffer against future covariate shocks. Continue with SFD IV long term objectives	Continue cash for work with focus on building long term assets,	Continue with workfare activities that are still relevant / need to be continued in urban areas.	LIWP	\$50.0m
		If need still persists and pilot is successful continue with Food for Work		CLD, TOSU, SMED, RALP	SFD' Main Budget for programs
2015		Continue providing basic infrastructure, job creation with focus on Poverty Reduction		LIWP	\$ 46.0m
		Contribution to achieving the MDG's		CLD, TOSU, SMED, RALP	,

Annex 2. Implementation Plan

Modules/Year	2012 (45\$) m 60% Rural = 27m; 40% Urban =18 m	2013 (70\$) m 60% Rural =42 m; 40% Urban=28m	2014 (60\$) m 70% Rural =42 ; 30% Urban=18	2015 (46\$) m 80% Rural ;=37m 20% Urban= 9	Total in \$million
Original Module Long-term interventions Building Productive Assets (Cash for Work)	Will continue with the same 38 communities, with long term activities 3-5 yrs interventions Planned Budget= \$7 m	Continue with this module target additional communities and households Increase budget to \$15.0m	Continue with this module target additional communities and households Increase budget to \$22.0m	Continue with this module target additional communities and households Increase budget to \$28.0m	72
Short-term Interventions Module (Cash for Work)	Implement short term activities within the same 38 communities, In addition, 18,000 households in new areas will be added in 2012. Planned Budget= \$18 m	Target additional households in new areas identified as most vulnerable. Planned Budget= \$24 m	Target additional households in new areas identified as most vulnerable. Planned Budget= \$18 m	Target additional households in new areas identified as most vulnerable. Planned Budget= 8\$ m	68
Pilot Module (Food for Work)	Will start with 20, 000 families as a pilot . Planned Budget= \$2 m	Planned Budget= \$3 m	Planned Budget= \$2m¹²	Planned Budget= \$1 m	8
Urban Interventions	Planned Budget= \$18 m	Planned Budget=	Planned Budget=	Planned Budget= \$9	73

¹² If need does not exist any longer funds will be transferred to other modules. Similarly for 2015

	Min of 50% based on Direct Contracting, Other modes use of contractors, NGO's, with min labor wages not less than 50%	\$28.0 m Min of 50% based on Direct Contracting, Other modes use of contractors, NGO's, with min labor wages not less than 50%	18\$m Min of 50% based on Direct Contracting, Other modes use of contractors, NGO's, with min labor wages not less than 50%	m Min of 50% based on Direct Contracting, Other modes use of contractors, NGO's, with min labor wages not less than 50%	
					221

Annex 3. Revised Results Indicators

Results Indicators as in the PAD	Comments	Comparison with Original	Yr 1	Yr 2	Yr3	Yr4	YR5	Total
			2011	2012	2013	2014	2015	
Number of people directly benefiting from multi-year workfare assistance Cash for Work Module 1 Long-term Interventions building Productive Assets-		Original	100,000	200,000	300,000	300,000	300,000	
		Revised	47,000	52,480	112,000	164,270	164,270	164,270
Number of people directly benefiting from Annual workfare assistance Cash for Work Module 2 Short term Interventions Community Assets	<i>New Indicators for Module 2 type of Interventions</i>	Original	0	0	0	0	0	
		Planned		134,400	179,200	134,400	59,700	507,700
Number of people directly benefiting from multi-year workfare assistance Food for Work Module 3	<i>New Indicator for Module 3 type of Interventions</i>	Original	0	0	0	0	0	
		Planned		20,000	20,000			
*Number of working days employment created under workfare assistance program	<i>For Rural Interventions</i>	Original	740,000	4,000,000	6,420,000	6,420,000	6,420,000	24,000,000
		Revised	1,300,000	3,436,000	5,345,000	5,345,000	4,700,000	20,203,000
	<i>For Urban Interventions</i>	Original	0	0	0	0	0	
		Planned		1,662,000	2,583,000	1,662,000	830,000	6,737,000
*Land: Total area of agricultural rehabilitated land and terraces (1000*m ²)?	<i>Revised in proportion to percentages of rural / urban</i>	Original	245	830	1,302	1,302	1,302	4,980
		Revised	245	500	780	910	1040	3,475
*% of resources transferred to beneficiary households on a timely bases	<i>Can remain the same</i>	Original	70%	75%	75%	80%	80%	80%
		Revised						
*Average length of payment delay (Number of days)	<i>Can remain the same</i>	Original	12 days	7-10 days	5-7 days	5-3 days	2-3 days	2-3 days
		Revised	12 days	7-10 days	5-7 days	5-3 days	2-3 days	2-3 days

SFD's Response to The Aftermath of 2011 in Yemen

Beneficiaries from community livelihood assets	New Indicator	Original	44,400	240,000	360,000	360,000	360,000	360,000
		Revised		224,000	350,000	358,000	268,000	806,000

Annex 4. Risks & mitigation measures

Main Risks	Rating of Risk	Mitigation measures	Rating of residual risk
Managing/ ability to oversee activities. Institutional Capacity	High	Increase Project Officers at Branch Offices whenever needed. Ensure strict compliance with guidelines and procedures Conduct periodical Training / refresher courses for staff and consultants Provide Technical Support to LIWP program at head office ??? as and when needed	Low
Targeting Not targeting the lowest income deciles	Moderate	Use updated data on Poverty / Food insecurity Use SWF data base Focus Training on importance of targeting at all levels Verify through IE's	Low
Monitoring Insufficient capacity to monitor activities spread nationwide	Moderate	Use of comprehensive data base Use of well trained consultants Conduct regular field visits H.O senior staff, B.O managers, Quality Assurance staff Conduct IE's	Low
Use of consultants Need for services of a large number of consultants may jeopardize performance	Moderate	Have direct access to trained consultants for LIWP activities. Conduct regular/ frequent performance evaluation Ability to terminate unsatisfactory performance	Low
Handling large amounts of cash	High	Use of Post Office for transferring large amounts of cash	Moderate
Ensuring large percentage cash transferred for food consumption.	High	Assessing through regular focal group discussions with beneficiaries	
Shortages and or Increase in prices of staple Food	Moderate	Possibility of increasing transfers Scale-up Food for Work module	Low

Annex 5 Distribution of Funds by Sectors

Sector	Budget As Planned for Phase IV		Total Amount Committed by Donors	Amounts Committed for Projects up to Oct 2011	Remaining Amount committed by Donors
Environment	7.4	1%	4.6	2.3	2.4
Special Need Groups	16.3	2%	7.0	2.2	4.8
Integrated Interventions	23.0	2%	8.2	1.4	6.8
Cultural Heritage	24.5	2%	12.0	4.5	7.5
TOSU	27.3	3%	12.2	4.0	8.2
Agriculture	35.4	3%	11.7	1.1	10.6
SMED	36.6	4%	17.0	6.1	10.9
Health	48.9	5%	19.4	4.8	14.7
Rural Roads	71.5	7%	29.0	7.5	21.5
Water	130.2	13%	52.5	12.9	39.5
Cash for Work	221.1	21%	71.2	4.4	66.8
Education	390.2	38%	156.8	38.8	118.0
Total	1,032.1	100%	401.6	90.0	311.6

Annex 6: Funding for SFD IV

Source of Fund	Amount (Million USD)	Loan/Grant	Status
World Bank	60	Grant	Effective
DFID	150	Grant	Effective
Arab Fund	100	Loan	With the parliament
European Union	15	Grant	Effective
OPEC Fund	18	Loan	Effective
Netherlands Government	8.4	Grant	Effective
USA government	1.3	Grant	Effective
Government Contribution (10%)	100	Grant	
Total	452.7		
SFD IV Budget	1,126		
Funding Gap	673.3		