

**Republic of Yemen**  
**Social Fund for Development**



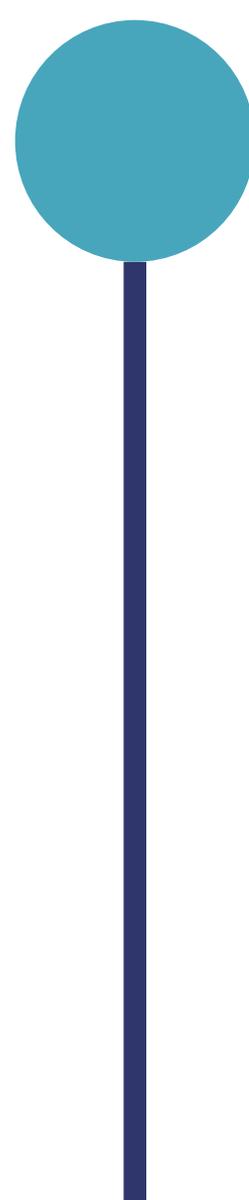
**Annual Report**





# Contents

|  |    |
|--|----|
| The Social Fund for Development at a Glance              | 5  |
| Statement of the Managing Director                       | 6  |
| Executive Summary  | 7  |
| Program and Sector Investments                           | 10 |
| Education  | 13 |
| Health and Social Protection                             | 18 |
| Water, sanitation and hygiene (WASH)                     | 25 |
| Agriculture and Rural Development                        | 31 |
| Training and Organizational Support                      | 34 |
| Cultural Heritage  | 42 |
| Labor-Intensive Works Program                            | 45 |
| Small and Micro Enterprise Development SFD               | 52 |
| Monitoring and Evaluation                                | 60 |
| Funding sources  | 68 |
| Occupational Health and Safety                           | 75 |
| Annexes: ADDITIONAL DATA                                 | 76 |
| Distribution of poor density and SFD projects(1997–2018) | 83 |



Social Fund for Development  
Annual Report 2018

Faj Attan - P.O.Box: 15485

Sana'a- Republic of Yemen

Tel: + 967 (1) 449 669/8

Fax: + 967 (1) 449 670

Email: [sfd@sfd-yemen.org](mailto:sfd@sfd-yemen.org)

Web: [www.sfd-yemen.org](http://www.sfd-yemen.org)

All rights reserved © for Social Fund for Development

Annual Design and Layout: Ghaida Al-kohali  
[ghaida.alkohali@gmail.com](mailto:ghaida.alkohali@gmail.com)

## The Social Fund for Development at a Glance

The Social Fund for Development (SFD) was established in 1997 to contribute to reducing poverty and achieving Yemen's development goals. SFD contributes to increasing access to basic services, enhancing economic opportunities and reducing the vulnerability of the poor in the country.

SFD achieves its goals through four main programs: Community and Local Development, Capacity Building, Small and Micro Enterprises Development and the Labor-intensive Works (Cash for Work).

SFD implements a wide range of operations, investing in 12 main sectors and programs, through which SFD responds to the most pressing needs in the poorest communities across the country.

Since 2015, SFD has been actively addressing the conflict impact in the country through adjusting its operations accordingly. SFD has been focusing on providing social protection by creating temporary employment and providing longer-term services for the most conflict-affected families and individuals, particularly internally displaced persons (IDPs).

Responding to impacts of those unfavorable conditions, SFD prepared an Emergency Response Strategy (2016–17) as an extension of the Phase IV of SFD's operations (2011–15). And by the end of 2017, SFD—in close coordination with its partners and donors—had developed the Yemen Emergency Crisis Response Plan "YECRP" (2018–2020) to meet the urgent development and humanitarian needs of people throughout the country, particularly the IDPs, vulnerable groups and the poorest and neediest communities most affected by war and conflicts.

SFD—in cooperation with some national initiatives and international humanitarian organizations—continues to play an important role in contributing to strengthening the humanitarian action nationwide, especially in regards to immediate and short-term assistance in supporting IDPs, mitigating food insecurity and assessing the initial damages.

## Statement of the Managing Director

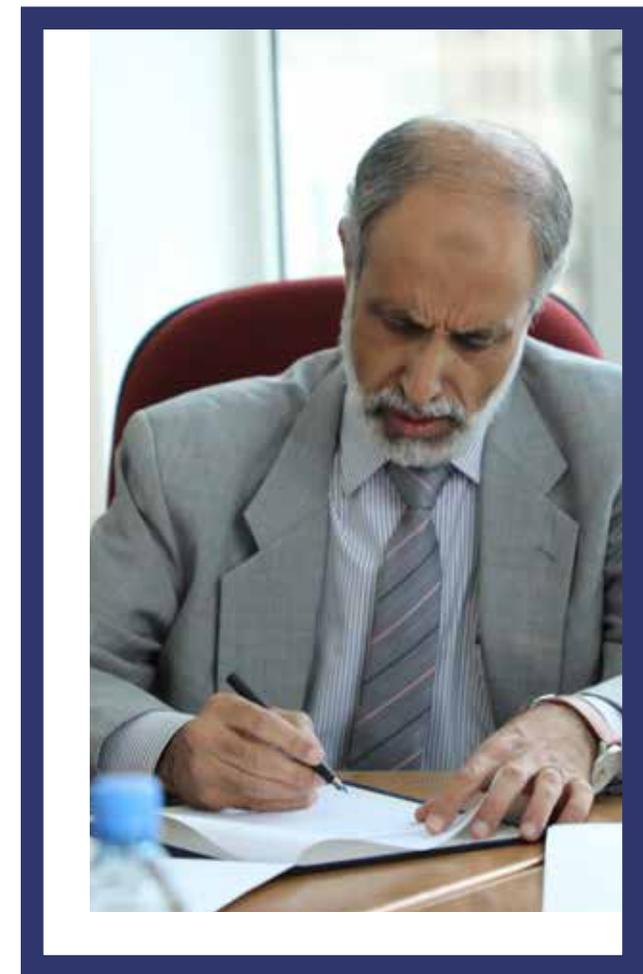
The year 2018 witnessed a true reflection of the content of the SFD's second Emergency Response Plan (2018 – 2020) in terms of field application of the three major interventions the plan has comprise. These have included cash transfers (conditional by work, basic services or nutritional activities), development and recovery of small and micro enterprises through financial and non-financial services and local and community development (along with the associated infrastructure, services and initiatives).

Likewise, during the year, SFD attained the highest annual disbursement ever since 2015 despite the many difficulties, obstacles and challenges related to the harsh conditions the country is going through. The spending on various fields was more balanced than in previous years, which reflected the needs diversity and exacerbation. However, it also reflected the donors' tendencies that prioritize social aids through cash transfers, as a social protection tool necessitated by the increasingly exacerbating living conditions, as well as a part of responding to the world's largest humanitarian crisis.

The year also witnessed a remarkable attention to the Occupational Safety and Health that has been strengthened and deepened at all levels by recording all work injuries, learning lessons and addressing relevant cases with unprecedented effectiveness. The same concern was also paid to the Grievance System, with assigning a specific work team to take care of this system in SFD's headquarters and all branch offices as it reflects the quality, fairness and appropriateness of activities and interventions.

It can be summarized that SFD managed to carry out successful interventions during this year, reflecting important and distinguished achievements, which is confirmed by the reports of independent parties assigned to monitor those activities as well as by the neutral professional evaluations.

All these successes and developments come in light of exceptional administrative requirements to adapt to the minimum developments and to maintain the trust of all partners in the SFD.



**Abdullah Ali Al-Dailami**  
SFD Managing Director

## Executive Summary

Over 2018, SFD developed 801 new projects worth \$115.5 million and completed the implementation of 621 projects at a contractual cost of \$84.7 million approximately, with direct beneficiaries from the completed projects reaching 919 thousand people (47% female) and employment created approaching 4.7 million workdays. Disbursements during the year amounted to \$153 million approximately.

During the period 2011–18, SFD has completed 6,300 projects at a contractual cost of nearly \$872 million, with disbursed amounts reaching nearly \$871 million. These projects have benefited directly 10 million persons (54% female) and created more than 36.7 million workdays.

## Summary of Sectors

Given the continuing effects of the conflict, the basic needs in all humanitarian and development sectors have been exacerbated, with lack of income continuing and public services further deteriorating. This has aggravated the communities' socio-economic vulnerability and weakened their resilience, leading to these communities increasingly involved in negative practices harmful to health, environment and the scarce local resources.

The humanitarian crisis has driven large numbers of people into destitution and dependence on humanitarian aids. The most vulnerable Yemeni groups are potentially at risk of death, as they face starvation, the cholera epidemic and economic decline, with some 22.2 million people being in need of humanitarian assistance—an increase of 5.1 million, representing nearly 76 percent of the population, since June 2017.

The SFD has responded to meet those huge needs, with project investments accelerating during 2018 and the number of developed projects increasing (compared to the previous three years). SFD continued the implementation of operations with the available resources, which responded to the priorities erupting in the new emergency context of the country.

The Education sector's share amounts to 2% of SFD committed investments during the year. The priority was given to the implementation of the Vocational and Literacy Project (VOLIP) aiming to alleviate poverty, especially among youth, women and rural populations, through providing them with skills and access to microfinance institutions to enable them to achieve self-development. VOLIP focuses on reading, writing and professional skills geared towards the needs of the labor market.

In Water and Environment, SFD continued to emphasize traditional rainwater harvesting projects and awareness-raising hygienic and environmental campaigns. 27% of investments were committed to these two sectors.

SFD also continued its support for the Labor Intensive Works Program (LIWP), which was paid special attention due to the difficult economic conditions Yemenis have been experiencing. LIWP targets the poorest communities and individuals affected by conflict, notably IDPs, as well as the youth to enable them to acquire on-the-job skills. In 2018, SFD's commitments to the Cash-for-Work Program reached 25% and to the rural-access roads 6% of the SFD total investments.

Health projects, accounting for 15% of SFD investments, focused on the provision of nutrition services and the completion of projects supporting reproductive health through providing training for rural health workers (particularly females).

SFD continued to support agriculture and rural development through completing some relevant interventions in capacity building and financing of rural female and male producing groups as well as rehabilitating watersheds in rural areas (13% of investments).

SFD also continued to support community-based organizations through training and organizational

support, aiming at enhancing their participation in self-help initiatives and to increase communities' resilience. During the year, the priority was given to youth employment through the Rural Advocates Working for Development (RAWFD) and Empowerment for Local Development (ELD) programs, which tend to form and support community structures, motivate them to contribute in mitigating the effects of the conflict, play a role to support IDPs and seek support for poor and most affected communities. The share of this sector accounted for 3% of SFD investments in 2017.

In addition, SFD benefited from small grants that continued the support of the cultural heritage sector through various labor-intensive activities, with the share of this sector amounting to 1% of SFD's 2017 project investments.

SFD allocated 8% of investments to support small and microfinance programs and business development services. The investments are intended to enable these programs to increase resilience and revitalize the financial and non-financial services in order to continue/recover their activities and generate income.

## Program and Sector Investments

Since its establishment in 1997, the SFD has pursued a policy of targeting for resources allocation to governorates and districts in order to help the poor communities and vulnerable groups cope with the difficult living conditions and improve their standards of living. Accordingly, the SFD has always sought to make the most use from the available data, indicators and information as a tool to measure the living situation of the population. Since 2016, SFD has adjusted the indicators used to allocate the available resources to adapt to the country's current conditions with emphasis on the conflict- and crisis-affected population, groups and areas.

### **Crisis Stress Indicators (2015-2018)**

In the current conditions, the SFD has use of the available data collected through humanitarian organizations working in Yemen and adapted them to have come up with crisis indicators that ensure the best mechanisms in the distribution of the SFD's resources to target the poor and societies suffering from crises. These indicators consist of three basic crises affecting people and their lives directly:

1- Food insecurity, which exacerbated the population crisis in all governorates and districts;

2. Displacement to and from areas that suffer greatly from conflict;
3. The need for basic services such as education, health, water, housing, shelter and other essential needs.

From these crises, data are collected, disaggregated and sorted, and six indicators are produced to obtain their average, which gives a very important indicator called the Stress Index. In light of this composite index, the governorates are ranked from top to bottom to examine which governorate is most affected by these

crises. Therefore, the resources provided by the donors are allocated to the governorates according to this indicator, so that each governorate takes its share of the allocation in line with the Crisis Stress Index, a kind of logical and appropriate approach that give a fair allocation for each governorate.

As part of the World Bank's \$200 million emergency crisis response project grant through the United Nations Development Program in its first and second phases, crisis stress index is now used (previously it had used indicators related to poverty and low standard of living derived from specialized censuses and surveys).

During 2016-2018, the SFD targeted approximately 301 districts accounting for 90% of the Yemen's 333 districts. As for the other districts, interventions were not reached, either as a result of the security conditions and the ongoing conflict or because of the low allocations due to the large population dispersion there.

The number of beneficiaries of these projects reached about 3.4 million people, of whom 51.7% were women.

## **Distribution of allocations within the Emergency Crisis Response Project (YECRP)**

Allocations of the YECRP funded by the World Bank through the UNDP have been distributed in three directions:

Allocations for the cash-for-work and youth employment projects: approximately \$ 110 million has been allocated according to the crisis stress indicators (mentioned above).

- Provisions for the Cash-for-Nutrition program: approximately \$ 50 million distributed in 21 districts within 6 governorates according to malnutrition cases and using indicators collected by the Food and Agriculture Cluster (FSAC).
- Allocations totaling \$20 million for smallholder farmers and loan recipients whose businesses have been affected by the crisis.

## Food, medicine and sanitation offered after hard life in Aden's IDPs camp

The war forced the family of Salim Saeed to flee from the Mauza' area, west of Taiz Governorate, three years ago to a temporary IDPs camp in the semi-desert Al-Sha'ab area, west of Aden. Salim's eight-member family included the eldest son Mohammed (17 years), whose leg was amputated following a mine blast in his village. His medical condition and requirements has exacerbated hardship to the family.

They have no access to water except the trucked-water provided daily by a relief organization. Food aid is cut off for about seven intermittent months every year.

The isolation of this displaced community and the high cost of transport to Aden city have challenged Salem and the rest of the IDPs to seek employment there. They have no relatives to support them, no shopkeepers who know them to sell food at debt, and no nearby natural resources to use except dry thorns they use as fuel to cook their meals, tea and bread.

In 2018, SFD used the cash-for-work approach to build 8 additional latrines to the existing four to serve all camp residents. "The expansion of the camp's sanitation system by 200% has alleviated the tragedy of the IDPs. And some IDPs no longer have to practice open defecation because of the queues in front of the latrines", said the displaced teacher Ahmed Hizam.

Meanwhile, Salem rejoiced at the employment opportunity offered to him in building the latrines and to his wife in spraying the building with water. They used part of their labor wages of YR144 thousand to buy basic foodstuffs and medicines for their eldest son and saved the rest for the worst days to come. "This wage is the most valuable aid we have ever received since our displacement. With our aid cut intermittently, my wife took over the management of expenses, as she is good at spending planning, so we can save as much as we can to meet the worst scenarios in the coming days," Salem said.



**Education**

The education sector has been directly affected by the conflict since March 2015. More than 1,500 schools have been damaged, 51% of teachers have not received their salaries since 2016, and nearly 2 million school-age children (36% female) are not enrolled in school as well as one million students need assistance to ensure education continuity. As such, the challenges facing education in general and girls' education in particular have been exacerbating.

Since 2016, the SFD-supported interventions have contributed to supporting the perpetuation of the educational process and responded to the emergency needs in education. This has been pursued by employing the youth to provide education services, supporting rural girls education, training of educational staff, and expanding the activities of community education and literacy for youth and working women.

In this regard, during the period 2016–18, the SFD has developed and implemented the following interventions:

### **Cash for Social Services in Education**

As part of the Yemen Emergency Crisis Response Project, funded by the World Bank through the UNDP, 33 projects have been developed and completed to contribute to the continuation of the educational process in the targeted schools through the contracting of 2,015 young men

and women to provide educational services in formal and non-formal schools. An estimated 60 thousand students (47% female) and 3,497 women studying in literacy and adult education classrooms have benefitted from the program.

### **Education in Emergency**

The activities of this component, funded by the USAID through the UNDP, have contributed to mitigating the impact of the current crisis on conflict-affected children by motivating teachers to introduce new teaching methods, maintaining continuity of education and making the learner's environment more attractive as well as providing psychosocial support and carrying out therapeutic and recreational activities. In this context, 22 projects have been developed and completed aiming at developing the knowledge and skills of 5,275 teachers, school administrators and social workers (910 female) in the areas of improving

children's literacy skills, active learning, psychosocial and educational support, as well as distribution of recreational bags to target schools.

Interventions have been carried out in seven governorates (Taiz, Shabwah, Lahj, Sa'adah, Al-Baidha', Ibb and Hadhramaut).

### **Girls' education and literacy & adult education**

The activities under the Dutch Government grant aimed to support access of rural girls in the targeted areas to formal and non-formal education, enhance girls/women's life skills, and increase their knowledge of family nutrition and reproductive health. Within this framework, 49 projects have been developed worth \$3.5 million to improve & expand infrastructure and community-education classrooms, provide training to community-education facilitators and literacy teachers on the Rural Women Life Skills Guide and Adult Education Skills Guide. Training has also focused on learning methods, preparation and local production of teaching aids as well as multi-level classroom management and active learning.

Several manuals have also been developed and relevant training provided, including the Family Nutrition, Reproduc

tive Health and Safe Motherhood Handbook, the Women Handicraft Skills Handbook, and a guidance manual for life skills trainers and supervisors of literacy & adult education classrooms and training centers.

The interventions cover 14 governorates, with direct beneficiaries totaling 35,180 people (75% female).

### **Expanding and improving education infrastructure**

The number of projects aimed at building, renovating and equipping schools has decreased since the start of the implementation of the emergency crisis response plan in 2016. However, with the resumption of the Arab Fund loan financing in 2018, 52 projects have resumed. And during the period 2016–18, 186 schools, 9 education offices and a kindergarten were completed (all under SFD IV).

### **Vocational Literacy Program for Poverty Reduction (VOLIP)**

This five-year project is co-financed by the Islamic Development Bank, OPEC and the Yemeni government, with funding totaling \$21.4 million.

The program aims to alleviate poverty, especially among youth and women in Al-Mukalla City (Hadhramaut Governorate) and rural areas in Al-Hudaidah, Lahj and Sana'a

Governorates. The program provides the target people with the appropriate skills and required funding to enable them to generate income, and focuses on the return of dropped-out and unenrolled children to schooling, in addition to empowering poor rural families with literacy proficiency and providing them with market-need-oriented vocational skills as well as access to financial services to facilitate the integration of target groups in the economic and social development at the local and national levels. The program includes five components as follows:

**Access to non-formal education:** This component supported the construction, renovation, furnishing and equipping of 63 community classrooms in the above-mentioned areas, contracting and training of 134 male and female teachers on the guides of active learning strategies, community education, phonetics and numeracy principles to facilitate the access of drop-out children to non-formal education. The number of 09–15 years age-group children enrolled in these classrooms reached 2,060 in 2018 (72% female). In addition, 159 literacy and adult education classrooms were opened and 211 male and female teachers were contracted to teach 4,471 illiterate youth and working women (96% female).

**Training of working women and unemployed youth:** 2,183

unemployed youth of both sexes and working women (71% female) were trained in various vocational fields according to their desires and preferences and in response to the labor market needs to ensure the benefit of income generation.

**Microfinance Access Facilitation:** 1,380 youth and working women were trained on project management and entrepreneurship in the targeted governorates, and 193 small and micro projects were funded with a total amount of YR21.5 million through the Financing Guarantee Program. The projects were distributed in the target areas as follows: 60 projects in Lahj Governorate, 22 in Sana'a, and 85 in Al-Hudaidah and 26 in Al-Mukalla City.

**Capacity Building:** The program built the capacity of 24 local supervisors of the Ministry of Technical Education and Vocational Training in Sana'a and Al-Hudaidah Governorates on the basics and skills related to the assessment of the training process of technical and vocational institutes. Also, training was provided to 9 counselors on the bases and techniques of the evaluation of technical education centers and institutes, and 59 literacy and adult education counselors were trained on the relevant Vocational Development Reference Manual.

## **Mona: From need and poverty to production and income generation**

Mona Al-Khalqi is a widow living in a rural area of Hamdan District, north of Sana'a. With the widespread conflict causing many livelihood doors to close, she found herself the lone sustainer of 7 children—with no income source or work skill.

In 2018, several economic and social changes have taken place in her life and her family. She recounts: “I had a dream to learn dressmaking and tailoring to earn a steady income. I had to look for any job for our livelihood and to lead a decent life. My dream came true thanks to God and the VOLIP program, which provided me with training courses in small projects management and tailoring.

Following the training, I got a loan from VOLIP, which helped me set up my own project, which was very successful. I bought raw cloths and textiles to sew quality women's dresses that I sold to shops. This enabled me to repay the loan and make good profits, and thus spend the returns to take care of my children and buy a piece of land as well as refurbish some parts of our house.

I am now working as a trainer's assistant in Sana'a, participating in implementing the training program organized this year by VOLIP for female trainees.”



**Health and Social Protection**

The humanitarian crisis in Yemen is the worst in the world due to the ongoing conflict since March 2015, with 22.2 million people being at risk of starvation and 2 million children under five and 1.1 million pregnant and lactating women in need for urgent treatment to survive.

Most sectors providing basic services, including the health sector, have been affected, as less than 50% of health facilities are fully functional, and lack equipment, medicines and service providers. Moreover, spread of deadly diseases such as cholera is an additional challenge, and the salaries of most health workers have been suspended since late 2016.

### **Progress in implementation (2016–18)**

The SFD's interventions in health and nutrition have contributed to improving and strengthening the infrastructure of health services, which has been damaged (partially or totally). The SFD has also contributed to meeting the urgent needs of the poorest families affected by the ongoing conflict, and stimulating demand for nutrition services as well as maternal and child healthcare to improve the nutritional status of malnourished children and women in the targeted areas.

During the period 2016–18, the SFD has developed and implemented the following interventions:

#### **Improving access to health services**

Activities funded by the European Union through UNDP focused on the rehabilitation and reconstruction of the partially and totally destroyed health facilities, respectively. Also, the activities included the construction of nutritional

treatment centers in underserved areas, and the addition of some service sections/facilities, with providing them with furniture and medical equipment that enable them to provide satisfactory health services to the patients, as well as facilitating access to therapeutic services at various levels.

During 2017–18, the SFD has developed and implemented 85 projects at an estimated cost of \$8.1 million, aiming to renovate, build, furnish and equip 87 health facilities in the governorates of Abyan, Al-Dhale', Al-Hudaidah, Al-Jawf, Hajjah, Lahj, Sa'adah, Sana'a, Shabwah and Taiz. These facilities include 19 health units, 33 health centers, 6 maternal, child and reproductive health facilities, 22 rural and urban hospitals and 7 health facilities specialized in dialysis as well as medical stores, blood banks and central laboratories.

Similarly, the same period has witnessed the completion of constructing, furnishing and equipping 22 health facilities in eight governorates (Al-Mahweet, Taiz, Shabwah, Hajjah, Hadhramaut, Dhamar, Amran and Al-Hudaidah) at a cost of \$6.3 million, financed from SFD's Phase IV multi-source funding.

On the other hand, activities under the USAID's grant (provided through UNDP) have focused on investing in social human capital by building and developing service providers' capacities, providing them with the required knowledge and skills to make a positive impact on serving communities, especially the most vulnerable groups (women and children).

Under this sub-sector, 43 projects were developed and completed at a cost of \$1.5 million aimed at enhancing the knowledge and skills of 1,989 technical and administrative health personnel and community midwives (56% female) from 14 governorates. In addition, the three-year training and qualification of 366 health workers and community midwives have been completed at a cost of \$1 million (provided from multiple funding sources).

### **Strengthening community resilience**

Under the support of the European Union (provided

through the UNDP) 10 projects were developed at an estimated cost of \$1.8 million aimed at enhancing community resilience and mitigating the war and conflict effect in 15 districts of five governorates (Taiz, Al-Hudaidah, Abyan, Shabwah and Hajjah). This is done by strengthening counseling services in schools and health facilities, disseminating knowledge and awareness among target families about basic concepts of social protection against war trauma, motivating communities to seek assistance to those severely affected within the health facilities in the relevant district, and creating job opportunities for unemployed youth. The projects trained 2,827 teachers, specialists, school administrators, doctors and nurses as well as the distributed recreational activities' bags among targeted schools. It is expected that 800 young men and women will be temporarily recruited to carry out community awareness activities aimed at alleviating the effects of the psychological trauma entailed by the conflict.

### **Conditional Cash Transfers (CCT) in nutrition**

The CCT program is designed to meet the urgent needs of the poorest families affected by the ongoing conflict and to improve the nutritional status of malnourished children and pregnant and lactating women in the targeted areas. The program targets the community's most vulnerable groups (women, children and youth).

The program's activities focus on health and nutrition education, bringing about positive change in the daily practices of targeted women, and providing counseling to these women by contracting young females to act as community educators and promoters to increase demand for maternal, childhood and nutrition services. Also, the activities include surveying and screening malnutrition cases among children and pregnant and lactating women and referring them to the therapeutic nutritional facilities for treatment, along with providing financial support to access these services as well as continuing monitoring of these cases until they recover.

The main activity of the program is to provide monthly cash transfers to targeted households to help families increase and improve food consumption.

In this context, 20 projects have been developed worth \$50 million funded by the World Bank through the UNDP, and targeting 21 districts in Al-Hudaidah, Dhamar, Ibb, Lahj, Al-Dhale' and Taiz Governorates. 120 thousand women and 176 thousand children benefited from the program activities, and about 85 thousand women received monthly cash assistance for a year.



A community mobilizer measuring the rate of child malnutrition in Al Hudaydah

## Amran Hospital's services are thriving as nurses perform better

The war in Yemen has tripled the number of people in need of health services from 5 million before war escalation to 16 million after four years of war. Dr. Fares Abdulghani, Director of Amran General Hospital, said that there are people who lose their lives just because they are unable to pay the health bill. However, he still looks through a window of optimism for there are a few agencies still providing important support for the continuation of the services of the hospital, which is the largest in the governorate. "The SFD, one of these active supporters, implemented a project that provided training to 27 (male and female) nurses working in the hospital", he added.

Rural Amran was one of Yemen's most health-service-underserved governorates due to the fact that more than half of its health facilities became non-functional due to the ongoing war, scarcity of funding, and the deterioration of family income, with children and women being the most deprived of access to health service and the pressure on this hospital increased. Dr. Fares said that the current war has doubled the number of patients visiting the hospital to 800 cases per day, in addition to 60 hospitalized cases (an increase of 200%, mostly from the displaced and vulnerable).

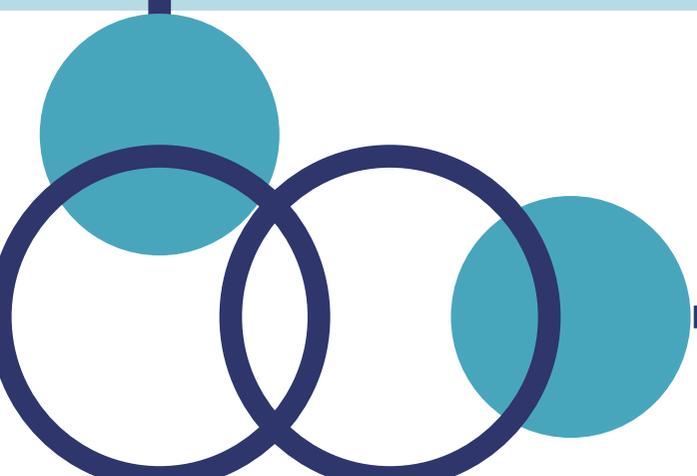
The SFD's support has improved the quality of medical work; for example, Fatima Al-Ma'akhadhi, Head of Women Intensive Care Section, says, "The hospital's nurses were not trained in the past years, and the training provided by the SFD came in the appropriate time for me, as my previous qualifications did not meet the minimum requirements for work. However, I am now using the new skills I've acquired from the training in dealing with the critical cases we receive, mostly experienced by the poor".

“I got an intermediate diploma and then worked in nursing in this hospital for years. As the hospital's nursing staff had lacked long-term training, I could not make my dreams come true. Nevertheless, getting the general diploma through this training is the biggest step towards the bachelor degree—for me and the other trainees”, she concluded.

Dr. Fares said the SFD-supported three-year training has upgraded nurses from Intermediate Nursing Diploma to General Diploma. “The administration is satisfied with the good performance of the trainees who have bridged an important gap as doctors work for three hours a day, while nurses professionally care for patients throughout the day, and they managed to understand the medical terms by which they communicate with doctors (in speech, reports and medical files)”, he explained

The project covered the cost of training 27 nurses and gave the trainees financial allowances that covered an important part of the basic needs of their families. Dr. Mohammed Al-Kayyal, working in the preterm section, explained the benefits acquired by the trained nurses. He says: “They had only implemented the treatment plan set by doctors such as the number of times of taking medications; but after training, they became familiar with the diagnosis of some cases and aware of the drugs given to the patients as well as how to deal with emergency cases and with premature infants, reproductive health, etc.”.

The trained nurses gained new knowledge they were not familiar with, such as dealing with surgery and various diseases, including heart and liver diseases and organic interactions caused by diseases, medicines and food. The project supported the skills and knowledge of the nursing staff in admission and intensive care sections, operation theatres, preterm and obstetrics emergencies and the like.



## **Ibtisam establishes five educational classes to combat malnutrition in Al-Hudaidah**

Ibtisam Yahya is a high school graduate from Bagel City (Al-Hudaidah). She worked with the SFD's nutrition program as a community educator in the nearby village of Al-Daman. Ibtisam was stunned by the high rate of illiteracy and vulnerability among women there; therefore, she has been deeply engrossed in community development.

She intensified awareness activity using effective persuasion methods, and managed to motivate the community and form five educational classes for girls and women, having arranged with the school administration to provide female teachers. Given the fact that most of the adult learners were mothers, Ibtisam volunteered to give a nutrition-focused lecture in each class.

Ibtisam was also happy, as this job was the first in her life to earn an income to support her family after her father and all his colleagues were laid off from the city's tomato paste factory as a result of the conflict, resulting in the family suffering from financial difficulties.



## Water, Sanitation and Hygiene (WASH)

SFD projects in the WASH have contributed to the provision of water and sanitation services to communities affected by cholera and acute watery diarrhea (AWD), as well as communities vulnerable to be hit by these epidemic diseases. Not only did the interventions include provision of service, but they also included raising awareness among communities about the causes and symptoms of cholera, prevention measures and how to deal with cholera-affected persons.

Water and sanitation interventions in 2018 demonstrated outstanding success stories for saving lives while meeting the diverse needs in the short and medium term, especially for remote communities with difficult access which are suffering serious effects of conflicts. SFD emphasizes on supporting vulnerable groups during difficult times of conflict through providing sustainable water and sanitation services, which will minimize the reliance of these groups on humanitarian agencies and give these agencies an option to withdraw safely from these vulnerable groups.

## Water Sector

This sector seeks to provide improved water to beneficiaries, especially in poor rural areas, in accordance with the national definition of water coverage in the rural areas 1. It also seeks to rehabilitate water projects that are affected by the conflicts since the beginning of 2011, where possible and when funding is available. Moreover, most projects in the sector adopt the cash-for-work mechanism (CfW) in most of its interventions to enable beneficiaries to cope with food insecurity caused by the war.

## Implementation Progress and Projects' Development

During 2018, the water sector developed and financed 166 projects with a total estimated cost of USD 19 million.

Since 2016, 358 projects have been funded at an estimated cost of USD 39 million, 190 of which have been completed at a cost of USD 18 million.

Add to that, 360 projects were completed during the same period, including projects that extended from Phase IV fund, with a contractual cost of approximately USD 43.4 million directly benefiting 541,000 people (50% are women) and generating more than 2 million working days.

Water interventions were focused in harvesting rainwater from rooftops to provide improved water at the HHs level. A high percentage of these projects are labor intensive works that provides income opportunities for workers from the targeted HHs as well as members of the targeted community.

Approximately, 95% of the projects financed during the emergency period (2016-2018) were rooftop rainwater harvesting projects.

## Women of "Alhadaq" rid the worst lifetime suffering

The steep populated mountains have posed a lifetime challenge for many residents of Raymah Governorate (central Yemen). Alhadaq was one of those villages where steep geography have created narrow and difficult-to-irrigate agricultural holdings. This situation and inaccessibility of relief aid have caused food insecurity to rise noticeably adding to the economic impact of the ferocious conflict that ceased income of most Yemenis.

The shortage of water in the village is a particular issue because of the terrains. The villagers rely on fetching water from nearby springs during two months in the rainy season, and then it becomes a very strenuous four-hour travel journey to and from distant water springs. In addition, the families used to assign mothers and girls to make the trip twice a day compromising home care and schooling.

The more the difficult access to the village posed a challenge to the SFD team the more motivated they felt to reach it. With the cash-for-work mechanism, SFD provided employment opportunities for villagers who built their rainwater cisterns near their homes and distributed water distillation filters to 170 households (100% of village households).

The first rain season after the end of the project was a turning point, especially for women and girls who preferred to keep the water of their cisterns to use them during the drought. "The first rainy season was a beginning of new life for women and girls," said Fatima Mohammed, a mother from Alhadaq. "The cisterns minimized our suffering that no one can imagine. Now, I and my daughters have realized the meaning of being a living human being who can take care of ourselves. There is nothing worse for women than traveling daily to fetch water!"

In the days of the distribution of work wages, small merchants from neighboring villages used to arrive at Alhadaq and sell food to the beneficiary families throughout the project implementation period. The men took advantage of this opportunity and learned building skills and looked after work opportunities in construction.

## Sanitation Sector

This sector seeks to provide beneficiaries with sanitation services through sewerage networks and wastewater treatment plants, as well as stimulating rural communities through conducting a community-led total sanitation approach (CLTS) and providing support to help the beneficiaries own safer sanitation systems at their homes, especially since the beginning of this year. The sector also seeks to rehabilitate sanitation facilities affected by conflicts since the beginning of 2011, whenever possible.

### Implementation Progress and Projects' Development

During 2018, the sanitation sector developed 55 projects at a total estimated cost of USD7.8 million. Seventeen projects were completed with a contractual cost of USD 5.2 million in which 44,000 people were direct beneficiaries, 47% of whom were women. Also, 305,000 working days were generated for the beneficiaries.

During the emergency period (2016-2018), the sector developed 78 projects at an estimated cost of more than USD 10 million, in which 54 projects were completed with a total contractual value of more than USD 9 million that supported more than 358,000 persons, half of whom were women. In addition, 338,000 working days for the beneficiaries.



### Cholera Indicators

Yemen has been hit by two waves of cholera and acute watery diarrhea (AWD), the first wave started in September 2016 and almost ended in March 2017 only to be followed by the second wave in April 2017 and continued until the end of 2018. SFD has taken measures to participate in alleviating the spread of cholera, the most significant measure is the inclusion of Cholera awareness component in all interventions and projects for all sectors and programs in addition to choosing the type of activities and interventions that contribute to the prevention of this disease taking into consideration the priorities of the communities.

## Sanitation in Al-Jaltain: A complete, comprehensive response

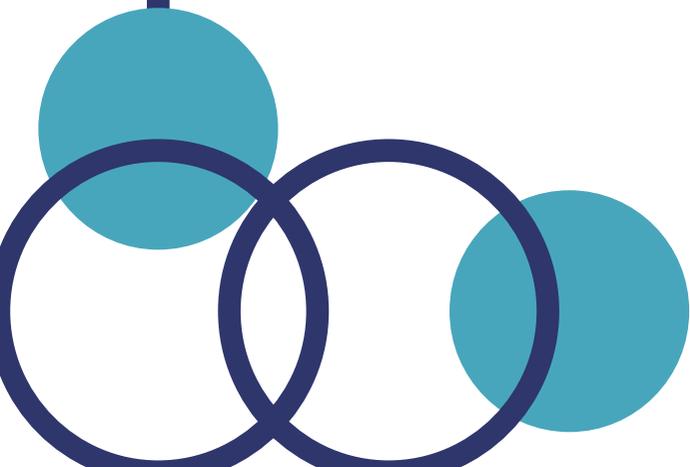
Yemen ended 2018 with more than 1.2 million cases of acute watery diarrhea (AWD) and cholera, making it the largest cholera outbreak in the world. An international assessment of the overall cholera response in the country indicated a few gaps in responding to the outbreak, but it did not address the causes of the outbreak, as well as the lack of access for teams to remote areas. Therefore, in this context, SFD took the lead in closing these gaps, particularly in all cash-based sanitation interventions.

The village of Al-Jaltain, which has 62 HHs, in the district of Khamis Bani Saad, AlMahwit Governorate, is one of the remote villages that do not have latrines. Disposing wastewater to the open and open defecation are practiced in the village. When it rains, flood wash out these wastes causing contamination of the only shallow well they have for their water source. Furthermore, the severity of poverty, and the lack of education and public health awareness contributed to the lack of sanitation and hygiene facilities in all homes. This led to infecting almost all HHs members in the village with cholera, with only 10% of the population surviving the epidemic, and with the inability to treat the disease because of the sever poverty.

SFD was alerted to how critical the situation was for the residents by monitoring the Cholera cases data issued by Al-Mahwit Governorate and sent an awareness team to the village right away. The team quickly succeeded in convincing the population of the reasons for their suffering. Days before the arrival of the technical engineers team, the youth of the community spontaneously started an initiative to remove the large rocks from the road for a length of 6 km to facilitate the team's access. This road soon become the path of the entire population, which reduced the travel time to the nearest market to one hour instead of two hours.

Within a few months, the village turned into an active workshop for all those able to participate in the cash-for-work training, then digging and building their covered leaching pits, in addition to 62 latrines equipped with hand-washing tools using local resources. The workers, then, were directed to protect the village well from the waste mixed with the rainwater floods and from falling children, and then each family received a pot-filter to purify the water at the household level.

Labor wages were 80% of the total project cost, enabling all HHs to purchase essential food supplies. Another 13 HHs were able to buy sheep, goats, and calves. Also, 30 households were able to acquire solar systems after spending four years in the dark. During the work, the beneficiaries learned the skills of stone shaping and masonry, plumbing and carpentry, some of them used new gained skills to renovate their old houses or add a simple facility to their houses. However, everyone used their wages to buy basic food, pay their debts and acquire a variety of income-generating assets.





# Agriculture and Rural Development

The SFD activities under agriculture and rural development (ARD) contribute to mitigating the effects of conflict by enhancing livelihoods, improving agricultural productivity of agriculture-dependent population and empowering small producers. This is pursued through several interventions including Water of Agricultural Development, Rainfed Agriculture and Livestock, supporting Rural Lending and Savings Groups and beekeeping.

### **Progress in projects development and implementation**

During the year, the SFD has developed 109 projects at an estimated cost of \$14 million and completed 19 projects with a contractual value of more than \$2 million, directly supporting more than 15 thousand people (41% of whom are women) and generating job opportunities amounting to approximately 149 thousand workdays.

During the emergency period (2016–18), the SFD developed 142 projects worth approximately \$19 million, and completed 71 projects with a contractual cost of over \$9 million, directly benefiting more than 62 thousand people (47% women) and generating some 415 thousand workdays.

### **Status of projects implementation**

#### **Emergency response to crisis**

The current crisis and war in the country have deteriorated the living conditions of the population and led to displacement of people and lack of job opportunities. As such, and through the emergency project financed by the

World Bank (through the United Nations Development Program) and the DFID, the SFD has completed 16 projects in 2018 worth \$1.9 million, while 35 projects worth \$4.9 million are still underway. Part of the activities focused on improving spate irrigation, protecting agricultural land and supplementary irrigation in order to enhance and improve agricultural productivity. The other part focused on improving livestock production through the establishment and improvement of animal sheds, with all activities carried out by displaced and host families through cash-for-work mechanism.

#### **Small farmers' promotion and qualification**

The project aims to improve and enhance agricultural productivity and improve food security, targeting 21 districts in seven governorates (Al-Hudaidah, Taiz, Lahj, Abyan, Shabwah, Sa'adah and Hajjah).

During 2018, a number of projects have been developed and implemented within the components specified above in addition to completing two projects in Wadra District in Hajjah Governorate at a cost of \$165 thousand

and continuing the implementation of 93 projects worth \$5 million.

Most of the activities in these projects focused on protecting agricultural lands, improving spate irrigation canals, rainwater harvesting, supplementary irrigation and rehabilitation and reclamation of agricultural terraces, as well as harvesting water for drinking. Moreover, the selection and training of bee component beneficiaries on the production of honey and its derivatives have commenced.

With respect to the interventions planning, the sector has completed the field survey to identify the needs of small farmers in the 18 targeted districts following the training of 71 people from different agricultural specialties on the project mechanism and objectives. Field verification on the field survey results has been conducted in Al-Ma'afer District (Taiz) in cooperation with the Food and Agriculture Organization (FAO), with projects identified according to technical standards and distributed in all the sub-districts of Al-Ma'afer.

Finally, areas of the pilot project for the rehabilitation of pastoral areas in Maqbana (Taiz) and Wadrah (Hajjah) were identified within the project aiming to rehabilitate 5 hectares of land as guidance, model sites.

## Lending and Savings Program

During the year, the database of savings and lending groups was updated to identify the groups that had ended their activities as well as the ongoing groups, with the latter numbered 113 comprising 3,334 members (of both sexes).

Also, Joint field visits were conducted with officers of the SMED Unit to some savings and lending groups in Al-Mahweet District (Al-Mahweet Governorate) in order to benefit from the experience of forming such groups.



Implementing gabions to divert torrents in the village of Al-Thameer - Radfan - Lahj



**Training & Organizational Support**

This sector achieved an important success within the wide framework of human activities in the country . The sector had aimed at motivating the various communities among which it is working through the formation and organization of their structures for the purpose of improving their living standards. This has been realized at the midst of the suspension and collapse of most general services systems and the lack of income, as well as the deterioration of social cohesion, and the weakness of the social capital role concerning social support , due to the spread of conflict.

### **Progress in the Development and Implementation of Projects During the Year 2018**

25 projects were developed during the year 2018 with the estimate total cost reaching 3,3 million USD. 42 projects were also achieved costing about 3 million USD distributed among the Training sector(18 projects) , Organizational Support (19 projects) and Integrated Intervention (5 projects) , from the whole of which about 129 thousand persons benefitted (half of them females) , and generating 80 thousand work/day opportunities.

While during the period of the country's crisis , about 99 projects have been developed , with the total cost reaching about 10 million USD , as well as 183 projects were already completed with their contractual cost reaching 10 million USD with the number of beneficiaries reaching 309 thousand persons , half of them females . The work/day opportunities generated from the various activities exceeded 729 thousand.

### **Field Status of Projects' Implementation**

The sectors of Training , Organizational Support , and Integrated Intervention consisted of a number of activities during the year, summarized as follows:

#### **Empowerment For Local Development Program**

The Program aims to empower local authorities and communities to adopt participatory planning in line with available local resources , and be compatible with national development policies and strategies. It also aims at increasing the community participation synergy and strengthening relations between the local authorities and their communities in the direction of cooperative work revival for helping to maximize the benefit of social capital.

During the year 2018 various Program activities were implemented in 37 districts of 18 governorates . These included facilitation to form and reactivate 1,420 Villages' Cooperative Councils , whose total elected members reached 11,360 (50% females). The Empowerment Program facilitators' youth provided support to the formed councils to

develop 1,420 resilience plans for their villages.

The Program also provided support to the local authorities in the targeted districts through the formation and training of districts' administration teams and linking the VCCs with the districts' local authorities , in addition to strengthening the capacities of these teams to supervise small community projects , and empowering them to carry out humanitarian activities in the districts under their supervision. This is beside empowering them to develop recovery plans and the identification of priorities for projects, with SFD support. In this respect 8 of these projects have been completed at the end of the year in fields including health, education and water. The Program also carried out a new initiative represented by bringing together a number of VCCs for implementing initiatives in the governorates of Hajja and Lahj related to the sectors of drinking water , roads , education and health.

The Program activities also included the following :

**1. Self-help Initiatives Implemented by Villages' Cooperation Councils and Sub-district Committees:** Their number reached 7,320 initiatives from which 70 districts in 18 governorates benefitted . Total estimate cost reached 426 million Ryals and fully financed by these communities .

**2. Similar Funding for Small-sized Community Projects:** This comprised of similar grants (in kind) by SFD for small-sized initiatives within the community . They were allocated for infrastructure projects that need additional financial resources to community contributions. Such support was provided for 961 initiatives including small-sized infrastructure projects and training on livelihood skills mostly income generation. Estimated total cost for these initiatives reached 840 million Ryals, including 46% as SFD contribution. Beneficiaries from these initiatives reached 150,800 persons (50% females). These initiatives covered the sectors of rural roads, education , water and irrigation, health , sanitation , and training in livelihood skills.

**3. Implementing Prioritized Interventions – Districts' Recovery Plans:** SFD provided support to the local authorities in 8 districts to develop recovery plans. In this respect SFD provided a grant to support activities implemented by the local authority under SFD supervision. Accordingly 8 projects were supported ( including 3 health units' projects , 4 school projects , and one project for mechanized water).

**4. Employing Youth in Community Empowerment:** SFD invested RAWAFD Program graduates for working as community facilitators in ELD Program , thus making use of their previous training as well as the skills they had acquired . This is in addition to enabling them to acquire other skills in community activation. In this respect about 1,779 youths (50% females) obtained training in ELD, enabling them to

get temporary work opportunities as community activation facilitators. They supported the formation of VCCs in 37 districts of 18 governorates . They also supported the VCCs in planning community recovery plans , the implementation of self-help initiatives, and the generation of 91,000 work/days.

### **RAWAFD Program**

This program qualifies university graduates from rural areas to become community development advocates in their respective areas. The SFD continues to market the expertise of RAWAFD youth through the Website to strengthen communication and update the data concerning these youths. The aggregate total number of youth trained by this program has reached 6,497 ( including 2,839 females) from 20 governorates,

During the year about 1,335 youths ( 796 females) secured short-term work opportunities within SFD programs' framework , and with other local and international agencies working in Yemen. On the other hand about 230 (including 100 females) from among the program graduates obtained long-term opportunities . Activities achieved by them with the various agencies included different fields related the training that had been provided for them by SFD.

### **Training Consultants (individuals)**

SFD builds the capacities of new consultants to reinforce

skills that enable them to implement qualitative activities as field consultants within SFD's different projects. During the year SFD trained about 980 young consultants newly graduated from universities in components including engineering , accountancy , and technical topics related to the implementation of SFD projects. On the other hand training enables them to improve their work opportunities in general- among which permanent work opportunities , whether those related to SFD or other development partners.

### **Community Participation**

This sub-sector is concerned with supporting SFD branches to strengthen citizens' participation in all SFD's field activities , as a granted right , and also to help in the facilitation of projects' implementation.

During the year 122 project committees were formed and trained to represent the community before SFD and facilitate the projects' implementation process , in addition to its role in community accountability.

### **Integrated Intervention Program**

The program's main activities during the year comprised firstly of the implementation of a workshop in Sana'a to review the outputs of the preliminary phase study report concerning the targeting of poverty pockets in urban areas of (Sana'a Capital Secretariat) , and the drawing out of the needs matrix in this respect. Secondly a women

training course was implemented in traditional manicure , and perfumes and incense making in the framework of support for rural women livelihood skills in Al-mutaina sub-district of Al-tuhaita district (Hodeida governorate)

Thirdly and in coordination with the Small and Micro Enterprises' Development Unit , training was provided in the field of formation and organizations of rural funding and saving groups

as a component in the Project of Supporting the Extension of Financial & Non-financial Services in the areas related to the Integrated Intervention Program , beside training consultants from the branches of Hodeida , Dhamar, Ibb, Amran, Aden and Mukalla in saving and lending . This is in addition to the implementation of two workshops to discuss the Manual of field work concerning the team entrusted with the formation and organization of the rural saving and funding groups for the branches of Amran, Dhamar , and Ibb. The program team also carried out an experience -sharing visit to Al-mahweet district (Al-mahweet governorate) to be acquainted with the rural saving and funding groups , in coordination with the two sectors of Agriculture & Rural Development , and Small and Micro Enterprises' Development.



Tamkeen Youth Training - Al-Makhder - Ibb

## The conflict vanishes when development prevails

I am a very poor rural girl from the tribal Hajjah governorate, but my passion to continue education has broken the prevailing societal taboos against women development. A few months after I graduated from university, the Social Fund for Development (SFD)'s RAUWFD program enrolled me and I learned new development issues I had not found at university. Full of enthusiasm, I returned to my village, motivated villagers and volunteered in many self-initiatives, including the development of rural women in health awareness and literacy that has been ongoing until now. Therefore, the villagers and my family members have been increasingly supporting me as they realized that my education has contributed to improving their lives.

My mother worked painstakingly in home service in faraway cities to provide for us, 5 members, after our father's death. The large war has started worsening our situation and she stopped visiting us for four years as she believed that she had to invest every day and every cost to secure our survival in the worst days of our lives.

All the sudden, the SFD's Local Empowerment for Local Development program kicked off in my village. The villagers nominated me to run for the membership of the Village Cooperation Council (VCC) in the centre of Quidna district and I won. As soon as I completed training on many developmental issues, the SFD contracted with me and my female colleague to work in the program. I felt happy that many of my problems would be solved, our mother would get rest and we would finally be reunited.

I worked in the project enthusiastically with the communities of the Alshaghadra district, and the team fulfilled development achievements that ignited in the communities' hope that the conflict had extinguished. My contract ended and then the SFD chose me again as part of the Tamkeen program again in the remote Kuhlan Alsharaf district of high mountains and simple communities who did not know the meaning of "development"; they lacked education, health, sanitation, etc.

Days after the motivation and awareness to the communities, all the villages competed vigorously to implement the initiatives after the VCCs' election in 41 villages and training of 808 members, 50% women. 470 initiatives were implemented at a total estimated cost of YER 35 million with hundreds of awareness sessions against cholera and unsafe sanitation. The female presence largely convinced the communities for the first time to involve their women in initiatives and outreach.

This station has been the largest workshop of Tamkeen empowerment in the whole Hajjah. And as we left the area, the communities paid passionate welfare to us.

For the third time, my third station was the Beni Qais district, where the conflict environment disappeared, and ideas, cooperation and solidarity were apparent as hundreds of service facilities have served the people's needs.

Working with Tamkeen provided me good experiences that reminded me with my mother's long work migration. I felt I was repeating her experience, despite her tougher hardship. At the end of the work, I returned to my village just prior to the festive days of Eid Al-Ad-ha with my hands carrying good money to my brothers and clothes for the feast. The return of my mother beautifully added to this occasion after four years of absence, although in a deteriorated health condition. I barely convinced my mother to stop moving out for work and that I take over the responsibility for addressing our needs. I got \$ 3000 in wage, which I spent to cover a large part of the accumulated debts, food items and cost of restoration of our old house and for my brother to buy spare parts for his taxi that he uses as a source of income.

My enthusiasm did not stop, and I volunteered to activate the VCC of my village at the Quaidina and implemented 14 initiatives within one year during the conflict. Today, we are raising for funding for the most urgent initiative (building and equipping a rural women's training and rehabilitation centre) in order to improve women's income.

Yes, I have encountered many difficulties as a girl in difficult environment but the enthusiasm will not be extinguished as long as I am equipped with development skills, the capital that uses endless opportunities and resources.

**By the consultant ( N,M )**

## Stronger voice joins to support the weakest segments of society

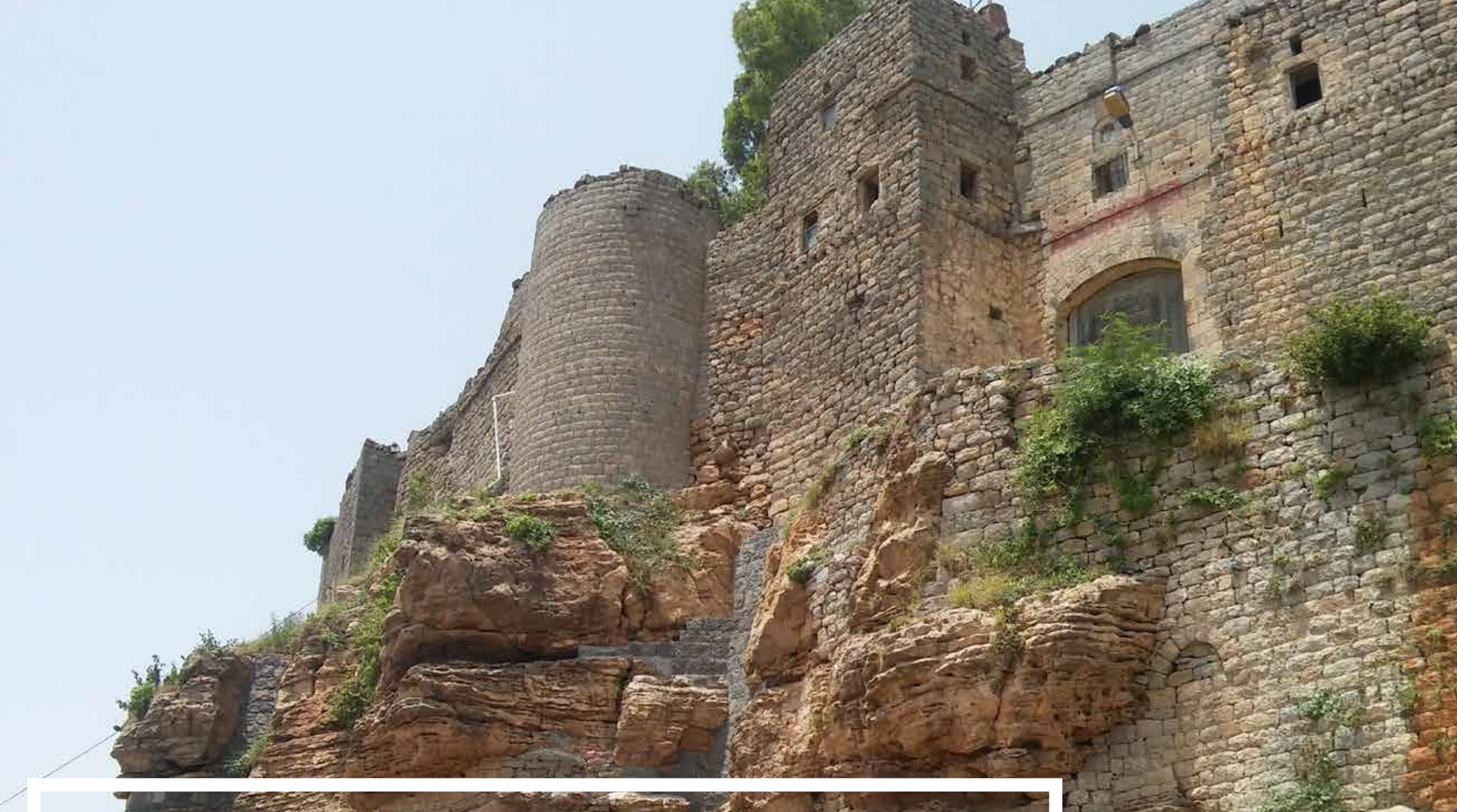
Mrs. Shafika is a rural woman with special needs who strongly believes in volunteering in the service of society. Despite community traditions, she took responsibility and set up a female literacy center in her village of Akma in the Salafiya district of Reima governorate.

Shafika volunteered to teach children at school and at home.

Later, Shafika took advantage of the Empowerment of Women in Development approach, gained broad support within the community to win membership of the village cooperation council during the community's election to the council, and urged her female peers to stand for election.

She is now the council's rapporteur, so that she can have daily participation and prominent decision-making roles in favor of the priorities of the women of her community.

One of the main outcomes of her participation was, among other things, the establishment of two new adult literacy centers in neighboring villages.



# Cultural Heritage

While the conflict has brought about damage in the country's archaeological and historical assets, the SFD cultural heritage interventions have contributed to the national efforts to preserve the country's rich and diverse cultural heritage by preserving cultural assets of high archaeological, historical and artistic value, contributing to the building of national capacities in this area and preserving traditional crafts and handicrafts. Against these goals, the sector continues to adopt cash for work mechanism to respond to the urgent living needs of those engaged in cultural heritage preservation activities as a daily source of livelihood.

The cultural heritage's interventions aim to create jobs for a large number of families in light of the difficult living situation. This sector has implemented a number of activities within the sector's assets so they create suitable jobs for local workers who had found difficulties in finding job opportunities in other sectors. The sector has developed and implemented a number of projects and activities in most of Yemen's governorates. The nature of these interventions has varied, including the pavement and environmental improvement of historic cities as well as the protection and rehabilitation of a number of vital landmarks directly related to the provision of basic services to local communities in areas of interventions such as old water tanks, bridges and traditional markets.

#### **Progress in the implementation and development of projects**

In 2018, the SFD developed 13 cultural heritage projects at a cost of US\$ 1.9 million through the cash-for-work mechanism. In addition, 10 projects were completed with a contractual cost of approximately US\$ 1 million benefiting 3,657 people directly, half of whom were women. The pro-

jects tend to generate more than 62 thousand working days. The SFD completed 18 projects during the period (2016-2018) at a total contractual cost of about US\$ 2.6 million.



Employment of rural women in Hadramout

## Amina regains hope after a tragic childhood

Amina Ahmed, a 13-year-old high school student, dreamed of completing her schooling and university education to become a teacher like Bushra, who is respected and distinguished from many women in her village on the outskirts of the city of Bagel in Hodeidah, western Yemen. Towards that dream, Amina was devoting most of her time to studying. However, the continuing deterioration of the economic situation of her already impoverished family may agree with a harsh social habit that prompted the family to marry Amina at this young age to an adult man, ignoring her childhood, health and dream!

The child entered adult life early to lose everything except her dream and to think about continuing her education, a source of constant disagreement with her husband, who has repeatedly threatened her that she would starve if she thought about education. It took a few years for Amina to give birth to three children, with ongoing conflicts with her family, and then divorce. This left a profound psychological impact that was only mitigated by her return to school until she finished high school, but the severity of her poverty prevented her from entering university.

Amina has long looked for any opportunity to improve her livelihood until she joined an income-generating training program implemented by the Social Fund for Development across the cultural heritage sector, within the Women's Empowerment Program ... Her life from the need mode to production mode - she says. Amina has mastered the traditional design of new and diverse palm fronds in her environment, and has been able to produce and sell her products and secure the most essential necessities that allow her to live in dignity.

"The training opened my eyes to develop and market my products outside my area at better prices. But that did not stop my dream of benefiting people and gaining their respect and appreciation. I motivated and educated 40 women from the village to make the same products until they found the workmanship."



# Labor Intensive Works Program

The labor-intensive Works Program (LIWP) targets the poor urban and rural communities with an emphasis on the areas of displaced communities and the unemployed due to the existing conflict. The aim is to benefit these communities in a double way in terms of immediate wage income to protect the poor families, and the provision of community assets that will generate future benefits and improve the access of poor rural communities to basic services and living resources. The program is therefore becomes an integral part of the social safety net and contributes to alleviating the negative impact of the crisis and improving the living conditions and food security of the poor and the affected.

Given the current situation in the country, the program has been scaled up to include displaced communities and conflict-affected areas directly, and communities most affected by food insecurity.

LIWP comprises the Cash-for-Work (CfW) Program and Rural Roads Sector.

### **Cash for Work Program**

Cash-for-work projects target very poor rural areas and unskilled labor groups in urban areas, to provide temporary job opportunities for poor areas as well as affected people by economic shocks and climate changes such as drought, high food prices and unemployment, as the program works with the community directly at all stages of the project. Usually, these projects are simple interventions with labor-intensive, and the wages percentage will not be less than 60% of the total cost of the projects.

The labor-intensive works program (cash for work) started in 2008 in the poorest rural areas, with the aim of

strengthening the role of the SFD as a component in the social safety net. This is pursued through the principle of cash for work to contribute to bridging the consumption gap for poor families and communities during shocks, climatic changes and stagnation of agricultural seasons, as it seeks to increase the productive assets of the targeted communities to help them to face future shocks.

Cash-for-work program has diverse interventions such as constructing and rehabilitating agricultural terraces, reclaiming and protecting agricultural lands, watershed management, improving rural roads, protecting and rehabilitating irrigation canals, increasing vegetation, rainwater harvesting tanks, protecting drinking water sources, excavating surface wells, establishing home gardens, and improving health and environmental conditions, etc.

During 2018, 202 projects were approved at an estimated cost of \$28 million, and the number of completed projects

reached 217 at a cost of \$27.3 million, benefiting 229 thousand direct beneficiaries (50% female) and generating 2.4 million temporary job opportunities. The number of benefiting families during the year amounts to 124,390.

This brings the cumulative total number of LIWP projects developed during phase four (2011-2018) to 981 projects at an estimated cost of \$170.9 million, which are expected to generate 17 million temporary job opportunities, and the number of direct beneficiaries to reach 1.3 million, with more than 969 thousand families benefiting cumulatively.

**Table (1): Outputs of Cash-for-work program**

| Ser. No. | Intervention  | 2011-2018 |
|----------|---|-----------|
| 1        | Agricultural lands and terraces that have been protected and reclaimed – ha               | 9,752     |
| 2        | Capacity of constructed and rehabilitated water tanks (tanks and cisterns) - cubic meters | 489,592   |
| 3        | Improved and protected roads – km   | 364       |
| 4        | Protection and rehabilitation of wells  | 2,094     |
| 5        | Houses protected from floods  | 7,082     |
| 6        | Constructed latrines  | 27,316    |
| 7        | Length of irrigated canals – meters   | 86,498    |
| 8        | Home gardens  | 4,734     |
| 9        | Pavement streets – square meter   | 866,368   |
| 10       | Construction of rooftop rainwater harvesting cisterns                                     | 9,396     |
| 11       | Rehabilitation of pastures - ha   | 228       |
| 12       | Rehabilitation of agricultural irrigated lands- ha  | 6,884     |

## Roads Sector

Due to the great demographic and geographic dispersion that our country suffers from, the population is divided into more than 130 thousand population gathering and 3,426 urban areas. The important and vital role that rural roads play in linking these communities, especially remote areas to urban areas, and to facilitate access to basic services (health, education, and basic food commodities) breaking the barrier of isolation and poverty in these areas, in addition to strengthening economic fundamentals by facilitating the transfer of agricultural products and reducing of transportation costs.

The sector also aims to pave streets in the governorates and secondary cities, providing temporary job opportunities that unskilled and semi-skilled workers benefited from, as well as to improve the environmental conditions in the targeted areas, which are often pockets of poverty and crowded with high population taking into consideration the areas that face rainwater drainage problems to fight epidemics. Therefore, it was important to intervene in such places and turn them into clean and paved areas, which would facilitate the movement of the population and exercise their daily tasks naturally.

The trends of the road sector are to link villages with markets and centers providing social services, increasing the operational content (employment rate), creating tempo

rary job opportunities by reducing the role of equipment to the maximum extent possible in rural road projects, and optimizing the use of local resources available while relying on manual labor for implementation. Moreover, improving the targeting quality by focusing on poor and most in need rural areas as well as poverty pockets in urban areas, in addition to that raising the efficiency of officers and consultants and improving administrative and technical performance.



A road being used in kusmah - Raymah

During 2018, 41 projects were developed at an estimated cost of \$6.7 million, with 37 projects completed at a total cost of \$6.2 million, which generated 258 thousand temporary job opportunities and benefited 140 thousand persons (50% of them are women). Thus, the number of completed projects during phase four (2011-2018) is 358 projects at a total cost of \$93.5 million.

Also, during the year, 37 projects were completed, bringing the cumulative number of completed projects (2011 –

2018) to 358, including 264 rural road projects and 90 street paving projects, in addition to 4 training and capacity building projects.

**Table (2): progress in achieving the indicators of phase four**

| INDICATOR                                   | 2018   | 2011-2018 |
|---|--------|-----------|
| Length of improved and protected roads – km | 218    | 1,611     |
| Pavement streets – square meter             | 62,840 | 1,094,727 |

The total number of completed projects during the period 2011 – 2018 reached 358 that generated temporary job opportunities exceeding 3 million workdays, and benefited directly 1.3 million people (50% women), while the length of the rural roads improved amounts to 1,611 km and the area of paved streets in city centers approaches 1.1 million square meters.

### **Activities and events of Labor Intensive Works Program during 2018**

During 2018, community, technical and financial monitoring tools were updated and assigned officers in the branches were trained through which the projects under implementation in the branches are monitored and the weaknesses are assessed and improved. Women's work has been simplified with activities suitable with their capacities and capabilities, which would mainly attract and involve women. Also, the program focused on activities that increase the participation of IDPs and of those most affected by the existing conflict as well as on facilitating the timely delivery of aid to beneficiaries.

**Program activities:** Several workshops were held for beneficiaries to clarify the concepts, standards and mechanism of Cash-for-work (CfW) & Roads sectors in various governments. Also, many training courses were held for consultants to raise awareness of community, technical and accounting mechanism during studies of developing new projects.

**Coordination with local authorities:** Local authorities were engaged at the local level in the targeting process and nominating areas that are identical to SFD and the program standards and coordinating with them on facilitating and accelerating the implementation of existing projects in the targeted areas by solving obstacles of the implementation.

**Women participation:** Women participation has been improved with an increase of women participating in the work including issuance of special workers' cards for women enabling them to receive their payments directly, selecting components that fit their capacities, privacy and that are close to their homes. Women's participation reached up to 30 %, preliminary indicators of women's participation in the implementation of rural roads interventions are encouraging and promising that this experience is new to the roads sector.

**Training:** Training is important and has a positive impact on the individuals to continue learning and developing their professional careers; thus, improving family economic and living conditions and increasing chances for employment.

The LIWP is implementing two types of training: life skills and on-the-job training:

**1- On-the-job training:** In 2018, many training sessions were provided to the unskilled and semi-skilled beneficiaries with the required different skills such as building, stone forming and curving, stone cutting, blacksmith, carpeting, plastering, stone paving enabling them to join the labor market at the end of the projects implementation.

**2- Life skills training:** In 2018, many training sessions were made on life skills and raising awareness on the living conditions and self-confidence to strengthen the benefitting families' capacity.

**Awareness Raising of Occupational Safety:** The program has a special concern regarding occupational safety and made awareness sessions during 2018 for consultants in SFD's HQs and branch offices. Awareness focused on risks during work, which may threaten their safety, and the importance of adhering to safety precautions to avoid such risks including commitment to wearing safety tools during implementation of projects.

## Labor wage and food security overcoming conflict challenges in Nisab, Shabwah

Amidst continuing conflict for the fourth year in Yemen, YECRP projects seek to help increase food productivity for vulnerable communities that have suffered difficult accessibility to livelihoods. In the tribal Al-Marazeq villages of Nisab District of Shabwah Governorate (east of Yemen), lives of the population were threatened and the villagers' access to livelihoods and education was restricted due to three drivers of vulnerability: the impact of the conflict, being in remote areas and the protracted retaliation with neighboring tribes.

“The people here work in beekeeping and raising livestock only. Agriculture here is poor as villagers cannot afford to bear the cost of irrigation facilities to catch rain floods that pass to downstream areas,” said the villager Abdulkhaleq Tarmoom.

The ongoing economic crisis in Yemen has largely affected the economic activity of the population of Al-Faraa Al-Ulia and Al-Rasas Villages in the area, which has unprecedentedly exacerbated the villagers' vulnerability during the hardest time in their lifetime. “Being in remote areas, they have been deprived of relief aid for 3 years,” added Tarmoom.

“SFD has been the only actor for several years, responding to our needs and saving our lives. We expected SFD to distribute food baskets once or twice, but it helped the people secure their food through supporting agriculture and increasing vegetation and fodders in order to enhance the production of livestock and honey,” said beneficiary Salim Abdurabou.

The Cash-for-Work (CfW) Program implemented by SFD, through the selection and training of the poorest in the community, has established stone dykes in ten selected sites in the valley of both target villages in order to direct the floodwaters to irrigate their lands and alleviate the risk of flow of flood on the downstream communities.

Spotlighting impact, the beneficiary Ali Al-Marzaqi said, “My labor wage came on time to secure my family's needs for (the Holy Month of) Ramadan and the coming feasts. My debts have rose while I have had no way to get food for my kids.”

Another beneficiary, Nafi'e Mohamed, said, “Now, we did this new rain catching scheme for land irrigation, and we purchased the basic needs for my family and 5 goats for livelihood”.

Saleh Qanbo'a said that villagers who received labor wage got benefits. The CfW response has trained and produced builders and build-assistants. If we need any constructions now, we have the people to do the work if the needed supplies are provided. Mohamed Awadh, a shop owner said, “I worked in the Cash-for-Work response and the wage supported my family. The work in my shop was dull, but now its contents and sales have increased.” This story has not finished here, as the SFD is starting a similar story with the same response in the neighboring village of Al-Mareba that shares the suffering of its peer neighbors.



**Small and Micro Enterprises Development**

The Small and Micro-enterprises Development sector helps reduce unemployment and raise the standards of living for low-income people by improving skills and providing financial and non-financial services to the micro-finance institutions and programs (MFIs).

The small microfinance development sector helps reduce unemployment and raise the living standards of low-income people by improving skills and providing financial and non-financial services to small and microfinance institutions.

The War in Yemen has continued during 2018, as the year has witnessed a further deterioration in the purchasing power among the public at large, especially among poor social groups. In particular, 2018 has witnessed fluctuations in the exchange rate of the Yemeni Riyal, as the Dollar exchange rate has continued to rise reaching high levels, followed by a record decline in a short period. As a result of the fluctuation of the foreign currency, prices of goods and services have increased, and consequently, the suffering continued for large sectors of society and poverty increased.

Despite the difficult economic conditions prevailing in Yemen, which have generated new difficulties for the small and micro enterprises sector, funding needs have increased. The SMED unit has continued to satisfy those needs, and continued supporting the technical capacity

by implementing new projects and continuing to support many previous ones. For the year 2018, the SMED unit has developed a plan aimed at implementing 17 projects, with an estimated budget of approximately USD6.8 million. Commitment rate for those projects has reached 129%, exceeding USD8.7 million, and the completion rate for the projects implemented according to the plan was 94%.

The total of disbursed amounts of grants and loans during 2018 (including completion of the remaining allocations for projects that had been under implementation since 2017) has amounted to YR 1.2 billion for loans, and YR 1.61 billion and about USD13.7 million for grants, as shown in detail in the table below:

| Beneficiary Entity            | Loan Amounts (YR) | Grant Amounts (YR) | Grant Amounts (USD) |
|-------------------------------|-------------------|--------------------|---------------------|
| Hadhramaut MF Program         | 200,000,000       | —————              | 69,759              |
| Nama' MF Foundation           | 200,000,000       | —————              | 209,361             |
| National MF Foundation        | 500,000,000       | 1,610,000          | 256,664             |
| Al-Ittihad MF Program         | 200,000,000       | —————              | 159,883             |
| Azal Islamic SME Program      | 100,000,000       | —————              | 61,809              |
| Al-Amal MF Bank               | —————             | —————              | 550,201             |
| Loan Guarantee Program        | —————             | —————              | 107,100             |
| Yemen MF Network              | —————             | —————              | 1,080,736           |
| SME Promotion Agency          | —————             | —————              | 11,187,864          |
| <b>Total Loans and Grants</b> | 1,200,000,000     | 1,610,000          | 13,683,367          |

## **I. Activities of the Small and Micro Enterprises Development Unit**

During 2018, the SMED Unit has carried out several activities, the most important of which were:

### **1- Providing alternative energy systems for programs and institutions**

This project (valued at USD540 thousand) aims at reducing the dependence of MFIs on their generators and commercial electric power. In the year, a need-assessment study had been carried out by a specialized consultant. All sums have been disbursed and the systems are currently operating in almost all MFIs.

### **2- Supporting war-affected clients (Phase II)**

The project aims at compensating 4,000 microfinance clients affected by the War, including restoring their activities and compensating MFIs for delinquent loans. During the year, approximately 3,700 customers have been compensated for a total amount of more than USD2.37 million compared to an estimated budget of approx. USD3.7 million.

### **3- The Gharsa Project**

This project aims at helping expand the provision of MF services, including training, qualification of staff, and formulating for new financial products. In addition, the project includes grants to cover operating expenses and the acquisition of fixed assets for new branches in rural and urban areas. Within the framework of the project, SMED has funded the opening of 5 new branches for: the National MF Foundation (Marib), Al-Ittihad MF Program (Saber-Lahj), Azal MF Program (Amran and Ma`bar), and Nama' MF Foundation (Al-Zaydiya). The Hadhramaut MF Program also received training in Egypt on agro-finance through a specialized German consulting firm.

### **4- Supporting the expansion of financial and non-financial services in the areas of Integrated Intervention**

This project aims at forming rural loans and savings associations (VLSA) in the Integrated Intervention Areas. Field project teams were trained to implement the project, and currently implement project activities in the field in five areas over five different governorates. It is worth noting that the project budget amounts to USD 500,000, and is implemented in partnership with the Small and Micro Enterprises Promotion Agency (SMEPS), the Training and Institutional Support Unit at SFD, in addition to the Small and Small Enterprise Development Unit (SMED).

### **5- Al-Awa'el Microfinance Company**

The war in the city of Taiz, ongoing since more than three and a half years ago, has totally disrupted the activities of Al-Awa'el MF Company in a negative way. It is the only company of its kind in Yemen and one of the oldest microfinance programs in the country, operating since May 2000. Al-Awa'el has been providing financial services to owners of income-generating activities in the areas of Taiz Governorate. In the interest of SFD in continuity the existence of the company, a consultant was hired to manage Al-Awa'el and prepare an integrated concept on its status and restructuring. During the year, the field collection of non-performing loans was resumed.

### **6- Field validations of clients of MFIs and evaluation activities**

In order to ensure the integrity of field operations in the various MF programs and institutions field visits are carried out to ensure the existence of clients, the correctness of procedures of the existing loan portfolios, and to ensure that financial services reach the target group properly. For this, teams from SFD have made a number of field audits in several cities and regions during the year, encompassing a wide sample of clients in various branches. Those cities, regions, and governorates have included the Capital City's District (clients of the National MF Foundation – NMF, Nama' MF, and Azal MF Program), Al-Hudaidah (NMF and Nama'), Ibb (NMF and Nama'), Hadhramaut (clients of the branches of Hadhramaut MF in both the Valley and the Interior). Clients in the Al-Dhale' branch of Aden MF Foundation were also audited. As for the evaluation activities carried out during the year, the operations of Azal MF and Al-Rayyan Program in the city of Seyoun in Hadhramaut were evaluated, and samples of clients was also audited in the field. The results of these auditing and evaluation activities have resulted in many constructive observations and recommendations aimed at enhancing the role of the microfinance industry in reducing unemployment and poverty, and improving the performance of the entities working in the sector.

### **7- Developing automated software systems**

#### **a. The SMED website**

A website for the unit has been developed during the year. The aim is to disseminate information on the MF industry and performance of partner institutions and banks, and be a source of information for those in the sector regarding the performance of MF in the country.

As part of the website, charts have been added to analyze the indicators of the SEEP format report, and thus, facilitate the process of comparing and analyzing the performance indicators of these MF programs and institutions.

#### **b.Introducing fingerprint technology**

In the current circumstances, it is difficult to obtain identification documents. Thus, in order to facilitate the process of customer registration, and to ensure a proper verification process of clients in order to avoid fraud and manipulation by some customers when they use more than one identity document, a project was developed by introducing fingerprint technology in the microfinance industry. Software and hardware have been developed and distributed to MFIs, and they are currently in the testing process.

#### **c.The mobile application to study agricultural finance**

Based on the evaluation tool for agro-loans developed in partnership with a German consulting firm (LFS, which has contributed to a significant increase in efficiency and accuracy of studying loan requests, an Android-based mobile application was developed. It would enable lending officers in the field to more easily and accurately evaluate loan requests and estimate their economic viability using their mobile phone. This in turn, would contribute to increasing productivity and efficiency.

#### **d.Credit Bureau website**

In order to ensure that existing customers are not repeated between MFIs, and in order to raise the efficiency of the process of checking the credit record of customers and avoid conflicts between MFIs, a search mechanism has been developed in the query website to be more accurate and complete. Also, the updating mechanism has been developed to work on a daily basis.

#### **e.Development and technical support for the automated systems (loan tracking, accounting, and human resources)**

A number of technical aspects have been developed in the aforementioned systems used by MFIs, in addition to the continuous provision of technical support for these systems. Furthermore, user manuals were developed in relation to the loan tracking and the accounting systems, allowing users to be familiar with all their aspects.

#### **f.Automated systems for the Loan Guarantee Program**

A number of technical aspects have been developed in the afore-

mentioned systems used by MFIs, in addition to the continuous provision of technical support for these systems. Furthermore, user manuals were developed in relation to the loan tracking and the accounting systems, allowing users to be familiar with all their aspects.

#### **g.Introduction of geographic mapping technology for client focus**

A software mechanism has been developed to determine the geographic focus of microfinance clients on maps of cities and rural areas. This new quality feature was added to the website of the SMED unit so that any user can view the geographical distribution of microfinance clients, and move from city to governorate and districts across Yemen.

#### **h.The human resources automated system**

Several aspects of the system have been developed such as transportation and travel allowances, evaluation of employees, correspondence, assignment of duties, and custodies. Technical support was also provided on a continuous basis, and errors were corrected in the MFIs.

#### **i.Technical support for the loan tracking system**

A number of technical aspects have been developed in this system, in addition to linking the agro-loan assessment tool component with its mobile application version. As indicated previously, continuous technical support for the system was provided to all MFIs.

#### **j.Development of user manuals**

A user manual for each of the loan tracking and accounting automated systems was developed so that the user can get acquainted with all operational aspects of these two systems, in a similar fashion with commercial software systems.

In 2018, a team from the Small and Micro Enterprises Promotion Agency (SMEPS) completed, with technical support from a German consulting firm (LFS), the development of a tool to evaluate MFIs during a workshop held in Amman (Jordan). The tool was internally designed in 2012, work began again on its development in November 2017, and it was tested and developed in 2018. The tool was designed using Excel, and allows a comprehensive evaluation of MFIs according to what rating agencies do.

## II. The Loan Guarantee Program (LGP)

LGP is the first program of its kind in Yemen, providing loan guarantees in the microfinance sector to clients whose guarantees are not sufficient to obtain a loan, or who are unable to provide them. Since 2018, the program has carried out many activities and practices that facilitate clients' access to loans and motivate MFIs to increase the number of issued loans and enter new governorates and regions. The number of loan guarantees has reached 337 for all MFIs, covering a variety of MF loans for the total amount of YR242.1 million approximately.

The LGP program has contributed to supporting and assisting MFIs (institutions, banks, and programs) by developing new products to reach a larger segment of customers, in addition to stimulating MFIs to enter new regions and governorates.

The program has been keen in developing the skills of its staff and enhancing their practical abilities. In this regard, LGP has coordinated with several external parties to provide the opportunity for its staff to train with international and accredited entities. Among these opportunities were:

- Visiting Access Bank of Tanzania, which is considered one of the largest banks operating in the local MF sector. The intention was to become acquainted with the Bank's mechanisms and methodologies of work in the field of agricultural financing, including field visits to the clients.
- A training course by the German consulting firm LFS in Egypt in the field of credit analysis of agricultural loans.
- A training course at Sanabel in Jordan, covering financial analysis using the SEEP framework-reporting standard.
- Participating in several local training courses offered by the Yemen Microfinance Network (YMN) in various fields, such as internal audit, training of trainers, credit analysis using SEEP reports, statistical analysis programs (SPSS) and various other topics.

## III. The Yemen Microfinance Network (YMN)

In an effort to play a positive and effective supporting role in the advancement of the microfinance industry, the network has carried out many activities during 2018, most important of which were:

**1- Credit Feasibility Study:** The course was conducted in Aden in November, as YMN is keen to organize training courses in

more than a governorate in order to make it easier for MFIs in other governorates to participate and benefit. The course brought together practical and theoretical experience from the participants that would enable practitioners obtain the maximum benefit in line with their current reality.

**2- Inclusion of 10 graduates from the SOLF Program:** An agreement was signed in November with Mercy Corp (the Program's funding agency) to qualify 10 graduate trainees of this program, and provide them with several job and life skills.

**3- Training of Trainers Course (IVth Edition):** In September, a training course was held which included 11 trainees from various MFIs to become trainers in the methodology of the International Finance Corporation (IFC). The objective of training course came in line with those of the network in building the capabilities of practitioners in the sector and raising their efficiency through qualitative training.

**4- Training of microfinance practitioners (Pragma Foundation):** With funding from the Pragma Foundation, the network implemented in 2018 a 22-day training project entitled "Training of MF Practitioners"), which aimed at training temporary employees in MFIs as well as candidates for stable employment. The project included 4 training courses: Principles of Microfinance, Feasibility Study, Arrears Management, and Marketing of Microfinance Products.

**5- Studies in the sector:** During 2018, YMN has prepared two field studies through consultants and consulting companies, one of which was in the field of the war effects on owners of SMEs and financing in the sector, and the other on financial services through mobile phone. The two studies have led to important results and recommendations that were addressed during two workshops, in which several stakeholders and individuals concerned participated.

## Microfinance increases food production and improves livelihoods

As the conflict escalated, Sa'ad Sa'adAllah stopped his work on his fuel tanker, and returned to his village to plant his barren land laying in the Al-Boun Bottom, Governorate of Amran, in the north of the country. Sa'ad received three loans from Azal Islamic MF Program, which is sustained by SFD, for a total of USD 15,000. His assets have multiplied and the cultivated land expanded. Today, Sa'ad is using dozens of displaced men and women in harvesting potatoes and onions from his land, giving them a daily wage and some of his products.

With part of the loan, he bought an additional piece of land, a tractor, and a large quantity of potato and onion seeds, which have greatly increased his production. All this has helped increase agricultural production, which has become a new trend among all MFIs supported by the Social Fund in an effort to contribute to enhancing local agricultural production, food security and revive livelihoods in the country, as Yemen is witnessing the largest food crisis in the world.

Sa'ad now feels empowered and safer than ever before. "For the first time in my life, I live and work among members of my family. I see changes in our lives," Sa'ad says, adding, "Many of our peer farmer friends see changes in my work and start asking about the secret of my business's progress". He concluded that his next plan was to obtain another loan of about USD 50,000 to purchase a solar energy system to pump water for his land, and so, stop buying expensive diesel.

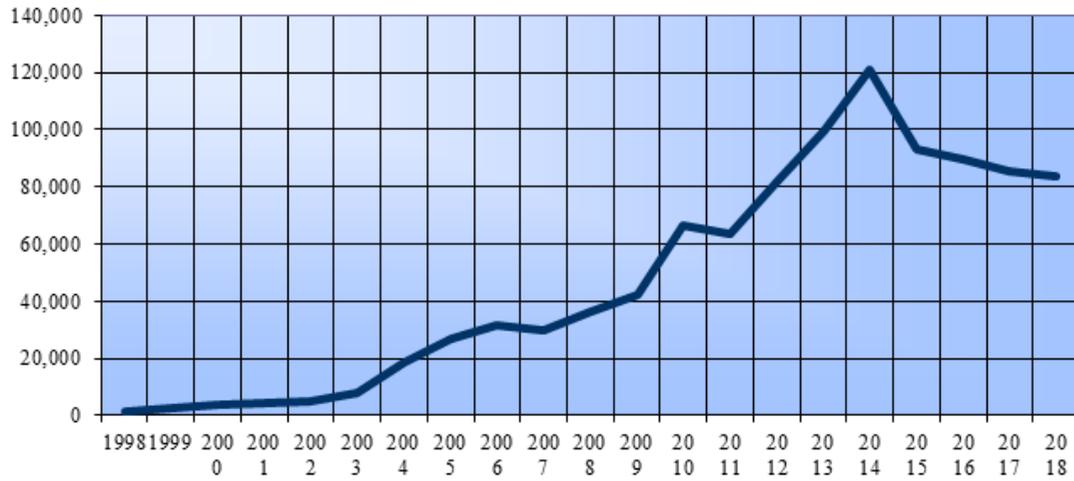
The microfinance sector remains the strongest economic fortress still supporting those livelihoods that were severely affected in Yemen by War. Thus, microfinance highlights the sustainable impact and economic recovery it creates in a conflict environment that lacks the driving means for livelihood growth.

The microfinance sector in Yemen aims at enabling communities affected by the conflict to access sustainable resources, financing, and reach the ability to rebuild their lives at a time when they are more vulnerable. This is meant to increase the ability of such communities to better adapt during crisis conditions. These emergency interventions help protect beneficiaries from declining into the category of humanitarian need and protect them from resorting to negative survival coping means.

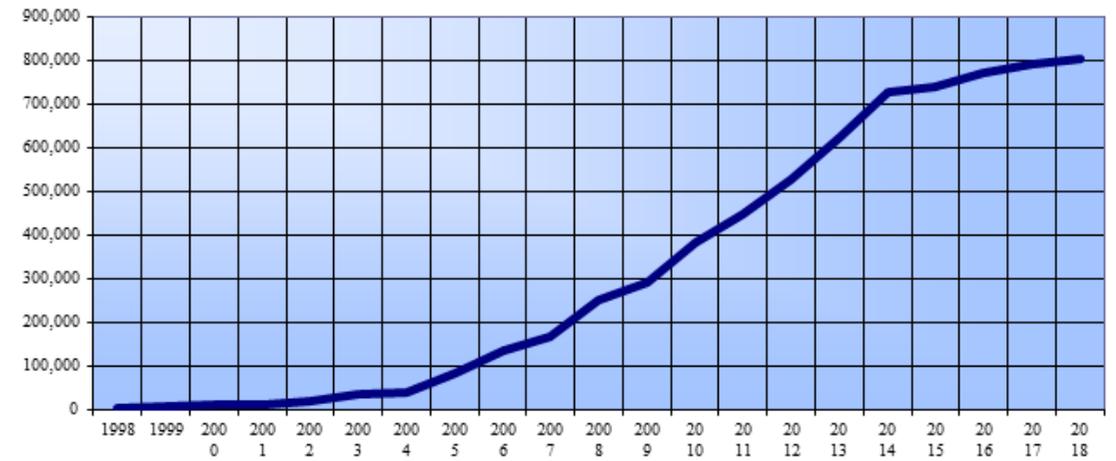
## Loan portfolio indicators for microfinance programs and institutions as of the end of 2018

| Ser. No.     | Program                              | No. of disbursed loans | Active number of clients |           |                | Outstanding loan portfolio (Billion YR) | Amount of Disbursed loans (Million YR) | PAR (%) | Cumulative numbers |                           | OSS | FSS | No. of Personnel | No. of loan officers | No. of Branch Offices | Area of operation  |
|--------------|--------------------------------------|------------------------|--------------------------|-----------|----------------|---|--|---------|--------------------|---------------------------|-----|-----|------------------|----------------------|-----------------------|--|
|              |                                      |                        | Borrowers                |           | Savers         |   |  |         | Number of loans    | Loan amounts (Million YR) |     |     |                  |                      |                       |  |
|              |                                      |                        | Total                    | Women (%) | Total          |   |  |         |                    |                           |     |     |                  |                      |                       |  |
| 1            | National MF Foundation               | 479                    | 12,600                   | 34        | 26,380         | 1,507                                   | 370                                    | 33.59   | 153,506            | 10,648                    | 65  | 45  | 155              | 60                   | 19                    | Capital City, Taiz, Ibb, Al-Kaeda, Dhamar, Yarim, Hajjah, Lahj, Al-Hudaidah, Al-Torba, Damt, Shibam, Bajil, Aden |
| 2            | Al-Kuraimi Islamic Microfinance Bank | 403                    | 3,755                    | 7         | 770,447        | 2,388                                   | 491                                    | 5.70    | 27,092             | 15,562                    | 77  | 70  | 80               | 56                   | 62                    | Capital City, Taiz, Ibb, Aden, Hudaidah, Dhamar, Al-Mukalla, Seyoun  |
| 3            | Al-Amal Microfinance Bank            | 352                    | 33,502                   | 38        | 129,801        | 2,601                                   | 175                                    | 80.97   | 130,585            | 11,712                    | 267 | 166 | 187              | 38                   | 15                    | Capital City, Ibb, Taiz, Dhamar, Al-Mukalla, Al-Hudaidah, Aden, Hajjah, Abs                                      |
| 4            | Nama Microfinance Foundation         | 353                    | 5,677                    | 31        | 238            | 668                                     | 140                                    | 25.85   | 88,828             | 7,901                     | 101 | 81  | 121              | 58                   | 12                    | Capital City, Taiz, Hudaidah, Ibb  |
| 5            | Hadhramaut Microfinance Program      | 318                    | 6,522                    | 31        | 5,394          | 761                                     | 86                                     | 25.46   | 34,518             | 4,843                     | 146 | 132 | 61               | 37                   | 7                     | Hadhramaut ( Seyoun, Tarim, Al-Suom, Sah, Al-Qutn, Shibam, Al-Mukalla, Al-Shehir, Al-Hami, Al-Maharah, Shabwah)  |
| 6            | Al-Tadhamon Microfinance Program     | 216                    | 3,618                    | 28        | 0              | 1,167                                   | 171                                    | 4.82    | 41,096             | 10,645                    | 104 | 104 | 58               | 24                   | 15                    | Capital City, Taiz, Al-Hudaidah, Aden, Ibb, Hadhramaut   |
| 7            | Al-Ittihad Microfinance Program      | 144                    | 3,644                    | 80        | 0              | 391                                     | 39                                     | 11.00   | 50,660             | 3,101                     | 122 | 84  | 88               | 38                   | 7                     | Abyan (Zanjabar, Khanfar, Ahwar), Al-Mukalla, Al-Shehir, Aden, Lahj  |
| 8            | Azal Microfinance Program            | 107                    | 3,079                    | 41        | 4,505          | 472                                     | 55                                     | 21.96   | 51,830             | 5,071                     | 92  | 71  | 84               | 31                   | 7                     | Capital City, Al-Mahweet, Amran, Dhamar  |
| 9            | Aden MF Foundation                   | 0                      | 9,802                    | 66        | 7,065          | 666                                     | 0                                      | 77.13   | 54,529             | 4,376                     | 68  | 43  | 65               | 34                   | 5                     | Aden, Al-Buraikah, Al-Sheikh Othman, Lahj, Al-Dhale'   |
| 10           | Al-Awa'el MF Company                 | 0                      | 1,291                    | 78        | 0              | 46                                      | 0                                      | 100     | 60,224             | 1,777                     | 0   | 0   | 6                | 4                    | 2                     | Taiz (Al-Camp, Hawdh Al-Ashraf, Al-Rahedah, Sainah, Al-Kaeda)  |
| 11           | Other Activities & IGP's             | -                      | -                        | -         | -              | -                                       | -                                      | -       | 109,187            | 21,391                    | -   | -   | -                | -                    | -                     | Several areas  |
| <b>Total</b> |                                      | <b>2,372</b>           | <b>83,490</b>            |           | <b>943,830</b> | <b>10,667</b>                           | <b>1,527</b>                           |         | <b>802,055</b>     | <b>97,027</b>             |     |     | <b>905</b>       | <b>380</b>           | <b>151</b>            |  |

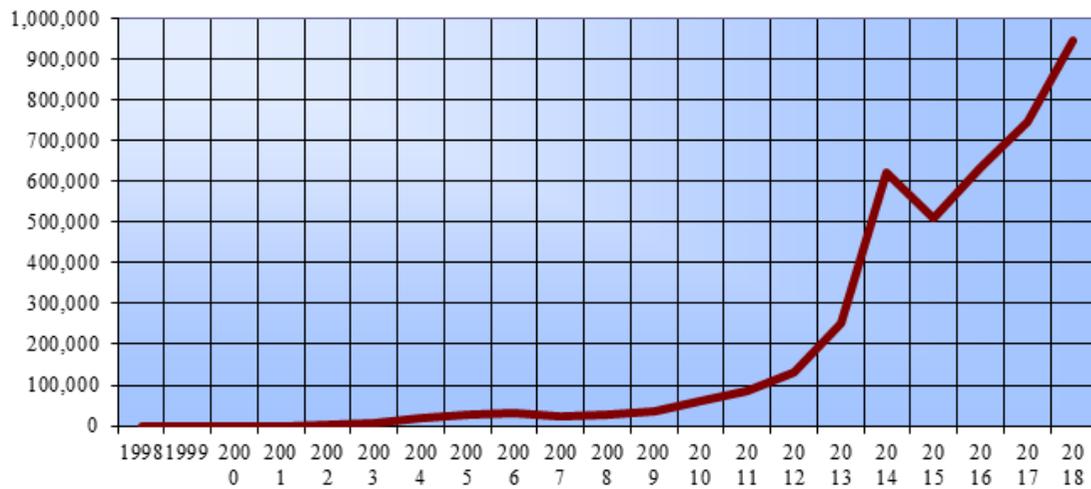
### Active Borrowers



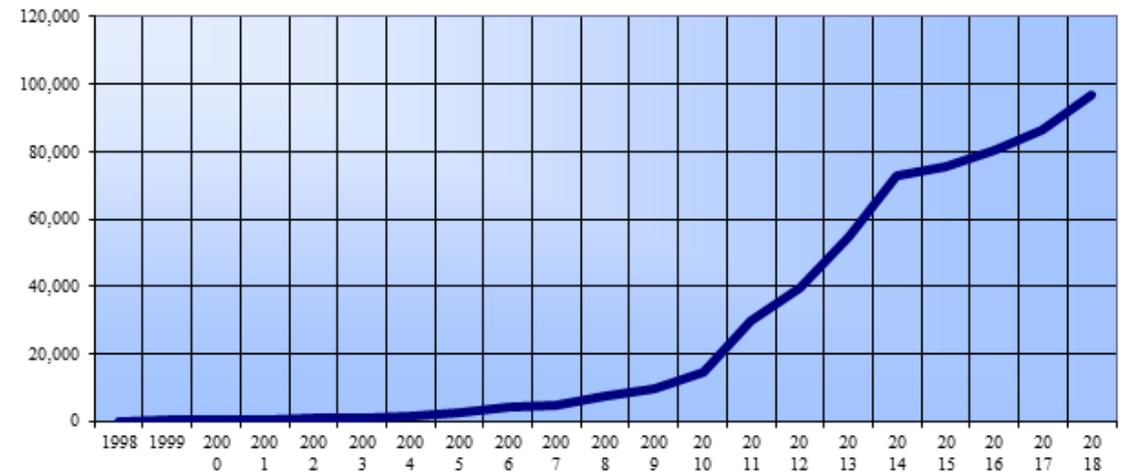
### Number of Disbursed Loans (Cumulative)



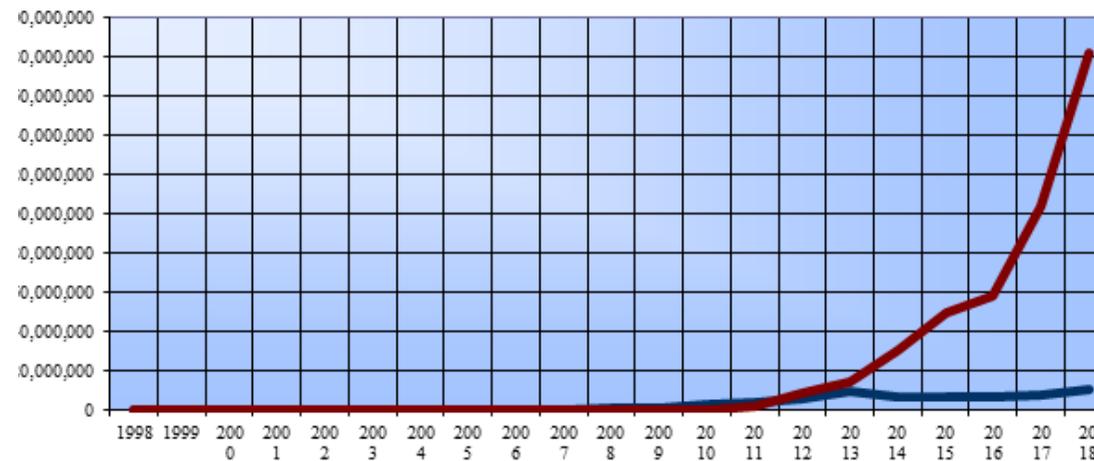
### Active Savers



### Amounts of Disbursed Loans (Cumulative)



### Outstanding Loan Portfolio & Saving Amounts



## Monitoring and Evaluation

The monitoring and evaluation activities aim to collect data and information on the performance and analysis of the SFD's activities in order to improve and develop its operations, as well as to provide stakeholders and donors with reports on how the provided funding is used well and how they meet the set objectives. To this end, the M&E Unit carried out a number of activities during the year, including the completion of the development of a dashboard that provides general data and information on the work of the SFD, the preparation of monthly reports to the senior management on the status of projects in the field, as well as the preparation of quarterly and semi-annual reports to donors.

In addition, the Unit completed three evaluation studies including the Operational Status Update, the Impact Assessment of Nutrition Interventions and the Youth Employment Assessment.

### **The project implementation status and the intervention results**

The SFD has been implementing about 1000 projects within the reporting year at an estimated total cost of about \$231 million. These projects are reflected on maps and displayed in the Dashboard screen. In addition, the results of the interventions updated and appeared in the Dashboard by geographic region and donor. The dashboard sometimes includes pictures of the intervention and "feedback" made by the beneficiaries reported through the complaints system or the published human stories. The financial situation is highlighted in this screen including the

extent to which it has the needed resources to implement the SFD's 2018-2020 plan.

During the year, three evaluation studies were completed.

This program has resumed and has been scaled up since inception in January 2015 with the aim of reducing child malnutrition rates. Prior to the current conflict, 46.5% of children under 5 years of age were stunted, and wasting rate was 16.3% in Yemen in general, while in Al-Hudaidah the rate was high (26.2%). (2015. Maternal and Child Demographic Health Survey. The program includes a nutrition training and education component. The assessment covers the period between the baseline survey in March 2015 (before the conflict began) and the follow-up survey in July 2017, where the program was suspended for nine

months due to the donor's suspension of support that has resumed since the last quarter of 2016.

As remittances to the beneficiary families require their women to attend the nutrition education and awareness sessions, to commit to monitor the nutritional status of children, and to treat cases of malnutrition. It is expected that the program impact will be resulted by the increase in households' income and behavior change to women participating in the sessions driven by the desire to know about healthy nutrition and public health practices. The survey included the collection of sample data from 1,951 households living in approximately 129 villages.

## **Evaluation results**

### **Impact of economic and social changes for March 2015 - July 2017 (Time Trend)**

The report highlights changes in the standard of living of the household during the baseline survey period (March 2015) and the follow-up survey (July 2017), as the living conditions of many households have become worse than in March 2015 due to the current conflict, the resulted economic crisis and displacement. The proportion of community households reporting receiving food distribution from other programs rose from 23% in the baseline survey to 61% in the post-follow-up survey. The evaluation therefore relied on the "availability of food distribution programs" in communities as a control variable when looking at the temporal trend (changes that occurred during the period)

to measure the impact of conflict on the standard of living. The results of the survey showed the impact of food distribution programs to address the high levels of food insecurity among households and the increased resort to food insecurity coping strategies by the households in question.

The proportion of households reporting food insecurity increased by 22% between baseline and follow-up period as shown in the households that are reported relying on reduced intake of their preferred food, as well as the quantities of food they consume at each meal.

The results showed a significant positive trend between baseline and follow-up in the consumption of calories from grain foods. By neutralizing the variable of the increase of the number of food distribution programs during the period, the survey showed an increase of 152 calories per capita per day of cereal consumption during the period when prices of imported grain increased by 23%. This increase in cereal consumption was accompanied by a decrease in the consumption of complementary and locally produced food (e.g. vegetables and dairy products). The results also showed a significant reduction in spending on basic foodstuffs (such as canned fish and beans) while consumption of seasonal foodstuffs (such as lemon, pomegranate and dates) was high because the follow-up survey data were collected in the summer (while the baseline survey was conducted in winter).

The food security indicators for households, mothers and children were calculated according to the Food and Agriculture Organization (FAO) manual. Although the slight reduction of the overall family food diversity, this index was noticeable between the baseline survey and the follow-up, where women consumed one or fewer food group unit per day, while children (6-23 months) consume between 1-1.5 fewer groups per day.

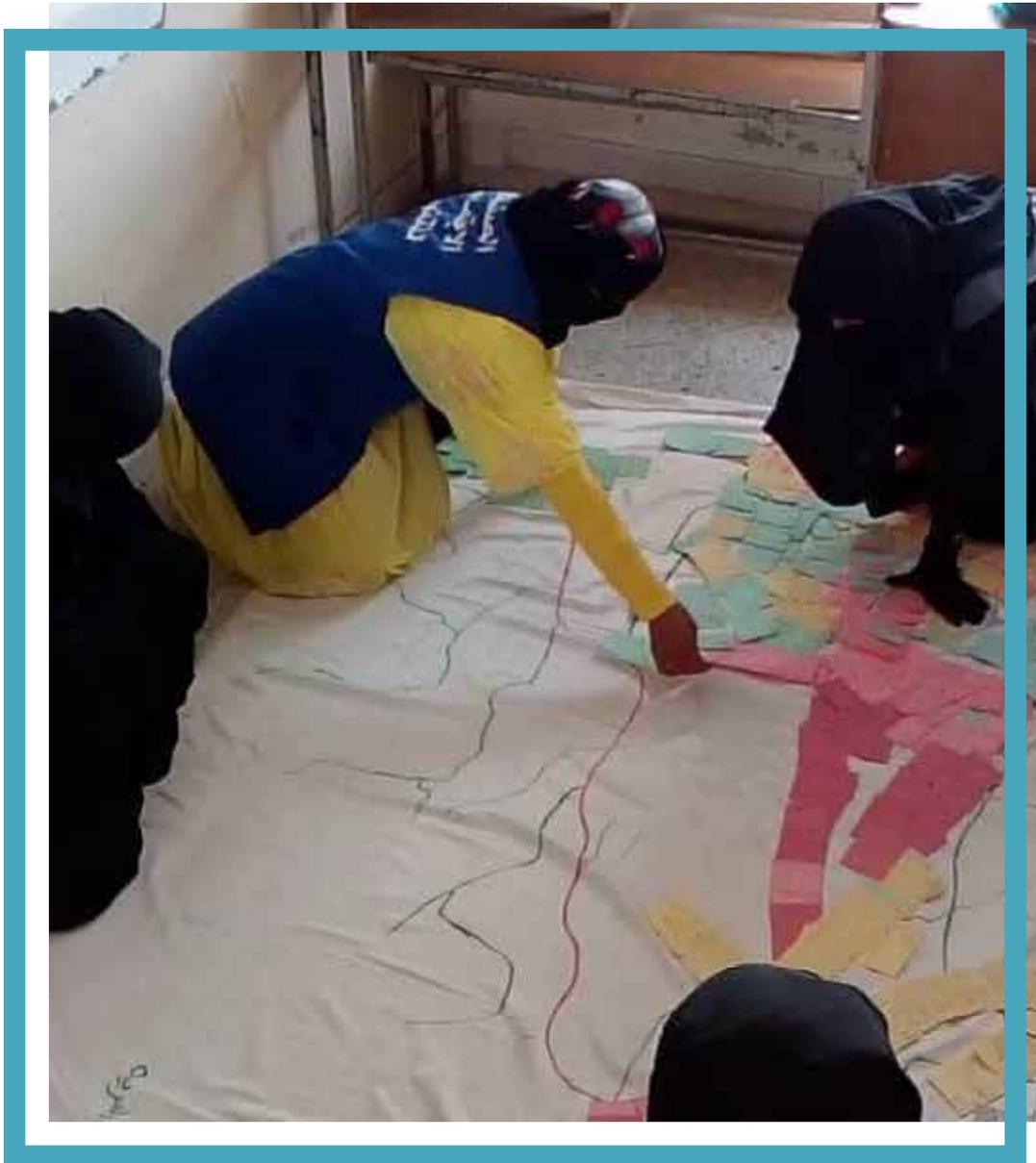
Considering the feeding practices of children and infants, a significant reduction in the number of feeding times per day was observed. This decrease in the frequency the mother feeds her children with natural milk was accompanied by a 17% decrease in women who reported having difficulty producing enough natural milk, and an increase of 15% in infant formula feeding.

By neutralizing the variable of “number of food distribution programs” during the period, the percentage of children diagnosed with malnutrition increased by 13%, which can be attributed to inadequate diagnosis and more deterioration of the conditions. The changes during the general period have a positive effect on the improvement of public health between baseline and follow-up, especially with regard to water treatment for children under 24 months. This may be the spillover impact of health educators in the community on the untreated households or the existence of informal campaigns that have nothing to do with the cash-for-food program.

## Evaluation results

The results showed a positive impact of nutrition response on intermediate outcomes such as increased spending on food. Overall, the program reduced the rates of children diagnosed with severe or moderate malnutrition rates and increased the anthropometric indicators of the child's nutritional status in the poorest category (households were divided into categories according to the availability of household and other assets using factor analysis). Regarding food consumption, the results showed a clear positive impact on non-cereal food consumption measurements, on the household food diversity index and on the reduction in food shortage strategies. The survey did not show any positive impact on cereal consumption, possibly due to a time-varying factor, as previously reported, where households were forced to resort to more expensive and nutritious foods, with priority given to maintaining the required calorie intake. The results of the survey showed an increasingly positive impact of cash transfers on protein-rich foods and vitamins, including spending on fresh milk, potatoes, tomatoes, carrots, apples, dates, pomegranates and apricots. The positive effects on the consumption of non-cereal food have appeared clearly and strongly among the households of the poorest (third) group poorest participating. The results of the evaluation also showed a clear impact of the program on household, child (6-23 months) and mothers census measures on Fridays. The evaluation found no positive effects on individual (non-objective) questions about food security,

although we found that cash transfers to WFP significantly reduced the proportion of households that sold their gold and jewelry among households in the “first” better off category, or those borrowed from friends and relatives to cover food shortages among the (first) poorest households category.



Empowering Women to Assess Their Needs - Taiz

The program through nutrition education and awareness sessions has made impact on the knowledge of women participating in the program on topics related to nutrition and lactation. The results showed a positive impact on the mothers' knowledge of how to feed children when they are sick and the optimal time to start the baby breastfeeding. But for the importance of iron-rich foods to avoid anemia and the importance of exclusive breastfeeding and the right timing to give the child complementary foods, such issues require further work by the program and to urge educators to focus on them during the sessions.

The study results also showed evidence of actual changes in practice in line with increased knowledge of the optimal start time for breastfeeding. There is an apparent 12-15 percentage point increase in the likelihood of breastfeeding within the first hour after birth compared to an average of 71%. The results also showed an increase of 10-15 percentage points (compared to an average of 18%) on the probability of exclusive breastfeeding. Finally, as noted, there is an increase in the probability of household treatment of drinking water for adults ranging by -17 percentage points and the probability of drinking water treatment for children under two years by (7-10) percentage points.

The proportion of households' food insecurity coping strategies has increased among the households relying on long-term procurement from grocery shops (59% of total

control sample) and borrowing from friends and relatives (48%). At the same time, the percentage of households that sell their animal assets increased by 29% in the comparison sample, 13% of households reported an increase in men's work in the domestic work and 19% reported selling gold and jewelry.

Similarly, the program had a significant impact on women's ability to move freely. The evaluation showed an increase of 16-24 percentage points in the proportion of women who were able to take their sick children to health centers compared to the overall average (66%) of all women in the survey sample. In addition, there was a significant positive impact on the aspirations and expectations of women with regard to the education of their daughters among respondents who have daughters.

Finally, the end result of child nutrition showed a positive impact of the program in reducing the number of children diagnosed with malnutrition by 7-10 percentage points. Similarly, the program reduced the percentage of children diagnosed with severe malnutrition and severely malnourished by 5-9 percentage points out of all children diagnosed in health facilities. For anthropometric measurements, the program had a significant effect on increasing weight and height versus age by 0.24 -0.35, the height-for-age standard (HAZ) of 0.30 - 0.35 weight-for-height standard (WHZ).

## **The operational status of projects for 2018**

The survey for the assessment of the projects' operational status was carried out during the period from 9 December 2018 to 15 January 2019, where 32 field surveyors (consultants). The assessment was based on a quantitative study through a field survey of a sample of 108 projects and 1,296 households selected from a community of 643 projects. The assessment community includes projects that performed at least 70% of activities under the ECRP water, roads and cash for work sectors during 2015-2018. To carry out the evaluation, the stratified cluster sample was used in two phases where each branch was considered an independent layer so that projects were selected separately. In the first phase, 12 projects were selected from each branch, while in the second phase, a sample of 12 households was drawn from each selected project in a random walk mode.

Data collection was carried out in the field using smart devices (mobile phones) where two electronic forms were designed by ONA-ODK, the first project data collection form by the master (i.e., a responsible individual in the facility in the relevant project). And the second form is designed to collect data on households. The questions included community participation and beneficiaries' feedback on the need for the project, the quality of the works carried out, utilization from the basic assets constructed by the SFD project, and the wages of work.

Survey data are being analyzed and preliminary findings are being drawn. Summary of the results obtained so far are as follows:

### **Community participation**

According to project managers, almost all areas (107 out of 108 projects) were visited, 99% of the communities participated in the discussions (about 88% women), 89% had no disagreements during implementation, and almost 98% did not report any environmental damage from project implementation. With regard to the existence of a mechanism to receive complaints from communities, about 85% reported the existence of this mechanism in the project sites. 35% of project managers reported that at least one household had filed a complaint. The SFD responded to about 72% of the complaints.

The project questionnaire contains three questions asking the project managers to assess the quality of the work being carried out, the management of the project implementation committee in general, and the performance of the committee in relation to project maintenance. Answers ranged from excellent to weak. The results of the survey also showed that out of 89 completed projects, 80% were rated for excellent quality. Of the 99 projects (completed or under implementation), 91% found that the project committee's performance ranged from good to excellent.

In terms of household responses, household responses were consistent with those of the above-mentioned projects. Out of a total of 1,295 households, 95% households reported that they knew that the SFD implemented the project and 91% of households participated in the community needs discussion. Responding to the question whether the field visit team consists of men and women or men only and the question about women participation in the household, the answers of the two questions were consistent with 79% of households confirming women participation in these projects and 70% responded with the lowest participation rate in cash projects. Discussing the identification of needs, most (93%) households agreed on the current projects. 95% of households reported that the communities need the current project. In all projects, the project managers reported that the project represented a priority for the community. And 84% of the households evaluated the quality of the work as excellent and 14% assessed it as "good".

### **Utilization from the project (infrastructure)**

The project questionnaire included questions about the number of villages and households covered by the project, questions about the status of the field project (completed or under implementation), the operational status (fully/partially operational), community members' benefit, and the project's benefit as well as whether the project or one of its components was vulnerable to any damage

ensued by floods, heavy rains or any other damages impeding using it. The average number of villages benefiting from the project was approximately three villages with 218 households. Road projects cover the largest range of beneficiaries in terms of the number of beneficiary villages. The average number of villages was five hosting (433) households.

The findings of the evaluation showed that of the total 1,294 households where (completed and underway projects), 92% reported utilizing from the infrastructure of completed projects, and that 89 completed projects in the field, 85 of which are fully operational and four projects are working partially. 19 under implementation projects including 13 projects fully operational and 6 partially operational.

According to the respondents, 99% of the projects have been utilized by the communities. According to households, 94% of households have benefited from the project, while 84% of households participated in the implementation of labor-intensive work.

### **Communication-based beneficiaries' feedback**

The SFD seeks deeper engagement with the conflict affected beneficiaries through direct communication visits that tended to monitor their satisfaction and raise their voices regarding impact of conflict and poverty and impact of the response. For this purpose, the SFD communication team carried out visits to 35 projects in 11 governorates (including 23 rural sites and 4 IDP camps) during

2018. The visits covered CfW, roads, water and environment, cultural heritage, training and institutional support, and agriculture sectors. The visits paid special attention to the needs of the most vulnerable groups considering their different layers of vulnerabilities and coping strategies, and understanding how these groups used to adapt when they lacked the SFD emergency support.



A displaced family eating a simple meal - Aden

Except all visited IDP sites, the beneficiaries, in all rural supported sites, said SFD's response was the only support they received during the conflict (except two sites in Al-Soam of Hadhramaut and Wadhrah of Hajjah). Many people in Taiz affected areas said they received support only from SFD, although Taiz hosts most of the conflict fronts.

The interviewed beneficiaries have many good impressions on the SFD response and pathways. All female interviewees agreed that the types of work they do and work times were appropriate. All interviewees said CfW was the best pathway of assistance because they use both cash and service, it ensures targeting the poorest and it keeps their dignity. Most supported IDPs said they did not benefit from services but they like CfW as work keeps them busy and prevents domestic disputes and psychological pressure, and they gain professional skills.

All beneficiaries interviewed said they spent most of the wage on basic food needs and lifesaving medicine. Many interviewees said they felt the value of the opportunity of CfW wage, so they skipped other priorities and invested wage on purchasing income generating assets mostly livestock and sewing machines as they thought they might not receive cash again from other actors. Many others were able to build additional house facilities using their skills they had acquired.

The communication visits also spotted good beneficiary feedback from lessons the SFD learned and practiced

during 2018 through special projects including capacity building for beneficiaries on skills that help them invest their wage in income generating activities, encouraging women involvement in civil work contracting and employing IDPs in sieged areas in making cement bricks manually or grow seedlings as a means to continue gaining living after the project's completion. Establishing home gardens of vegetables especially for IDPs and the stranded in conflict and displacement areas has been highly appreciated for its food, cash and protection advantages.

In addition, the team conducted two separate FDGs to assess the performance of Cash for Nutrition program in Al-Hodeida governorate, one for 12 newborn nurses in Al-Thawrah General Hospital in Al-Hodeida city and the other for 24 assistant physicians working in health centers across 10 districts of Al-Hodeida. The FDGs considered their feedback on importance and performance of the program there.

11 of the total 36 participants are familiar with the details of the CfN response. CfN gained a total consensus on its importance given the extreme poverty and malnutrition there. 53413 women and children have received SFD-supported treatment in all governorates of which 47,608 cases in this impoverished governorate. A number of FDG participants said there would have been critically chronic and death cases had it not been for the CfN response because the lack of cash could prevent locals from treating their children and females as is the case elsewhere.

## Funding Sources

By December 2018, the number of in force funding sources reached 18 financing agreements of a total value of USD454 million. 67% of the total funding has been received and the remaining fund will be withdrawn during the coming period according to the withdrawal schedule specified in the agreements.

These agreements are funded by nine donors, including the United Nations Development Program (44%) and a group of other donors (including the World Bank, USAID, EU Aid, Kingdom of Saudi Arabia and the United Arab Emirates). 20% of the total funding is supported by the Arab Fund for social and Economic Development (AFESD), 11% by the German Government, 8% by the Islamic Development Bank, 4% by the World Bank, 1% by the Government of the Netherlands, and 0.1% by the United Nations Women.

### **New funding sources**

In 2018, seven agreements totaling USD85 million were signed and are to be disbursed in 2018-2021. These include the UK Government grant of \$ 44 million, the German Government grant for education, water and environment for €32 million (equivalent to \$37 million), the UNDP grant for WASH (\$2.5 million), the UN-Women for \$420,000, and UNESCO for \$ 80,000.



## Funds received during 2018

In 2018, the SFD received funding equivalent to USD156 million from 19 funding agreements. It is worth mentioning that the loan of the AFESD resumed to finance the SFD IV, after it was suspended by the Yemeni government as the latter stopped repayment of the loans installments (as shown below):

The following table shows funding received during January - December 2018

| Donor                        | Agreement   | Equiv. to USD    |                             |                          |
|------------------------------|---|------------------|-----------------------------|--------------------------|
|                              |   | Agreement Amount | Disbursed Amount Cumulative | Disbursed Amount in 2018 |
| The Netherlands Government   | Grant for Girl education and Adult Literacy #: 26489/SAA0118554           | 3,947,368        | 3,749,968                   | 451,012                  |
|                              | Grant for Water and Sanitation Project for Cholera-inflicted Communities  | 3,000,000        | 2,063,277                   | 2,063,277                |
| Islamic Bank for Development | IsBD loan and grant for Vocational and Literacy Project                   | 11,260,000       | 6,718,310                   | 1,617,597                |
|                              | IsBD Loan for Youths Employment   | 25,000,000       | 18,392,540                  | 3,367,401                |
| German Government /KfW       | Germany/KfW grant for LIWP #: 279 65 2013                                 | 11,219,295       | 11,219,295                  | 870,977                  |
|                              | Germany/KfW grant for Rural Education                                     | 6,291,142        | 500,000                     | 500,000                  |
|                              | Germany/KfW grant for LIWP #577 67 2015                                   | 5,400,000        | 4,760,046                   | 3,893,190                |
|                              | Germany/KfW grant for Strengthening Resilience through LIWP # 005 41 2014 | 5,400,000        | 5,624,773                   | 4,757,917                |
|                              | Germany/KfW grant for Water and Sanitation Program                        | 25,748,503       | 1,146,831                   | 1,146,831                |

| Donor         | Agreement  | Equiv. to USD      |                             |                          |
|---------------|--|--------------------|-----------------------------|--------------------------|
|               |  | Agreement Amount   | Disbursed Amount Cumulative | Disbursed Amount in 2018 |
| UK Government | UK Government Grant for Social Protection – Phase 1  | 44,216,466         | 14,389,388                  | 14,389,388               |
| UNESCO        | UNESCO grant for Protecting Cultural Heritage and Diversity in Complex Emergencies for Stabilization and Peace | 80,000             | 53,639                      | 53,639                   |
| UNDP          | UNDP Grant for Enhancing Rural Communities Resilience  | 2,168,183          | 1,959,404                   | 319,046                  |
|               | UNDP Grant for emergency response for water and sanitation   | 2,500,000          | 2,500,000                   | 2,500,000                |
|               | European Union/ECHO Grant in partnership with UNDP for Social Protection                                       | 17,894,596         | 6,479,741                   | 5,602,841                |
|               | USAID Emergency Grant thru UNDP  | 9,099,719          | 9,099,720                   | 5,859,762                |
|               | WB Additional and Emergency Grant thru UNDP  | 170,400,000        | 133,438,954                 | 99,235,892               |
| FAO           | WB Grant thru FAO for Increasing Agric. Productivity   | 19,513,305         | 3,948,900                   | 3,948,900                |
| UN Women      | UN Women grant for Women protection and empowerment in crisis situations project                               | 420,000            | 247,008                     | 247,008                  |
| <b>Total</b>  |  | <b>463,558,577</b> | <b>318,629,500</b>          | <b>155,864,779</b>       |

## Closed agreements during the year

During 2018, five agreements were closed, in addition to the completion of the withdrawal of all funds from the German Government grant to strengthen resilience through the labor-intensive program. The projects were completed and closed (as shown in the table below):

The following table shows the closed agreements during 2018

| Donor                                     | Agreement   | Agreement status                                | Agreement amount | Agreement currency |
|---|---|---|------------------|--------------------|
| Prince Claus Fund                         | Prince Claus Grant to support Zabid-based Inscript House                    | Closed  | 16,585           | EURO               |
| German Government                         | Germany/KFW Grant for LIWP #279 65 2013                                     | Closed  | 10,000,000       | EURO               |
|   | Germany/KFW Grant for Strengthening Resilience through LIWP No. 005 41 2014 | Amount withdrawn and projects being implemented | 5,000,000        | EURO               |
| UK Government                             | DFID Grant for SFD IV   | Closed  | 108,400,000      | GBP                |
| The Netherlands                           | The Netherlands' Grant for Girls Education & Literacy No. 26489/SAA0118554  | Closed  | 3,947,368        | USD                |
| United Nations Development Program (UNDP) | WB Emergency Grant thru UNDP  | Closed  | 30,000,000       | USD                |
|   | UNDP Grant for WASH Emergency Response                                      | withdrawn and projects being implemented        | 2,500,000        | USD                |
|   | Emergency project funded by USAID Grant thru UNDP                           | Closed  | 9,099,719        | USD                |

## **New funding under preparation**

Arrangements for signing a € 10 million agreement by the German Government will be completed. The preparation of funding proposals, one of which will be submitted to the World Bank through the UNDP at an amount of US\$90 million, and another proposal worth US\$87 million to the United Arab Emirates through the UNDP as well as a €5 million funding proposal to the German Government for the labor-intensive works program. In addition, negotiations are underway with UNESCO to prepare new funding for youth employment in the cultural heritage sector.

## Pending agreements

The number of agreements that remain suspended as a result of the current situation reached six agreements amounting to US\$227 million, of which only US\$64.6 million was received before the escalation of the conflict. In addition to notifying the World Bank of the closure of agreements by the end of 2016, the funding from the Saudi Fund, the Kuwait Fund and the OPEC Fund continues to be suspended.

The table below shows the pending agreements

| Donor                                     | Agreement  | Amounts (\$)                |                   |                      |
|---|--|-----------------------------|-------------------|----------------------|
|   |  | Value of Modified Agreement | Withdrawals       | Remaining with Donor |
| Saudi Development Fund                    | Grant for SFD IV   | 100,000,000                 | 10,000,000        | 90,000,000           |
|   | Grant for Rehab. the Sana'a Grand Mosque Phase IV                  | 1,770,000                   | 640,370           | 1,129,630            |
| Kuwait Fund for Arab Economic Development | Kuwait Gov. grant to contribute in funding Reconstruction program  | 50,000,000                  | 10,000,000        | 40,000,000           |
| OPEC Fund                                 | Loan No. 1234  | 18,000,000                  | 15,422,940        | 2,577,060            |
|   | OPEC Loan to support SFD IV (Suspended at parliament for approval) | 25,000,000                  |                   | 25,000,000           |
| Abu Dhabi Fund for Development            | Abu Dhabi Fund for Development Grant                               | 32,340,000                  | 28,542,923        | 3,797,077            |
| <b>Total</b>                              |  | <b>227,110,000</b>          | <b>64,606,233</b> | <b>162,503,767</b>   |

The following table shows all sources of funding since the beginning of the SFD Emergency Response Plan II (2018-2020):

| Agreement  | Agreement Status     | Signing Date | Completion Date | Agreement Value    | Agreement Currency | Agreement Equivalent Value in USD |
|--|----------------------|--------------|-----------------|--------------------|--------------------|-----------------------------------|
| Islamic Development Bank (IDB) Grant for VOLIP   | Effective            | 04/05/2010   | 30-06-2019      | 7,031,000          | Islamic Dinar      | 11,260,000                        |
| Islamic Development Bank (IDB) Grant for Youth Employment  | Effective            | 07/03/2013   | 30-06-2019      | 25,000,000         | USD                | 25,000,000                        |
| German Government/KfW Grant No. 279 65 2013  | Closed               | 20/05/2014   | 20-04-2016      | 10,000,000         | EURO               | 11,219,295                        |
| German Government/KfW Grant No. 005 41 2014 to support resilience through LIWP                   | Effective            | 21/10/2016   | 31-12-2018      | 5,000,000          | EURO               | 5,400,000                         |
| German Government/KfW Grant No. 577 67 2015 for LIWP   | Effective            | 21/10/2016   | 31-12-2019      | 5,000,000          | EURO               | 5,400,000                         |
| German Government/KfW Grant Water & Sanit. Projects 2  | Signing taking place |              | 31-12-2020      | 10,000,000         | EURO               | 11,438,440                        |
| German Government/KfW for Emergency Education Response   | Effective            | 20-12-2018   | 31-12-2020      | 5,000,000          | EURO               | 5,719,220                         |
| German Government/KfW for Rural Education  | Effective            | 20/12/2018   | 31-12-2020      | 5,500,000          | EURO               | 6,291,142                         |
| German Government/KfW for Water & Sanitation   | Effective            | 13/03/2018   | 31-12-2021      | 21,500,000         | EURO               | 25,748,503                        |
| DFID Grant for SFD Phase IV  | Closed               | 19-01-2011   | 31-03-2018      | 108,400,000        | GBP                | 159,000,000                       |
| DFID Grant for Social Protection – Phase I   | Effective            | 22/11/2018   | 25-09-2021      | 34,480,000         | GBP                | 44,216,466                        |
| The Netherlands Grant for Girls education and Literacy No.: 26489/SAA0118554                     | Closed               | 28/05/2014   | 30-06-2018      | 3,947,368          | USD                | 3,947,368                         |
| The Netherlands Grant for Water & Sanitation in Cholera affected communities                     | Effective            | 07/12/2017   | 31-12-2019      | 3,000,000          | USD                | 3,000,000                         |
| AFESD loan for SFD IV  | Effective            | 19/10/2010   | 31-12-2019      | 30,000,000         | kuwaiti dinar      | 100,000,000                       |
| UNESCO Grant for Cultural Heritage & Diversity Protection in Emergencies for Peace and Stability | Effective            | 15/11/2018   | 15-02-2019      | 80,000             | USD                | 80,000                            |
| World Bank Emergency Grant for thru UNDP   | Closed               | 14-08-2016   | 14-08-2018      | 30,000,000         | USD                | 29,531,270                        |
| UNDP Grant for Emergency project for Water & Environment   | Effective            | 31/05/2018   | 31-12-2018      | 2,500,000          | USD                | 2,500,000                         |
| USAID Emergency Grant thru UNDP  | Effective            | 10/12/2016   | 31-12-2018      | 9,099,719          | USD                | 9,099,719                         |
| UNDP Grant for Social Protection to Strengthen Rural communities Resilience in Yemen             | Effective            | 27/07/2016   | 31-01-2019      | 2,168,183          | USD                | 2,168,183                         |
| World Bank Additional and emergency Grant thru UNDP  | Effective            | 27/03/2017   | 30-06-2019      | 170,400,000        | USD                | 170,400,000                       |
| EU Humanitarian Aid in partnership with UNDP for Social Protection                               | Effective            | 28/09/2017   | 30-06-2020      | 17,894,596         | USD                | 17,894,596                        |
| Prince Claus Fund Grant for Supporting Zabid Inscriptions House                                  | Closed               | 18-10-2016   | 20-06-2017      | 16,585             | EURO               | 18,370                            |
| World Bank Grant thru FAO for Agriculture Productivity Enhancement in Yemen Project              | Effective            | 15/10/2017   | 09-08-2020      | 19,513,305         | USD                | 19,513,305                        |
| UN Women Grant for the Woman Protection and Empowerment in Crises                                | Effective            | 09/09/2018   | 28-02-2019      | 420,000            | USD                | 420,000                           |
| <b>Total</b>   |                      |              |                 | <b>669,265,877</b> |                    |                                   |

## Occupational Health and Safety

Occupational health and safety (OHS) is a multidisciplinary field concerned with protecting the safety, health and welfare of people at work. Regardless of the nature of their work, workers should be able to carry out their responsibilities in a safe and secure hazard-free working environment. OHS also contributes to the protection of establishments and equipment from risks and losses. This is pursued by following the agreed standards when providing equipment, carrying out construction and conducting repairs.

During 2018, the SFD paid more attention to the OHS through several procedures. These included the establishment of a department and a work staff directly responsible for all OHS aspects. The SFD also followed up on cases of injuries and deaths received from SFD's branch offices and submitted to the Managing Director and the Policy Committee to take the appropriate recommendations and actions.

On the other hand, The SFD hired a national expert to start immediately reviewing the current procedures related to OHS and developing the relevant policies, mechanisms and procedures in accordance with the international standards and requirements. Moreover, the expert has embarked on developing a specific OHS project (comprising the provision of training for officer and consultants and the issuance of awareness brochures).

The SFD has taken a number of urgent field measures as follows:

- Compensate all death cases that occurred in 2017 and 2018 from the SFD's own expenses, with some reimbursed by the insurance company.
- Launch awareness sessions on OHS issues for branch-office managers and unit heads and conduct visits to the branch offices, with a view to improving their knowledge on such issues and assuring them of the importance of awareness and continuous field follow-up of field-supervision work teams.
- Inaugurate the training for all teams working in OHS.
- Intensify awareness of the workers involved in projects implementation on the importance of OHS and evading workplace risks. In this regard, a training manual, brochures and other educational materials have been issued for field workers.
- Issue a circular on not allowing any worker to participate in project implementation without wears safety tools appropriate to the type of work performed.
- Issue a circular prohibiting the use of gunpowder in SFD-supported projects in accordance with the recommendations of the Policy Committee.
- Raise the ceiling of the emergency medical cost to YR150 thousand at SFD's expense to treat any injury immediately after its occurrence, with the cost to be increased if required, and then the insurance company is addressed according to the established procedures and the insurance policy.

## Annexes: Additional Data

**Table A1. Commitments by Program (Millions of U.S. Dollars)**

| Program                                 | 2018* | Phase IV<br>(2011–2018) | Cumulative<br>(1997–2018) |
|---|-------|-------------------------|---------------------------|
| Community and Local Development         | 34.6  | 696.1                   | 1,737.60                  |
| Labor Intensive Works Program           | 67.2  | 370.9                   | 522.30                    |
| Capacity Building                       | 4.2   | 66.6                    | 97.70                     |
| Small and Micro Enterprises Development | 9.5   | 106.2                   | 136.80                    |
| <b>Total*</b>                           | 115.5 | 1,239.80                | **2,494.40                |

Note: Amounts are estimated based on annually approved projects as well as operating and fixed assets costs. Commitments may fall by 5–7% due to cancellation of some approved projects.

\* includes an estimate of beneficiaries' contribution.

\*\* SFD receives funds in multiple currencies; therefore, there may be differences in the amounts due to fluctuation of exchange rates.

**Table A1. Disbursements by Program (Millions of U.S. Dollars)**

| Program                                 | 2018** | Phase IV<br>(2011–2018) | Cumulative<br>(1997–2018) |
|---|--------|-------------------------|---------------------------|
| Community and Local Development         | 21.8   | 590.2                   | 1,350.3                   |
| Labor Intensive Works Program           | 101.2  | 295.4                   | 417.0                     |
| Capacity Building                       | 12.8   | 107.6                   | 132.7                     |
| Small and Micro Enterprises Development | 16.9   | 88.6                    | 98.3                      |
| <b>Total*</b>                           | 152.7  | 1081.8                  | 1,998.3                   |

\* Includes operating expenses and fixed assets' costs (approximately 5% of the total).

\*\* Disbursements are for 2018 projects as well as for previous ones that commenced in preceding years.

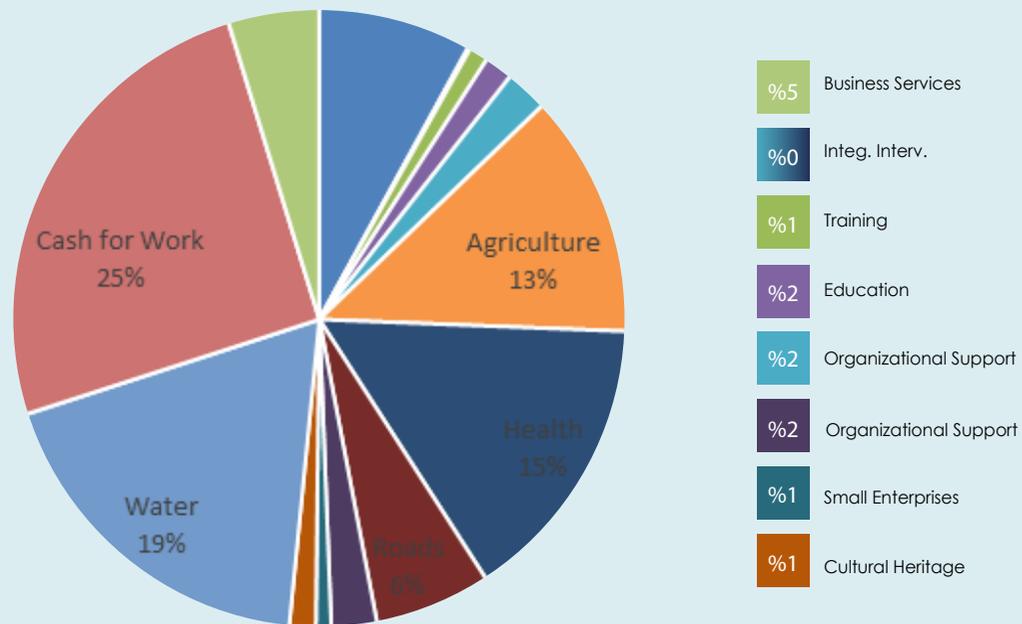
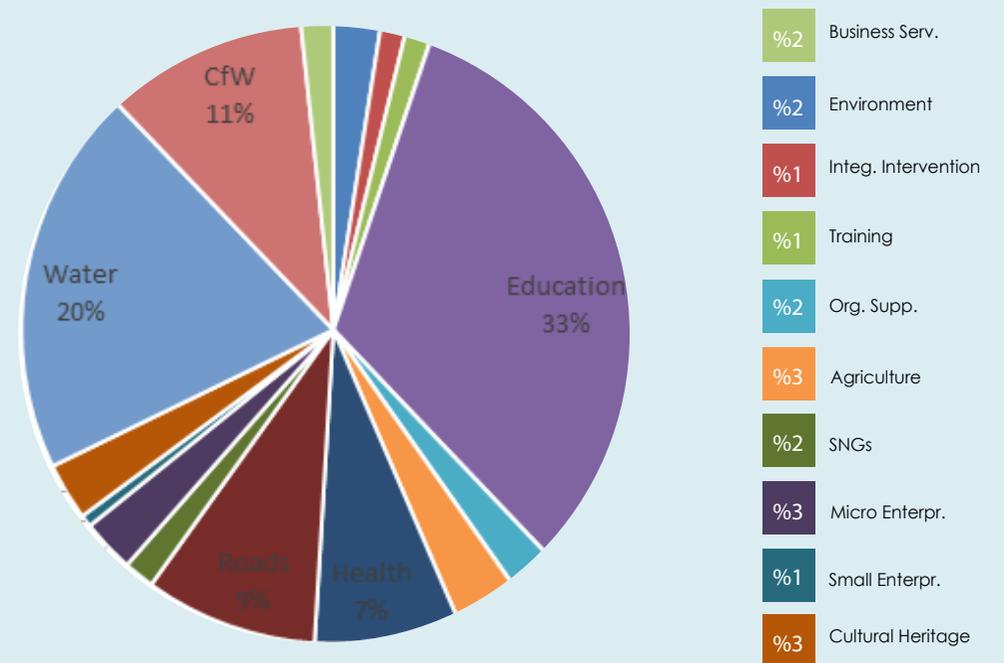


Figure A1. Distribution of Commitments by Sector, 2018

Figure A2. Distribution of Cumulative Commitments by Sector, 1997–2018



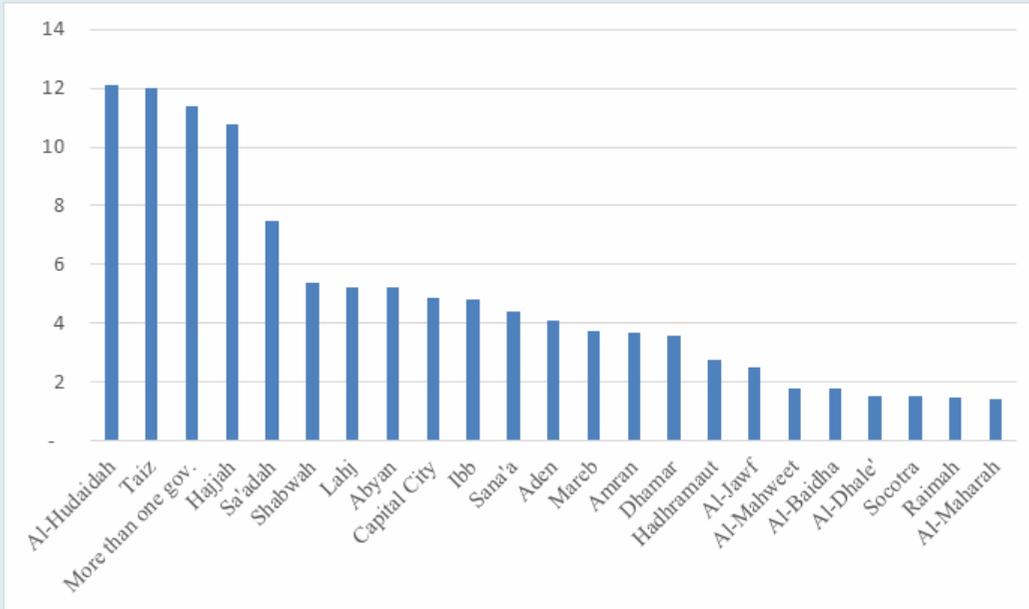
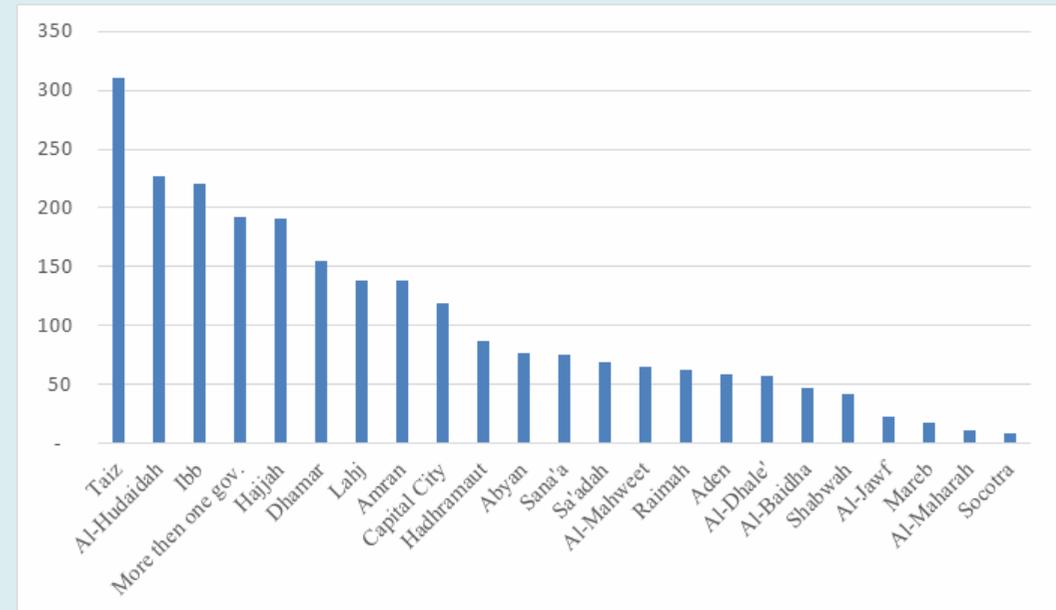
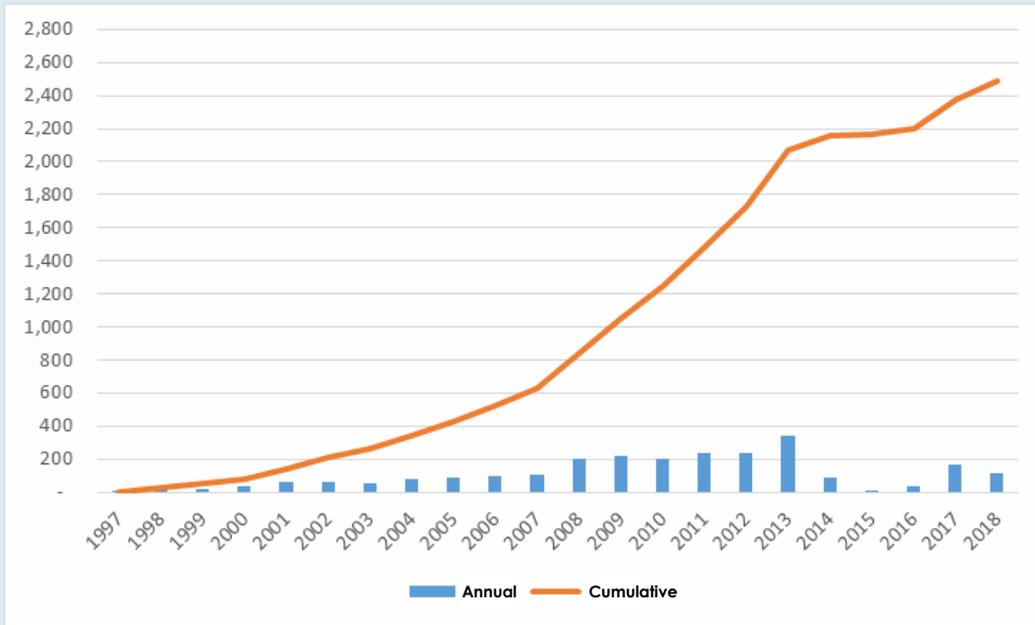


Figure A3. Distribution of Commitments by Governorate, 2018  
(Millions of U.S. Dollars)

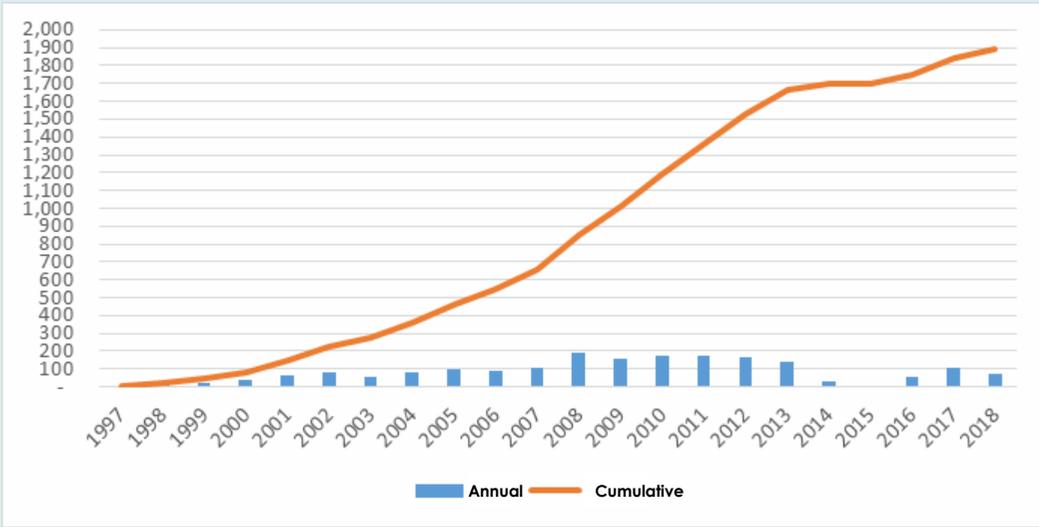
Figure A4. Distribution of Cumulative Commitments by Governorate, 1997–2018 (Millions of U.S. Dollars)





**Figure A5. Commitments, annually & cumulatively (1997–2018)**  
(Millions of U.S. Dollars)

**Figure A6. Disbursements, annually & cumulatively (1997–2018)**  
(Millions of U.S. Dollars)



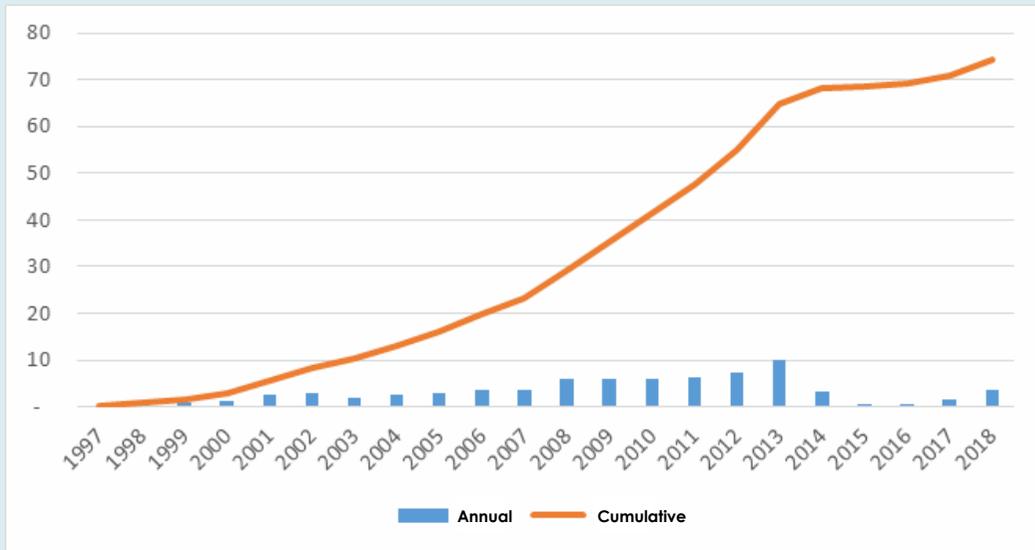
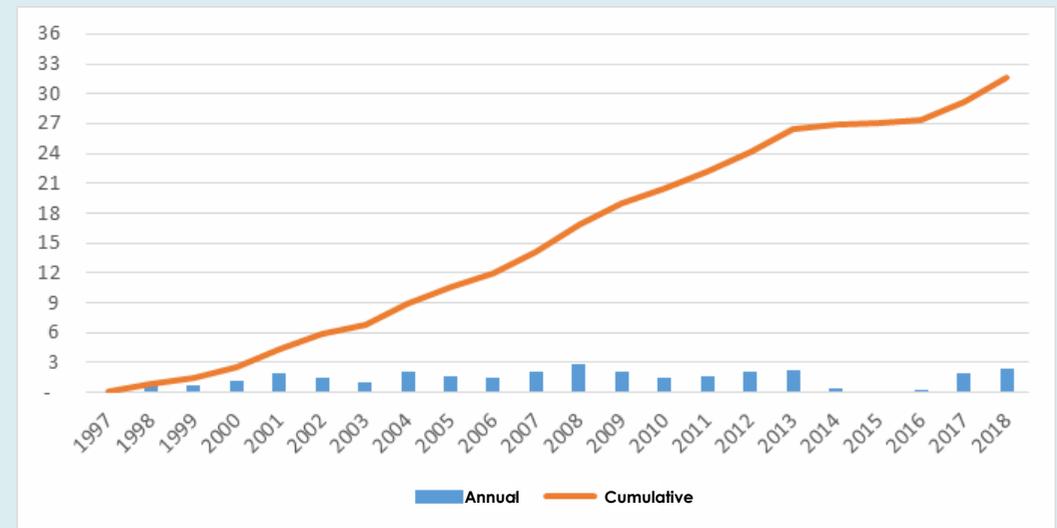
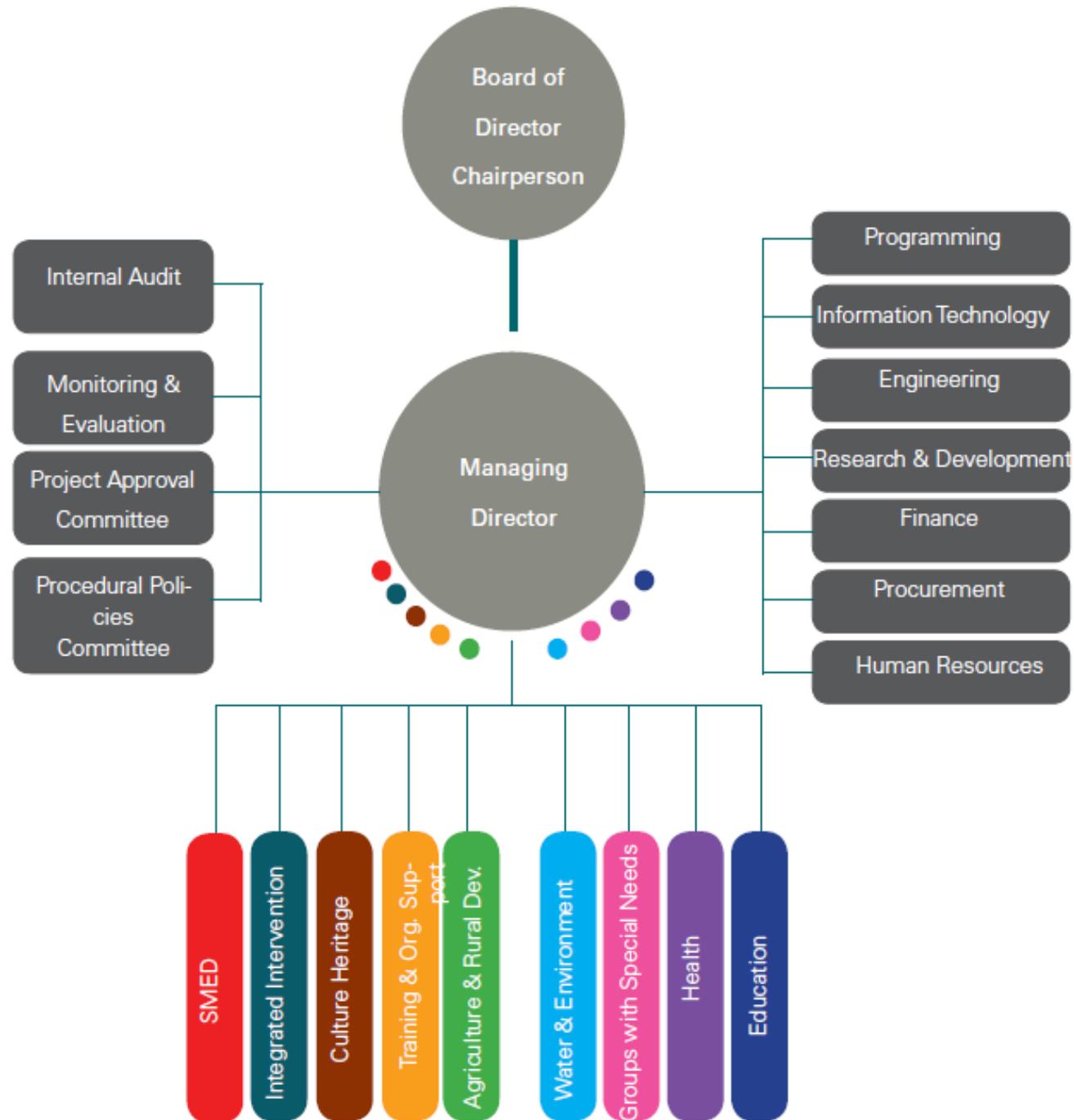


Figure A7. Employment Created by SFD-Supported Projects, annually & cumulatively (1997–2018) (Millions of workdays)

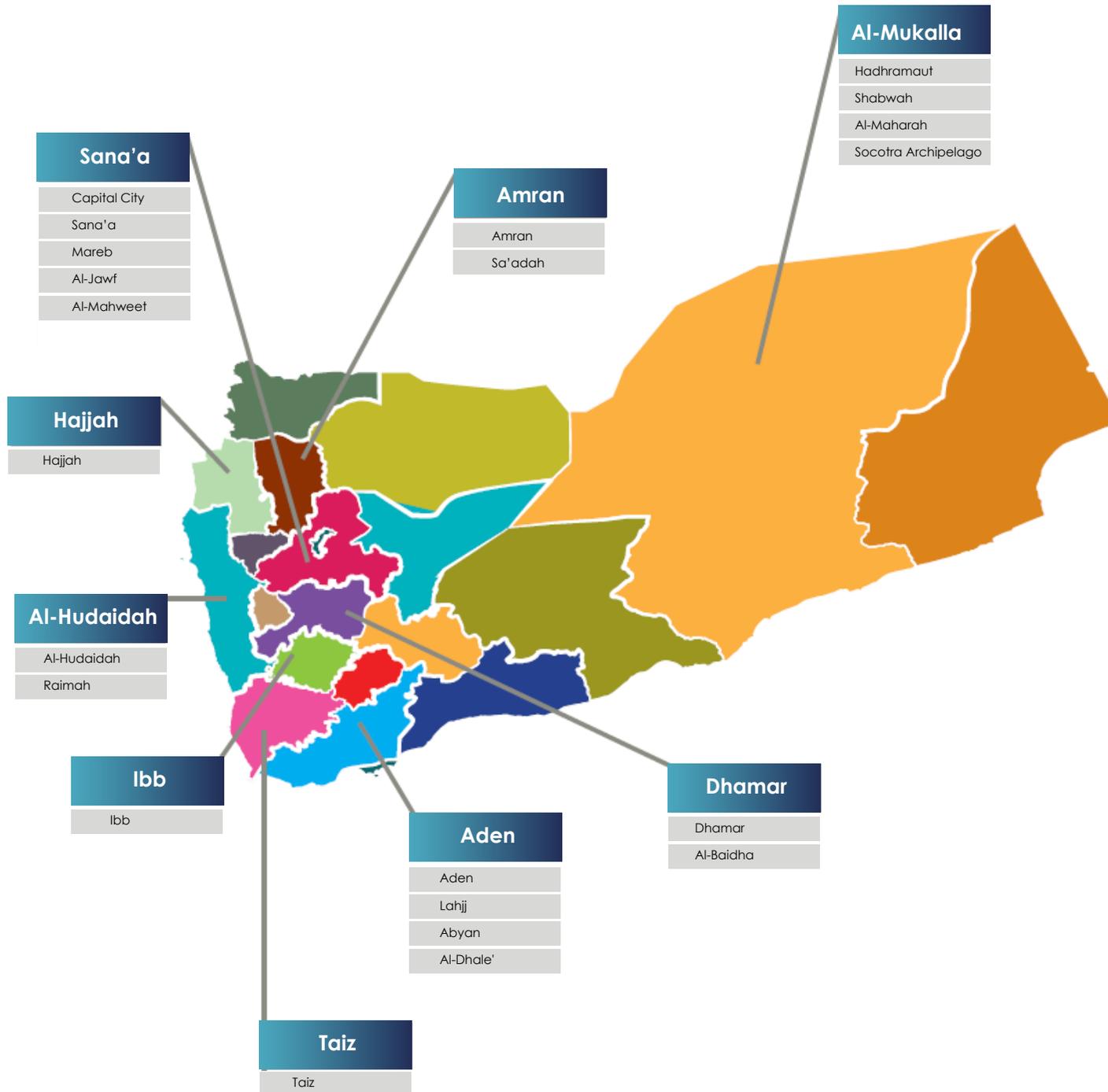
Figure A8. Number of Direct Beneficiaries of SFD-Supported Projects, 1997–2018 (Millions)



# SFD Organizational Structure



## SFD Branch Offices and Governorates Covered



Poor - density distribution and SFD Projects ( 1997 - 2018 )

