

Republic of Yemen
Social Fund for Development



Annual Report 2020

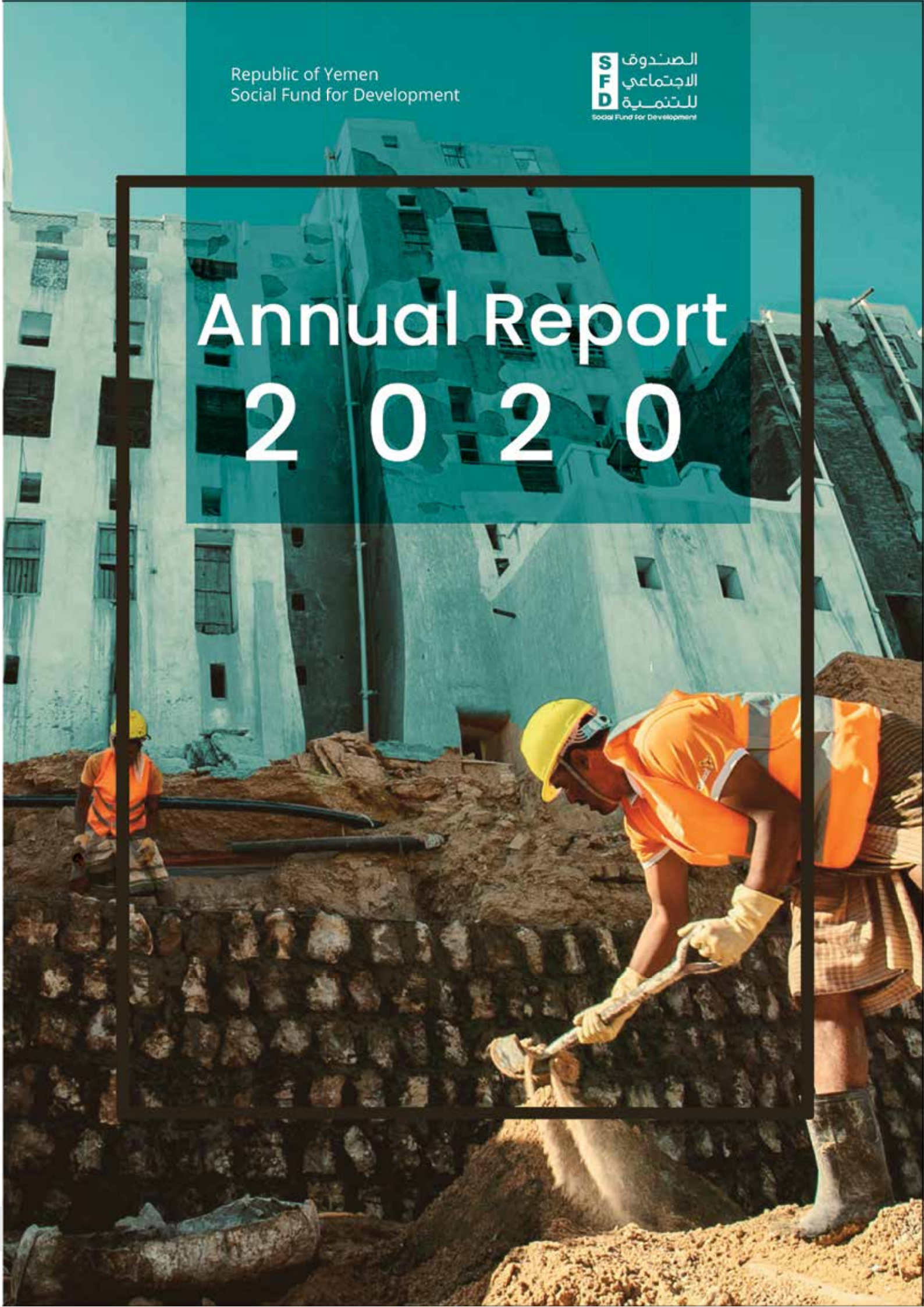


TABLE OF CONTENT

Introduction	4	
	8	Statement of the Managing Director
Executive Summary	10	
	12	Humanitarian Context and SFD Response
CROSS-CUTTING ISSUES	17	
<ul style="list-style-type: none">● Gender enhancement● 2020 beneficiaries' feedback.● Key Findings on SFD Impact (Project Utilization Survey).● Simple PPE helps save many lives in Corona-hit Yemen.	35	Programs and Sectors <ul style="list-style-type: none">● Warda became literate and the owner of a productive project.● Wholesome food and behavior change save lives in malnutrition-hit Yemen.● Saving lives in Hajjah using an economical and sustainable solar-powered system.● Rehabilitating wastewater treating basins in Sabir area, Lahj.● A cash response rescues Amal and Mona from major conflict stress.● Agricultural productivity promoted in the world's largest crisis.● Community empowerment ensuring self-initiated resilience in a crisis hard-hit Yemen.● Cultural Heritage.● Microfinance succeeds in meeting a woman's ambition.
PARTNERSHIP AND FINANCIAL RESOURCES	60	
<ul style="list-style-type: none">● NEW CONTRIBUTIONS SIGNED (JAN – Dec. 2020)● COMPLETED CONTRIBUTIONS (JAN – Dec. 2020)		
ANNEXES	63	





SOCIAL FUND FOR DEVELOPMENT



Established by Law No. 10 in 1997.



Is the largest social safety net player in Yemen.

Invests in 13 main sectors through three main programs:



- Social Safety Net (SSN).
- Community and Local Development (CLD).
- Small and Micro Enterprises Development (SMED).



Has developed the Emergency Crisis Response Plans (ECRP I & II) aiming to meet the most urgent needs of the displaced and vulnerable groups and create opportunities for livelihood.



Has responded to the country's crises since 2015 by adjusting its development intervention modalities to focus on emergency response



Has been funded by several int'l donors.

OUR INSTITUTION



Since its inception in 1997, the Social Fund for Development (SFD) has been contributing to reducing poverty and achieving the country's development goals. SFD has actively contributed to increasing access to basic services, enhancing economic opportunities and reducing vulnerability of the poor in the country.


One of the key successes of SFD is its response to community needs and its ability to adapt its operations to meet those needs. With the escalation of the nationwide armed clashes and war in 2015, SFD has addressed the conflict impact in the country through adjusting its policies, approaches and interventions in order to suit the new realities of the committees.

Responding to impacts of these harsh conditions, SFD developed the Yemen Emergency Crisis Response Plan I "CRP I" 2017–2016 CRP II 2020–2018 to enhance the resilience of the most vulnerable communities and households to cope with multi-dimensional needs, whether of long standing poverty or those needs emerging as a result of the ongoing 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.

Statement of the Managing Director



The utilization findings as shown by the Utilization Survey of the projects completed during 2017 to 2020, which took place in 2020, have shown as high satisfaction rate as 95% of the evaluated beneficiaries of the SFD's projects. Meantime, 90 per cent of the evaluated households benefiting from those projects expressed that they had utilized the outputs of these projects during the thirty days preceding the evaluation visit.



Observations of the independent third party monitoring teams as assigned by the donors have confirmed on the high level of satisfaction with the quality of the interventions and on meeting their priorities and dignity.

The SFD continues to achieve the objectives of its second Crisis Response Plan, CRP2, with the same commitment to development, even with the dominance of conditional cash transfers. These efforts have aimed to immediately enable affected households and communities to meet their pressing needs flexibly and effectively by delivering cash to the hands of the poorest and neediest households.

These cash transfers are mostly conditional to the delivery of community, household and public assets and to the acquisition of assets and skills that create a longer-term living impact that protects tens of thousands of households from falling into starvation or food insecurity in light of the large scale of humanitarian crisis in Yemen.

In the meanwhile, the costly in-kind aid and non-development activities dominate the international aid delivered through international and local organizations, while SFD, the largest developmental actor countrywide, has not received an equivalent of about 5% of the total funds channeled to Yemen. Those total funds have been insufficient to meet the volume and depth of Yemen's humanitarian disaster through.

The SFD calls upon all its development partners and international financing bodies to pay adequate attention to the importance of the development approaches followed by SFD in order to provide an assistance with a longer-term and deeper impact.

Abdullah Ali Al-Dailami
Managing Director





EXECUTIVE SUMMARY

The Social Fund for Development adopted emergency and crisis response planning to respond to the changing needs of the vulnerable Yemenis in light of the ongoing conflict. During the period Jan 2018 – Dec 2020, SFD has completed the implementation of 1,813 sub-projects, with 825 sub-projects being under implementation as of December 2020. The disbursement of the CRP II was 399\$ million, while the amounts committed during the CRP II (but not yet fully received) was 540\$ million. Overall SFD has supported more than 4.3 million people from the various SFD interventions. Throughout the CRP II, SFD provided support to about 1.4 million people. SFD has provided 3.7 million people with access to key services including improved water sources, markets, health services, education, finance and sanitation.

Major programs contributing to the achievement of SFD's strategic objectives and mission



Aims at providing cash support to vulnerable Yemenis. providing opportunities to 380,173 in CfW and CfSS (of those, 44,044 new opportunities were provided during 2020 alone). 236,563 PLW and 348,604 children were provided with cash support under the nutrition sub-program. The program has created more than 11.3 workdays.

Focuses on service delivery in various sector, providing 55,891 people with temporary employment opportunities and creating more than 1.8 million workdays.

Aims at providing economic and financial solutions for Yemenis to be able to create and sustain their income-generating opportunities. The program supported access to lending for 51,035 SME owners and individuals, 2,284 loan guarantees through YLG and 18,430 grants for farmers, fishers and private health providers through SMEPS.



HUMANITARIAN CONTEXT AND SFD RESPONSE

Over the past five years the conflict and its impacts in Yemen has exacerbated the deterioration of the humanitarian situation, the already worsening hunger, water supply and healthcare and the delivery of commodity and services to the affected. The total number of conflict frontlines has risen to 42.

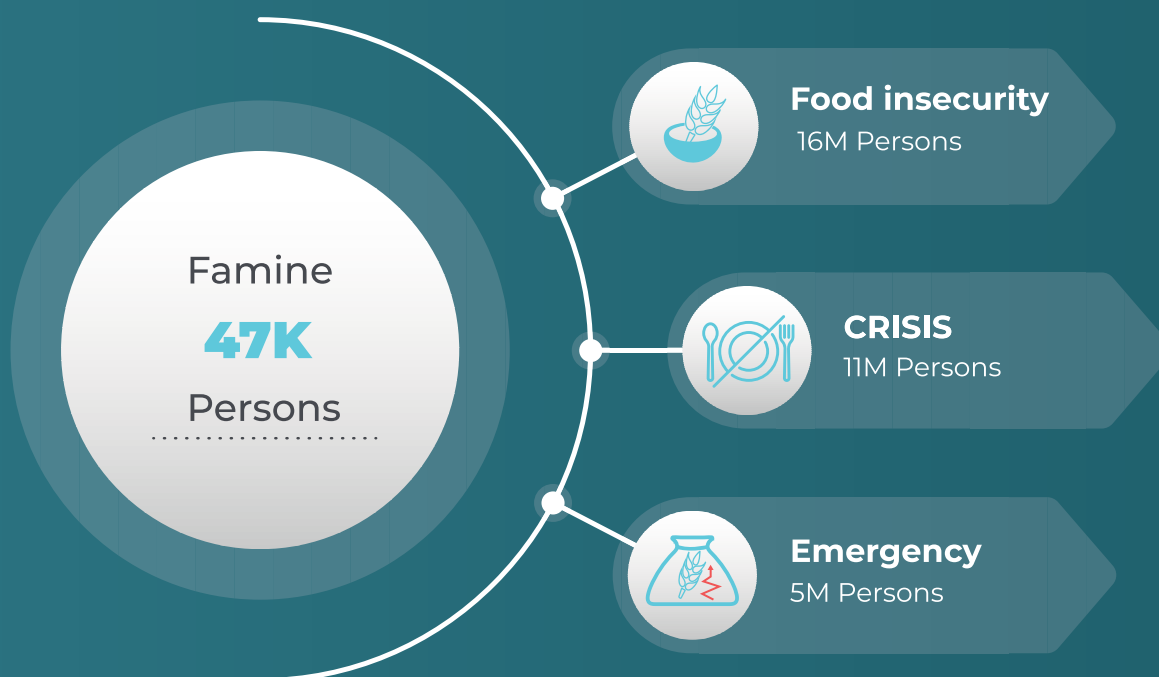
Although the conflict was relatively calm during 2018, it intensified during early 2019 in some areas as some districts became active ground conflict zones such as Abs district (western of Hajjah) and later in Al-Dhale' and more recently in 2020 along the northern border areas of Marib, Al-Jawf and Sana'a.

SFD's programs are designed to respond to the needs in the communities while providing medium to long term impacts through sustaining livelihood opportunities, building capacities, providing community and HH based assets. The following gives a snap shot of the impacts of the current conflict on the humanitarian and economic situation on Yemenis.

1. FOOD SECURITY

The food security situation has further deteriorated for several conflict-related reasons. 14 M of the population are projected to face Crisis (IPC Phase 3) or higher levels of food insecurity over by the end of 2020.

FOOD INSECURITY PROJECTIONS FOR JANUARY - JUNE 2021



As food becomes more unaffordable many households adopt increasingly negative coping strategies. All of SFD's activities contribute to improving food security through cash for works and interventions improving agricultural production through : SMED, Agricultural Development Unit, nutrition program and SMEPS.

SFD CONTRIBUTION TO FOOD SECURITY

Households food security



SMED



Agriculture



Nutrition



Cash
For
Work



SMEPS

2. ECONOMY AND LIVELIHOODS

between the conflict areas led to further deterioration of the purchasing power of Yemenis.

SFD has been in discussion with partner banks, UNDP and WB to find solutions to ensure that end beneficiaries are not affected by the exchange rate difference. Currently, a platform that was created by UNDP will be used as a reference for the exchange rate when disbursing to beneficiaries.

People's livelihoods and resources are stretched out. Economic exchange and commodities movement go under restrictive procedures between the parties to the conflict which also led to fuel and basic commodity shortages and increase in prices. The exchange rate difference

3. HEALTHCARE

Yemenis have also suffered outbreaks of diseases including COVID-19, cholera, diphtheria, and dengue fever. In response to COVID19, SFD has supported several health facilities with equipment to help them respond to the pandemic.

COVID19 hit Yemen in late March 2020 peaking mostly during May-August leading to delays in implementation especially for activities linked to schools such as Cash for Education and activities that require community mobilizations. However, SFD's was quick to adopt mitigation measures to ensure continuity of implementation such as the provision of:



1. Suits and masks at work sites



2. hygiene kits



3. physical distancing, awareness

4. NATURAL DISASTERS

Yemen has become more subject to large-scale natural disasters during the reporting period. Flash flooding and cyclones cause displacement, severe infrastructure damage, casualties, and the spread of multiple diseases in each season. Seasonal rain in Yemen lasts from March to October and the threat of flooding is high in western and coastal areas. Over a half a million persons have been affected by floods and heavy rains. IDPs living in informal settlements were most affected. Many lost homes, crops, food and personal belongings.



SFD interventions take into account the protection from flooding including the protection of agricultural lands.

5. ACCESSIBILITY

Accessibility remains on the main issues to delivery of services especially when it comes to implementation of sub-projects. During the year, accessibility to certain areas has changed in Marib and Al-Jawf, this led to suspension of several sub-projects.



By December, The number of fully accessible districts has increased to 277 compared to 265 in September 2020.

The number of inaccessible district decreased by 8 districts between the third and fourth quarter of 2020. The inaccessible districts are in Al-Hodeida, Hajjah, Sa'adah and Marib. On the other hand, all 13 partial accessible districts are located in the governorates bordering both conflicting parties. The total number of SFD sub-projects affected by inaccessibility as of December 2020 is two.

The SFD's work under the crisis response plan is a continuation of its support since 2015 and is meant to improve the resilience of vulnerable Yemenis during the current crisis.

During the year 2020, SFD has completed the implementation of 480 sub projects while 825 sub-projects were under implementation throughout the year. In 2020, SFD has disbursed \$ 126 million



Operation in 2020

ADAPTIVE RESPONSE TO PRIORITIES

One of the key successes of SFD is its response to community needs and its ability to adopt its operations to meet those needs. In SFD's latest utilization survey, 96% of sampled respondents indicated that the interventions SFD implemented were among their top priorities.

ADAPTIVE OPERATION TO COVID-19

COVID-19 was one of the main challenges faced in 2020 and it caused some setbacks in implementation; however, SFD was quick to adapt its operations and take action and mitigating measures to ensure continuity of its operations, supporting those among the most vulnerable groups and playing a role in advocating and raising awareness on precautions actions among the communities. One of the SFD's highlights in its COVID19 response is creating a movement among some communities to support frontline workers through organizing communities to make face masks and PPEs in collaboration with health offices.





CROSS-CUTTING ISSUES

- **GENDER ENHANCEMENT**
- **BENEFICIARIES'**
feedback
- **KEY FINDINGS ON SFD
IMPACT**
(Project Utilization Survey)

GENDER

Enhancement

The cumulative impact of conflict and climate shocks has aggravated marginalization of the already vulnerable groups especially rural women across the country. It increased women's responsibilities to care about their families. In the same time their basic rights in development have been adverse specifically female literacy and their meaningful engagement in identifying and addressing their own needs including women participation in public life. The long-term response has allowed SFD to provide more scope to address inequalities and enable youths and females' capacities, for example, by facilitating their leadership, education and participation.

SFD found itself increasingly capable to support social protection sectors to increase gender-based empowerment and promote economic improvement by employment and/or engaging in participatory decision making activities in terms identifying needs, implementation and utilization.

The response used different conditionality and modalities of cash transfers depending on the kind and urgency of the response. Several activities have addressed inequalities of the affected people's access to development and emergency opportunities through a combination of policies that have balanced growth, empowered the vulnerable groups and reduced gender biases.

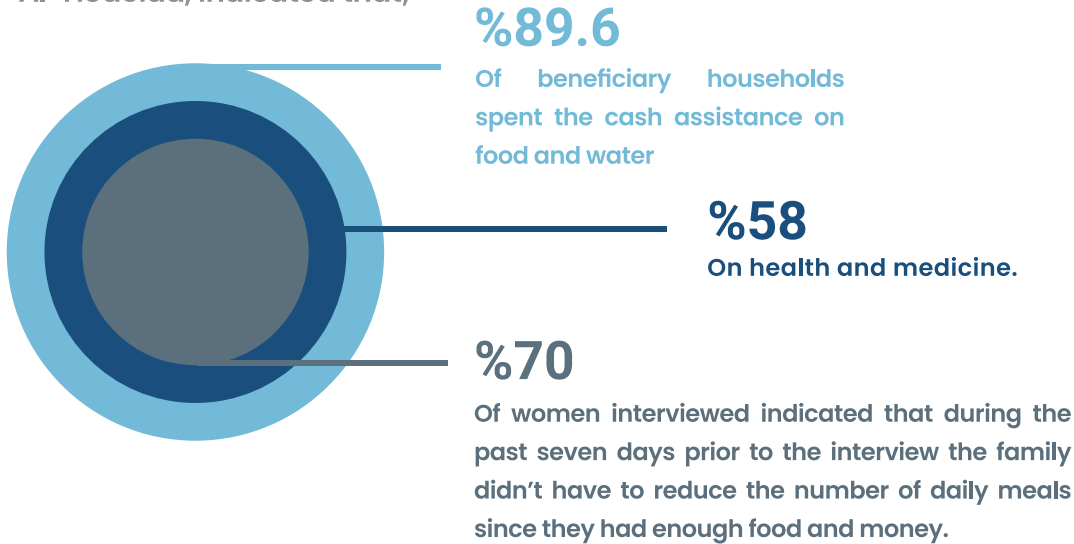
Programming adaptation has been a continuing process for fulfilling equity whenever possible. SFD geographical fund allocation allows for balanced and fair distribution of funds across all Yemen. Additionally, In the education sector, 4,845 youths (%50 female) were recruited and trained and received monthly wages and delivered community-based education. The response focused on high-education demand areas and areas facing educational gaps in teachers.

In terms of utilization of the aid, the Conditional Cash Transfer for Nutrition program, which includes 100 percent of the health educators and cash transfer recipients from women, hands the wages and cash payments to them in person and urges them to make decisions on spending them on their and their households' top priorities.

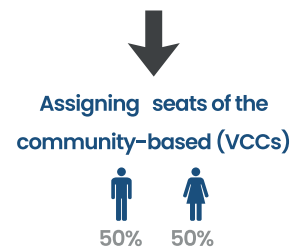
The review of this program has displayed that nutrition of women and children beneficiaries have been emphasized by cash transfer as the household spending choices were mainly channeled to food.

In 2020

An internal impact survey on 2,537 female beneficiaries, representing 11% of the beneficiaries' total number of 23,120 women living in seven different target districts in Al-Hodeida, indicated that;



Tamkeen is seeking to address the underlying drivers of youth and women's declining leadership and engagement in development.



Women voice echoed in the highest peaks of Raymah

Mrs. Shafiq, a VCC member and the only educated tribal woman in Alakamah village believes strongly in voluntary action but was not able to do much due to the traditional norms. Now, being the VCC Repertoire, Shafiq, despite her disability, has had access to daily decision making roles with a louder voice for women priorities. Her strengthened voice has yielded, among other things, in building two female literacy centers in neighboring villages.



Value for money proving impact

Amidst the prevalent in-kind assistance operations in Yemen for the sixth year of a row, the SFD operations based on Humanitarian-Development Nexus approach are driven to offer value for money which focuses on delivering the best impact for the conflict affected Yemenis. Along the conflict years, SFD has invested only an equivalent of 5 percent of the total Yemen Humanitarian Response Plan (YHRP).

Yet, SFD with its cost-effective comparative advantage has used Value for Money to deliver longer term and inclusive impact on human capital and resilience. While 8 million people lost income due to the conflict, SFD has generated stable income for 1.5 - 1 million members of HHs through temporary jobs in its conditional cash transfer, microfinance, SMEPS and other activities. Many of them have gained new work skills that have enhanced income during the worst times of their lives.

HDN scaling up with inspiring outcomes

The SFD's scaling up response in the fragility and conflict setting in Yemen has maximized the focus of longer term impact that goes handsomely against the SFD's emergency strategy's objectives of enhancing resilience and social cohesion of the affected population through improving its access to basic needs and livelihoods.

The impact of cash transfer has been evident especially that 8 million people have lost income and the cash transfers have often become the major source of income for most recipients. SFD getting a growing role as a major safety net component countrywide has helped it exert continuing efforts to sufficiently focus on improving humanitarian-development nexus using cash plus approaches.

It is noticed that this has been supported with its efficient policies in targeting, defining priority addressing interventions, quality control and financial management control which together have maximized the impact and made the approach admired by the communities and authorities.

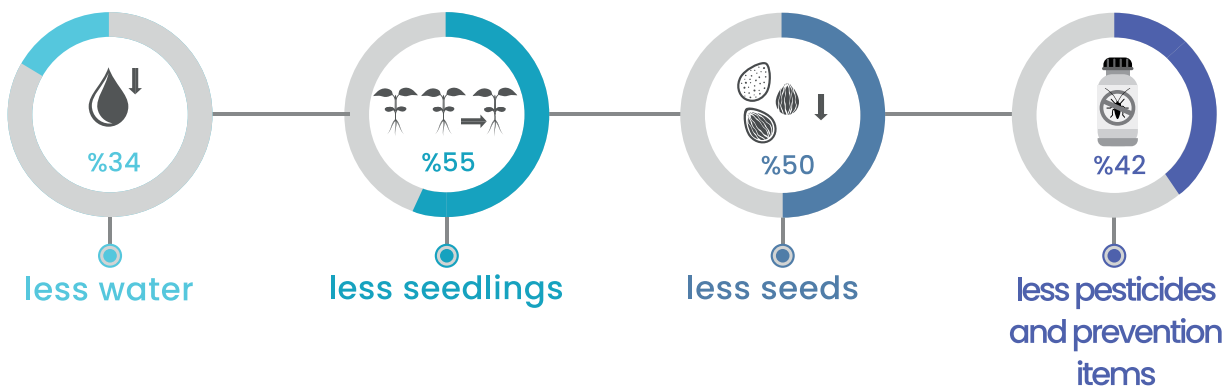
The impact the Yemenis felt from the SFD response during this grinding crisis has highlighted the wide feasibility to scale up the use of Humanitarian-Development Nexus (HDN) and gained more buy-in by the political and community frameworks in order to allow the use of the HDN approach to scale up further more. These factors have been the basis for the SFD's decision making to continue the development of approaches that best suit the changing and diverse realities of the affected communities.

Maximizing resilience and resources

The SFD humanitarian–development nexus response has saved significant cost in the future since the cost of late response to development crisis is high. According to a UNDP study on Yemen in 2019, if the war in Yemen ends in 2022, development gains would set back by 26 years.

The SFD community matching–grant support within Tamkeen response has been the driving force that makes community and resources mobilization active. Every one dollar has been contributed by Tamkeen against an average of 2.5\$ raised by the community and its structures

In the agriculture sector, the field monitoring information in SAPREP work sites have shown effective results. While each one of the 1,402 farmers was supported with an average amount of 1,350\$ in technological equipment, the average outcomes of supporting the farmers' practices have resulted in



In many cases, the support has prevented households from selling their productive assets.

Cash transfer creating efficient social protection system

In several cases, the SFD activities have protected beneficiaries from shocks, reduced their negative coping strategies and allowed households to bear more economic risks and sought for more profitable opportunities. Field-based beneficiary feedback found that regular and predictable cash transfers reduced household vulnerability by making them more resilient to conflict impact and climate change impact.



Cash transfers helped to increase savings and the households' accessibility to run micro-enterprises for living. This in turn decreased their resorting to negative coping strategies, such as the sale of productive assets or reduction of consumption of food. In the longer term, agriculture response helped beneficiary farmers and inspired others to build resilience by changing their livelihood strategies through introducing sustainable land management practices and technologies.

SFD has been the largest actor making cash central to its emergency response in Yemen since it has been a proven approach delivering multiple direct and indirect benefits to the general and specific hierarchical spectrum of the community. SFD is consistently focusing on the value for money approach in order to generate as much benefits as possible for the whole stake holders. SFD's cost efficient mechanism and implementation modalities allows it to at least invest %80 of the donor funding that goes directly to beneficiaries.

The adoption of Humanitarian-Development Nexus approach has fostered the community development and social safety net agendas. Meantime, investing in sustainable prioritized infrastructure has reduced the number of people who need humanitarian assistance since the households that get access to sustainable services do not remain in the humanitarian need lists for several years to come. This has saved a lot of financial resources.

Minimizing benefits of the wasted resources

The innovative, durable solutions SFD has been providing give high value to invest in renewable resources, such as water harvesting, to ensure the sustainability and rationalization of using the natural resources.

Since 2016, SFD has built 62,100 water harvesting cisterns of 1.7 m³ million in capacity, benefiting 520,000 persons. For several years to come, most of these people will not need humanitarian aid in water. In addition, availability of this improved water contributes in preventing water-related diseases and reducing the need of health aid.

Multi portfolio response spawning multiple impact

The SFD policies have resulted in developing an effective cash transfer system supported by fair targeting criteria and consistently polished delivery mechanisms. This helped SFD address households' vulnerability driven by the lack of multiple service needs ranging across food, water, sanitation, education, health, road, and livelihoods. Existing evidence highlights the impact of cash as being regarded as multi sector tool bringing a wide range of results and that of the multi sector programs in the world's largest humanitarian and economic crisis, Yemen, in terms of increasing resilience, stimulating production and reducing reliance on relief. Evidence cited by the TMP stressed that the cash component has widely allowed the institution's social protection policies to go beyond short-term social safety net by reducing vulnerability to risk, allowing on-the-job training and enabling the poor people's participation in productive activities.

Conditional Cash Transfer approach (CCT)

At the level of households, the is not all about providing new money to household to buy basic food and necessities, but is also about money being saved. Rabaa, a beneficiary worker from a latrine construction project said "In addition to receiving labor wage, we also saved money that we had been spending frequently on the health invoice due to pollution and prevalent water-related diseases".

Given the fact that the SFD disbursed about %78 of the lowest case funding scenario, for its SCRPII response (2020-2018) in a declining economy, this amount has not ended at the hands of beneficiaries and local traders only but has also indirectly contributed to the economic boom; cash was put into circulation, so the unemployed labor got job opportunities, production was motivated and income was generated again. Cash has consistently allowed wider roles for social and economic work towards business growth and community economic recovery.

Changing policies to suit the changing realities

The response has raised the amounts of wages to its beneficiaries in local currency in order to be consistent with the declining local currency against the foreign currency. This is to keep the recipients capable to afford to buy staple food. The price of labor is still used as the market's minimum labor wage with intentions to ensure the job opportunities are accessible to those very poor groups who need cash badly and have no other alternatives.

For simply higher commission fees, the cash-based programs also shifted the responsibility for distributing payments from individual consultants mainly to development banks. This progress has mitigated the risk on SFD, reduced its burden of reconciling the financial lists of beneficiaries and made the distributions more timely again.

Over the last years of conflict, the local authorities remained unconnected to their communities as they lacked fund and adequate capacities. In 2020, Tamkeen program has initiated the medium project mechanism as a moving forward step to support the rural-based community structures to adopt the SFD procurement practices in implementing their local projects and ensure quality and cost effectiveness.

SFD making the difference in protracted crisis

The UK AID BASIC – Better Assistance in Crisis has published an evaluation study entitled “Yemen- Linking Humanitarian Cash and Social Protection”. The second phase of this report has sought to support the UK government to improve outcomes of humanitarian cash and social assistance in Yemen. The report, bring the SFD to The report expressed that the donors are unwilling to continue supporting the Yemen needs at current scale over the long term especially that the emergency becomes protracted relying on the humanitarian system to meet structural causes of deprivation is unsustainable and inefficient. SFD has been highlighted as having a strong potential to build and strengthen the national social protection system and policies, through its longer term cash-based approaches.

The heart of the analysis and lessons, presents analysis findings and recommendations regarding the policies, performance, coordination and impact of the humanitarian cash transfers and social protection players working in Yemen.

Given the unsustainable humanitarian aid, the study recommended to shape the humanitarian cash agenda as part of an initial transition towards more coherence and interoperability between actors, and in the long term towards a nationally owned social protection systems approach with clear and distinct roles such as SFD and SWF who have a shared definition of poverty and vulnerability.

SFD capacity was also recommended to be strengthened to implement a range of activities including resilience, local governance and coordination of social protection. “As the Yemen crisis becomes increasingly protracted, the lack of consistency and alignment presents a challenge to the integration and complementarity of development and humanitarian institutions operating in parallel. It is time to set out the architecture of a cash transfer / social protection system that will emerge in the long term,” suggested the study.

Part 2 of the recommendations called on to support transition towards Yemeni institutions to increase participation to deliver social protection while meeting immediate needs by ensuring SFD’s continued delivery of community resilience and its strengthened organizational capacity.

BENEFICIARIES'

feedback

The communication team paid five field visits to get information about the beneficiaries' feedback on the SFD performance and impact. The visits were made to :



1 Coronavirus outbreak effects on day-to-day life in Hajjah.

One of the visits to Hajjah sought to understand how Yemenis were reeling harder impact than other nations as a result of the coincidence of the COVID-19, livelihoods collapse, drop of migrants' cash transfer, cut of international aid and food insecurity shocks that led to deeper vulnerability. Many interviewees sounded frustrated because of those results. Some IDPs from Sa'adah Governorate sounded frustrated while speaking about being enforced to stay at home and to go out seeking for their households' necessities to stay alive. One of them added **"It is impossible to stay home for days as our women should go out fetching us the lifesaving water from remote water wells."**

Many interviewees think that death from Coronavirus infection is possible but death from starvation is unavoidable if the virus outbreak lasts long. Some people wondered **"How can I and my family members survive Corona while our bodies' immunity is already poor!"** Some displaced people suggested that they have to survive it by staying home and eating anything that just keeps them alive even if they store dried bread to eat it with tea during the quarantine. They confirm **"this was our way to cope with recurrent conflicts earlier in Sa'adah."** Moments later, one of them adds **"But we were not forced to stay home all day. it is impossible to stay home for days as our women should**

2 Feedback from the isolated Socotra

The Governorate of Socotra Archipelago lies on the Indian Ocean 1000 miles away from Yemen's mainland. The interviewees agreed that SFD is one of a handful number of actors working there. All interviewed beneficiaries expressed that the SFD interventions have been effective in providing the communities with largely needed services and protecting their property and livelihoods. They liked the SFD building walls to protect household vegetable gardens that have contributed to increasing food security. The Socotra population nearly **80,000 persons** depend on their food on meats and dates but are very new to all kinds of vegetables and fruits, which are being exported from Seyoun, the nearest Yemeni mainland, for expensive prices. Vegetables have been introduced to Socotra 3 years ago only, and the beneficiaries demanded more support to grow vegetables and fruits.

3 Hajjah solar-powered water station

Meeting six people in different parts of Hajjah city, they agreed that they receive water from the network once every 40 days if not longer. Four of them said their houses' storing tanks don't get full though. The Director of the Government Local Water and Sanitation Corporation referred this problem to the sharp capital trouble, increasing prices of fuel and recurrent shortage of diesel that was vital to pump water from the sources in Sharis area, a low land valley of about 15 km away of the city. Almughalis highlighted that the SFD support with solar power systems to 3 pumping stations came in a critical time when no other actor was able to help, **"this response will continue the work of our enterprise and the lifesaving health services in already catastrophic conditions"**. He confirmed the solar-powered water would pump between 30-40 percent of the average quantity of water into the city's strategic storing tanks, the matter which was expected to reduce the population suffering". Almughalis also pointed out to the significance of the SFD's ongoing rehabilitation of the sanitation treatment plant that was at the brink of suspension and a health catastrophe.



4 Farmers telling about results of SAPREP impact

A team composed of the M&E and Agriculture units fielded a visit to 19 beneficiaries of the horticulture, a main component of the WB-FAO funded Yemen Smallholder Agriculture Production Restoration and Enhancement Project (SAPREP) and two imitator farmers in 14 communities located in Al-Ma'afir and Maqbanah Districts of Taiz Governorate. Agriculture was important in Taiz as the team noticed that the increase of qat plantation and food prices unprecedentedly overwhelming this conflict-stricken governorate.

Two farmers from two different communities emphasized their preference for growing vegetables over qat. They both said that their experience in growing vegetables was less costly and more profitable.

Most interviewees stressed that SAPREP helped increase their production. Mahyoub said he produced 700 baskets of tomatoes compared to a half of the quantity prior to the intervention. The farmers' profits varied. Some got their crops totally damaged by the heavy floods. The farmer Sherian Salim from Maqbanah sounded happy as he got a net profit of YR1.5 million in the past season although it was the first time he grew tomatoes.

Almost all beneficiaries questioned about the quantities of water consumed in irrigation before and during the use of the drip irrigation system agreed that the system saves over 50% of the irrigation water. Husband of the farmer Iman stressed that he was using two water tanks for irrigation and through the system he used a half a barrel. "It took me 4 hours pumping for flood irrigation covering the irrigation need of 4 days, and now I pump for 1.15 hours which covers the irrigation need for 8 days", said farmer Abdulaziz Mahyoub.

Giving several reasons, a half of interviewees complained that the anti-insect gauze fabric was subject to rapture even sometimes before the planned time of removing it. Many of them recommended to rather use a more durable kind of fabric that sustained up to 5 seasons.

5 Rehabilitating wastewater treating basins in Sabir area, Lahj

Sabir is a small town hosting a population of about 25,000 persons. Its original sanitation network was designed and built 30 years ago to suit the small community.

This ongoing project is addressing a chronic environment and health issues since two decades. The Sabir 4 wastewater treating basins were totally blocked over the years due to negligence and therefore the wastewater was flowing over the streets and sometimes into homes, triggering recurrent and economic losses on the poor population.

The population adaptation forced several people to use sand to block the flow of the running wastewater into their homes or streets and therefore triggering disputes and exacerbation of the situation on the other affected neighborhoods. However, all the interviewed persons including 7 members of community committee confirmed that the sanitation services have continued satisfactorily and there have been no blockages in the network since the main manholes have been rehabilitated.

The town expanded immensely and all homes built away of the main manholes have created groups of sub-networks of narrow pipes linked to the main one. Interviewed people there demanded SFD and donors to launch an additional phase to put wider pipes for the whole network in order to ensure easier flow of wastewater and make all the streets prepared for any potential street paving initiatives.

Sewage treating plant in Taiz



KEY FINDINGS ON SFD IMPACT (Project Utilization Survey)

Utilization Status Evaluation

Several factors have contributed to disrupting the operability of part of the SFD completed rural infrastructure projects during the ongoing conflict. SFD conducted a field survey to a sample of 1136 projects across sectors and programs completed during 2020 – 2017 costing 146\$ million.

The survey has aimed to measure the degree of project effectiveness in terms of operation, utilization and accessibility in addition to its quality and sustainability.

It also queried the community members' participation in civil works, levels of labor wage and ways of wage spending. The study interviewed members of 2450 beneficiary households distributed on 214 projects at an average of 12 households for each project.

A %86 of the planned households including both females and males of %76 of the households participated in the interviews and meetings that identified needs. The average number of committee members was 6, one third of which was women.

B Among the key results, %92 of the supported communities formed committees that members of %72 of which were freely elected while %23 were recommended.

C %91 of them were beneficiary committees, %4 village cooperative councils and the remaining percentage were development committees and community contracting committees. The committees' task was to coordinate with the government agencies, SFD and villagers to address problems and help facilitate difficulties facing the implementation.

Enhancing access to 182 public schools

From recent utilization survey SFD Education infrastructure activities contributed to:



29%
increase in
number of
students



54%
schools are
operating one
shift compared
to two prior to
interventions



90%
of schools expanded
the benefiting area
as a result of the
interventions



22%
decrease in
class density

59% households expressed excellent and very good satisfaction of the project against 36% expressing good. In the meantime, floods and other climate related reasons disrupted 27% of the completed projects of which 60% in agriculture, 49% in roads, and 40% in integrated interventions. And most affected infrastructure was restricted mainly to agriculture, road and water components. The functional project makes up 90% of the total surveyed projects, 8% (42 projects) were partially functional and 25 (12 projects) were totally functional. The study indicated that 91% households used the outputs in the last 30 days. Meantime, 92% projects removed construction waste.

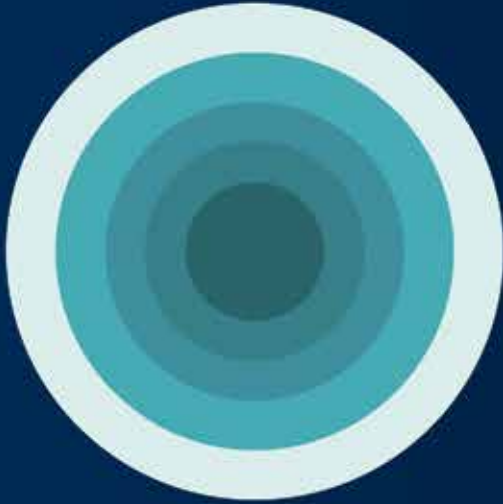
Complaint Mechanism indicators

81% of surveyed projects included complaint system Projects beneficiaries reported complaints in 23% projects SFD gave feedback to 75% of the beneficiaries' complaints

Labor wage spending

72% of the surveyed respondents stated they spent their labor wage from the project on food, 19% on repayment of debt for food, 20% on health education and others, 21% on investment assets and expenditures and 46% on buying building materials for private project.

Access to roads



124%

villages travel frequency

30 min

less time from home to road

39 min

less time to closest market

26%

less taxi transport's fare to city

34%

less for a passenger's transport fare to city

Access to water

68%

less travel time to fetch water in dry season

70%

less travel time to fetch water in rainy season

97%

more months of water remaining in resources in dry season

65%

more months of water remaining in resources in rainy season

37%

cleaner water in dry season

44%

cleaner water in dry season



RESPONSE TO COVID-19

SFD has taken preventive measures against Covid-19, with an emergency committee formed and many precautionary measures prepared for Corona virus at the institutional level.

Health and Environmental Safeguards

The Health and Safety section was established in late 2018 and a health and safety officer and a consultant have been appointed. The work started with the development of training manuals, procedures, models and procedures in order to control risks in the SFD's sub-projects. In 2020, the section developed environmental & social safeguards and health & safety management system. Also, training, awareness and workshops have been provided internally and externally as well as field visits conducted.



Awareness on Corona virus reached 35,000



Masks distributed 32,000



Soaps and sterilizers 20,000





Simple PPE helps save many lives in Corona-hit Yemen

Yemen has been the worst scenario case that the COVID-19 pandemic has ever hit mainly since the ongoing conflict since 2015 has stopped a half of its health facilities. In the functioning health facilities, several health workers are risking their own lives as they lack the simplest personal protection equipment (PPE).

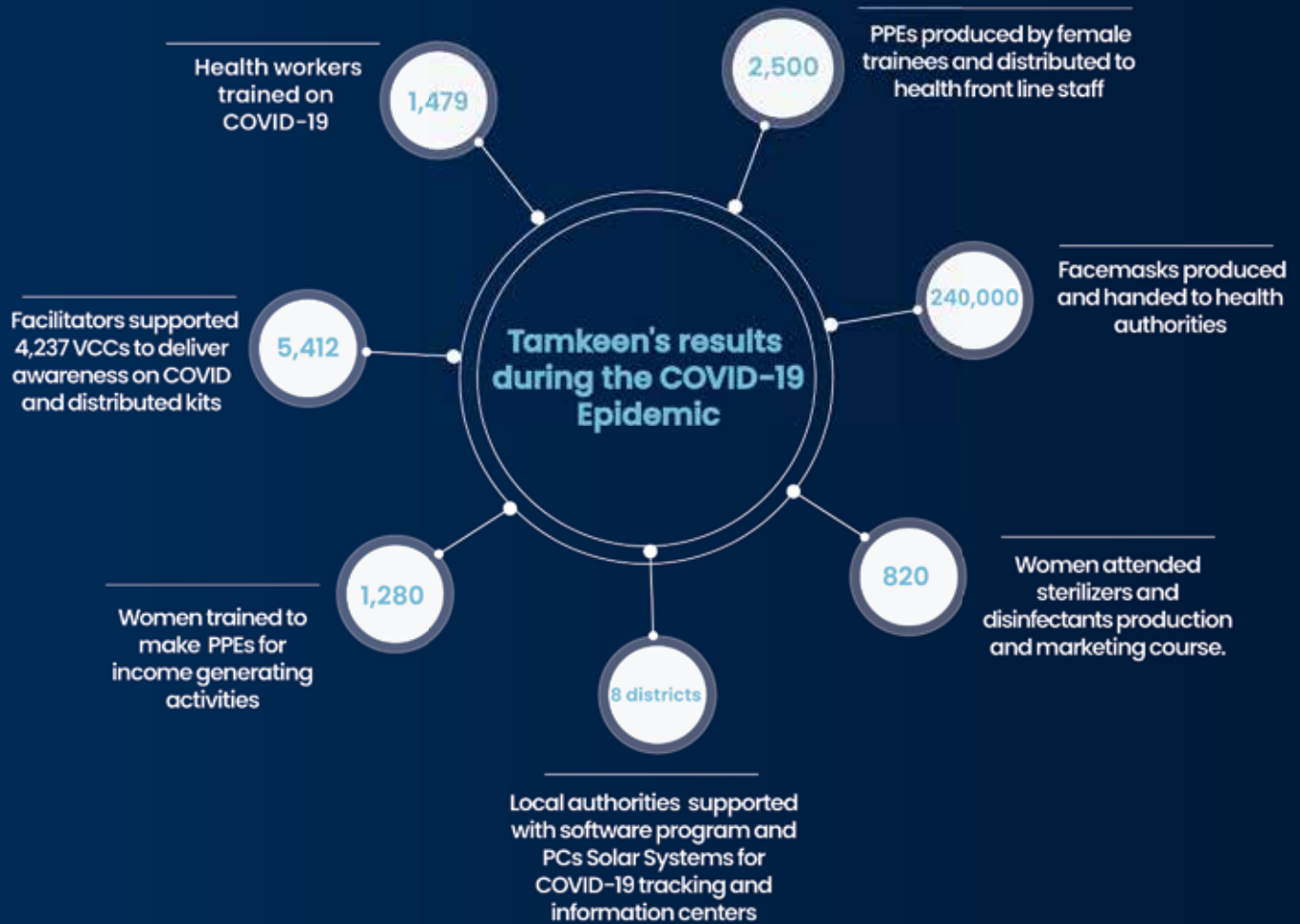
In the rural Mabian district of Hajjah Governorate, a group of Village Cooperative Councils (VCCs), that was locally elected and trained by SFD, has had prioritized the provision of PPE (medical masks and protective suits) for the medical staff working in 28 Coronavirus isolation and prevention centers and 60 functioning health facilities. With the local authority, they co-led an initiative with a local feminine association to produce PPEs.

The VCCs mobilized female volunteers, whom the SFD had trained earlier in 2019, on producing nearly 10,000 masks and 205 durable protective suits in 6 villages. **"If people here contract the disease, a disaster will take place,"** said Mr. Nageeb Al-Watari, Deputy Director of the local

health authority referring to the very dense Hajjah Governorate of 3.3 million in population.

The availability of adequate PPE has been identified by the local health authorities as urgent items needed to run the isolation units around Hajjah's inlet, according to Nageeb, "these items are classified as very urgent needs especially in Hajjah given the fact that the virus has spread in several Yemeni areas". The health Office in Hajjah received the products from the SFD, disinfected them and distributed them immediately according to their planned list of health facilities.

The director of the SFD's branch office in Hajjah stated that this successful initiative has ignited a new wave of identical initiatives covering five districts of Wadhrah, Abs, Bani Alawam, Kuhlan Affar and Kuhlan Asharaf, in addition to producing the awareness posters in order to meet the relevant needs of the several health facilities and community service centers".



Environmental and Social Management and Safeguards

The Environmental and Social Management Plan (ESMP) section increased its activities to meet the various requirements. The potential impacts and associated mitigation measures and management procedures are included in the ESMP are based on the baseline information and assessments provided before setting out each project.

The section revised 362 relevant plans under several grants, issued and updates ESMP templates, 766 officers and consultants on ESMP

application and 666 others on due diligence. It also trained 60 trainers in combating COVID-19 in Aden and 540 university students in Aden and Taiz on health and occupational safety. For awareness activities, the section printed and distributed 4000 brochures and posters to combat COVID-19. And sent SMS to 1500 beneficiaries on occupational safety and exploitation. SFD received 163 complaints regarding ESM issues of which 161 were closed after the section addressed

them.

In efforts to prevent the outbreak of COVID-19 virus inside SFD enterprises and in worksites, SFD established the COVID-19 Emergency Committee that took serious measures and provided the required supplies in terms of awareness, equipment, sensitizers and personal protection Equipment.

A photograph of a smiling man wearing a tan hard hat and a safety vest, looking out from a circular opening in a wall. The wall is made of a textured, light-colored material. The man is wearing a light-colored shirt and a safety vest. The background shows a clear blue sky and some buildings in the distance. The word "PROGRAMS" is overlaid in large white letters on the left side of the image.

PROGRAMS

EDUCATION



SFD is one of the largest contributors to the education system in Yemen with a profound profile in infrastructure and quality of education. Since 2016, the SFD-supported interventions have been adapted to contribute to supporting the continuation 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 women work. Education activities are implemented across two programs: Restoration of Basic Service Delivery and the Cash for Social Services and Youth Employment in Education.

As of 2020



8,112

students **72% females**, had improved access to education



4,359

Teachers, facilitators and educational personnel **24% females** were provided employment, training and capacity building

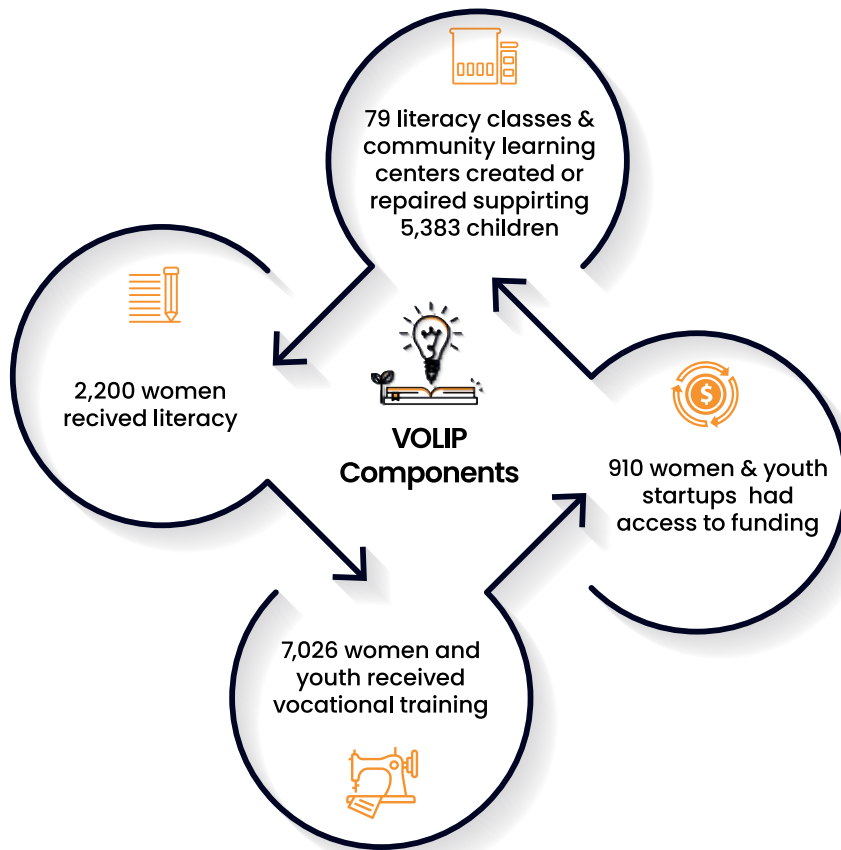


182

classrooms and educational facilities became ready for service

In 2020, teams SFD visited 33 of the rehabilitated schools, with respondents reporting that the rehabilitation has contributed to enhancing the school environment, leading to the highest level of classes taught. The results of the visits concluded that there was about %29 increase in number of attending students, %54 of schools operated one shift (rather than two shifts prior to intervention), %90 of schools expanded the catchment areas and %22 decrease in class density.

The SFD education activities include also the Vocational Literacy Program for Poverty Reduction (VOLIP), which is a five-year program funded with a total amount of 21.4\$ million. The program aims to: market-oriented vocational training, entrepreneurial skills, and access to microfinance and business counseling services and Contribute to the reduction of rural poverty in four areas (Lahj, Al-Hodeida and Sana'a Governorates as well as Al-Mukalla District in Hadhramaut) through empowering poor rural families with literacy proficiency.



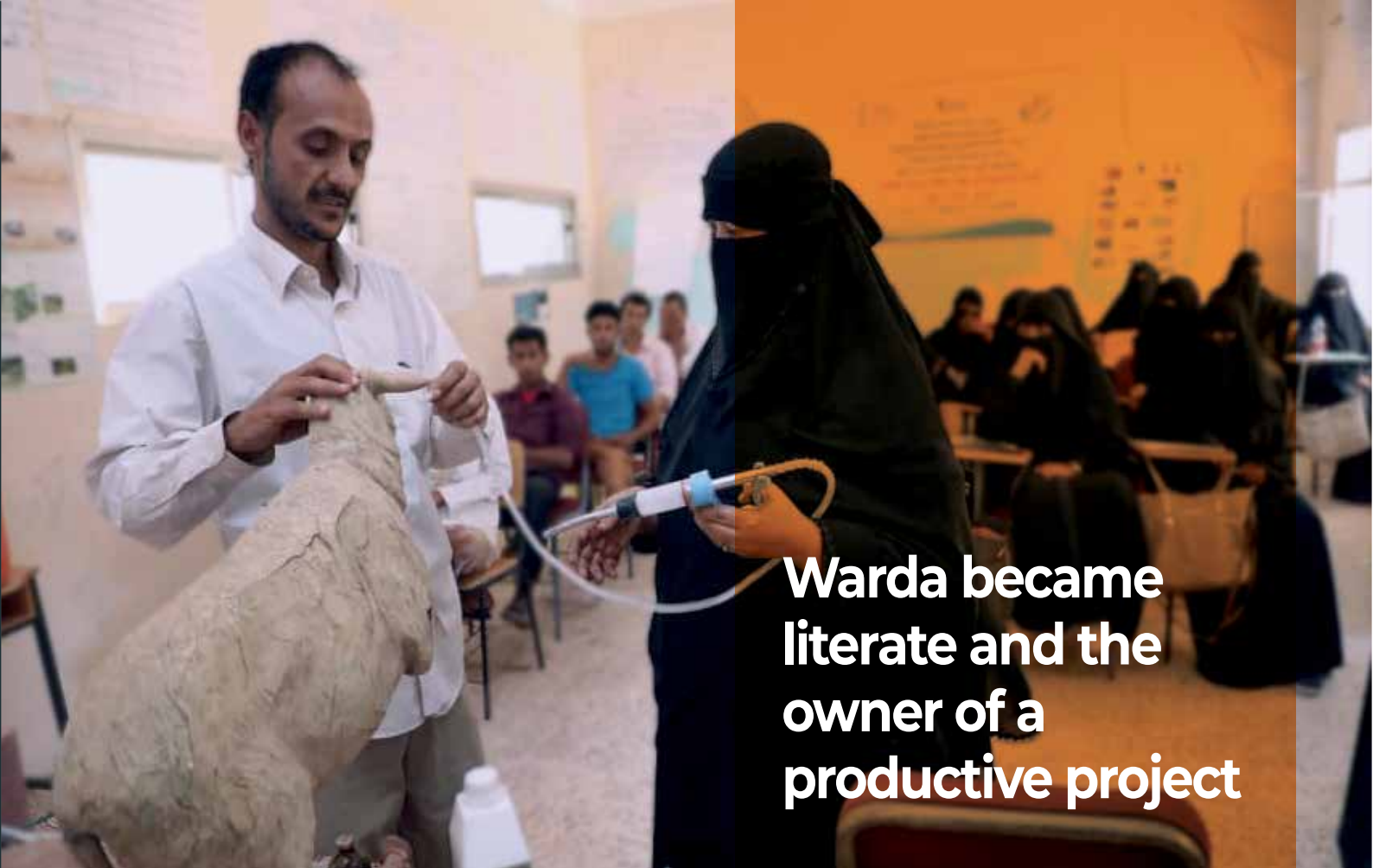
The program has five components: Access to Non-formal Basic Education; Capacity Building. Youth Vocational Literacy; Training of Women Workers; Microfinance

Crippled education and the way out

Education has been suffering multiple chronic challenges and the conflict impact has compounded them and seriously makes the accumulated human capital vulnerable to significant risk of erosion. This sheds light on the sort of future of Yemeni's in all walks of life. The United Nations asserts that compared to 1 million children in 2014, 2 million children in Yemen need emergency education support today. Of this number 2 million at education age are out of learning classrooms.

A large part of the current challenges facing education is the inadequate finance in spite of the fact that the conflict has become protracted and support to education has become a vital priority. During the conflict, SFD has that the conflict has become a vital priority. During the conflict, SFD has received only EURO 17 million for education. It is worth to mention that education has been making for 62% of the SFD's overall investment in the years prior to the conflict.

It is a valuable opportunity to build on the SFD's solid history of comparative advantages to support the protection of children and the nation's overall human capital through education. One remarkable strength of SFD infrastructure support is that the implementation is fast and includes construction, equipping, furnishing and ensuring provision of stable teaching staff. In addition, in mid-2000s, a KfW's survey displayed that the SFD-implemented schools were the most cost-effective countrywide.



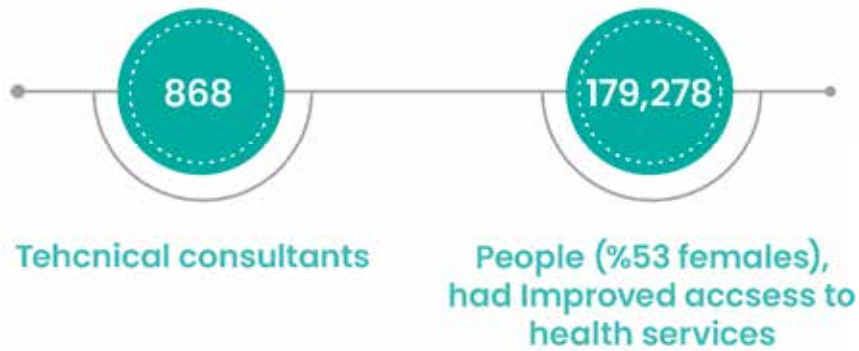
Warda became literate and the owner of a productive project

Warda Mohammed Hasan Salem, one of the beneficiaries of the SFD's Vocational and Literacy Program (VOLIP) funded by the Islamic Bank. She started as an attendant of three-year literacy and adult-education classes established by the program in her region (Al-Hoata, Tuban, Lahj Governorate). Having been literate, she was targeted by VOLIP, entrepreneurship, where she received pioneering and life-skill training that enabled her to start a small business and learn project management basics and feasibility study. She received specialized vocational training in the project she had selected, raising livestock. Warda then obtained a loan with facilitated terms that enabled her to start her business.

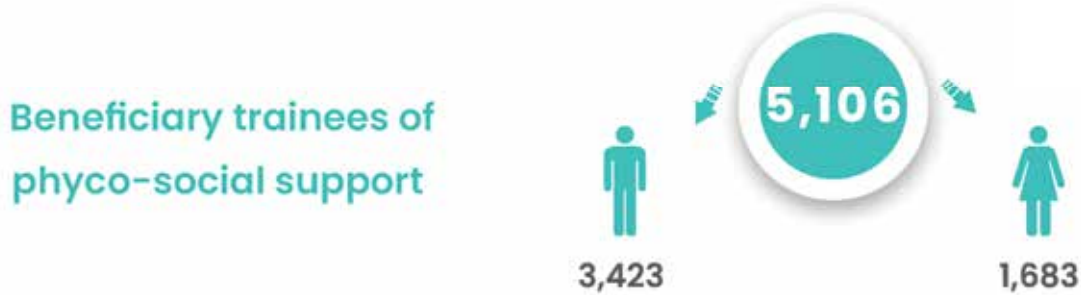
Warda says: "I used to work on daily wages in the area's farms to support my five children, and I didn't have a suitable source of income on which we could live. With the Social Fund for Development, I had another source of income. I first been enrolled in literacy classes, then trained and afterwards linked to microfinance programs. With God's help, and with the assistance of the SFD, I got the loan and bought livestock. Now I raise, buy and sell livestock, and--at the same time, thank God-- make payments for the loan," She added: The SFD taught me a lot: how to deal with livestock, how to raise them, what to feed them, how to take care of them. I learnt also how to count, how to sell, what to buy, and how to deal with my financial matters." Warda concluded.

HEALTH

The health sector activities focus on the infrastructure (rehabilitation of health facilities), psycho-social support through training, youth employment and community-based activities.



Activities under psycho-social support aim to provide psycho-social support to vulnerable groups affected by the conflict, and provide youth with short term employment for providing community-based response activities targeting vulnerable community members affected by the conflict.



The project provided a total of 873 short term employments to youth (%53 females) to provide community based psycho social activities targeting women and children.

The psycho-social sub-projects targeting school teachers, medical practitioners and youth have been implemented in 15 districts across 5 governorates of Taiz, Al-Hodeida, Abyan, Shabwah and Hajjah. SFD trained 3,918 educational (1,274 females) personnel including social workers and managerial staff . Additionally, 351 primary healthcare staff were trained (114 females) and 1,692 re-creational kits were distributed to 717 schools in the five governorates.



Health situation needs impactful services

SFD has been the major responder to the health needs nationwide since 1997. It implemented 1319 projects costing \$134 million to support the national strategies. Amidst the worst health conditions and highest health needs of Yemenis since 2015, SFD has faced a sharp shortage in funding for health response except for Conditional Cash Transfer in Nutrition Program. Yet, the EU and UNDP finance to our health infrastructure and community protection responses have left effective impact especially in and around conflict zones. Several SFD pre-conflict health facilities have played a key role in meeting the lifesaving and other needs during the conflict most importantly because most of the 516 supported facilities equipped and furnished and many health staff have been trained based on officially accredited SFD manuals.



Wholesome food and behavior change save lives in malnutrition-hit Yemen

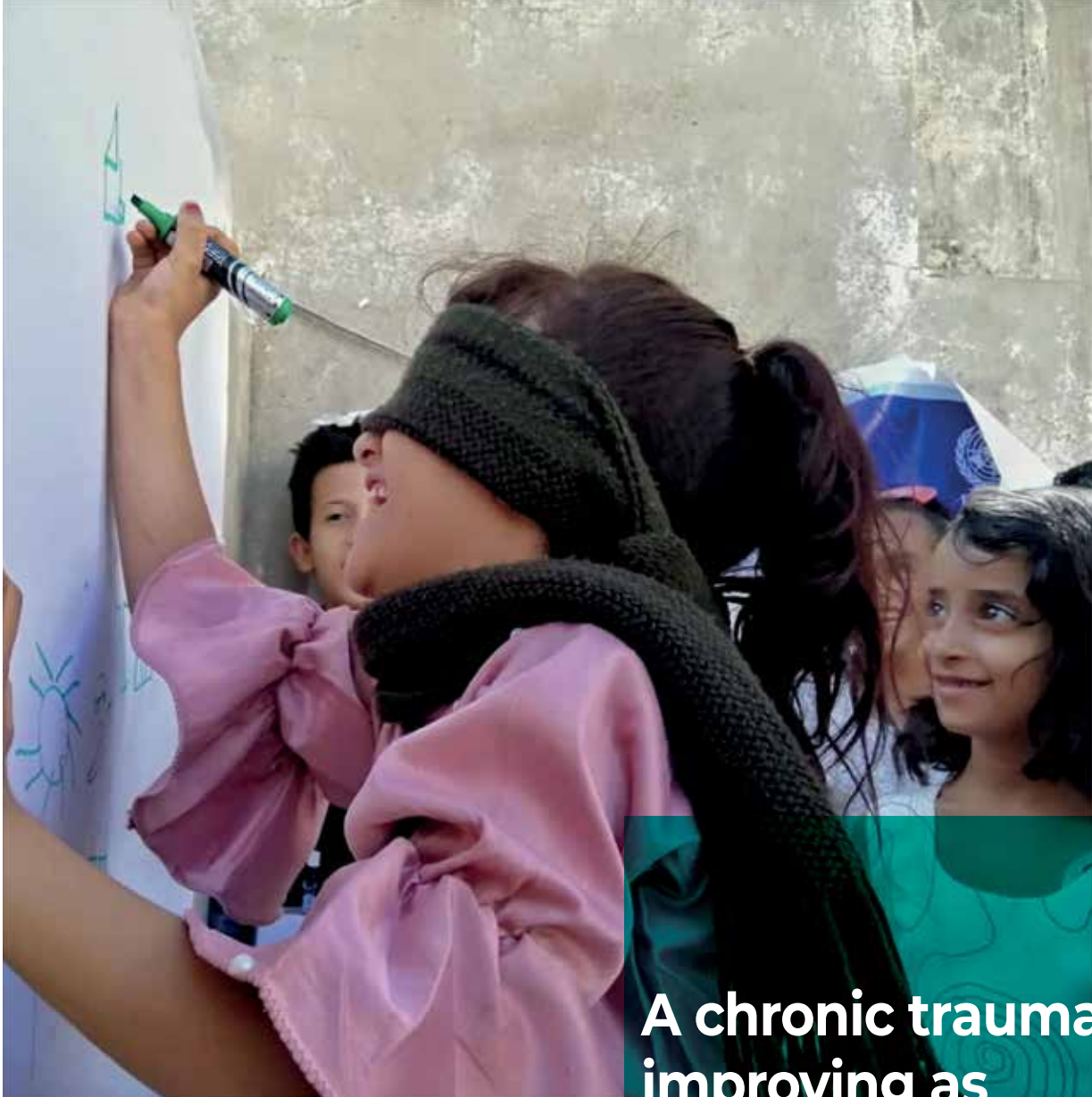
In Althihla village of Dhamar Governorate (central Yemen),

Mrs. Afaf Al-Sarari, a mother of a baby girl (six months old), was totally dedicated to her farm work, leaving the maternal role to the milk can in addition to some rice. Within weeks, the baby's body caught symptoms of a disease such as abdominal bulge and scrawny arms and thighs. Afaf was overwhelmed with traditional prescriptions from neighbors. Then an abrupt wave of diarrhea and nausea led to the child's death. Some months later, and Afaf got pregnant as the SFD's (Cash for Nutrition project) kicked off in the village. The project's female educator started health education and awareness on malnutrition by showing the target women some relevant photos. Afaf saw a picture of a sick baby with similar symptoms of her deceased baby. She told her story and asked the educator more details on this disease.

"I attended all of the monthly education sessions delivered by the educator," Afaf said. "I learned the causes, risks and preventive practices of the disease and was shocked as I knew that my previous

practices were behind the death of my baby. I learned the lesson and stopped all those traditional prescriptions. I started from the starting point; I took care of myself and my new baby during the pregnancy thanks to the cash transfers. "Afaf continued to describe the benefits "After I gave a birth to my new baby, I applied the sessions' tips in terms of hygiene and wholesome food for me and my baby including breastfeeding. I abandoned all the wrong practices that I had done. I learned a hard, unforgettable lesson. Look at my son at 8 months of age now! He has not suffered any health problem. This essential experience in my life has encouraged me to convey this vital message to every pregnant or child mother I meet in my village."

A recent independent third-party impact evaluation on this project has reflected effective impact on food consumption, gaining knowledge/ practices and children's nutrition progress.



A chronic trauma improving as integration started

Her eyes had been staring all the time at the road expecting the return of her father after domestic violence that has ended him to abandon his family and settle in a faraway town four years ago.

Wafa, four years old, now, used to set by the house door or on the roof staring at the road most of the day without talking to anyone. As the SFD social psychological team deployed to Sharab-Alsalam district in the central Taiz Governorate explored the potential traumatized cases, the facilitator Nassim identified Wafa's case and devoted a long time to successfully have Wafa mingling with other children through several participatory and attaining activities.

"It was not easy for Nassim treated wafa and she is still supporting her to further improve her integration and regain trust, hope and smile for this traumatized child".

WATER, SANITATION AND HYGIENE (WASH)

Activities under the Water and Environment Unit are meant to improve access to WASH services including among others building of latrines, improved water at the HHs level, improve and rehabilitate water supply, construction of water tanks and improving the sewage systems

Since January 2018, WASH activities served 380,419 people with access to improved water, of those 17,396 during 2020. Similarly, the storage capacity reached about 74% of the target. Access to appropriate sanitation was provided to 70,203 from 10,029 latrines, improving sanitation condition in communities and helping in minimizing the spread of diseases. About 1.95 million people have had access to awareness materials and messages on cholera and COVID19- and preventative behavior across SFD's different interventions and sectors.

SAVING LIVES IN HAJJAH USING AN ECONOMICAL AND SUSTAINABLE SOLAR-POWERED SYSTEM

The mountainous city of Hajjah and its surrounding districts are among the most conflict-affected and densely populated areas of Yemen, especially it is a major host of IDPs from the border and coastal war zones. One of the key challenges to the conflict-affected population was their difficult access to the public water network.



Mohamed Salem

An IDP from rural Sa'adah, says, **"I with my family have fled to Hajjah since 2013, and the water had used to reach our house once a week, but the period has expanded now to 40 days during which we have to buy trucked water twice a month for Yemeni Riyals 15,000 (\$ 25), which is a high amount affecting the provision of food for my children".**

Amin Al-Mughalis

Director of the Local Water and Sanitation Corporation adds, **"the expansion of the city and population, the lack of government budget, the significant decrease in the collection of water bills from the population throughout the period of the war, and the significant decrease in the support of international organizations with fuel have created a large gap between the current production of water to the network and the need, and this threatens to transform the area into a huge catastrophe of thirst and environmental and health pollution. And, thus, the major gains contributed by our international partners, such as the German government, such as the water network facilities and a system for water pumping from the source at the bottom of the valley to the strategic reservoirs, will become threatened with cessation had it not been for the current support from the Social Fund for Development currently with funded also from the German government."** Al-Mughalis indicates **"SFD has provided the Corporation with a solar-powered pumping system, two units for the inverter charging system, two 150-KW pumping units and 640 solar panels with a total capacity of 256 kilowatts, in addition to building a pumping collecting tank, a room and a protective fence for the Al-Nawaem and Sharis stations.**

With launching the SFD response, the Corporation has been able to meet the life-saving needs of the residents of about 12,000 subscribing homes, including vital humanitarian facilities such as hospitals, the central prison in the city, and the vast surrounding mountainous districts. The system was able to achieve efficiency as productivity increased by 30 liters/second with a total daily production of 645 m³ during the day time, which is estimated at an average of 6 hours per day, which meets the size of the population's daily need including 100% of the need of humanitarian facilities.

Saad Taher

A resident in the surrounding village of Bani Qudam, describes his situation as saying that the cost of the water unit was YR 7 when the war first escalated, but it soon jumped to YR 70 today due to high fuel prices and the series of shortages at the market, which is used to pump water from the downhill source in Wadi Sharis, 15 km east of the city.



REHABILITATING WASTEWATER TREATING BASINS IN SABIR AREA, LAHJ

Sabir is a small town of a population of about 25,000 persons. It's sanitation network was built 30 years ago to suit that small community. This ongoing project is addressing 30 year problems as result of the expanding population.

The Sabir 4 wastewater treating basins were totally blocked due to negligence and the wastewater flew over the streets and sometimes into homes triggering economic losses with recurrently using trucks to infill wastewater remaining in the network pipes and households' pits. Families were forced to displace temporarily and stay with their relatives. The population adapted by bringing sand and blocking the flow of the running wastewater into their homes and therefore triggering disputes among neighbors, and resulting in the miss up of the urban design of the area.

This project has taken this long to clear the little jungle grown around the basins, stone pave its walls, dry up and then, remove the stiffened solid waste, remove pipe blockage, and clear the main street manholes. However, all the interviewed persons including 7 members of community committee confirmed that the sanitation services have not stopped, but expected the implementation would take a short time. They also said there have been no blockages in the network since the main manholes were rehabilitated.

The town expanded immensely and all homes built away of the main manholes have created groups of sub-networks of narrow pipes linked to the main one. Interviewed people there claimed SFD to launch an additional phase to put wider pipes for the whole network in order to ensure easier flow of wastewater and make all the streets prepared for any potential street paving initiatives. As wastewater had been repeatedly flowing out to the streets from the households and the main manholes, the people adapted by heightening the manholes on the street surfaces, in a way they posed an urban deformation contributing to making vehicle traffic more difficult. The interviewed people asked SFD to introduce an additional phase to address this challenge.

CASH FOR WORK

Cash for Works (CfW) is the largest program implemented by SFD, with activities implemented through different sectors in SFD with majority of which is under the Labor-intensive works program (LIWP), WASH, Agriculture and Cultural and Heritage. The CfW activities' main objective is to provide cash transfers to vulnerable communities and create community and HH based assets that provide longer term services to benefit communities.



224,525

Households reached



368,930

Persons had jobs



2.26 million

people had access to services

As of December 2020, SFD reached a total of 224,525 beneficiary households through 368,930 workers who have engaged in labor activities that provided access to various services for 2.26 million people. During the lifecycle of the CRPII, SFD has constructed 113,375 long meters of irrigation channels to help rehabilitate agricultural lands, SFD built 4,456 home food gardens that provide HHs with access to vegetables. In the Road Sector, since 2018, SFD has improved 495 km of roads with stone paving 829,765 square meters.

A CASH RESPONSE RESCUES AMAL & MONA FROM MAJOR CONFLICT STRESS

Amal is a girl (8 years) used to play with her friend by her house in the conflict-active city of Taiz (central Yemen) in 2015. The course of life of Amal and her mother, Mona Saif, turned to a tragic shift in some morning as a mortar bombing hit the street ripping off one of Amal's legs and force both to displace to another area unsupported.

Ms. Mona (27 years), widowed two years earlier, lived in continuing agony every time she sees her daughter failing to stand or unable to play like her friends. Amal was becoming frustrated and introvert, and Mona unsuccessfully tried her best to secure income to buy a prosthetic leg for her only kid.





In this job-scarce city, she was lucky enough to have found a temporary job opportunity in a Social Fund for Development cash-for-work project. She was trained to mix paint colors and to use tools and paint walls of the conflict-hit Al-Sha'ab High School in the City. Her psychological stress has become relatively relieved as she realized that she has been supported with the job and that her peer colleagues have been carefully devoted to relieve her stress.

"I am tasting happiness these days that my haunting concern is close to be ended. My top priority is to spend my wage on a prosthetic limb for Amal so she can move and play like other kids", says Mona.

The conflict in Taiz City has significantly subsided, but no humanitarian actor is supporting the conflict-resulted disability cases that pose a significant reason of household vulnerability. The humanitarian community considers the support to persons with disability in times of conflict a life-saving response because of the lifelong suffering and relevant psychological stress.

AGRICULTURE

The SFD's agriculture activities aim to improve food security through improving agricultural lands, rehabilitation of terraces and constructing and rehabilitating irrigation channels as well as improving agricultural production and quality through supporting farmers with input supplies.



1,402
Farmers supported



314.24 Ha
Land equipped with
tech supplies



7,424 Ha
Land protected &
repaired



146
Water resources
improved



10,204
Farmers received
feed blocks



11,526
farmers received
stockyards

The sector under CRP II supported 1,402 farmers with input supplies covering 314.24 Ha of agricultural lands that also resulted in the creation of 18,261 short-term employment opportunities (%18 for females). As a result of the SFD's interventions, 32 out of the 1,402 farmers have expanded the use of the supplies to 48Ha, while other 120 farmers (who were not supported) replicated the interventions covering 71 ha. Activities under the Smallholder Agricultural Productivity Restoration and Enhancement Project (SAPREP) were designed to meet the needs of the farmers, with %93, %99 and %98 of sampled farmers reporting reduction of water consumption





AGRICULTURAL PRODUCTIVITY PROMOTED IN THE WORLD'S LARGEST CRISIS

In central Taiz, **Maryam** is now growing vegetable successfully just beside her house to support her ten-member family including her blind husband. For the last 3 years, they abandoned her land and had been traveling by car daily to work in a leased land in another village of Al-Haidain, 10 kms away from her Al-Mashjab Village, where agriculture was more costly. Tens of thousands of Yemeni smallholder farmers such as Maryam have reduced their activity or abandoned their agricultural lands mainly due to the increasing production cost and decreasing production and income which the chronic conflict has largely exacerbated since 2015.

The crisis has severely disrupted livelihoods in the agriculture sector which employed 50 percent of the labor force in the country. Yemen became overwhelmingly dependent on food imports and as a result, highly vulnerable to food security shocks. In 2016, the total locally produced food supply was 62 percent of pre-crisis levels, thus reducing food supply. The conflict resulted in a shortage of inputs such as pesticides, fertilizer and fuel for pumping irrigation water, and the shortage of animal fodder have led to a decline in rural livelihoods and production.

These investments contribute to building up climate resilience of the terrace agriculture system in the highlands, improve spate irrigated agriculture and erosion control through check dikes in wadi beds and vegetative measures; small spate diversion works, ponds excavations and roof-top and other types of water harvesting activities. The response has provided the farmers conditional cash a protected soil and irrigation assets, on-the-job training and knowledge. In addition, the response has used cutting-edge innovation and lead in understanding how harnessing technology can solve many operational challenges faced by the farmers during the conflict.

As most the farmers' agricultural assets have become protected the second phase had supported three and functional, technology-based components: horticulture, bee keeping and providing and processing livestock fodder.

Rethinking productivity and profitability for this poor group of farmers have been a project bridging gaps between the SFD's provision with technology and knowhow and the farmers' centric practices so both parties walk a learn-by-doing approach that they follow in their livelihoods and social and economic recovery in this changing and conflict setting.

Horticulture component getting most of the support, has focused on the expansion of high yielding variety of vegetables and fruit cultivation through providing 1402 farmers with modern production equipment, agricultural pest control, water dripping network incorporated with fertilizers, and agricultural extension. Fortunately, the success of this project allowed another one to start and support other 300 farmers elsewhere.



TRAINING AND ORGANIZATIONAL SUPPORT

Activities under the Training and Organizational Support Unit aim at strengthening the capacities of local councils and Village Cooperative Councils (VCCs) to conduct resilience and emergency response. Activities also contribute to social cohesion and utilization of community resources.



4,237

VCCs formed in
64 districts



33,896

VCC members elected
(50% females)



11,691

Self-help initiatives
implemented



5412

Youth employed and
trained

By December 2020, the program cumulatively facilitated the formation of 4,237 village and cooperative councils (VCCs), from which 742 were established in 2020. The VCCs formed included 33,896 democratically elected members (%50 female). With a role to mobilize community members to develop integrated community-resilience plans with the technical support provided by SFD-Tamkeen. The supported VCCs and communities implemented 11,691 self-help initiatives, of which 3,185 during 2020. These initiatives are community driven and are fully implemented by the community. Tamkeen clustered the VCCs in 24 districts into 230 new sub-district Development Committees (SDCs), with average of 8 VCCs clustered into one SDCs.

Moreover, during 2020, Tamkeen (ELD Program) provided 1,207 youth with employment and training opportunities reaching to a cumulative total of 5,412 (since 2018), with more than 61 thousand workdays generated in 2020 alone. The role of the youth is to provide support and facilitate the formation and mobilization of VCCs and communities. All trained and employed youth have generated more than 270,600 workdays in community mobilizations and VCCs training and support.

The RUAWFD Program aims to build the capabilities of university graduates to enhance their opportunities in the job market and to provide access to SFD job opportunities. The program trained 1,150 university newly graduate youth (%50females), with training topics including basic concepts in development, basics of computer use, the methodology of Participatory Rapid Appraisal (PRA) with participation and the formation of community committees.



COMMUNITY EMPOWERMENT ENSURING SELF-INITIATED RESILIENCE IN A CRISIS HARD-HIT YEMEN

Building the communities' human capital is not possible only during peace but is also accessible during proactive conflict anywhere in Yemen, where another lesson underscores how investing in effective local actors during peace time returns in value added response during harrowing crises. The conflict in Yemen has brought the already poor communities at the brunt of severe vulnerability leading the country has become the world's largest humanitarian crisis. as a result, accumulated human capital and natural resources have remained unutilized for their own good on the other hand. activating those unused resources, one Tamkeen project with a total budget of USD 197 thousand has generated or operated over 700 small-scale basic services serving priorities of nearly 80 thousand persons in Al-Salafiah, a district in the remote heights of Raymah. These initiatives include building and rehabilitating rural roads,

improved water sources, land and water protecting infrastructure and learning and health facilities, in addition to skills training for the poor on different lifesaving healthcare and income generating crafts.

Under the supervision of 90 Tamkeen well-trained and employed rural youths (50 per cent females), the Al-Salfiah community population elected 93 VCCs' members, including 50 per cent women as an equal representation in leadership positions. Those members have managed to fulfil "the widest ever wave of unprecedented development response and community involvement", according to MR. Mohamed Kawesh, the Tamkeen's Local Coordinator and the Community Participation Director at Al-Salafiah local council. "I was skeptical that such massively vital achievements could have been accomplished during protracted conflict given the logic that it had not taken place during peace times."



Abdulsalam Aljarmi

A trader from Kazoma village said that he contributed with over US\$1,000 to an initiative to build and pave a road to his mountain-tipped village describing the initiative as “long awaited and the communities now learn that they just need motivation, transparency and understanding of the value of the locally available human capacities, financial and natural resources.” Kawesh added “As we used the available building materials and volunteering labors, the collected financial contributions for this road worth nearly 15 per cent of the cost of a road built by a contractor.” Communities from five other up-hill villages also volunteered their efforts, time and money in this badly needed road.”

Tamkeen used its conditional financial support of USD 22 thousand only to have ignited competition-based action across Al-Salfiah’s 146 local communities. All the communities’ talk now is not about the conflict any longer but about the progress of initiatives and the change created.



Bait Al-Baadani Road Project
-Al-Daima Bani Hattam-
Wesab Al-Safel Dhamar

CULTURAL HERITAGE

The majority of activities under this sector are being implemented under the Urban Rehabilitation/Cash for Work Project aiming to enhance the livelihood opportunities in three historic cities inscribed in the List of World Heritage in Danger (Shibam/Hadramout, the Old City of Sana'a and Zabid) as well as the historic areas in Aden City). This activity supports livelihoods for youth through the restoration of cultural heritage while contributing to social cohesion by increasing income generating opportunities for Yemenis in the world heritage properties and contributing to restoring the integrity of the historic urban environment.

The creation of income generating opportunities absorbs unskilled and skilled labor. The access to cash wages reduces the extreme risks to basic livelihoods caused by the conflict economic impact. In the meantime, it contributes to restoring the functioning of valuable public spaces and properties that suffered damage from the conflict and neglect. One of the activities enhances the sustainable management of cultural heritage through tailored capacity building for stakeholders and awareness raising activities for local communities.





As of December 2020, some 10,495 persons representing 9,729 households have directly benefited from enhanced access to cultural services and programming. Of the total beneficiaries, about %54 are youth and %12 are IDPs. From the UNESCO project alone, the total direct beneficiaries were 919.



9,729

Households reached

During the year, SFD and UNESCO reached an agreement and started the implementation of the project entitled "Cash for Work: Promoting Livelihood Opportunities for Urban Youth in Yemen. The project focusing on the mentioned three cities in addition to Aden city that aimed at creating jobs in heritage restoration and preservation for young Yemenis while promoting social cohesion and resilience through cultural programming. The activity comes as a response to the economic hardship, extensive population displacement, and heavy damages to infrastructure and heritage due to the ongoing conflict in the country and recently the COVID19-pandemic.

SMALL AND MICRO ENTERPRISES DEVELOPMENT (SMED)

The SMED Program is concerned with the provision of financial and non-financial services aimed at developing the MSME sector in Yemen.



\$ 20 M
Disbursed

During 2020

The total disbursements made by SMED have reached YR 11.6 billion approximately (USD 20 M), of which nearly YR5 billion (USD 8.6 M) were loans in support of the lending activities of MFIs and YR 6.6 billion (USD 11.4 M) were grants used to build the capacity of MFIs (training, IT infrastructure, field audits, public relations and marketing, compensations for MSMEs affected by the conflict).



62,208
Loans issued

Since the beginning of 2017 until the end of 2020

The total number of loans issued by SFD's five MFIs has reached 62,208 loans. At the end of 2020, the outstanding loan portfolio held by these MFIs has almost quadrupled since 2017, reaching about YR 9.8 billion (approx. USD 16.979 million - at an exchange rate of YR 577 for the USD, on average).



Beneficiaries
reached
3,000

SMEPS

In 2020, SMEPS expanded its interventions to support over 3 thousand beneficiaries aiming to restore their livelihoods and strengthen the community, businesses and market resilience. Overall, SMEPS supported over 12,205 beneficiaries in the vital economic sectors including agriculture, livestock breeders, food for assets (FFA) and other businesses; creating more than 690 thousand workdays and over 12 thousand permanent and temporary jobs.





MICROFINANCE SUCCEEDS IN MEETING A WOMAN'S AMBITION

Shuhd Kamal

is an ambitious woman who inherited from her grandparents the profession of making jewelry boxes and stands. The harsh conditions she went through did not frustrate her; instead, she managed to make a place for herself in the labor market.

"I am a -35year- old graduate of the Faculty of Administrative Sciences, divorced, and supporting my three-member family, born in Al-Hodeida Governorate. The war forced me to move to Hadramout Governorate when I had only YR 5000 at the time. Having noticed that there are not many competitors in this field, I began to practice my profession and formed business relations with owners of gold shops. Then I rented a room to make it a small workshop for me, and hired some workers from Al-Hodeida.

Later, I decided to develop my project and heard about the Al-Ittehad Microfinance Program/Al-Mukalla Branch through posters on the walls of the shops in the market. So I rushed to the branch's headquarters and learned about the services provided by the program, the required guarantees and all the procedures required to obtain financing. Subsequently, I submitted a financing request in the amount of one million riyals in December 2019 to purchase leather, rolls and glue. Praise be to God, my project has developed and was extended beyond Al-Mukalla City.

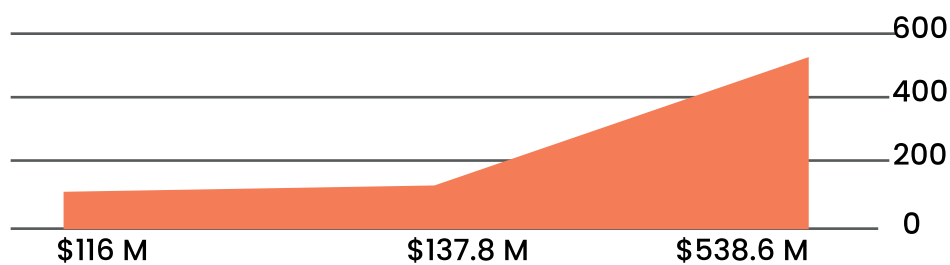
Afterwards, the income of the project enabled me to buy a minibus to transport the products outside the Hadhramaut Governorate. At the end of this lending period, I will renew the request for additional fund to purchase advanced machines and equipment to add to the delicacy of my work and to diversify the products".

From Shuhd's story, we learn that strength of will and love of the profession would defeat any obstacle throughout the way of self-esteem and one's ambitions.

A photograph of three construction workers on a site. One worker in the foreground is wearing a yellow hard hat and a blue vest with Arabic text and 'SEED' and 'TAMKEEN' logos. Two other workers in the background are wearing white hard hats and orange safety vests. They are all looking towards the right side of the frame. The background is a clear blue sky.

PARTNERSHIP AND FINANCIAL RESOURCES

From January – Dec. 2020, SFD received total funds of \$116 million. The amounts remaining from active funds \$ 137.8 million. This brings the funds under CRP II to \$ 538.6 million. The table below shows all funding sources per donor and agreement.



NEW CONTRIBUTIONS SIGNED (JAN – Dec. 2020)

During 2020, 10 new agreements were signed with a total value of \$ 50.8 million as stated in below table. Four agreements German government /KFW for CFW, WASH and SMED. An agreement from FCDO (DFID) for cash for nutrition. One from UNDP in response to Famine fully implemented by SMEPS. Three agreements for preservation of cultural heritage from new donors such as ALPHA (via Monumenta Orientalia and CEFAS), and Contribution of the Ministry of Endowments and Guidance for the Great Mosque. Moreover, IFAD has signed an agreement for protecting the livelihoods and agricultural resilience during covid-19.

NEW AGREEMENTS SIGNED IN 2020

Donor Name	Agreement name	Equivalent Agreement Amount in USD
German Gov't.	German/KFW fund for Promotion of the Financial Sector and of MSME	13,313,793
German Gov't.	Germany \ KFW grant for Strengthening Resilience through LIWP III	5,750,830
German Gov't.	Germany \ KFW grant for Strengthening Resilience through LIWP IV	11,679,521
German Gov't.	Germany \ KFW Grant for SFD Water and Sanitation Programme, Phase IV	8,122,307
International Fund for Agricultural Development	Protecting the Livelihoods and Agricultural Resilience (POLAR) during Covid-19	836,377
Other Fund/ internal resources	Contribution of the Ministry of Endowments and Guidance for the Great Mosque	291,133
DFID	Yemen Social Protection Programme (YeSP) Phase I-CfN	7,574,850
Aliph Foundation \ CEFAS	3D Digitizing for Historical Monuments in Danger	32,100
Aliph Foundation \ Monumenta Orientalia	Project CULTURAL HERITAGE OF YEMEN, PEOPLE'S IDENTITY AT RISK	237,758
UNDP	Yemen Emergency Crisis Response for Prevention of Famine	3,000,000

TOTAL

50,838,669

Also, an additional fund with \$12 million was provided from FCDO for DFID Yemen Social Protection Programme (YeSP) – Phase I

COMPLETED CONTRIBUTIONS (JAN – Dec. 2020)

FOUR agreements were closed during the reporting period as follows:

CLOSED AGREEMENTS

Donor Name	Agreement name	Close date	EQUIVALENT Agreement Amount in USD
German Gov't.	Germany \ KFW grant for Strengthening Resilience through LIWP II	31-12-2020	5,400,000
DFID	CSSF Economic Stabilisation Project	31-8-2020	242,416
IsDB	Islamic Bank Loans for Youth Employment Support	24-06-2020	25,000,000
UNDP	Yemen Emergency Crisis Response for Prevention of Famine	31-03-2020	3,000,000

TOTAL

33,642,416



An aerial photograph of a village built on a steep, rocky hillside. The buildings are constructed from light-colored stone or mud-brick, with some featuring arched windows. A winding road or path snakes through the terrain, and a yellow excavator is visible in a cleared area. The background shows more rugged mountains under a clear sky.

ANNEXES

Distribution of under-implementation and completed projects, estimated cost, and SFD's estimated and contractual contribution, estimated beneficiaries and estimated temporary employment

DURING 2020 (BY SECTOR)

Sector	Projects No.	Estimated cost (\$)	Est. SFD Contribution (\$)	Contracted (\$)	Estimated direct beneficiaries	Female rate of total beneficiaries	Total of estimated temporary employment
Environment	27	3,897,501	3,897,501	1,724,204	39,522	49.8%	177,371
Training	3	277,376	277,376	257,508	360	50.0%	1,128
Education	91	21,061,617	21,061,617	8,705,956	62,337	51.5%	589,003
Institutional support	18	3,520,167	3,213,750	2,495,303	178,436	49.3%	31,915
Agriculture	29	3,520,167	3,520,167	2,123,828	22,745	49.2%	142,466
Health	35	44,805,405	44,685,405	42,795,901	774,827	56.0%	1,240,332
Roads	22	3,232,844	3,232,844	1,960,025	79,593	50.0%	114,409
Special Needs Persons	16	799,383	799,383	293,474	122	33.6%	5,762
Small Enterprises	26	15,092,681	15,092,681	14,511,315	17,545	40.5%	27,724
Cultural Heritage	36	3,603,498	3,603,498	2,593,638	6,280	32.0%	161,310
Water	54	7,459,290	7,459,290	4,173,574	115,485	50.7%	340,041
Cash for work	64	7,086,753	7,086,753	4,120,928	63,798	49.7%	461,913
Business Services	2	3,242,329	3,242,329	3,241,653	1,010	58.9%	47,080
Total	423	117,432,593	117,172,593	88,997,307	1,362,060	%53.2	3,340,454

Distribution of completed projects, contractual contribution, actual direct beneficiaries and actual temporary employment.

DURING 2020 (BY SECTOR).

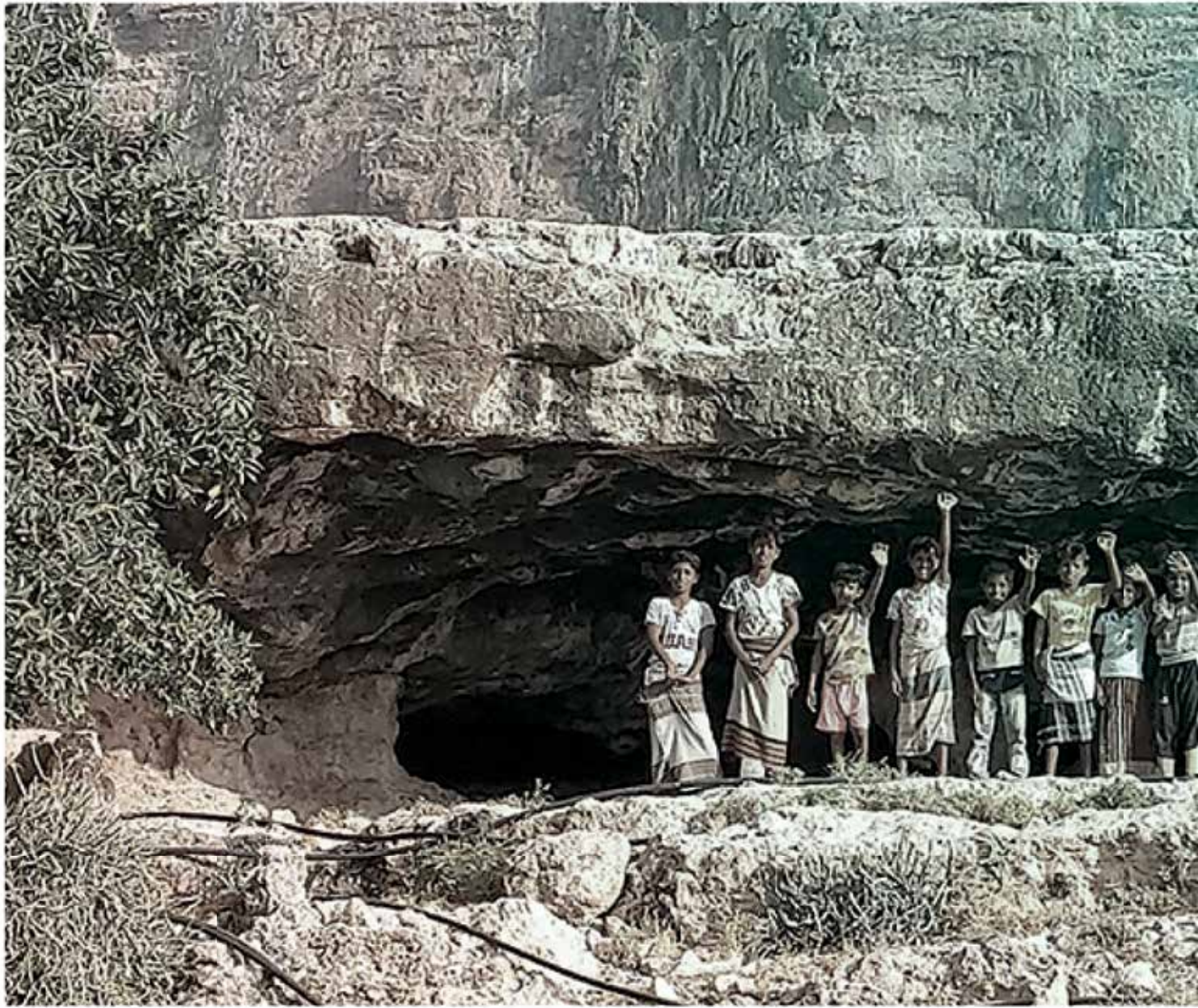
Sector	No. of Projects	Contractual cost (\$)	Actual direct beneficiaries	Female rate of total beneficiaries	Total of temporary employments Workdays/person
Environment	20	2,410,106	141,874	%50	133,803
Integrated Interventions	1	104,482	275	%100	1,781
Training	8	570,246	900	%51	3,704
Education	52	7,689,960	35,309	%55	113,206
Institutional support	18	3,789,948	151,684	%50	49,745
Agriculture	55	6,306,735	63,716	%48	266,773
Health	54	7,299,141	265,211	%55	58,228
Roads	28	5,789,661	94,411	%51	249,655
Special Needs Persons	10	422,682	0	%0	4,669
Small Enterprises	21	11,206,893	14,562	%49	7,447
Cultural Heritage	11	1,510,964	9,940	%47	75,884
Water	129	17,459,651	313,965	%50	905,192
Cash for work	102	13,845,967	114,433	%50	1,036,059
Business Services	3	3,610,114	3,410	%53	1,893
Total	512	82,016,550	1,209,690	51%	2,908,039

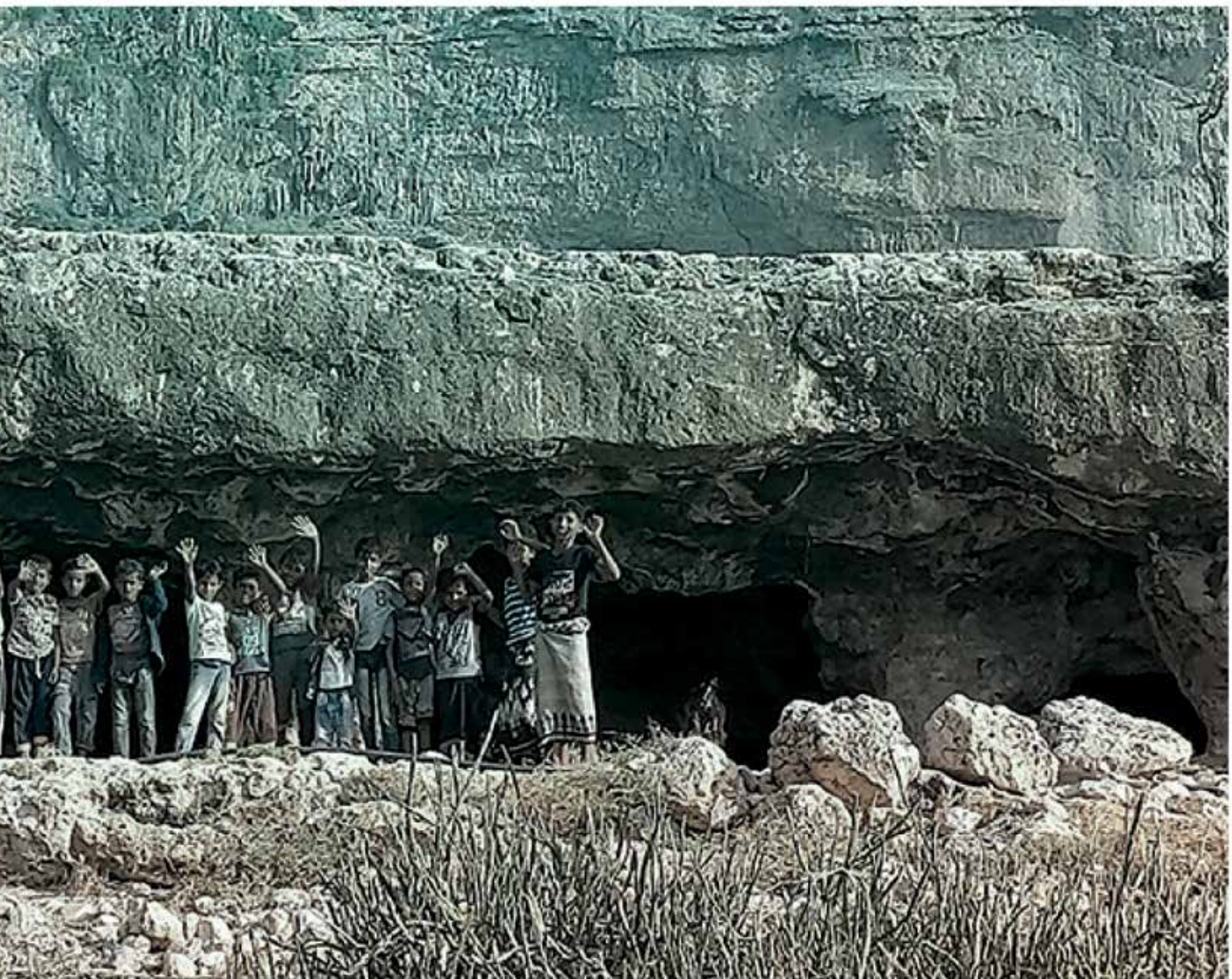
Number of completed & under-implementation projects and the estimated cost for the period 2016 – end of 2020 (by governorate)

Governorate	No. of Projects	Estimated Cost (\$)	Est. SFD Contribution (\$)	Contractual Cost (USD)
Ibb	167	33,467,291	33,461,791	26,604,166
Abyan	96	14,212,763	14,212,763	12,549,379
Socatra	35	3,331,293	3,331,293	2,550,790
Capital City	81	16,537,576	16,154,365	12,933,591
Al-Baidha	94	15,406,825	15,406,825	9,196,118
Al-Jawf	51	6,656,431	6,656,431	5,927,000
Al-Hudaidah	218	68,725,712	68,708,812	62,487,797
Al-Dhale	58	12,376,443	12,376,443	10,518,889
Al-Mahweet	78	10,934,374	10,934,374	10,016,333
Al-Mahrah	46	4,614,529	4,614,529	4,029,846
Taiz	224	44,105,636	44,047,636	39,263,971
Hajjah	292	33,476,436	33,323,436	31,151,352
Hadramout	110	13,186,274	13,186,274	10,895,326
Dhamar	152	25,415,807	25,415,807	22,921,578
Raimah	70	9,140,938	9,140,938	7,040,939
Shabwah	140	15,252,573	15,129,948	13,012,109
Sa'adah	126	17,611,253	17,611,253	16,698,465
Sana'a	93	10,689,890	10,689,890	9,800,667
Aden	88	13,641,165	13,641,165	11,766,319
Amran	129	18,376,568	18,152,567	15,374,795
Lahjj	152	27,660,087	27,660,087	25,274,011
Mareb	51	8,940,640	8,440,640	6,678,794
Several Governorates	134	93,715,110	93,715,110	89,681,836
Total	2,685	517,475,614	516,012,378	456,374,073

Distribution of completed projects, contractual contribution, actual direct beneficiaries and actual temporary employment.

Sector	No. of Projects	Estimated Cost (%)	Est. SFD Contribution (\$)	Contractual Cost (USD)	Direct Beneficiaries		Expected Indirect Beneficiaries		Total Estimated Temporary Job Opportunities
					Females	Total	Females	Males	
Environment	140	20,628,867	20,128,867	15,368,931	%50	390,794	16,311	16,143	1,064,667
Integrated Interventions	2	151,000	151,000	110,408	%53	5,475	0	200	2,523
Training	301	3,386,417	3,386,417	2,690,969	%47	6,105	3,468	3,470	53,336
Education	43	47,016,744	47,016,744	29,598,825	%51	245,661	91,347	82,073	2,499,561
Institutional support	124	22,922,232	22,494,232	19,852,258	%50	1,060,331	368,725	373,445	460,683
Agriculture	240	32,736,975	32,736,975	29,988,757	%45	244,693	6,430	11,945	1,744,255
Health	193	108,644,359	108,138,148	104,269,650	%62	1,717,537	3,497,898	322,787	2,906,865
Roads	195	29,945,626	29,945,626	27,672,850	%50	613,654	1,549	1,489	1,211,351
Special Needs Persons	27	1,425,377	1,425,377	817,157	%34	122	0	0	16,515
Small Enterprises	86	48,458,202	48,458,202	46,226,209	%45	102,348	264,168	313,360	145,237
Cultural Heritage	AF	8,593,308	8,593,308	7,381,129	%49	40,391	38,926	64,398	410,187
Water	552	68,016,620	67,987,595	55,701,243	%50	982,512	3,873	3,353	4,339,018
Cash for work	686	92,524,671	92,524,670	84,220,290	%50	749,721	187,201	177,959	6,428,767
Business Services	14	33,025,216	33,025,216	32,475,396	%39	27,171	412,326	59,016	749,990
Total	2,685	517,475,614	516,012,378	456,374,073	%53	6,186,515			22,032,955





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