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الاجتماعي
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SOCIAL FUND FOR DEVELOPMENT

A photograph of a construction site in a desert environment. In the foreground, a worker in a white hard hat and orange safety vest is kneeling, working on a paved area made of large, light-colored stones. In the background, another worker in a white hard hat and orange safety vest is standing, working on a similar paved area. The sky is clear and blue, and there are some buildings and utility poles in the distance.

ANNUAL REPORT 2017



الصندوق
الاجتماعي
للتنمية
Republic of Yemen

Social Fund for Development

2017 Annual Report

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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 is an effective development institution implementing operations across the country and investing in 12 main sectors and programs, through which SFD responds to the most pressing needs in the poorest communities.

Since 2015, SFD has been actively responding to the conflict in the country, adjusting its operations accordingly. SFD has been focusing on providing social protection by creating temporary employment 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 for the period 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 revised the Yemen Emergency Crisis Response Plan “YECRP” (2018–2020) to meet the urgent development and humanitarian needs of people across the country, particularly the IDPs, vulnerable groups and the poorest and neediest communities most affected by war and conflicts.

Statement of the Managing Director

The funding situation of the Social Fund for Development (SFD) has improved during 2017 compared to the previous two years as several major funding sources have resumed their support; thus, increasing the SFD's operations across the country. During the year, SFD has built on the relative improvement of funding to serve local communities and vulnerable groups, which have suffered from the continued conflict in many parts of the country and from its impact on the people's livelihood.

In this regard, SFD has accelerated the pace of the implementation of the Emergency Response Strategy (2016–2017), notably the cash-for-work projects and programs in order to help target communities obtain a source of income while benefiting from the assets and services provided by these projects.

Within the same context, as the SFD is continuing efforts to reach out to the neediest groups and individuals, particularly under the current difficult conditions across the country, SFD has developed its Emergency Crisis Response Plan for the next three years (2018–2020).

As the devastating war continues exacerbating humanitarian impacts, the importance of the SFD's diverse interventions have become evident in enhancing the beneficiary communities' resilience and adaptation to the potentially successive livelihood shocks. This is achievable through implementing various interventions of longer and deeper impact on the living conditions of the target population, including cash for work, nutrition activities and supporting small and micro-enterprises as well as water and rural roads projects and the like, thereby alleviating the extreme suffering of people.

By end of 2017, SFD's experience has matured in the design and implementation of various cash-based programs, and become more diversified, and is developing steadily and efficiently despite the complex and changing security and social conditions. This has founded for creating a programs network capable to strengthen the work capacity nationwide in protection and social safety net as well as in the development areas in which SFD plays a distinctively leading role, especially in local development.

Finally, the continuation and success of the SFD's programs would not have been possible without the commitment and perseverance of the SFD staff in the main and branch offices, especially those who work hard in the field to achieve the goals of those programs and plans in the current difficult circumstances. Also, the support of the SFD's development partners has been crucial to the sustainability of the SFD itself as a key and reliable development institution in various conditions and contexts.

One of the most important conclusions in 2017 is that the SFD remains an accepted and trustworthy national institution across Yemen despite the war and political division. This is obviously the ultimate result of the track record of SFD's development work based on a strong partnership with the local communities and on its impartiality and disengagement from political disputes—with the highly recognized support and understanding by its development stakeholders and various parties.

Abdullah Ali Al-Dailami

SFD Managing Director

Executive Summary

Over 2017, SFD developed **788** new projects worth more than **\$166.5 million**, with expected direct beneficiaries reaching **0.3 million** people and employment created exceeding **1.6 million** workdays (53% for females). Disbursements during the year amounted to nearly **\$90.4 million**, while disbursements during SFD Phase IV (2011–17) exceeded **\$929 million**.

During the period 2011–17, SFD has completed **5,681** projects at a contractual cost of nearly **\$787 million**. These projects benefited directly **9 million** persons (**56%** female) and created **32 million** workdays approximately.

Since its establishment in 1997, SFD has completed the implementation of **13,773** projects at a contractual cost of **\$1.5 billion**, with disbursed amounts reaching nearly **\$1.4 billion**.

Summary of Sectors

As the pace of project investments financed by SFD has accelerated during 2017, the number of projects developed has increased, too (compared to the previous two 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 and according to the provisions stipulated in the agreements with funding sources.

The Education sector's share amounts to 6% 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. 16% 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 2017, SFD's commitments to the Cash-for-Work Program reached 20% and to the rural-access roads 7% of the SFD total investments.

Health projects, accounting for 27% 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 (3% 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 6% 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 14% 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 in SFD IV

The Social Fund for Development (SFD) is a national institution that seeks to channel its investments to the most vulnerable communities in all the governorates across the country. SFD responds to the most urgent needs and plays an active role in targeting poor communities, particularly those living in remote rural areas. SFD targeting policies rely on poverty-related indicators and demographic database.

Despite the difficulties experienced by the country during the fourth phase (2011–15) and its extension (2016–17), the SFD has completed about 5,681 projects at a cost of nearly \$786.9 million. These projects have directly benefitted some 9 million people (55% female) and created 32.1 million workdays.

The aforementioned completed projects include projects implemented in previous periods, of which 3,437 projects were completed during the period 2011–17 at a cost of about \$442.7 million. The number of direct beneficiaries of these projects is 5 million (53% female) and temporary employment generated 22 million workdays.

Distress Index in Yemen for the period 2015–17 and the distribution of available resources

In the current circumstances, the SFD has built on the data collected through the humanitarian organizations working in Yemen to produce the best mechanisms to target the poor and communities suffering from the current worsening crisis. The crisis indicators have the below three aspects directly affecting people's lives and livelihoods:

- » Food insecurity that has exacerbated across all governorates and districts countrywide;
- » Displacement to and from war-affected areas;
- » Intensity of people's need for basic services such as education, health, water, shelter, etc.

In this context, the data is collected by some organizations and parties operating in Yemen. Subsequently, six basic indicators have been prepared, which reflect the severity of the crisis experienced by the population in the different governorates and districts as follows:

Food insecurity, which deteriorates the people's crisis in all governorates and districts.

Displacement from and to regions suffering from the conflicts.

Need for basic services, such as education, health, water, housing and shelter, and the like.

The data are collected and the average set, which gives a very important indicator called **Distress Indicator (DI)** for 3 crises affecting the population: (I) food insecurity; (II) displacement; and (III) needs. Based on this composite index, the governorates are ranked from top to bottom to determine the governorate most affected by crisis severity, and then allocate the available funds to the governorates according to the **DI**. This implies a logical and appropriate approach to provide fair funding allocation for each governorate.

During 2016–17, SFD has managed to target 277 districts in different governorates of Yemen (83% of the total 333 districts). The other districts could not be accessed due to security conditions or relatively little allocations (due to population dispersion). Some 2.1 million people (half of them females) benefited from **the projects implemented in these areas**.

Within the framework of the World Bank's \$200 million emergency grant project (through UNDP) in its first and second phases, crisis indicators have been introduced (previously, poverty indicators derived from specialized censuses and surveys had been used).

Distribution of allocations using the Crisis Indicator within the Emergency Grant Project

Project allocations were distributed in three directions:

- » *Allocations for cash-for-work projects and youth employment projects*: approximately \$110 million.
- » *Allocations for cash-for-nutrition program*: approximately \$50 million distributed in 6 governorates and 21 districts, based on malnutrition and using indicators collected by the "nutrition cluster".
- » *Allocations to support projects for small farmers and borrowers affected by the crisis*: \$20 million.

Table (1): Distribution of the ECRP allocations by DI and SFD commitments

| Governorate | Amounts in USD | | |
|--------------|------------------------|-------------------|-------------------|
| | Governorate allocation | SFD Commitment | Balance |
| Abyan | 3,454,673 | 3,121,553 | 333,120 |
| Aden | 9,130,877 | 8,236,800 | 894,077 |
| Al-Baidha | 3,208,121 | 2,156,696 | 1,051,425 |
| Al-Dhale' | 3,448,683 | 3,054,527 | 394,156 |
| Al-Hudaidah | 6,347,917 | 5,998,243 | 349,674 |
| Al-Jawf | 3,140,259 | 858,295 | 2,281,964 |
| Al-Maharah | 1,888,739 | 1,186,004 | 702,735 |
| Al-Mahweet | 2,673,217 | 2,296,320 | 376,897 |
| Capital City | 8,609,418 | 5,380,830 | 3,228,588 |
| Amran | 4,893,749 | 4,763,674 | 130,075 |
| Dhamar | 5,297,470 | 5,099,804 | 197,666 |
| Hadhramaut | 3,744,946 | 2,527,153 | 1,217,793 |
| Hajjah | 9,476,642 | 6,689,676 | 2,786,966 |
| Ibb | 6,061,341 | 5,759,524 | 301,817 |
| Lahj | 5,279,813 | 5,020,367 | 259,446 |
| Mareb | 4,047,177 | 1,695,121 | 2,352,056 |
| Raimah | 3,157,638 | 2,733,189 | 424,449 |
| Sa'adah | 5,351,251 | 4,096,800 | 1,254,451 |
| Sana'a | 5,120,508 | 3,139,746 | 1,980,762 |
| Shabwah | 4,690,715 | 2,683,550 | 2,007,165 |
| Socotra | 1,417,614 | 892,863 | 524,751 |
| Taiz | 9,559,232 | 9,026,780 | 532,452 |
| Total | 110,000,000 | 86,417,515 | 37,044,483 |



Education

During the reporting year, 58 projects were completed with a total cost of \$9.2 million, aimed at training male and female teachers of grades 1–12 in 7 governorates (Lahj, Sa’adah, Shabwah, Hadhramaut, Ibb, Taiz and Al-Baidha) in active learning and early reading approaches. Training was also provided to social workers and school principals on psychosocial support as well as to community-education facilitators and literacy teachers on adult education skills, development of teaching aids, active learning strategies, community education, life skills and awareness sessions for literacy-class attendants in healthy nutrition, reproductive health and safe motherhood. The completed projects also aimed to create temporary employment opportunities for unemployed youth through training and contracting them to provide community education services in schools with a shortage of teachers, benefiting 1,944 (31% female) from 19 governorates.

TABLE (2): Progress in Education project developing and implementing

| Indicator | 2017 | 2011 – 2017 |
|---|------------|-------------|
| No. of developed projects | 85 | 1,254 |
| Cost estimate of developed projects (US\$) | 10,417,064 | 248,367,137 |
| No. of completed projects | 58 | 1,339 |
| Contracted amounts of completed projects (US\$) | 9,203,398 | 254,779,642 |
| Disbursed amount of completed projects (US\$) | 9,125,570 | 254,483,461 |
| No. of direct beneficiaries from completed projects | 29,346 | 609,265 |
| % of female beneficiaries from completed projects | 63 | 50 |
| Actual temporary jobs created (Working days) | 150,599 | 5,071,762 |

Vocational Literacy Program for poverty reduction (VOLIP)

VOLIP is a five-year program jointly funded by the IsDB and OPEC, with a total amount of \$21.4 million. The project aims to contribute to the reduction of rural poverty in four areas (Lahj, Al-Hudaidah and Sana’a Governorates and Al-Mukalla City) through empowering poor rural families with literacy proficiency, market-oriented vocational training, entrepreneurial skills, and access to microfinance and business counseling

services. The program has five components:

- » Access to non-formal basic education;
- » Youth’s Vocational Literacy;
- » Training of Women Workers;
- » Microfinance; and
- » Capacity building.

Access to non-formal basic education

During the year, 72 community-education classrooms have been opened for dropout and out-of-school children, and 337 teachers and social counselors were hired to provide non-formal education services. 1,359 children benefited from these classes in Lahj, Al-Hudaidah and Hadhramaut, 63 of whom enrolled in formal education. Similarly, 153 classrooms for literacy and adult education were opened for 3,408 young male and female workers (80% now in the second school year and follow-up stage). The SFD also built and renovated 58 classrooms, furnished 73 classrooms in Al-Hudaidah and Lahj Governorates. In addition, SFD implemented four workshops with the program partners in the targeted areas (Offices of Education, Literacy, Technical Education and Vocational Training).

Unemployed youth vocational literacy and training of women workers

The activities of these two components included the improvement of training plans and programs and the consolidation of 33 short-term training plans in accordance with the joint review with the Ministry of Technical Education and Vocational Training. Also, four agreements were signed with the technical and vocational institutes according to the survey results, with the institutes contracted to provide vocational training to 474 unemployed youth and women workers in Sana’a and Aden Governorates.

Another agreement was also signed with Al-Amal Foundation for Training and Entrepreneurship to train 1,390 unemployed youth and women workers in targeted areas in entrepreneurship and personal skills as a first phase to qualify 60% of them to access microfinance.

Facilitating access to microfinance

An agreement has been signed to provide credit services and technical support for borrowers through the Loan Guarantee Program. The program seeks to ensure access of 2,400 beneficiaries to funding their microenterprises through microfinance institutions in the target governorates. An evaluation of 340 project plans was conducted,

and 137 projects were approved to be financed in Al-Hudaidah Governorate (through the National Microfinance Foundation) and Al-Mukalla City (through the Al-Etihad Microfinance Institution).

Capacity Building

Under this component, 282 literacy and community-classes teachers, educational counselors and supervisors were trained in the governorates of Al-Hudaidah, Lahj and Al-Mukalla. Training areas were organized by the target group, including preparation of training tools and training activities, verbal reading, writing and numeracy. Training also addressed community education and active learning strategies, development of educational tools and activities and a guide to the professional skills of adult education counselor as well as standardized tools for guidance, supervision, planning and daily reporting.

Education in emergency

This component aims to develop the knowledge and skills of teachers in relevant fields to improve performance in schools and enhance the abilities of school principals and social workers on psychological support and building the culture of peace. The component targets 15 districts in seven governorates, namely, Sa'adah (districts of Magz, Al-Safra, Saqeen, Haidan, Sa'adah), Lahj (Al-Had, Al-Mesaimir, Hadhramaut (Broum Maefa'), Ibb (Al-Sabra, Al-Makhader), Shabwah (Ataq, Nesab), Al-Baidha (Al-Zaher) and Taiz (Al-Mudhafar, Al-Misrakh). The target groups of this component are female and male teachers in basic and secondary education (1–12 grades), school principals, social workers and students.

In 2017, 22 projects were developed at an estimated cost of \$1.1 million, aiming to train 3,636 beneficiary teachers (including 634 females) of first grades (1–3) to improve literacy and writing skills as well as school principals and social workers. The training focused on psychosocial support, contribution to building culture of social peace and conflict management in education.

131 training courses were conducted to train 2,160 teachers for grades 412- on active learning, and 703 school principals and social workers on psychological support manuals, disseminating culture of social peace and conflict management.

Also, 715 teachers for grades 13- were trained on reading, writing and writing skills. Finally, 220 recreational bags were distributed for a similar number of schools (37 male schools, 26 girls' schools, 157 mixed schools) supporting 54,292 students.

Progress in Phase IV (2011–17)

With the exception of one indicator, all indicators achieved during the period mentioned above exceeded those planned (Table 3).

TABLE (3): PROGRESS IN EDUCATION SECTOR – OUTPUT INDICATORS

| Results Indicators | Phase IV | | |
|--|--------------------|----------|---------|
| | | Achieved | Planned |
| No. of classrooms constructed/ rehabilitated | Built | 6,948 | 9,000 |
| | Repaired | 2,927 | |
| | Total | 9,875 | |
| No. of pupils benefiting from space created by SFD constructed classes | Boys | 150,342 | 201,600 |
| | Girls | 130,424 | 158,400 |
| | Total | 280,766 | 360,000 |
| No. of children with special needs integrated in ordinary schools | Boys | 3,597 | 2,500 |
| | Girls ¹ | 3,943 | 2,500 |
| | Total | 7,540 | 5,000 |
| No. of formal education teachers trained (average: 8 training days) | Male | 1,097 | 100 |
| | Female | 447 | 100 |
| | Total | 1,544 | 200 |
| No. of non-formal education teachers trained (average: 18 training days) | Male | 37 | 1,000 |
| | Female | 3,603 | |
| | Total | 3,640 | |
| No. of educational professionals ² trained (average: 8 training days) | Male | 1,662 | 782 |
| | Female | 689 | 600 |
| | Total | 2,351 | 1,382 |
| No. of non-formal education teachers qualified (average 90 training days) | Female | 780 | 200 |

¹ Based on the current enrolled ratio between male and female students

² Non-teaching staff such as Directors of education and literacy offices, girls' education and community participation managers, school principal supervisors, school social workers, etc.

Box (1): Hakima excels after displacement and school dropout

The ten-year-old Hakima Abdullah Sa'eed feels disappointed as she sees her peers and other younger girls go to school. When she had barely started her first basic grade, the war overwhelmed her village in Al-Sabbaiha District (Lahj) and she, along with her family, fled to Al-Jerba Village in Tuban District.

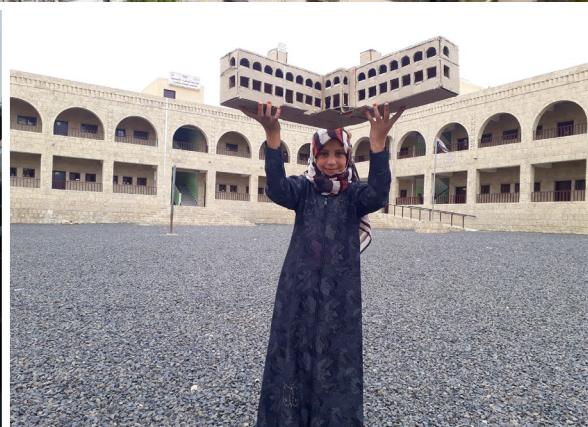
Hakima's father was unable to re-enroll her in the public school in Al-Jerba, as requirements entailed by displacement came atop his priorities especially that his pension salary has not been paid for a long period. As such, the child's disappointment was renewed and her return to school became an unrealized dream after having enjoyed the pleasant taste of attending school for just a few weeks in her village.

The strongest joy shaking Hakima's heart since her displacement was the good news that she was registered her with other students in the "Community-Education Excellent Students Classroom" sponsored by the Social Fund for Development (SFD).

In the classroom, Hakima turned into a happy, playful and smiling girl. As a result of her diligence and determination to learn, she managed to learn the sounds of letters. In a short period of time, she became able to read words and sentences, and acquired writing and spelling skills as well as numerical competence and mastered artistic works such as drawing and acting. Thanks to God and the facilitator Raniya, Hakim returned to school at the beginning of the new academic year 2017/18. She was enrolled at the 2nd grade in Al-Sa'eed Complex Girls School. And there, the real story of diligence began with the ever-smiling Hakima.

By following up Hakima, her facilitator and teachers testified she is intelligent, excellent and highly successful. They asserted she deserves to be promoted directly to the third grade.

"I hope to go forward in my study up to the university and be a teacher that educates people everything I have learned in my life," Hakima concluded.





Health and Nutrition

During 2017, 29 projects were completed at an estimated cost of approximately \$3.7 million, expected to benefit directly about 196,500 people (74% females). During phase IV (2011–17), SFD completed 426 projects at a cost of approximately \$34.8 million, benefiting directly more than 2.3 million people (68% female) (Table 3).

Table (4): Progress in project developing and implementing

| Indicator | 2017 | 2011–17 |
|---|------------|------------|
| No. of developed projects | 49 | 527 |
| Cost estimate of developed projects (US\$) | 45,946,925 | 89,711,981 |
| No. of completed projects | 29 | 426 |
| Contracted amounts of completed projects (US\$) | 3,695,900 | 34,755,868 |
| Disbursed amount of completed projects (US\$) | 3,682,606 | 34,711,651 |
| No. of direct beneficiaries from completed projects | 196,499 | 2,322,269 |
| % of female beneficiaries from completed projects | 74 | 68 |
| Actual temporary jobs created (Workdays) | 49,936 | 536,184 |

Strengthening of infrastructure

The projects completed during the year aimed at strengthening the infrastructure of the targeted health facilities, training and qualifying midwives and middle health staff to cover the needs of the underserved communities. The construction, furnishing and equipping of seven health facilities in Taiz and Hadhramaut Governorates were completed at a contractual cost of approximately \$2.4 million.

These facilities varied as follows:

In Al-Mukalla City (Hadhramaut): Building, equipping and furnishing a comprehensive obstetrics emergency center in Al-Mukalla Hospital, and reconstructing, equipping and furnishing the motherhood and childhood center in the city.

In Taiz Governorate: Construction and equipping of a health unit with provision of a ground tank and a medical incinerator in Al-Nabahneh (Al-Mawasit District), rebuilding, equipping and furnishing the Heib Asabeh Health Center in Al-Asabeh Sub-district, and providing the center with an electric generator. Also, furnishing and equipping of the Public Health and Population Office has been completed and the premises of the Training and

Skills Development Center associated to the Office has been built, furnished and equipped.

Training and qualification

22 projects were completed at a contractual cost of \$377,312, aiming at increasing the number of primary healthcare providers and enhancing their capacities and knowledge.

These projects aimed to:

» Qualify 70 secondary-school graduates in Dhamar and Amran Governorates, with a three-year diploma program in technical midwifery and vocational nursing.

» Train 25 administrative staff in health offices in a number of districts in Sa'adah Governorate on the health management program, which is concerned with improving administrative and health services.

» Qualify 25 female high-school graduates to technical midwives in Al-Dhale' Governorate and train 222 midwives in the Capital City and Al-Dhale', Shabwah, Amran, Hadhramaut and Raima Governorates on community care for maternal and newborn health, and serving emergency cases of childbirth and neonatal care. The midwives' home-visit skills have been enhanced to provide healthcare for mothers, children and girls of reproductive age, with the trainees provided with a kit bag containing relevant tools and equipment.

» Train 120 health workers (37 female) from Hadhramaut, Raima and Shabwah in Integrated Management of Childhood Illness (IMCI), which aims to reduce morbidity and mortality among children under five years.

» Train 30 primary healthcare providers from the districts of Ibb and Hajjah Governorates on the health-quality improvement program.

» Train 12 assistant healthcare staff (6 females) working in nursery on premature and neonatal care. Within this context, the premature and neonatal guidance manual was developed and approved by the Ministry of Health in the context of strengthening child healthcare services and contributing to reducing neonatal mortality.

Within the framework of promoting school mental-health and providing educational, psychological and social support, 66 school principals and social workers (including 34 females) in public schools in Raima and Al-Hudaidah Governorates were trained on the role of social workers. The training topics also included the use of follow-up system and psychological tests and standards to identify the student's condition as well as registration of cases. Moreover, the rooms of social workers in the targeted schools were equipped with the basic needs for their work. Finally, two training packages in psychosocial counseling have been developed for social workers and psychologists working in orphanages and juveniles' residential facilities.

Cash for Nutrition

The Cash for Nutrition Project responds to one of the urgent priorities, viz. addressing the high unemployment among young people as well as the pressing needs of communities suffering from high malnutrition rates exacerbated by the war in Yemen since March 2015. The project focuses on awareness raising, guidance and counseling for pregnant women and nursing mothers as well as stimulating demand for maternal and child services, surveying and identifying cases of malnutrition among children and pregnant and lactating women, and providing logistical facilities for access to nutritional services in treatment centers. This is pursued through:

» Hiring 18–35-year-old girls in the target areas and training them to work as community educators as well as providing a package of community services for mothers, pregnant women and children under 5 years.

» Providing community health education through regular public sessions or house-to-house visits.

» Motivating mothers of malnourished children, as well as pregnant and lactating women, to visit the treatment centers, while covering the costs of transport to these facilities and admission (if needed).

» Providing monthly conditional cash transfers to poor women (pregnant and mothers with children under five) for beneficiary families in the Social Welfare Fund in groups (A.B.C.D.E.F) and displaced women in return for attending a health education session each month.

» In this regard, 15 projects are being implemented in 21 districts of 6 governorates (Al-Hudaidah, Dhamar, Ibb, Taiz, Al-Dhale', Lahj). Also during the year, some 589 young women

obtained a one-year temporary job as community health educators. Also, 13,380 mothers of children under five and pregnant and lactating women in the target districts of Al-Hudaidah Governorate received health education and 50,679 mothers, pregnant and lactating women and malnourished children under five were screened, and malnourished cases identified and motivated to go to nutrition centers.

TABLE (5): PROGRESS IN HEALTH SECTOR – OUTPUT INDICATORS

| Results Indicators | 2017 | Phase IV | | |
|---|--------|----------|---------|-------|
| | | Achieved | Planned | |
| No. of health facilities constructed/renovated and equipped | 6 | 113 | 108 | |
| No. of health facilities furnished and equipped | 1 | 83 | 76 | |
| Total | 7 | 196 | 184 | |
| No. of community midwives trained ¹ | 222 | 2,280 | 2,208 | |
| No. of community midwives qualified ² | 25 | 280 | 255 | |
| No. of primary health care personnel trained ³ | Male | 109 | 1,613 | 1,624 |
| | Female | 48 | 991 | 1,003 |
| | Total | 157 | 2,604 | 2,627 |
| No. of primary healthcare personnel qualified ⁴ | Male | 49 | 320 | 271 |
| | Female | 21 | 315 | 294 |
| | Total | 70 | 635 | 565 |

¹ Training of CMW: Average 18 days

² CMW qualification diploma two - three years (After the ninth grade)

³ PHC training course of average 18 days

⁴ PHC qualification-Nursing, laboratories, medical assistant Diploma (three years after high school)



BOX (2) Aisha: “I have enhanced my gained knowledge with practical application provided by SFD”

“I am an employee working in the health sector in midwifery. I have graduated from the Higher Institute of Health Sciences in the rural Amran Governorate. I did not practice my profession due to certain factors; but I joined the teaching staff at the Institute in order to work and not to forget what I learned.

It is true that I have benefited from teaching, and I have refreshed my previous knowledge, but I remained concerned about the lack of practical skills in the field and with community.

After a period of work at the Institute, I was contacted by the Coordinator of the Community Maternal and Newborn Healthcare Training Course and she informed me that I would attend the course, which was held in late 2017. I was excited that I would be trained in such a domain, which I lacked; I was waiting for this moment since I have finished my midwifery major education.

Honestly, immediately after starting the 18-day-course, I found it extraordinary as it covered all the areas I had studied in the university for three years. During the course, I learnt new maternal and newborn statistics and ways to conduct regular house-to-house visits to pregnant mothers, obstetrics emergencies, handling cases of hypertension, and the accurate way of dragging of the umbilical cord, dealing with uterine/vaginal hemorrhage (bleeding), care of the newborn ... and other new and wonderful information.

I have regained my previous knowledge, mastered my skills, and built new relationships with colleagues in the field and work. I have benefited a lot from this wonderful course provided by and supervised by a group of competent and experienced trainers.

I felt that my studies were already bearing fruit, and I gained more self-confidence.”

Trainee / Aisha Saleh Nasher Al-Khadari

Box (3) Asma: Thanks to the training course organized by SFD, my dream of providing community service came true

(Asma) lives in a small, beautiful, quiet and clean city of Thula. Asma is a girl who was feeling frustrated by the difficult conditions of people in her city and their need to health services (especially women). She had been willing to help these women, but she did not know how!

One day, her father urged her to study in health, specializing in technical midwifery. Therefore, she started her study in this field and scored excellent degrees. Despite the difficulties and conditions in the country, she graduated with a Diploma of Technical Midwifery.

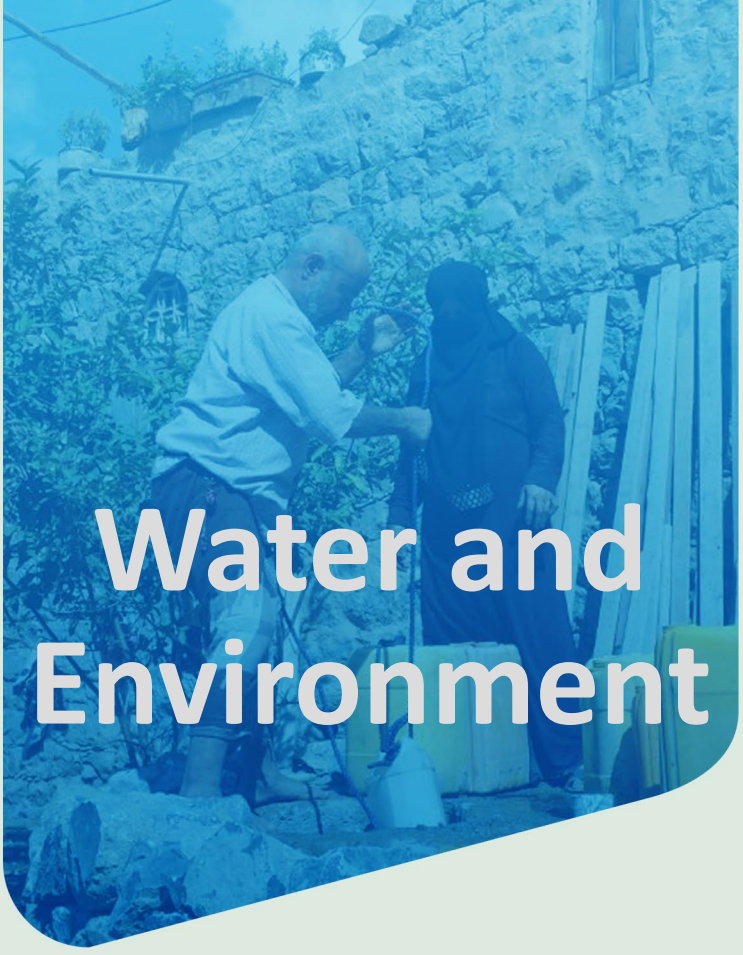
Following graduation, Asma returned to her city to serve the women of her community. Asma used to say, “I lack some experience and skills I did not gain while studying, and I need more practice”. She embarked on reading, researching and studying, dreaming of strengthening her knowledge with the experience that would enable her to serve the community.

One day, Asma got this opportunity by joining a training course in community maternal and neonatal healthcare supported by SFD in Amran Governorate. She benefited greatly from her trainers and specialists who provided and supervised the course, and afterwards she achieved great success in her profession.

Asma returned to her city with sincere intention to help the women in her community through providing health services in midwifery.

“I am grateful to all those who helped and supported me in my professional career,” Asma said. “I am thankful in particular to SFD as well as to the trainers and specialists who try their best to serve the community.”

The trainee/ Asma Ali Ali Ahmed Al-Ezabi



Water and Environment

Water Sector

The water and environment (WE) sector aims to provide improved water to beneficiaries, vulnerable rural communities in particular, according to the national definition of water coverage in rural areas¹. The sector also aims to contribute in rehabilitating the damaged water facilities as a result of the crisis whenever visible and funds become available.

1. Progress in Developing and Implementing Projects

The table below shows the progress in developing and implementing projects in the water sector for 2017 and cumulatively for phase IV (2011 - 2017).

Table (6): progress in Water and Environment sector

| Indicator | 2017 | 2011-17 |
|---|------------|-------------|
| No. of developed projects | 224 | 1,036 |
| Cost estimate of developed projects (US\$) | 22,737,235 | 141,303,003 |
| No. of completed projects | 66 | 915 |
| Contracted amounts of completed projects (US\$) | 10,920,316 | 106,626,823 |
| Disbursed amount of completed projects (US\$) | 10,851,582 | 106,434,840 |
| No. of direct beneficiaries from completed projects | 203,252 | 1,210,561 |
| % of female beneficiaries from completed projects | 50 | 50 |
| Actual temporary jobs created (Working days) | 324,492 | 5,439,595 |

2. Progress in Achieving Phase IV Targets

The table below shows the achieved indicators against target for 2017 and cumulative (2011 - 2017)

Table (7): Progress in achieving the targets

| Result Indicator | 2017 | Cumulative (2011 - 2017) | Planned |
|---|---------|--------------------------|-----------|
| No. of beneficiaries from improved water sources | 208,736 | 1,150,537 | 1,201,000 |
| Storage capacity for improved water (m ³) | 246,597 | 3,619,966 | 3,673,000 |
| Storage capacity for unimproved water (m ³) | 34,250 | 1,927,432 | 1,949,000 |

Table (8): Progress in implementing projects per subsectors for 2017 and cumulative for phase IV (2011 - 2017)

| Subsector | Developed Projects in 2017 | | Completed Projects in 2017 | | Completed Projects (2011- 2017) | |
|--|----------------------------|--------------------|----------------------------|------------------------|---------------------------------|------------------------|
| | No. of Projects | Cost Estimate (\$) | No. of Projects | Contracted Amount (\$) | No. of Projects | Contracted Amount (\$) |
| Public Covered Rainwater Harvesting Cisterns | 8 | 798,509 | 8 | 1,338,415 | 147 | 20,782,188 |
| Public Uncovered Rainwater Harvesting Cisterns | 5 | 248,500 | 3 | 180,826 | 24 | 1,725,935 |
| Rooftop Rainwater Harvesting Cisterns | 68 | 5,343,101 | 30 | 4,185,225 | 575 | 60,915,467 |
| Groundwater Based Systems | 2 | 440,375 | 10 | 2,763,168 | 53 | 10,243,636 |
| Surface Water Based Systems | 0 | 0 | 4 | 1,182,831 | 60 | 8,237,513 |
| Training and Awareness | 1 | 145,000 | | | 28 | 302,868 |
| Dams | 0 | 0 | 1 | 282,364 | 18 | 3,431,730 |
| Cash for Work Water Activities | 140 | 15,761,750 | 10 | 987,486 | 10 | 987,486 |
| Total | 224 | 22,737,235 | 66 | 10,920,316 | 915 | 106,626,823 |

¹ The national definition for water coverage in rural areas is «The availability of 30 l/c/d of improved quality water within fetching time 30 minutes round trip year round. Improve water sources include covered rainwater harvesting cisterns, protected wells and springs.

The following articles give details of the outputs of each subsector cumulative for phase IV (2011 - 2017):

- 1. Public Covered Rainwater Harvesting Cisterns:** 147 completed projects containing 219 covered cisterns with total capacity of 246,248 m³, 85 communal taps, 208 silt trap basins and 29,100 m pipelines to bring the service at the vicinity of the communities.
- 2. Rooftop Rainwater Harvesting Cisterns:** 575 completed projects including 71,455 covered cisterns with total storage capacity of 3.35 million m³.
- 3. Public Uncovered Rainwater Harvesting Cisterns:** 24 completed projects including 18 new cisterns and 43 rehabilitated cisterns with total storage capacity of 299,253 m³.
- 4. Dams:** 18 completed projects including 15 new dams and 3 rehabilitated dams with total storage capacity of 1.6 million m³.
- 5. Groundwater Based Systems:** These water systems depend on groundwater as a water source and groundwater here includes shallow and deep aquifers. Most of these projects are located in the coastal strip where rainwater/surface water based systems are not visible. The cumulative completed projects in this subsector reached 54 projects including 31 pumping units, 32 water tanks, 590 km pipelines, 13,801 house connections and 32 communal taps.
- 6. Surface Water Based Systems:** These water systems depend on surface water such as springs and water bodies like dams and ponds as a water source. The cumulative completed projects in this subsector reached 59 including 62 water tanks, 56 communal taps, 1,901 house connections, 261 km pipelines and 5 pumping units.
- 7. Cash-for-Work Water Activities:** This is a new subsector created to contribute in implementing the Emergency Crisis Response Program (ECRP) which aims to provide temporary jobs to IDPs, returnees, hosting and crisis affected families (to help bridge the food gap) to build assets that contribute in providing basic services. The number of completed projects is 10 resulted in providing 1,094 families with temporary job opportunities (working days) of total value of USD one million through implementing 1,094 rooftop rainwater harvesting cisterns of a total storage capacity 19,541 m³.

Coordination with WASH Partners

The water and environment unit continues participating in the WASH cluster meetings and submits the monthly Standard Report Format to the WASH coordinator at the national level. Under the current crisis, these meetings represent a good source of information about active WASH partners, their activities and location of the activities in addition to the needs assessment surveys conducted by the partners, which help in targeting at the local level within the districts. The meetings are also a source of knowledge and experience sharing.

Box (4) Water tanks save lives in Raima uplands

The Jabal Shuaib is a model of the hanging villages in the remote Raima Governorate, where the SFD has supported with life-saving and livelihoods services during the worst times ever for those thirsty and chronically food insecure communities.

The factors of poverty, high prices of fuel and extremely steep heights, on which the communities of five villages in Jabal Shuaib area live, have made the purchased and aid agency-supported drinking water inaccessible.

Employment opportunities in agriculture were cut short because of the tiny agricultural holdings and the steep mountains. So, most of them have worked for simple wages in remote cities. Women suffered daily from fetching water on their heads along 5 kilometers in that harsh terrain.

In response to those difficulties exacerbated by the war impact, the SFD provided training and employment to members of the beneficiary households on the construction of 260 rainwater-harvesting tanks by their homes supporting about 2000 people, who represent about half of the total population of the five villages. The response helped secure water and food during the six-month project period, and some households bought productive assets that contributed to their livelihoods.

Hassan Mansour, a young man from the area, says that the war forced his father to return to his village after he had lost his job in a trading shop in Taiz City. Hassan also lost his dream of opening a shop for mobile phone maintenance in Ibb City using savings from wages of his work in a restaurant there because he had to transfer all his wages to his family. «The SFD project started in my village employing my father and brothers in building our tank which has covered our needs for seven months in each season. They used the wages to pay for the food that I used to pay for. I have been able to collect all my wages and opened a kiosk for phone maintenance in order to continue covering my family's basic needs and start a better career for myself.» Hassan concluded.

Sanitation Sector

The WE sector aims to provide communities with access to appropriate sanitation through installing sewerage networks and wastewater treatment plants (in highly populated areas) or through building/improving latrines at the house level. The latter intervention is implemented in rural and semi-urban areas and is normally accompanied by raising awareness on the importance of having and using latrines for all including children and special needs people as well as the importance of treating water for drinking and hand washing. The unit also aims to contribute in rehabilitating the damaged sanitation facilities because of the conflict and crisis whenever visible and funds become available.

1. Progress of Developing and Implementing Projects

The table below shows the progress of developing and implementing projects in 2017.

Table (9): Progress of Sanitation sub sector

| Indicator Description | 2017 | 2011- 2017 |
|---|------------|------------|
| No. of developed projects | 29 | 210 |
| Cost estimate of developed projects (US\$) | 39,002,013 | 13,671,512 |
| No. of completed projects | 13 | 206 |
| Contracted amounts of completed projects (US\$) | 2,737,095 | 14,140,404 |
| Disbursed amount of completed projects (US\$) | 2,702,539 | 14,098,116 |
| No. of direct beneficiaries from completed projects | 154,213 | 1,477,060 |
| % of female beneficiaries from completed projects | 50 | 51 |
| Actual temporary jobs created (Working days) | 390,325 | 5,665,590 |

2. Progress in Achieving Phase IV Targets

Table (10): Progress in achieving phase IV targets

| Result Indicator | 2017 | Cumulative (2011 - 2017) |
|---|--------|--------------------------|
| No. of people provided with access to appropriate sanitation facilities | 38,733 | 317,965 |
| No. of communities declared open defecation free | 75 | 971 |

3. Progress in Implementing Projects Per Subsector

The table below gives a summary of the projects developed and completed in 2017 and cumulative achievement of phase IV (2011- 2017).

Table (11): Progress in developed and completed projects

| Subsector | Developed Projects 2017 | | Completed Projects 2017 | | Cumulative Projects (2011 - 2017) | |
|-------------------------------------|-------------------------|--------------------|-------------------------|------------------------|-----------------------------------|------------------------|
| | No. of Projects | Cost Estimate (\$) | No. of Projects | Contracted Amount (\$) | No. of Projects | Contracted Amount (\$) |
| Solid Waste Management | 0 | 0 | 0 | 0 | 3 | 357,506 |
| Wastewater Management | 2 | 216,668 | 6 | 2,510,703 | 28 | 10,301,329 |
| Training and Awareness | 1 | 23,088 | 6 | 129,481 | 168 | 2,202,229 |
| Soil and Water Conservation | 0 | 0 | 0 | 0 | 6 | 1,182,418 |
| Cash for Work Sanitation Activities | 26 | 3,670,643 | 1 | 96,432 | 1 | 96,432 |
| Total | 29 | 3,910,399 | 13 | 2,736,616 | 206 | 14,139,913 |

The Sanitation sector has achieved the below outputs during phase IV (2011 - 2017):

- 1. Wastewater Management:** 28 completed projects including 183-km-long sewers, 5,432 inspection chambers, 3,369 manholes and 6,507 house connections.
- 2. Solid Waste Management:** Three completed projects including building slaughterhouse for Yarim town, rehabilitating Hajjah slaughterhouse and building, and equipping a hall for fish auction sale in Ale'is (Al-Masilah, Al-Maharah).
- 3. Training and Awareness:** 168 completed projects mainly hygiene awareness campaigns using community-led total sanitation approach. These completed projects included 3,364 hygiene awareness campaigns through which 976 communities declared open defecation free.
- 4. Soil and Water Conservation:** Six completed projects including the construction of Assog Public Park in Mareb and the construction of five public parks in Al-Mashhad, Al-Marawnah, Madinat Al-Ommal, Al-Rowdhah Al-Shargiah and Al-Hoshaishiah in the Capital City.
- 5. Cash for Work Sanitation Activities:** one completed project includes a rainwater-harvesting tank of storage capacity 150 m³ for irrigating open areas in Amran University.

Cholera Response Activities

Yemen has been hit by two waves of cholera and acute watery diarrhea (AWD), the first started in September 2016 and when it approached its minimum trajectory in March 2017 the second wave started in April 2017 and continued to the end of 2017. SFD took actions to contribute actively in reducing the cholera and AWD outbreak. Among the important measures SFD has taken is to include a component for raising awareness on cholera (causes, preventive measures and dealing with cases) in every project of all SFD sectors and programs in addition to helping communities to select activities that will help them become more resilient to epidemic diseases including cholera. The following table shows SFD’s contribution in reducing the cholera outbreak and its preventive measures.

Table (12): SFD’s contribution to reducing the cholera outbreak

| Indictor Description | 2016 | 2017 | Cumulative (2016 – 17) |
|---|------|--------|------------------------|
| No. of families received awareness on cholera | 0 | 84,211 | 84,211 |
| No. villages received awareness on cholera | 98 | 3,886 | 3,984 |
| No. male volunteers trained to deliver cholera awareness messages | 2 | 2,282 | 2,284 |
| No. female volunteers trained to deliver cholera awareness messages | 0 | 2,593 | 2,593 |
| No. community self-help initiatives to reduce and prevent cholera | 0 | 2,427 | 2,427 |

WASH cluster partners are expecting the third cholera wave to start with the coming rain season, which is due in April 2018; hence, SFD will continue implementing these measures with more focus on helping communities select the activities that will make them more resilient against future cholera waves and other epidemics.



Box (5) Sanitation interventions save lives of Aden slums

Mohammed Abdulwali, owner of a building materials warehouse in Al-Sheikh Othman area of Aden Governorate, pledged to set up recreational games turning the back alleys of houses in his residential area into a small park for the poor neighborhood children. For decades, the area had been a dirty swamp that collects sewage filled with all types of germs and insect eggs transmitting diseases and dangerous reptiles to the neighborhood, especially that Aden suffers heat and moisture. Such swamps have threatened buildings with collapse and endangered the health and lives of thousands of people living in four densely populated areas.

«Small snakes and the sewage were always entering our house and we sustained malaria because of the mosquitoes and the lack of sanitation. The problem began today to subside with the Social Fund for Development intervention,» says Aisha Mohammed, a resident of 65 years.

In the impoverished area of “Antar” in Al-Mim dara neighborhood, the families living in 800 simple houses have designed their kitchens and latrines along the mutual narrow back alleys, linking their sanitation pipes out to a mutual cesspit. This makes the cesspit and the alleys rapidly filled with the sewage, forming a stagnant, stifling pond friendly to disease outbreak by insects that enter the families’ kitchens and rooms to tamper with their health.

Meantime, Mrs. Umm Tawfik confirms, “I was infected with chronic asthma developed from the pneumonia as a result of the sewage”.

Mohammed Salman also complained that his wife was infected with malaria and he spent a lot of money for treatment, but became unable to pay more.

The beneficiary Abdullah Najib underlines that the SFD interventions’ results achieved under the current circumstances are unique as they provide long-term solutions. “SFD has provided the poor with wages to improve their poor food and put an end to their misery.»

Abdullah explains that the SFD has provided many jobs that were scarce due to the acute impact of the war. It also introduced a sewerage system beneath the back aisles and connecting them to the main sewerage network in the area. It also has reduced the costs of the health bill for the poor families. With all those group of benefits, the population has committed to keep the alleys clean and dry in order to put an end to the largest source that has threatened their lives.





Agriculture and Rural Development

SFD pays special attention to rural development to contribute in reducing poverty through several interventions aiming to promote appropriate technologies to increase productivity, improve income of workers in agriculture, especially the rural poor, and improve quality. SFD also seeks to build and strengthen the rural communities' capacity in order to gain access to livestock development services as well as to coordinate and cooperate with the local authorities and promote women participation in development.

During 2017, 28 projects were developed at an estimated cost of approximately \$4 million, and 23 projects were completed at a contractual cost of approximately \$3 million. The projects are expected to generate more than 119,630 workdays. During phase IV (2011–17), the SFD completed 343 projects at a contractual cost exceeding \$32.3 million, benefiting more than 315,230 people (48% female) and generating more than 857,800 workdays.

Progress in projects development and implementation

Table 13: Progress in Agriculture and Rural Development

| Indicator | 2017 | 2011–17 |
|---|-----------|------------|
| No. of developed projects | 28 | 329 |
| Cost estimate of developed projects (USD) | 3,975,694 | 51,932,563 |
| No. of completed projects | 23 | 343 |
| Contracted amounts of completed projects (USD) | 2,970,823 | 32,346,456 |
| Disbursed amount of completed projects (USD) | 2,962,288 | 32,246,377 |
| No. of direct beneficiaries from completed projects | 13,513 | 315,234 |
| % of female beneficiaries from completed projects | 52 | 48 |
| Actual temporary jobs created (Workdays) | 119,634 | 857,822 |

Progress in Phase IV

PROGRESS IN AGRICULTURE – OUTPUT INDICATORS

| Results Indicators | 2017 | Phase IV | |
|---|---------|-----------|-----------|
| | | Achieved | planned |
| Storage capacity of water for agriculture and livestock use (m ³) | 395,338 | 4,223,018 | 4,206,180 |
| Total potential area of land to be irrigated by water sources (Ha) | 89 | 1,100 | 1,100 |

| Results Indicators | 2017 | Phase IV | |
|---|------|----------|---------|
| | | Achieved | planned |
| Total area of rehabilitated agricultural land and terraces (Ha) | 302 | 620 | 478 |

Community Development Program

The Agricultural and Rural Development sector contributes to reducing the deterioration of food security in rural areas through the implementation of a number of development projects aimed at improving and increasing agricultural production, such as water projects for agriculture and soil conservation.

During 2017, SFD has completed three water-storage small barriers for agriculture and other uses at a total cost of about \$0.7 million, with the total storage capacity of 464 thousand m³. They supported 89 hectares of agricultural areas serving 3,435 farmers. These projects contributed to increasing agricultural production as a result of the increase in agricultural areas benefiting from irrigation, the introduction of new crops and the provision of water for watering animals, which has led to an increase in livestock.

The three dams are located in the areas of Kudna (Al-Gharbi, Al-Qafla, and Amran Governorate), Wadi Al-Qarush (Bani Abu Qahm, Bani Nashir, Kua'idna, Hajjah) and Al-Ruhda (Bait Al-Zoom, Yahier, Al-Radhma, Ibb).

In addition, 400 home gardens have been completed in Al-Qahera District of Taiz Governorate at a cost of \$222 thousand, benefiting 476 families. These gardens have effectively contributed to providing the basic needs of vegetables and legumes for these affected families.

Implementation using labor-intensive mechanism

As a result of the current crisis in the country and the deterioration of the living conditions of the population due to war, displacement and lack of employment opportunities, the SFD has implemented emergency projects aimed at providing job opportunities for the IDPs and people affected by the crisis within SFD's emergency crisis response plan.

During the year, three projects were completed at an estimated cost of \$378 thousand, while 29 projects are still under implementation at an estimated cost of over \$4 million.

The following table summarizes achievement in all projects:

| | |
|--|--------|
| Number of beneficiary families | 2,744 |
| Number of workers | 5,058 |
| Number of male and female youth workers | 2,910 |
| Number of female workers | 930 |
| Number of working IDPs | 1,409 |
| Number of beneficiary individuals | 8,476 |
| Number of created workdays | 86,309 |
| Water storage capacity (m ³) | 188 |
| Agricultural lands reclamation (ha) | 806 |

Village Savings and Loans Pilot Program

In 2017, a training targeted 19 groups of savings and loans groups (SLGs), which were formed in Toor Al-Baha, Al-Madarebah and Ras Al-'Ara Districts (Lahj). The training focused on financial and administrative skills in the establishment of SLGs. The sector provided and distributed 17 steel boxes to these groups to safeguard members' savings. In addition, another training was provided to the groups in the Al-Maqatera and Al-Qabbaita Districts (Lahj) in the same skills.

The activities also witnessed the completion of collection of information and data on SLGs'

activities using the ODK questionnaire, which included 118 groups in 14 districts from four governorates (Sana'a, Al-Hudaidah, Hajjah and Al-Mahweet).

The analysis has shown the following results:

- » 94 groups are still exist and active.
- » The total number of income generating loans (for all groups) was 111 amounting to YR6.3 million.
- » Average income-generating loans' amounts (per group) are YR66,727.
- » Total savings for the groups included in the study amount to YR27.5 million.
- » The average savings per group is YR292,776.

Based on these results, a decision was taken to provide financial grants to the existing and active groups.

Moreover, follow-up visits were conducted to the formed groups in Sana'a Governorate and some groups in Al-Mahweet, Al-Hudaidah and Hajjah Governorates. The follow-up shows that most groups continue to operate despite the current crisis.

Box (6) Life smiled again

SFD has made an intervention to mitigate poverty in Al-Aoura (Akhaddua Asphal, Maqbanah, Taiz) through the implementation of the project of Rehabilitation of Wells and Agricultural Terraces.

The \$89,470-cost project, implemented by Cash-for-Work mechanism, comprises several components such as rehabilitation of wells, construction of agricultural terraces and building home food-gardens.

Yusef Abdulmalik Said Yahya is one of the beneficiaries from the project. He has overcome his problems and got rid of suffering, where he worked together with his wife in home gardens component. In addition, he received his wages and was able to buy food for his family. He said, «the project came and we were happy to participate in it, overcame our problems, we got rid of our suffering, and raised our level of living, SFD rehabilitated our wells and agricultural lands as well as supported our gardens with all seeds and guidance that we need».

Yusef has got from the intervention of the program two benefits: he benefited from the wages received to buy food and he benefited from the garden that he rehabilitated. Where the garden has the basic vegetables needs and they became self-sufficient vegetables, and he expressed his benefit saying «My family and I got YER 81,000 and I bought all the needs for my family such as flour, rice, sugar, tea, salt, oil, shoes and clothes for my children». Now I am reaping a variety of vegetables from my garden, such as legumes, zucchini, okra, tomatoes, peppers and watercress (rocket). My wife, children and I feel happy after suffering from a suffocating crisis».

The beneficiary also emphasized that SFD-supported intervention in the area has alleviated many of the families' problems that were widespread because of unemployment and other reasons. The families became busy with their home garden works, «SFD has mitigated many problems of poverty, unemployment and anxiety of the families, all thanks to God first and then thanks to SFD projects», he said.

The project benefitted 155 families and generated 7,863 workdays, of which 3,877 for women.





Training and Organizational Support

Interventions in the sectors of Training & Organizational Support aim at providing services through training as well as building the human and institutional capacities of SFD partners whose activities are linked to SFD objectives, viz. local development and poverty reduction. Partners include consultants, community committees, small contractors, local authorities, governmental and non-governmental organizations, etc.

*The sectors consist of **Training and Organizational Support sub-sectors** as well as the **Integrated Interventions Program (IIP)**.*

Progress in the Development & Implementation of Projects

67 projects were developed during the reporting year (including one project in the Integrated Intervention Program). The number of projects in the Training Sector reached 23, beside 43 projects in the Organizational Support sector.

Table (14): Developed and Completed Projects

| Description | 2017 | 2011-17 |
|--|-----------|------------|
| Number of Projects Developed | 67 | 783 |
| Estimated Cost of Projects Developed (\$) | 9,308,704 | 57,899,549 |
| Number of Completed Projects | 65 | 832 |
| Contractual Cost of Completed Projects (\$) | 3,354,450 | 35,653,458 |
| Amounts Disbursed for Completed Projects (\$) | 3,308,238 | 35,510,732 |
| Direct Beneficiaries from Projects Implemented | 41,685 | 438,980 |
| Female % from Projects Implemented | 49 | 46 |
| Actual Temporary Work (work day) | 77,836 | 1,370,870 |

Progress in the Achievement of Fourth Phase Indicators

Progress in indicators related to various intervention components is illustrated by the table below.

Table (15) Progress in achieving Fourth Phase Indicators (2011-17)

| Results' Indicator | Achieved 2017 | Cumulative (2011-2017-) |
|--|---------------|-------------------------|
| No. of Villages' Councils /Villages' Cooperation | 751 | 5,067 |
| No. of youth volunteers trained by SFD in various fields (according to gender) | Males | 1,012 |
| | Females | 965 |
| No. of local authority members trained by SFD within the framework of ELD Program | 420 | 5,542 |
| No. of individuals, consultants and contractors trained by SFD | 933 | 7,678 |
| No. of NGOs supported by SFD | 0 | 55 |
| No. local authorities supported by SFD | 8 | 58 |
| No. of beneficiary committees formed and trained | 183 | 2,015 |
| No. of youths securing work opportunities within the framework of ELD activities : average 40 work day | 640 | 640 |
| No. of community initiatives supported and implemented | 540 | 540 |
| No. of targeted villages – Integrated Intervention | 0 | - |
| No. of development committees formed and trained – Integrated Intervention | 554 | - |
| Individuals trained in educational, technical, and agricultural fields | 3792 | - |

Table (16): projects developed and completed during 2017 and Fourth Phase (2011-17)

| Sector | Developed Projects in 2017 | | Completed Projects in 2017 | | Completed Projects (2011-17) | |
|-------------------------|----------------------------|---------------------|----------------------------|-------------------------|------------------------------|-------------------------|
| | No. of Projects | Estimated Cost (\$) | No. of Projects | Contractual Amount (\$) | No. of Projects | Contractual Amount (\$) |
| Training | 23 | 1,595,394 | 31 | 1,752,029 | 431 | 12,108,772 |
| Organizational Support | 43 | 7,702,310 | 19 | 913,199 | 218 | 12,374,705 |
| Integrated Intervention | 1 | 11,000 | 15 | 689,222 | 183 | 11,169,981 |
| Total | 67 | 9,308,704 | 65 | 3,354,450 | 832 | 35,653,458 |

67 projects were developed during the year (including one project in the Integrated Intervention Program). The number of projects in the Training Sector reached 23, beside 43 projects in the Organizational Support sector. The number of implemented projects during the Fourth Phase in the sectors of Training, organizational support, and integrated intervention reached 832 project with estimated contractual cost of US\$35.7 million.

Project Field Implementation

The sectors of Training, Organizational Support and Integrated Intervention consisted of the below activities:

Empowerment for Local Development (ELD) Program

ELD program aims to empower authorities and local communities for adopting participatory planning falling in line with available local resources to suit the national development policies and strategies. It also aims to scale up and enhance community participation and strengthening of relations between local authorities and their communities in the direction of cooperation work revival in order to help in maximizing the benefit of national capital.

During the year, 2017 ELD activities included the following activities:

- 1. Self-help initiatives:** Villages' Cooperation Councils (VCCs) formed and trained by the program implemented 2,396 initiatives in 49 districts of 14 governorates with estimated cost reached YR383 million financed by rural communities.
- 2. Formation and Activation of Villages' Cooperation Councils:** The program facilitated, formed and activated 751 VCCs and supported the development of 748 resilience plans of 20 districts in 8 governorates. About 6,742 members of these VCCs participated in the training including 50% females, in addition to the training of 410 local authority members in 18 districts.
- 3. Supported Initiatives for Small Community Projects:** This type of community initiatives supports small community projects related to the infrastructure that need additional financial resources to community contributions focusing on available local resources. SFD utilized some of its resources to equalize community contribution mainly by means of materials. During the year 2017, ELD program supported 540 small community projects, while 40 initiatives covered training in life skills. The total estimated cost for self-help initiatives was about YR647 million, with about 40%

SFD contribution, and 60% communities' contribution. These small projects included 161 projects for the Education Sector, 144 projects for Water, 108 projects for Rural Roads, 21 projects for Health, 28 projects for Sanitation, and 78 projects for life skills' training.

- 4. Supporting the Local Authority in District and Recovery Planning:** SFD implements the good governance component concerning "Enhancement of Rural Resilience in Yemen" financed by European Community through the United Nations Development Program. As a part of this, ELD support covered eight districts in four governorates to adopt recovery planning at the district level, besides reinforcing rural resilience at the village level. Targeted districts included Lauder and Khanfer (in Abyan Governorate), Tuban and Habeil Jabr (in Lahj), Al-Zuhra and Bajel (Al-Hudaidah), Bani Qais and Kuidina (Hajjah). The resilience plans concerning VCCs represented one of the main outputs approved at the governorate's administrative level and with participation of civil society organizations and the universities' academicians in these governorates. The plan aims to comprehend the needs of local communities as well as the vulnerable groups who were affected by the crisis in the four main sectors, i.e. infrastructure, human, social and economic development.
- 5. Women Empowerment:** By design, the ELD program works to empower women. This is well illustrated in the targeted districts where women actively participate in the formation of VCCs, as well as in the implementation of self-help activities. This is also evident in the membership of these VCCs where women occupy 50% of elected members' seats. During the reporting period, from the total of 6,700 members trained women accounted for 50% of participants in the development of resilience plans. This is besides involving them in project designing of village development plan and the consultative meetings carried out by youth ELD groups' facilitators (male and female). Results of this are detailed in the village plan. Women also obtain training skills responding to their expressed priorities. In this respect and during the report period more than 200 women were trained in sewing, food processing, perfumes' making and coiffeur.
- 6. VCCs Response to Cholera Epidemic:** ELD program responded very widely during the Cholera epidemic outbreak in the country during the year. The program designed a community framework as a vital portal for community resilience, and response to shocks and risks that might form a damage to the society. In this respect, the VCCs' response was considerable. A number of activities were implemented, besides exerting efforts during the sudden spread of the epidemic. Most of the 5,000 VCCs played a leading role as change mediators and provided a trustworthy portal for assistance agencies in the efforts of keeping the Cholera danger at its minimal level in their communities.

RAWFD Program

This Program qualifies rural university graduates to become social development advocates in their areas. It implements various activities including those related to labor-intensive works and work opportunities.

Activities during the year included the following:

1. Training 83 youths, of whom 52 females in PRA and Cash for Work.
2. About 1,450 of Program's graduates were contacted, and the following information gathered:
 - » 28 Program graduates secured long-term work opportunities including nine females, with a number of local and international agencies (OXFAM, ADRA, Child Protection Organization, InterSOS, SFD, Mercy Corps, UNICEF, and Care International.)
 - » 393 Program graduates obtained short-term work opportunities including 178 females with a number of agencies including Child Protection Organization, UNICEF, IOM, SMEPS, Amal Bank, Empowerment for Local Development Program,
 - » 170 Program graduates participated in the implementation of 161 youth self-help initiatives in 18 governorates at the total cost of about YR22.8 million. Interventions consisted of services for the relief programs to assist those affected by the war in conflict areas and facilitating their accommodation, training, awareness and cleaning campaigns, planting coffee trees, maintenance of drinking water networks, school furniture repair, literacy classes, teaching school subjects due to shortage of teachers in some schools, rehabilitations of water tanks, road works, etc.

Within the **Integrated Interventions** Program aiming at the improvement of living conditions for the poor through improving basic services and increasing access to such services, several activities were carried out during the year. These include cotton planting, conducting field visits to vegetable fields as well as training 40 facilitators in literacy and community education. Follow-up visits have been carried out to trainees in animal healthcare and to the women who had been trained in sewing, embroidery, life skills and handicrafts in addition to providing the necessary requirements for animal care and veterinary activities. This is in addition to initial handover of Al-Balas cistern expansion project and the building and completion of 100 private rainwater-harvesting tanks (in Bani Ali Sub-district, Malhan, Al-Mahweet).

SFD has also implemented maintenance works for irrigation canals affected by Chabilla tornado

in coordination with the Cash-for-Work Program and the Local Development Committee in Maefa', Broum, Hadhramaut.

As part of the two projects of Social and Economic Study for Poverty-Pocket Areas and the Preparatory Period for Targeting Poverty Pockets (in the Capital City of Sana'a), several workshops were carried out. These include a workshop to prepare terms of reference for the study, and another one concerning field researchers and 30 consultants (10 females). All these activities have aimed to improve living conditions of the limited-income areas' population to start the implementation of the project.

Training of Consultants

Through consultants' training SFD aims to reinforce the human resources needed for implementation and quality control. In this respect hundreds of community mobilizers, engineers, accountants, and technicians participated in capacity building activities, and secured work opportunities for enhancing the quality of projects implemented in the field.

During the year, SFD trained more than 1,000 consultants who had completed university studies in the fields of accountancy and engineering, as well technicians and community mobilization facilitating. Most of these consultants are young. The training objective is to improve their practical and developmental skills and know-how. It also reinforced their opportunities to secure consultation duties or permanent work opportunities with SFD and other development agencies.

Community Participation

The SFD, through the community participation sector, provides support to SFD branches for reinforcing citizens' participation in all field activities. This is as a right granted to citizens themselves as well as to help facilitate project implementation.

During the year, about 183 beneficiary committees were formed and trained. These committees represent the community before SFD and facilitate the implementation process in addition to their role in community accountability. Parallel to committees' formation, 122 participatory studies were conducted in all SFD branches. Such studies help identify targeted communities' priorities by means of which those branches rely for approving SFD projects' that will be funded and implemented.

Box (7) Within the framework of ELD Program, An aesthetic painting of the Youth Employment Project

In a wonderful image and with a considerable success 30 RUAWFD youths, male and female, implemented the first phase of the Youth Employment Project concerning community activation and social coherence in Thiebin District / Amran

Community Activation & Upgrading of Self-help plans was the phase title

Actually, it was real activation by local communities in all the villages of the district. The training had been a stimulus to all Villages' Cooperation Councils (community structures considered by ELD as the most precious of its outputs and the most sustainable and active). They have become a community wealth mobilizing communities in different circumstances however difficult and inappropriate. These councils continued to be a development tributary to their communities and a solid assistant to different development agencies and organizations.

RUAWFD youth implemented the activation program wonderfully well. The Communities also continued their self-help initiatives. During fieldwork, they implemented 90 initiatives with the over-all total cost exceeding 3 million Yemeni Riyals.

During the activation, VCCs' self-help initiatives' plans were upgraded in order to reflect the priority for the initiatives that deal with the present development situations, redeem services, and preserve them.

During activation, the VCCs also prepared funding requests for various community initiatives covering all villages. They were submitted to the local authority administration body for discussion and approving what adheres to the conditions and criteria and in accordance with the texts of the local authority laws promulgated in the ninth chapter of the by-law and concern cooperative initiatives

During the activation phase also, male and female youths proved themselves in implementation announcing to all that youth blood is capable of building the homeland and mitigate its suffering.

They expressed their happiness for the opportunity SFD provided to them in these difficult circumstances especially since most of them had spent many years following their graduation from university without finding either a work opportunity or any source of income to help them confronting life difficulties they suffered since their birth.

Communities then started to prepare their community initiatives despite hardships. These initiatives were something great for them despite their little size, because they deal with considerable development problems. Some of them built a classroom or two to complete their schools, others implemented support walls, and water barriers to preserve land from damage, while others paved sections of inaccessible roads in their areas. This is beside various initiatives in the fields of education and school activities to encouraging girls to continue education, or rehabilitation and furnishing the lodgings of teachers who come from other areas.

These initiatives realize the revival of services, and allow collective work by citizens to achieve different activities that contribute to bringing about solidarity as well as harmony, stability and social peace.

Mohammed Al-Hiddima (ELD program officer – Amran Branch)





Cultural Heritage

Projects in the Cultural Heritage (CH) Sector contribute to rescuing and restoring the country's rich and diverse endangered cultural heritage and preserving both tangible and intangible assets of historic and aesthetic value. Projects in this sector also help build national capacities in this regard.

Progress in project implementation

In 2017, SFD developed 23 projects worth \$2.4 million expected to create more than 35,530 workdays.

Table (17): Progress in developing and implementing projects

| Indicator | 2017 | 2011–17 |
|---|-----------|------------|
| No. of developed projects | 23 | 109 |
| Estimated cost of developed projects (US\$) | 2,350,692 | 21,914,707 |
| No. of completed projects | 8 | 84 |
| Contracted amounts of completed projects (US\$) | 880,364 | 18,510,294 |
| Disbursed amount of completed projects (US\$) | 878,737 | 18,486,663 |
| No. of direct beneficiaries | 5,436 | 86,234 |
| % of female beneficiaries | 27 | 41 |
| Actual temporary jobs created (Working days) | 35,539 | 718,103 |

Table (18): Progress in achieving Phase IV indicators

| Results indicators | Phase IV | |
|---|----------|---------|
| | Achieved | Planned |
| Master builders trained/gained skills | 817 | 520 |
| Professionals trained and gained skills (architects, archaeologists, engineers) | 280 | 250 |
| No. of sites and monuments documented and saved/conserved | 63 | 50 |

Restoration of Sana'a Great Mosque

The work in the project has been greatly affected by the ongoing conflict and the shortfall of financial support. However, SFD has been able to provide small financial allocations to secure and close open work sites and secure the project asset materials and tools under a contingency plan.

During 2017, a plan was prepared to resume the implementation of the project. The plan also included logistical, administrative and financial arrangements, and provision with the essential materials to resume the work and call teams leaders

for putting plans to reopen the work according to the insecure situation.

The roofs of the mosque and the Qubbat Azzait (dome) have been checked, secured and maintained. The areas, which were opened to restore the wooden ceilings, have been applied with the final layer of "Qadad".

The six structurally damaged arches were repaired and restored in the south-west area of the mosque considering appropriate support measures along with accurate documentation of the architectural work including taking images and making 3D structural digital simulation aiming to analyze the situation and to help decide the best solution.

Some parts of the deteriorated ceilings have been restored along with checking the other parts including the restoration of some wooden coffers affected by the conflict in and around the Old City. The needed wood bridges have been supplied for the next phase of the work.

The teams repaired the floors in several places, the wood parts in the western library, the discharge canals. They carried out plastering in different parts and electrical installations for the ground and walls of the southwestern part of the mosque. They also continued architectural studies, solutions and proposals. The exhibition was reopened for visitors to promote performance and introduce the ongoing restoration works in the mosque project.

Improving the environmental situation of Amran Old City

Works of repaving and repairing the damaged parts of the streets and alleys of the old city were completed along with cleaning, operating, opening and maintaining the inspection chambers buried underground for rainwater drainage. This will provide appropriate rainwater drainage for the city. The work also included removing garbage and construction remnants out of the streets and neighborhoods and providing garbage containers. In addition, the entrance of the southern gate of the city was refurbished by building a wall and a staircase to facilitate the people's movement.

Paving and improving the street by the Sa'adah wall

Pavement works were completed in the street by the wall of the historical City of Sa'adah (Phase III). Works included improving the drainage channels and reconstructing the mud walls damaged due to the conflict.

Improving discharge channels and paving water harvesting surfaces in Thula (Amran)

The essential works of the project reached 89%

in performance. These works included removing garbage, constructing and replacing walls and implementing Qadad works. The works of paving and refurbishment of streets and alleys Shihara'a City were conducted.

Inventory and Assessment of Damage in the Old City of Sana'a

Funded by UNESCO, this project has been completed, that included providing the Center of Architectural Training and Studies (CATS), which reports to the General Organization for Preservation of Historic Cities in Yemen (GOPHCY). CATS was provided with a solar energy system, desktop computers, cameras and stationery for the purpose of performing the project activities and training 60 young men and women on inventory and assessment measures of the war ensued damage in the Old City of Sana'a including data entry using GIS application as well as classifying the damaged buildings and prioritizing list for future intervention for rescue, protection, preservation and reconstruction purposes.

Reconstruction of the damaged Magshama walls

The project was implemented in Al-Qassemi and Baroum *magshama* in the Old City of Sana'a in consultation with GOPHCY and the neighborhood. The project provided more than 1,980 workdays supporting more than 129 families.

The project covered different activities including the construction of almost 100 m² retaining walls, cleaning up 900 m³ of debris, cleaning 4,300 m² of agriculture surfaces, rehabilitating a 32-m³ water tank and paving more than 150 m² of sidewalks. Moreover, the project has finished works of improving the infrastructure of the area including water and sanitation networks and emergency prevention of total collapse of 3 buildings and 13 other buildings from a partial collapse.

Preparation of the Preservation of Historic Cities and Landmarks bylaw

Issuing a law for the preservation of historic cities and landmarks was an important legal reference to support and organize the preservation process of the national cultural heritage in different places. But the existence of Law only without an explanation bylaws and regulations and guidelines is not enough from the practical and field side. Therefore, the project came to complete the previous efforts of SFD in preparing and setting the Law as a contribution from the Yemeni side to preserve the Yemeni historic cities registered in the World Heritage List. The draft has been prepared and has been completed and sent to the concerned authorities to complete their accreditation procedures.

Pavement and Protection of Qala'at Al-Qahirah Entrance (Hajjah)

Within the Cash for Work Program, the SFD supported the neighborhood of Qala'at Al-Qahirah (fortress) in Hajjah City with paving streets and constructing supporting walls in order to protect the houses around the fortress from the falling rocks and landslides. Paving works would reduce rainwater leaking into the houses in the paved area. In this project, 1500 job opportunities were provided for people of the area and IDPs.

Improvement of environment in Al-Taweela City (Al-Mahweet)

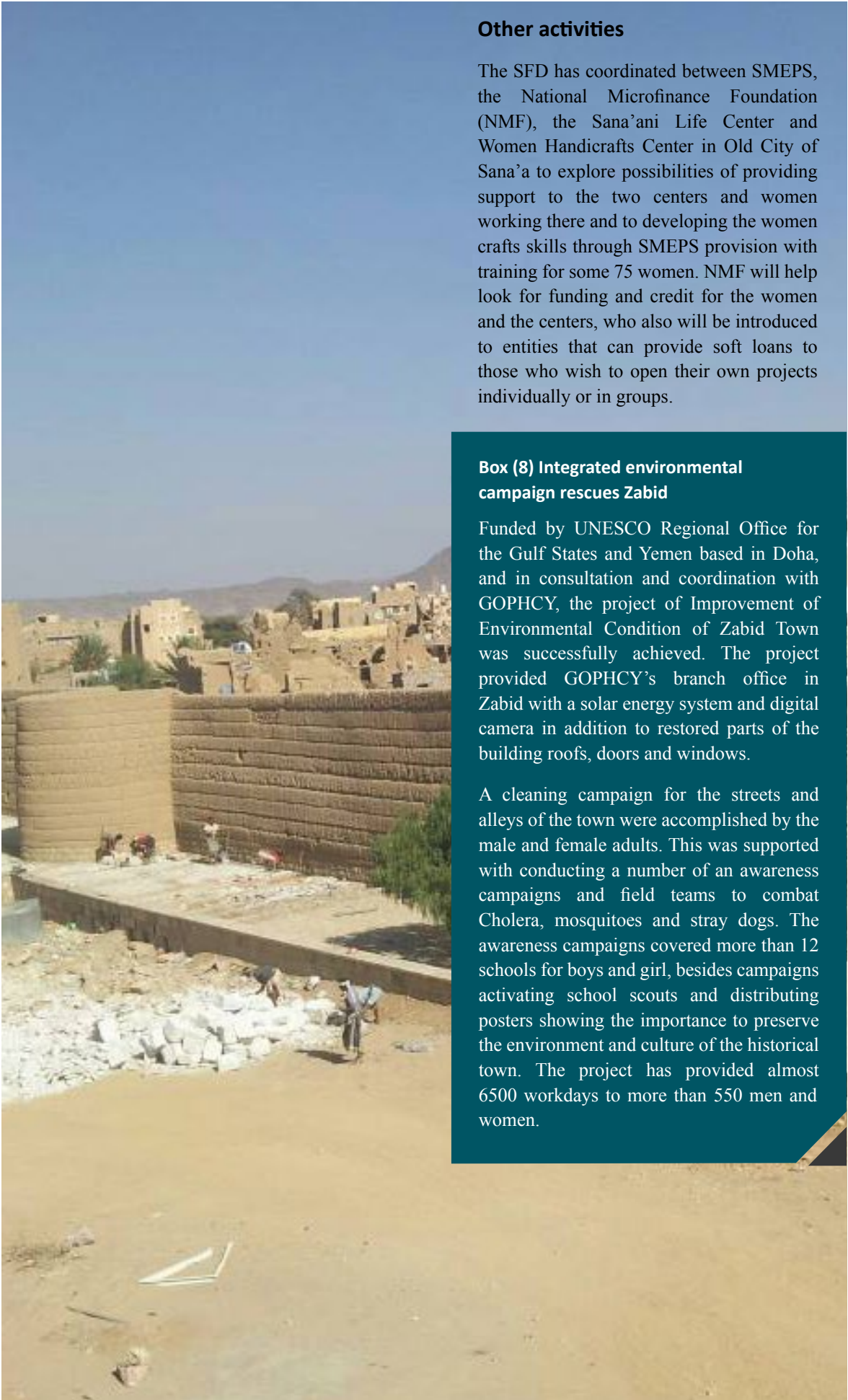
Within the Cash-for-Work Program, Al-Taweela town was supported with an environmental improvement project especially that it has witnessed waves of IDPs. Coordination with the local authority has been carried out to implement the cleaning campaign for all parts of the town. The project included awareness campaigns in several schools and local markets. The project employed 79 workers to remove more than 650 m³ of solid waste and dust accumulated for years across all the town neighborhoods.

Completion of the restoration of Al-Asha'aer Mosque (Zabid)

Works in the project continued and have been almost finished in phase two. Works included supporting and repairing the ceilings of the second and third arcades at the northern part of the mosque. All works in the new library have been completed and handed over to the respective authority. Parts of previous random interventions were also removed and repaired based on traditional practice on the surface of the roof and the constructional violations around the mosque were removed after resolving the relevant disputes. The walls of the well were also restored and tree basins were built near the entrance to the mosque.

Restoration of Bab Al-Qurtub (Zabid)

Bab Al-Qurtub is regarded as one of the most important landmark in the historic town of Zabid. It is one of the four gates of the town. The rainwater gathering in addition to the outbreak of diseases and epidemics in the town create great threats to the foundations of this historical landmark and to the population. A discharge channel was opened in the blockage parts as a rescue solution, and the channel sleeping bed was leveled and applied with a thin concrete layer. In addition, the walls were built on both sides of the canal matching the historical style of the town. The teams supported the protecting walls of the gate's wall and its annexes and paved its entrance.



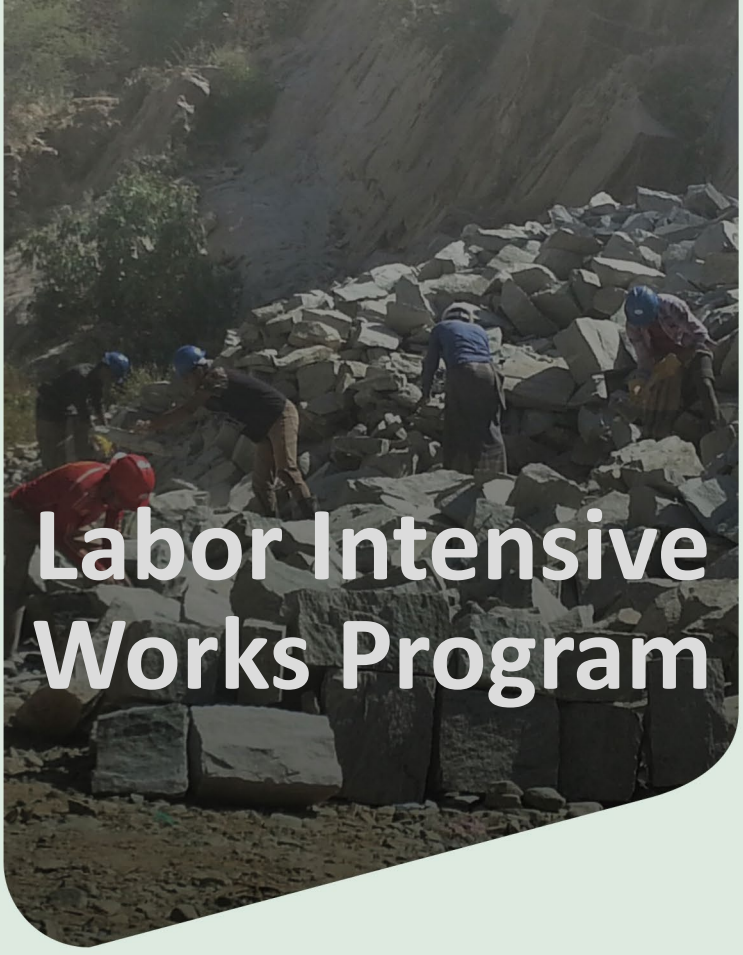
Other activities

The SFD has coordinated between SMEPS, the National Microfinance Foundation (NMF), the Sana’ani Life Center and Women Handicrafts Center in Old City of Sana’a to explore possibilities of providing support to the two centers and women working there and to developing the women crafts skills through SMEPS provision with training for some 75 women. NMF will help look for funding and credit for the women and the centers, who also will be introduced to entities that can provide soft loans to those who wish to open their own projects individually or in groups.

Box (8) Integrated environmental campaign rescues Zabid

Funded by UNESCO Regional Office for the Gulf States and Yemen based in Doha, and in consultation and coordination with GOPHCY, the project of Improvement of Environmental Condition of Zabid Town was successfully achieved. The project provided GOPHCY’s branch office in Zabid with a solar energy system and digital camera in addition to restored parts of the building roofs, doors and windows.

A cleaning campaign for the streets and alleys of the town were accomplished by the male and female adults. This was supported with conducting a number of an awareness campaigns and field teams to combat Cholera, mosquitoes and stray dogs. The awareness campaigns covered more than 12 schools for boys and girl, besides campaigns activating school scouts and distributing posters showing the importance to preserve the environment and culture of the historical town. The project has provided almost 6500 workdays to more than 550 men and women.



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.

Progress in implementation and development of projects

During 2017, some 287 projects were approved for both CfW and Roads sectors at an estimated cost of \$46 million, and 114 projects have been completed at a total cost of \$17.6 million benefiting 171 thousand direct beneficiaries (49% female), generating about 1.4 million temporary workdays. The cumulative number of LIWP projects during phase IV reached 1,116 at an estimated cost of \$252 million, as shown in the table below.

The freezing of funding led to suspension of 23 cash-for-work projects and 49 road projects until the end of 2017.

Table (19) – CfW and Roads (LIWP) Projects

| Description | 2017 | 2011–17 |
|--|------------|-------------|
| Number of developed projects | 287 | 1097 |
| Estimated cost of developed projects (\$) | 46,445,206 | 247,158,344 |
| Number of completed projects | 114 | 1041 |
| Contracted cost of completed projects (\$) | 17,666,854 | 226,599,296 |
| Disbursed (\$) | 17,494,118 | 226,291,456 |
| Direct beneficiaries of completed projects | 171,608 | 2,269,381 |
| % of women benefited of completed projects (%) | 49% | 49% |
| Actual temporary employment (working day) | 1,487,793 | 17,307,269 |

Main activities of LIWP during 2017

The community, technical and financial monitoring mechanisms were updated, which are used to follow up on the under implementation projects in the branches and improve the weaknesses if any. Also, community, technical and financial training materials related to the cash-for-work mechanism have been developed. A proposal for LIWP interventions in urban areas has been prepared.

Several workshops were held for beneficiaries to clarify the concepts, standards and mechanism of CfW & Roads sectors in various governments. Also, many training courses were held for consultants to raise awareness of community, technical and accounting mechanisms for both sectors and mechanisms of implementing projects in their relevant fields.

Supporting local authorities (LAs) with participatory planning

Meetings were held with local authorities during targeting process of developing new projects in nomination communities meeting the SFD and CfW program criteria. The meetings also help accelerate project implementation in their areas through solving emerging challenges.

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 themselves, selecting components that fit their capacities, privacy and that are close to their homes. Women's participation reached up to 30% of CfW workforce. The 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 that enables the individuals to continue learning and develop their careers; thus, improving family economy and living conditions and increasing likelihood of employment. The LIWP is implementing two types of training: life skills and on-the-job training:

On-the-job training: In 2017, many training sessions were provided to the unskilled beneficiaries with different required skills such as building, stone forming and curving, stone cutting, plastering, stone paving enabling them to join the labor market at the end of the projects.

Life skills training: In 2017, many training sessions were held on life skills and raising awareness on the livelihoods and self-confidence to strengthen the benefitting families' capacity.

Awareness Raising on Workers' Safety

The program has a special concern regarding safety of workers and held relevant awareness sessions during 2017 for consultants in the branches, on risks during the work that may threaten their and workers' safety, and the importance of adhering to program's safety considerations to avoid such risks including using the safety sets and tools during implementation of projects.

Progress in achieving phase IV indicators

Cash-for-Work Program

The CfW program works directly with the beneficiary community across all project lifecycle in the priorities decided by the community. Such projects are usually of simple technical structure and labor intensive so that the wage component can range between 60 and 70% of the project total cost.

During 2017, the SFD approved several types of interventions including four projects in creating and rehabilitating agricultural terraces, 16 projects in sanitation, 147 in multiple components, 24 in rainwater harvesting tanks, 17 in urban paving, 6 in irrigation, and 4 project in roads.

Table (20): Cash for Work projects

| Sectors/sub-programs | Projects developed in 2017 | | Projects completed in 2017 | | Projects completed (2011–2017) | |
|----------------------------------|-------------------------------|---------------------|-------------------------------|----------------------------|-----------------------------------|----------------------------|
| | Projects No. | Est. cost (US\$) | Projects No. | Contractual cost (US\$) | Project No. | Contractual cost (US\$) |
| Creating agric. terraces | 4 | 242,437 | 1 | 240,821 | 37 | 7,183,188 |
| Sanitation | 16 | 1,579,169 | 2 | 256,625 | 38 | 6,566,548 |
| multiple interventions* | 147 | 24,920,575 | 83 | 11,435,346 | 522 | 105,620,013 |
| Water harvesting | 24 | 2,903,524 | 4 | 887,828 | 53 | 7,541,119 |
| Urban paving | 17 | 3,188,761 | 0 | 0 | 0 | 0 |
| Irrigation | 6 | 823,076 | 0 | 0 | 2 | 244,938 |
| Roads | 4 | 459,838 | 3 | 360,774 | 31 | 5,333,521 |
| Surface wells | 0 | 0 | 0 | 0 | 4 | 393,263 |
| Health education | 0 | 0 | 0 | 0 | 2 | 32,181 |
| Land rehabilitation & protection | 0 | 0 | 0 | 0 | 29 | 6,276,681 |
| Total | 218 | 34,117,380 | 93 | 13,181,394 | 718 | 151,069,052 |

*Multiple interventions include a number of other sub-interventions

The number of people who directly benefited from LIWP cash transfer during 2017 reached 164,850, of whom 71,264 in the urban areas, and the number of indirect beneficiaries was 41,213. In addition, LIWP activities generated 1,316,493 workdays. The cumulative total number during phase IV (2011-2017-) reached up to 1.3 million direct beneficiaries and 329 thousand indirect beneficiaries.

During 2017, LIWP generated 1.3 million workdays; and rehabilitated 608 hectares of agricultural land and terraces. During phase IV, it accumulatively generated 13.4 million workdays and rehabilitated 5,187 hectares of agricultural land and terraces.

Table (21): CfW Projects

| Results Index | | 2017 | Cumulative (2011-17) |
|---|--------------|------------------|----------------------|
| Number of direct beneficiaries of short-term projects (rural and urban) | countryside | 93,586 | 819,203 |
| | Attended | 71,264 | 497,290 |
| | Total | 164,850 | 1,316,493 |
| Number of working days resulting from the implementation of short-term projects (rural and urban) | countryside | 982,585 | 11,209,973 |
| | Attended | 372,949 | 2,238,712 |
| | Total | 1,355,534 | 13,448,685 |
| Number of indirect beneficiaries of short-term projects (community livelihoods assets) | | 41,213 | 329,123 |
| Land area and terraces protected and reclaimed (ha) | | 608 | 5,187 |
| Percentage of financial resources paid as wages (%) | | 70 | 70 |

Technical indicators for cash-for-work projects

| Technical indicators | 2017 | Cumulative (2011-17) |
|---|--------|----------------------|
| Rehabilitation of agricultural land - ha | 608 | 4,523 |
| Protection of agricultural lands - ha | 1,619 | 4,716 |
| Irrigation of agricultural lands – ha | 984 | 5,559 |
| Rehabilitation of pastures – ha | 13 | 129 |
| Home gardens | 1,409 | 3,788 |
| Improvement and protection of roads - km | 31 | 293 |
| Capacity of constructed and rehabilitated water tanks (tanks and cisterns) - cubic meters | 44,408 | 509,877 |
| Protection and rehabilitation of wells | 348 | 1,484 |
| Houses protected from floods | 1,240 | 6,115 |
| Length of irrigation canals - meter | 14,493 | 42,994 |
| Rehabilitation of Latrines - number | 2,961 | 21,104 |



Box (9): Samar secures food for her orphan children (in Taiz)

These crops have saved us from humiliation of asking for money from relatives, most of whom are poor, as they have not received salaries for more than a year due to the war that hit my city of Taiz.

«And the crops have not cost me a penny; I irrigate them using the waste water of the kitchen and I use organic materials from my village as fertilizers and garlic or orange peels as a pesticide and all were effective and healthy,» thus the widow Samar Mohamed shares her story of her home garden, which she worked with SFD to set up for labor wages.

Once received her labor wages, Samar bought a door to protect her garden and a sewing machine to start a new project that ensures her constant income.

Box (10) Majeeda's displacement life changed not due to cash only!

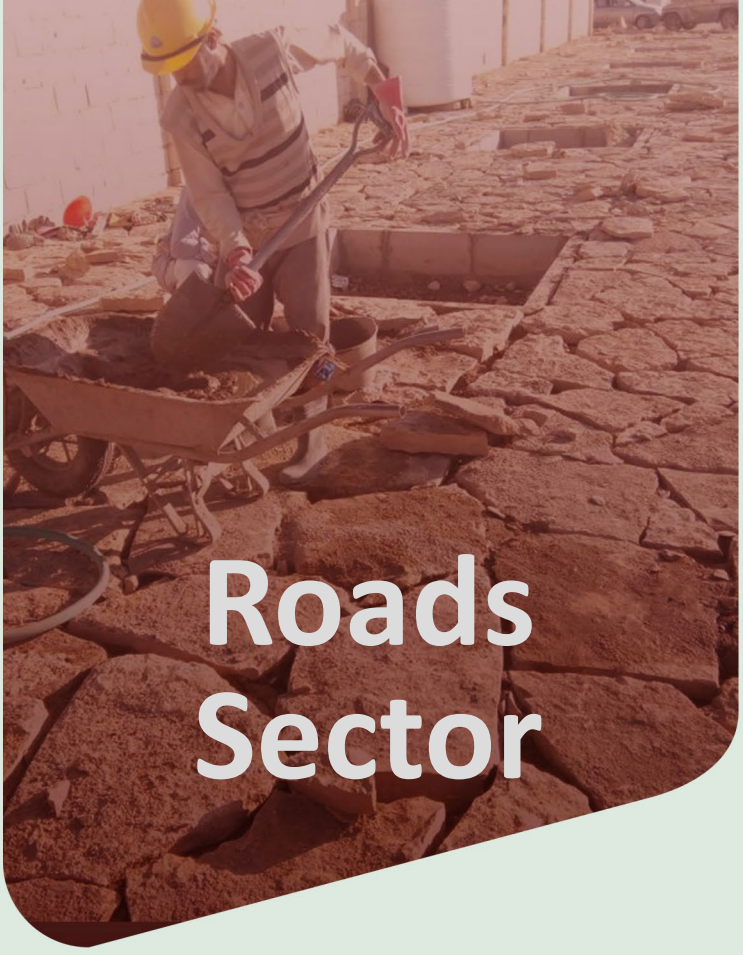
«Not the cash... the most important yield I have got from the SFD has been the acquired self-confidence and communication skills that have made me socially and economically interactive,» Majeeda Fadhl (40 years old from Taiz City) said as she speaks of the SFD's IDPs employment project support to her displaced family she is heading.

In 2015, the conflict broke in Taiz and Majeeda's husband has gone missing in a remote area. She and her three children experienced multi-displacements and are now living in Al-Qaida City in Ibb Governorate. Being an introvert homemaker, Majeeda had been helpless and depressed due the high competition on the limited livelihoods opportunities in this IDP-condensed city.

She explains, «I were not able to talk smoothly to others, but the SFD-implemented trainings on health education and life skills development have enabled me also to talk comfortably about public health, mother and children nutrition and food security and to bargain with male sellers and the purchasers on my products.»

Supported by the labor wage from the SFD response, Majeeda secured the house rent, basic food and education expenses for her children. She decided to invest her gained communication skills in livelihood so she has bought a solar system and a sewing machine on a debt of which she has repaid 80%. She also prepares and sells incense and perfumes. «My personality and life have changed, and I can now continue to take the lead for survival much better than ever before,» Majeeda concluded.





Roads Sector

Roads sector interventions have gained special attention during the current conflict, in addition to its role in improving the access of poor rural communities to centers for obtaining basic services. These communities become able to access basic services such as wheat, flour, sugar, etc. at a lower cost by improving the condition of rural access roads to neighboring market centers. The sector also contributes to providing temporary employment opportunities for local communities benefiting from the interventions due to the labor-intensive content that characterized the sector interventions. Therefore, placing a weight to this role and the multiple effects, the road sector has become one of the most responsive sectors to the community's emergency needs during the current situation. From this point, the sector is currently scaling up its interventions whenever funding capacity allows.

Rural roads

The total cumulative length of rural roads protected and improved reached 1,420 kilometers, of which 114 kilometers were constructed during 2017.

During 2017, the SFD approved 20 projects at an estimated cost of \$3.6 million, generating job opportunities exceeding 147 thousand workdays.

Thus, the cumulative total number of sector projects reached 870 at an estimated cost of \$186.2 million and the total beneficiaries from the service are expected to amount to 4.5 million persons (50%

female), generating about 8.6 million workdays. Of these projects, 789 were completed costing around \$170 million.

During 2017, 114 km long of rural roads were improved and protected, benefiting 64 thousand beneficiaries, bringing the total length of rural roads that has been protected and improved during phase IV to reach 1,420 km as detailed in the table below:

Table (22): Rural roads:

| Results indicators | 2017 | Cumulative (2011–17) |
|---|------|----------------------|
| Access to rural road: | | |
| Total length of roads improved and protected (km) | 114 | 1,420 |

Street pavement

During phase IV, 688 thousand workdays have been cumulatively generated from completed and ongoing projects of street pavement.

Road sector sub-interventions

During 2017, various types of interventions' projects were approved, including 44 rural roads rehabilitation and protection projects, and 24 street pavement projects. Table () below shows developed, completed and under implementation projects demonstrated by sub-sector:

Table (23): Roads Projects

| Intervention | Developed projects 2017 | | Completed projects 2017 | | Completed Projects 2011- 2017 | |
|---------------------|-------------------------|---------------------|-------------------------|-----------------------|-------------------------------|-----------------------|
| | Number of projects | Estimated cost (\$) | Number of projects | Contractual cost (\$) | Number of projects | Contractual cost (\$) |
| Rural roads | 44 | 7,268,295 | 16 | 3,866,751 | 240 | 56,821,281 |
| Streets pavement | 25 | 5,059,531 | 5 | 618,709 | 77 | 30,479,739 |
| Roads training | 0 | 0 | 0 | 0 | 4 | 18,307 |
| Total sector | 69 | 12,327,826 | 21 | 4,485,460 | 317 | 87,181,287 |

The number of projects that have been stopped until the end of 2017 due to funding suspension in CfW reached 35 projects and 49 in roads sector.

Box (11) Mujahid relieves the pain of war by working in paving lane streets

Mujahid Sa'ad Ahmad Al-Ansi, a construction worker in the town of Dhamar with his family of six members, remained without work or income for months due to collapse of construction sector and other sectors. His condition became worse as a result of the war in Yemen since the beginning of 2015. His family underwent all the means of adapting their living so that they no longer find their relatives who can provide more debts and there is no longer at home what can be sold in order to provide the basic needs for his family.

Mujahid expressed his position by saying, «**I am unemployed for two months I have no work and my condition became worse the house without expenses, my condition is difficult**».

Mujahid has a severe psychological stress while he has good skills but the circumstances of the country made him feel depressed and he lost his confidence of stopping war or improving of his situation as similar circumstances as many around him. The Social Fund for Development (SFD) represented by Cash-for-Work Program has implemented a project of paving Al-Qaeda streets in Dhamar City, and Mujahid had participated in this project and got a six-month job opportunity that was for years dreaming about which he overcame the depression and pain.

He became happy with receiving his wages of the work; he quickly went to the market to buy all the needs of his family without buying them in debt or selling his family's furniture.

He said, «**SFD gave my son and me the chance to work in the project, I benefited from this amount to buy my family's needs such as wheat, flour, sugar and oil. They remembered us and gave us the chance to work after a long period of work stopping and we were in a disastrous situation, so thank God for what SFD has done to us**».

The project has benefited 70 households and provided opportunities for 4,489 temporary workdays.





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 economic situation in Yemen during 2017 has witnessed a major deterioration due to the deteriorating purchasing power of the national currency, the rise of prices, and the continued suspension of public sector salaries, leading to increased suffering and worsening of the living conditions of the general public. In spite of these conditions and crises, SFD has continued to implement the activities of its annual microfinance plan for 2017, focusing on the development of 18 projects at an estimated cost of USD23 million. The percentage that was committed in terms of the planned cost of the projects has reached 91%, while at the level of performance it has reached 81% in terms of number of projects. The number of direct beneficiaries has reached 22 thousand, the percentage of women benefiting from the funding reached 50%, and the total number of temporary jobs created was 651,415. These projects aimed at sustaining the continuity of the services of provided by the MFIs by strengthening their financial situation, and compensating the clients whose activities have been damaged by the war and help them recover.



Loan portfolio indicators for microfinance programs and institutions until the end of December 2017

| NO | Program | No. of Disbursed loans | Active number of clients | | | Outstanding loan portfolio Billion YR | Amount of Disbursed loans Million YR | PAR (%) | Cumulative numbers | | FSS | No. of Personnel | No. of Loan Officers | No. of Branches | Area of Operation |
|--------------|--|------------------------|--------------------------|---------------|----------------|---------------------------------------|--------------------------------------|---------|--------------------|-------------------------|-----|------------------|----------------------|-----------------|--|
| | | | Total | Borrowers (%) | Savers | | | | Number of loans | Loan amounts Million YR | | | | | |
| 1 | Hadhramaut Microfinance Program | 248 | 6,773 | 30 | 4,972 | 741 | 58 | 34.8 | 30,669 | 4,116 | 128 | 61 | 36 | 5 | Hadhramaut (Seyun, Tarim, Al-Suom, Almahra, Shaqba, Alhami, Sah, Almkala, Alshehr, Shebam, Alkton |
| 2 | Alkuraimi Islamic Microfinance Bank | 243 | 3,378 | 6 | 574,374 | 1,410 | 191 | 13.3 | 25,964 | 11,645 | 55 | 67 | 72 | 62 | Capital City, Taiz, Ibb, Aden, Hudaidah, Thamar , Al- Almkala, Seyun |
| 3 | National MF Foundation | 184 | 12,799 | 38 | 26,137 | 889 | 76 | 58.7 | 149,740 | 8,201 | 88 | 129 | 59 | 18 | Capital City, Taiz, Ibb, Alkaeda, Thamar, Yarm, Hajjah, Lahj, Al-Hudaidah, Allorba, Demt, Shebam, Bgjl, Aden |
| 4 | MF Development Program (Nama') | 168 | 6,225 | 38 | 238 | 439 | 45 | 52.1 | 85,671 | 6,925 | 70 | 107 | 80 | 9 | Capital City, Taiz, Hudaidah, Ibb |
| 5 | Alladhamon Bank | 159 | 2,696 | 31 | 0 | 616 | 101 | 31.3 | 38,944 | 9,195 | 41 | 63 | 25 | 14 | Capital City, Taiz, Al-Hudaidah, Aden, Ibb, Hadhramaut |
| 6 | Aletehad Microfinance Program | 105 | 3,671 | 78 | 0 | 341 | 21 | 31.8 | 49,235 | 2,775 | 60 | 71 | 32 | 6 | Abyan (Zanjabar, Hanfar, Ahwar), Almkala, Alshehr, Aden |
| 7 | Aden MF Foundation | 44 | 10,444 | 67 | 7,703 | 701 | 20 | 77.9 | 54,155 | 4,204 | 105 | 64 | 35 | 7 | Dar sad, Al-Buraikah, Alawahe, Khoo Maksar, Kerater, Aden, Lahj, Aldali, Al- Mansora |
| 8 | Azal Microfinance Program | 39 | 3,629 | 53 | 5,023 | 285 | 20 | 56.4 | 50,192 | 4,349 | 74 | 71 | 30 | 5 | Capital City, Almahweet |
| 9 | Al-Amal Microfinance Bank | 9 | 34,098 | 38 | 127,940 | 2,285 | 9 | 95.7 | 129,684 | 11,126 | 185 | 177 | 71 | 15 | Capital City, Ibb, Taiz, Dhamar, Almkala, Al-Hudaidah, Aden, Hajjah, Abs |
| 10 | Al-Awael MF Company Report of April 2015 | 0 | 1,546 | 79 | 0 | 93 | 0 | 10.8 | 65,829 | 2,578 | 90 | 41 | 21 | 5 | Taiz (Al-Camb, Hawdh Al-Ashraf, Al-Rahedah, Sainah, Al-Qadaedah) |
| 11 | Other Activities & IGPs | | | | | | | | 109,187 | 21,391 | | | | | Several areas |
| Total | | 1,199 | 85,259 | | 746,387 | 7,800 | 541 | | 789,270 | 86,505 | | 851 | 461 | 146 | |

SFD has also continued to support a number of new initiatives to support the growth and development of the microfinance industry in Yemen. This includes the establishment of a guarantee program that will contribute to the proportion of loan risks and provide the necessary guarantees for owners of income-generating activities who are unable to provide them, in addition to assisting a number of programs and institutions in opening new branches in rural areas.

The alternative energy project was also approved in order to support the branches of MFIs in providing their services affected by the interruption of electricity. SFD has also played a major role in supporting and financing the Yemen Microfinance Network (YMN), which provides specialized and general training to microfinance providers in Yemen and carries out studies and researches related to the microfinance industry, especially in times of insecurity and crises. In addition, SFD

has funded and supported the Small and Micro Enterprise Promotion Services agency (SMEPS). As a result of the continued poor financial situation and high funding costs for MFIs, SFD has awarded the National Microfinance Foundation (NMF), the Al-Ittihad Program in Abyan, Azal MF Program and Nama' MF Foundation with a total of YR 838 million as interest-free loans to meet the continuing demand by the small and micro entrepreneurs with financial services. In contrast, those institutions have continued meeting their obligations to SFD, where they were able to pay pack all the installments.

SFD has financed SMEPS with YR 1,255 million to help implement its multi-project activities aimed at agriculture, health, fishery sector, etc., as well as to support the continuity of its business and meet its asset, training and advisory needs.

During 2017, the total grants provided by SFD to its partners have amounted to YR2,027 million.

| S. N. | SFD Partners | Nature of grant projects disbursed | Amounts in million Yemeni Riyal | | |
|--------------|--|---|---------------------------------|--------------------|----------------------------------|
| | | | Total Grant Amounts | Total Loan Amounts | Total Amount of Grants and Loans |
| 1 | Loan Guarantee Program (LGP) | To issue guarantees for customer financing, operating expenses, consultancy work, assets and equipment, travel allowance, etc. | 756 | 0 | 756 |
| 2 | Yemen Microfinance Network (YMN) | Operating costs, training and other expenses for 2017, help MF clients recover war losses - second phase 2016. | 593 | 0 | 593 |
| 3 | National Microfinance Foundation (NMF) | help MF clients recover war losses - second phase 2016, establishing a risk management unit help MF clients recover war losses - second phase 2016, supporting the project of a decent life, consulting business. | 275 | 288 | 563 |
| 4 | Azal Microfinance Program | Support customers affected by the war the first phase, establish risk management, support the "Decent Life Project", help MF clients recover war losses - second phase 2016. | 75 | 300 | 375 |
| 5 | Nama' Microfinance Foundation | Support customers affected by the war, the first phase, establish risk management, support the "Decent Life Project", and help MF clients recover war losses - second phase 2016. | 101 | 200 | 301 |
| 6 | Ittihad Microfinance Program | Grant, war-affected customer support, loss coverage for the year 2016, establishment of a risk management unit. | 187 | 50 | 237 |
| 7 | Hadhramaut Microfinance Program | Establishment of risk management unit, support the "Decent Life Project", help MF clients recover war losses - second phase 2016. | 30 | 0 | 30 |
| 8 | Consulting works | Field credits for loans, alternative energy, contribution to the development of the microfinance environment in Yemen, development of the unit site, etc. | 10 | 0 | 10 |
| Total | | | 2,027 | 838 | 2,865 |

SFD carried out several activities during 2017, the most important of which were:

Development of automated systems and software

SFD continued to provide consultancy, technical support, and develop all three automated systems and software (specifically: Maeen loan tracking, human resources and the financial and accounting computerized systems). Technical support was provided to the Al-Ittihad MF Program (Abyan). SFD also continued to develop and update the database of the Credit Bureau website for MFIs, to facilitate work at the program, which provides the necessary loan guarantees to MF clients who are unable to provide them.

Automated mechanism for extracting data from SEEP

With the help of an IT consultant, the sector team has developed the automated accounting system by linking its outputs (financial statements and reports) with the SEEP Framework tool for the loan tracking, HR, and accounting computerized systems.

Review, audit, and field auditing of MF clients

Teams from SFD have conducted a number of field verification visits in MFIs to verify the existence of their clients and the situation of the existing loan portfolios as well as the validity and integrity of access to the financial services provided to the target group in accordance with the funding agreements concluded between SFD and partnering MFIs. As such, field audits were carried out on samples of clients of the National Microfinance Foundation (NMF) and Nama' MF Foundation in the Governorate of Al-Hudaidah, as well as on a large sample of clients of Aden MF Foundation. These field audits have resulted in many constructive observations and recommendations aimed at enhancing the role of the microfinance industry in reducing unemployment and alleviating poverty. SFD has also participated in the preparation of the Internal Audit Regulations for Azal MF Program. A team from SFD also visited Hadhramaut MF Program during the year to review its financial aspects and conduct an analytical review of its various administrative aspects, in addition to conducting field audits on a large sample of its clients in branches located in several cities in Hadhramaut and Al-Maharah Governorates, including Al-Shihr, Al-Mukalla and Al-Ghaidha. Field audits were also made on samples of borrowers from Al-Ittihad MF Program (Abyan) in Al-Mukalla and Al-Shihr.

Establishment of risk management units in the MFIs

As a result of the current circumstances and the crisis being experienced by the country and the risks faced by MFIs, the SFD unit has supported these programs by helping establish an independent risk management unit through a grant fund of more than YR10 million to several MFIs (Hadhramaut, Nama, Azal, and Al-Ittihad). The grants were designed to help the MFIs cover the necessary expenses in establishing risk departments for these entities, as they are important in assessing their operational and financing risks and assist them in developing contingency strategies and plans to manage and respond to these crises with minimal losses. In addition, a training course was held in risk management, in which 12 trainees representing microfinance programs and banks risk management units participated.

Development of the Small and Microfinance Business Environment in Yemen

As part of the drive to raise the capacity and level of performance of the microfinance industry in Yemen, SFD has reactivated the technical support provided by the German consulting firm (LFS) and funded by the German Government/KfW, which constitutes a key component of this important project in Yemen. In this context, two workshops were held in Jordan aimed at developing SMED's strategy for the period 2018-2020- in line with its orientations and the conditions in Yemen, and to finalize an up-to-date version of SFD's MF assessment tool.

Alternative Energy Project

As a result of the war, MFIs have suffered from the lack of electric power from the public network, the fuel high cost and maintenance involved in using generators. To help solve the issue, SFD decided to intervene by allocating USD550 thousand and a solar system consultant has been contracted to conduct field visits to a number of MFIs to determine their needs for solar systems.

Enhancing the role of supervision, monitoring and governance on MFIs

SFD seeks to strengthen the role of governance, monitoring and effective supervision of MFIs by reactivating the boards of directors and make them play a more effective role in their respective institutions and programs. In this context, and in accordance with the SFD's procedures and mechanisms, SFD selected an Executive Director

to manage NMF, paving the path for the NMF to become a microfinance bank. It is worth mentioning that the NMF was established in 2003, and is currently the second MFI in Yemen.

Project to support war-affected clients

The first and second phases of this project aim at compensating more than 4,000 cases of war-affected clients, and it is being implemented by the World Bank and UNDP under the auspices of the UNDP. As part of the project, SFD has signed contracts with Yemen Microfinance Network (YMN) and a number of MFIs amounting to YR475 million meant to compensate those affected by the war and cover operating expenses. The war and the resulting economic crisis and security imbalance in Yemen have caused large losses to owners of small and micro enterprises, and a sharp increase in the number and amounts of non-performing loans in the MFIs. YMN is charged with distributing the compensations in accordance with specified criteria and mechanisms. The project has played a large role in allowing many of the compensated clients to recover the activities lost during the crisis. Clients included those who are beneficiaries of Nama MF Foundation, Azal MF Program, the Tadhamon SME Program, Al-Kuraimi Islamic MF Bank, and the Al-Ittihad Program in Abyan. By the end of the year, those who had received compensation reached 200 among male and female customers.

Supporting NMF clients and evaluating the Decent Life Project impact

SFD signed an agreement for USD239,000 with SMEPS to conduct field study to evaluate the impact of the *Al-Hayat Al-Kareema* (Decent Life) Project on the clients of the National MF Foundation (NMF) to verify the achievement of the objectives of the project. The results of the study showed that the project had a significant impact in the field of livestock, beekeeping and food processing, showing a marked change in productivity. SMEPS also carried out 26 training courses in Al-Hudaidah, Dhamar and Ibb Governorates targeting the project's clients funded by the NMF. About 750 male and female beneficiaries were trained in relevant fields.

Supporting new initiatives

Establishment of the Loan Guarantee Program (LGP) for the Microfinance Industry in Yemen

SFD has established Yemen's first loan guarantee program (LGP) to provide guarantees to small and microfinance clients. During 2017, SFD has provided much of the necessary support and

funding to the program, totaling an estimated USD2 million to enable it to start issuing loan guarantees for clients who are unable to provide them. SFD has also financed LGP with YR36.7 million to provide the necessary equipment for its new premises, as well as to cover its operating expenses, and consultancy activities. Within the Vocational and Literacy Program (VOLIP) sponsored by the Islamic Bank, SFD signed with LGP an agreement concerning the management of the lending component of this project. The aim is to finance unemployed youth and women (2,000 male and female beneficiaries) who have obtained sufficient training in literacy, life and technical skills, and pioneering activities. Already, about 137 beneficiaries from Al-Mukalla District and Al-Hudaidah Governorate have graduated and been provided with loan guarantees.

Opening new branches of rural finance

As part of SFD's initiatives and current trend focused at targeting income-generating activities in rural areas known for livestock, agricultural products and beekeeping Nama and Azal microfinance programs received support for the opening of new branches in Al-Hudaidah, Amran and Dhamar Governorates. In this regard, agreements were signed granting support to these agencies for a total amount of YR 77 million to cover the costs involved in the establishment and operating these branches, and to assist them in starting rural lending operations aimed at owners of agricultural and animal raising activities, and production of honey.

Yemen Microfinance Network (YMN)

YMN continues to play a significant role in the implementation of many activities in the field of quality and general training aimed at developing and raising the efficiency of those working in Yemen's microfinance industry, and the promotion of the sector at the national level. The network also aims at raising the capabilities of its employees and those of the members of its Board of Directors. YMN also carries out compensatory operations for those MF clients affected by the war. Accordingly, SFD has continued its support by providing a financial grant of YR141.3 million to cover all of the expenses for 2017, including operating expenses.

During 2017, YMN was active and carried out several activities, the most important of which were:

» **Workshops on training programs and impact of currency exchange on the sector:**

Two workshops were held: one on the role of microfinance in providing graduates with training programs, and the other on the impact of currency exchange on the sector. The first workshop was organized in cooperation with the University of Science and Technology, while the second hosted a number of employees in the microfinance and banking sectors and academics.

» **Workshop on Early Recovery and Humanitarian Assistance during Crises:** YMN held this workshop in collaboration with UNDP. The workshop was attended by a number of microfinance practitioners invited from several governorates.

Also, during the year YMN has conducted 20 training courses targeting staff from various administrative levels working in the MFIs. The number of participants in these training courses reached 269 participants, and these included

strategic planning, preparing and writing management reports, product development in microfinance, and writing project proposals for donors. In addition, courses addressed microfinance principles, accounting for non-accountants, advanced internal audit, financial education training, feasibility and market study, institutional assessment and decision-making, human resources, risk management, and marketing. YMN was also active organizing meetings, such as the meeting under the title “Exchange of Expertise”, which was attended by a number of managers and staff from MF programs and institutions. During the meeting, experiences and the monitoring procedures undertaken from NMF and Azal MF Program in light of the current war situation in Yemen were presented. In addition, development of new financial products was illustrated by the participants.

Box (12) Fahman’s project continues despite the war

Fahman Fadel Al-Qadasi is a 38-year-old man who has 5 children, 3 daughters and two sons, opened a garage (a place for repairing tires) 14 years ago in Al-Hudaida City. His business improved as he rented 3 shops and owned three cars. His eldest son who used to help him in the garage suffered from a brain infection and because of his son’s medical condition, Fahman was challenged with the high costs of treatment and surgery.

Fahman took loans to revive his work but was unable to repay them. He used to rent 3 shops, but later he rented one shop which was almost empty and he sold his three cars. His family’s life deteriorated and he was unable to afford his house expenses combined with the expensive treatment costs. After receiving a grant of 425,000 riyals, he was able to pay his debts and buy goods (oil and tires) for his business as well as buying other service equipment such as the wheel balancer for tires. He was also able to connect electricity to his shop through a private electricity station. His family’s living conditions improved considerably and his son’s condition became more stable. Fahman aspires to expand his business again, buy a tire replacement machine and buy additional equipment and assets for his business to flourish.



Figure 3: Active Borrowers

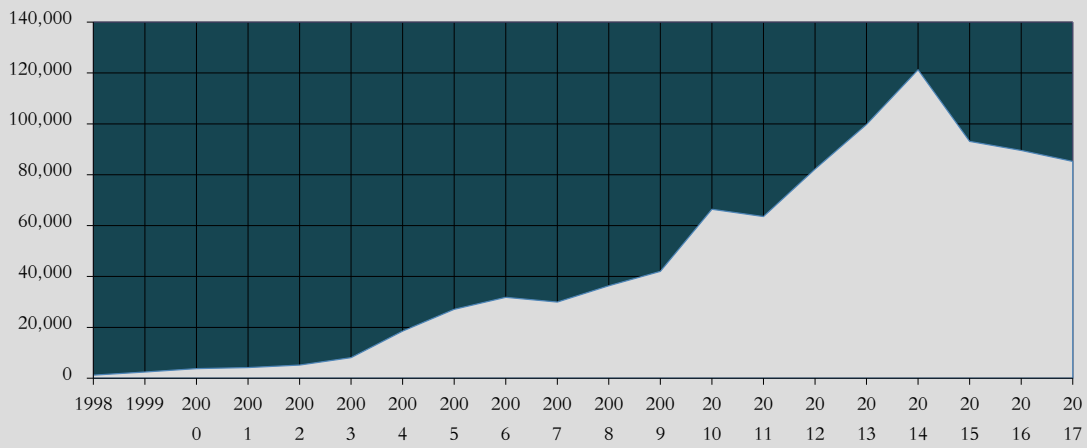


Figure 4: Active Savers

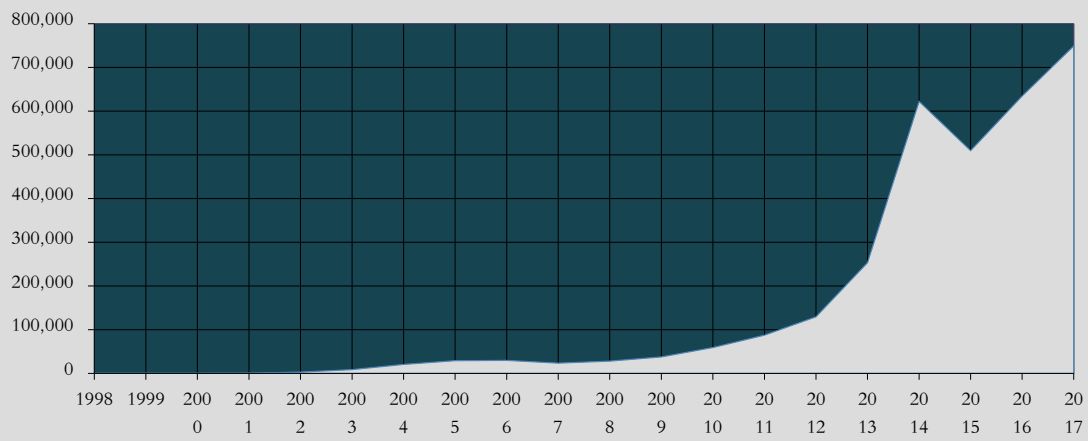
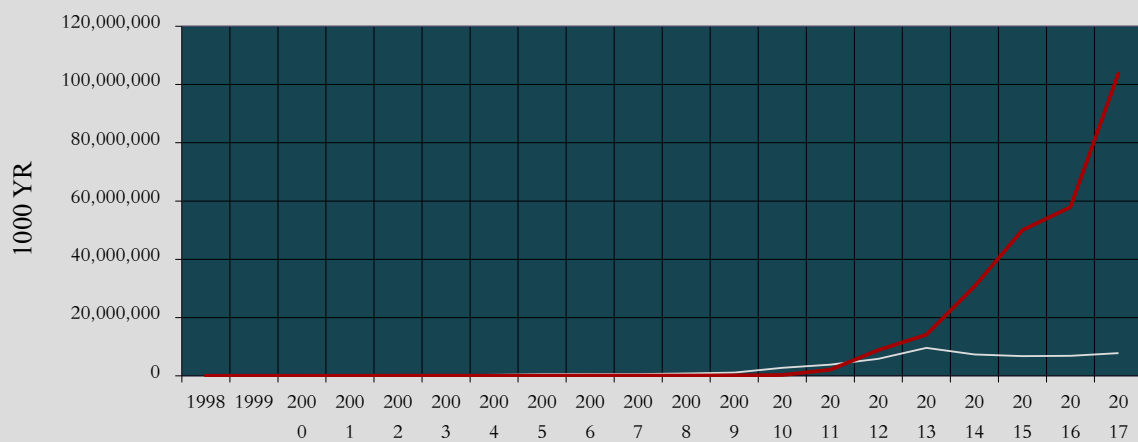
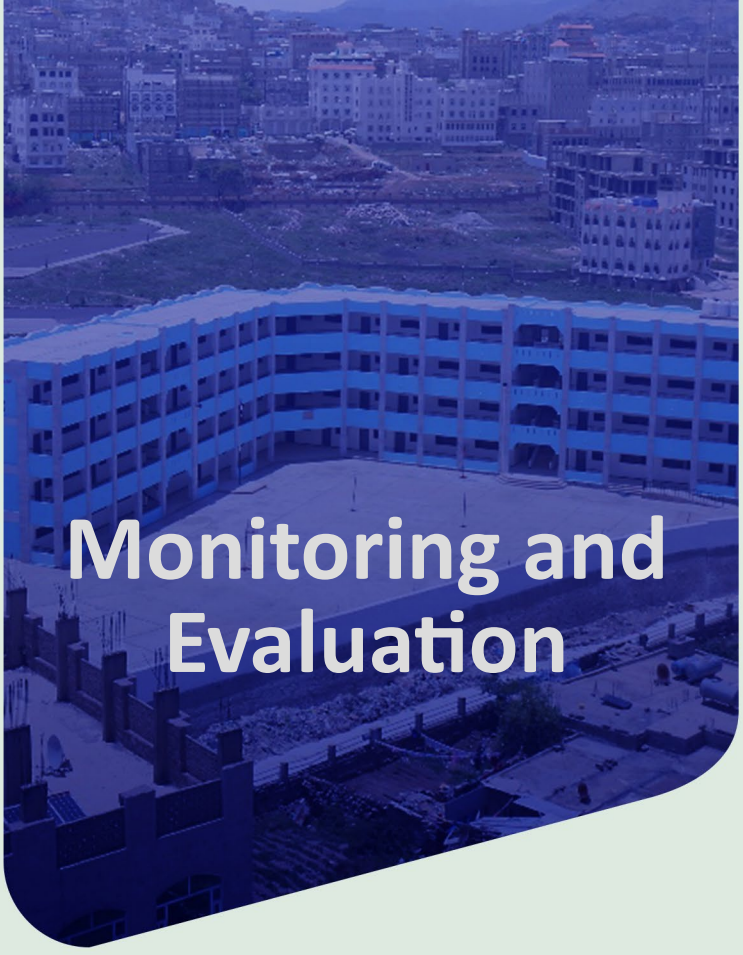


Figure 5: Outstanding Loan Portfolio & Saving Amounts





Monitoring and Evaluation



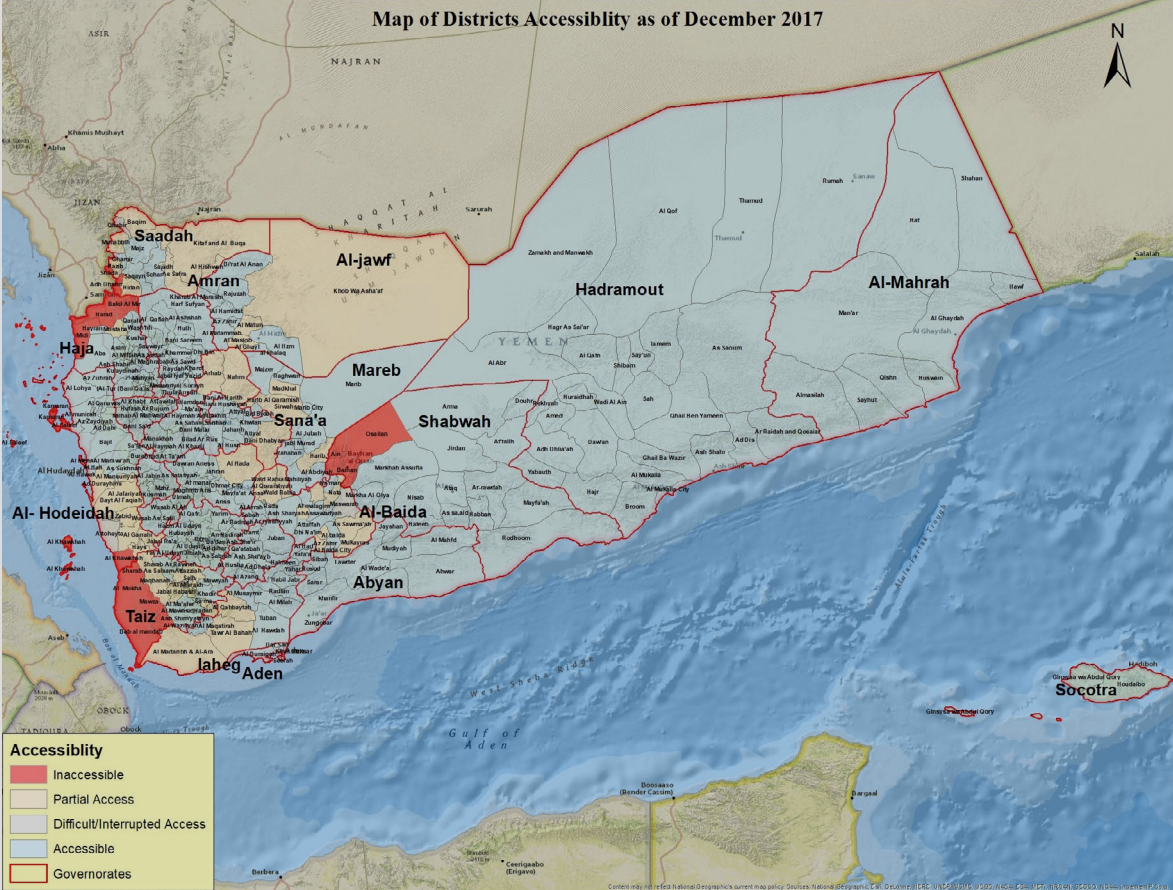
The objective of the SFD Monitoring and Evaluation (M&E) system is to provide information on the SFD’s effectiveness and efficiency in pursuing the goals agreed upon with SFD’s stockholders. SFD’s monitoring and evaluation relies on various sources of data including the SFD’s Management Information System (MIS), field visits, project records and field surveys.

Due to the escalation of armed conflicts in many areas in Yemen since March 2015, the SFD has faced a new, rapidly changing situation. Monitoring activities therefore focused on monitoring access to project implementation at the district level, as well as following project implementation and analyzing the causes that could lead to its disruption.

Building on the development of the means of communication, the use of various communication techniques has increased for data collection, communication with SFD’s BOs and partners and data demonstration in a way that allows donors to follow up SFD performance. A number of field surveys were also conducted during the year to assess the impact of SFD interventions and the continuation of projects in providing benefits to the target population.

SFD continued monitoring projects implementation, with 847 projects at an estimated cost of \$212.7 million being active as of 31 December 2017. These projects were funded by 13 donors, with the largest share of about 65 percent, coming from the WB through UNDP, 15 percent from the DFID, 0.07 percent from the IsDB, and 0.07 percent from the German government through KfW. These projects are diversified throughout all the 23 governorates of the country.

The following map illustrates the distribution of the active projects as of Dec. 2017.



During the year, a number of evaluation studies were carried out on the impact of the Youth Employment Program within the Empowerment for Local Community Development (LCD) Program, an addition to a survey of the projects’ operational status in four governorates and the evaluation of the nutrition interventions program.

Evaluation of the impact of youth cash-for-social-services program

The aim of this evaluation is to measure the impact of youth employment as development workers under the LCD, to enhance their confidence in a better future and to foster social cohesion.

In this evaluation, data were collected on a sample of **1,184** young graduates aged 35 years or younger from more than 200 districts across the country, who will work in 25 districts. The data collection process is divided into two stages:

During the first, data will be collected on nearly 600 young people (database); while in the second, data of the rest (584 graduates) will be collected after two months of intervention.

The first-stage data collection has been completed in 2017, with the evaluation and the findings expected to be completed in 2018.

Survey of the operational status of projects completed in 2011–17

The survey of the operational status of infrastructure projects completed during Phase IV (2011–17) aims to assess the services and benefits provided by these projects to the local communities. Several data and indicators are collected to explore the effectiveness of SFD interventions.

During the period May–August 2017, the SFD completed the survey that had started in 2014 in Sana'a, Al-Mukalla, Dhamar, Ibb, Taiz and Aden BOs. Another survey was carried out to collect data of 834 projects in the rest of the BOs (Hajjah, Amran and Al-Hudaidah), with the survey including Al-Hudaidah, Raima, Amran and Hajjah Governorates.

The survey team used a smart phone application (ODK) to collect data automatically and send them to the server prepared for this purpose and through which the forms sent daily are monitored and then the data are retrieved from the server. The M&E team verified data consistency and coverage of relevant fields and areas, and then analyzed the indicators and reported on the results of the survey.

During the period 2014–17, 1857 completed projects located in rural areas in 21 governorates were evaluated, where focused group interviews with individuals and community leaders were conducted.

The results of both surveys showed that SFD investments provide significant benefits to local communities, with beneficiaries still using and benefiting from the majority of infrastructure projects.

According to the respondents, 96% of the education projects and 91% of water and roads projects continue to serve the beneficiaries. Respondents also reported that 89% of the cash-for-work infrastructure projects are still operational fully and 9% partially.

As for the ELD Program, it was found that community self-initiatives were carried out in all the 25 projects visited, with the average number of self-initiatives per project being 12 in different fields, including 7 initiatives supported by other funding sources. The surveys' results also showed that the average number of meetings held by the village/sub-district cooperative councils reached 10 meetings during the year.

Evaluation of SFD's nutrition interventions

The conditional cash transfers (CCT) program aims to provide cash incentives for mothers to attend awareness-raising sessions and comply with referral of malnourished mothers and children to healthcare centers for supplementary food and treatment. In its first phase, the program targeted some 4,800 families with pregnant mothers and/or children under five who are beneficiaries of the Social Welfare Fund in the three target districts of Bait Al-Faqih, Al-Marawe'ah and Zabid of Al-Hudaidah Governorate.

The evaluation aims to **assess** the impact of the CCTs and submit it to donors, thus expanding the nutrition interventions and cash transfer amounts to cover the largest possible number of beneficiaries, especially in the difficult circumstances experienced by Yemenis and the increasing risk of famine. The evaluation also aims at providing information on the possibility of modifying and improving the interventions so that scaling them up is based on a thoughtful evaluation; thus, contributing to increasing the intervention's effectiveness and efficiency.

The Baseline Study was conducted during the period Dec 2014–Jan 2015, with two household (HH) samples, viz. one for HHs that would benefit from the intervention in the pilot phase and the other for HHs who would benefit when the program is scaled up.

In the baseline-study stage, indicators were collected from the HHs that would benefit from the intervention and those in the waiting list (control group). Such indicators include practices, attitudes, behaviors in terms of child nutrition and exclusive breastfeeding as well as measurements of children's height and weight and the HH food diversity.

In 2017, the survey was completed in the three aforementioned districts and included data collection of a sample already studied in baseline survey, comprising 1,951 HHs in approximately 129 villages (95% of the HHs baseline survey sample has been completed). A short community survey was also conducted to determine access to health facilities for treatment of malnutrition.

The data will be analyzed and the final report prepared by the consultancy party, with the latter expected to be issued in 2018.

Communication activities

The SFD continued to monitor the impact of its interventions through exploring the opinions of the target local communities on SFD-supported interventions, identifying the extent of communities’ benefit from these interventions and preparing project case studies to be presented to decision makers and donors. This was done despite the difficulties of communication and field visits due to the deteriorating security conditions in the country since March 2015.

The SFD also produced interactive communication products and communicated with the audience through social media.

The communication team also visited project sites affected by the conflict to spot beneficiaries’ viewpoints and impressions.





Funding Sources

In 2017, SFD's funding situation improved steadily, especially with the signing of the Emergency Crisis Response Program (*ECRP*) agreement for the additional grant provided by the **World Bank/UNDP**. Seven agreements were signed worth—along with the additional funding of existing agreements—\$230.3 million.

New funding (mid-2015 – 31 December 2017)

Since mid-2015, the SFD has signed 18 funding agreements worth \$283 million (including the extension of the British Government Grant Agreement and the USA Grant through UNDP). The most important of those funding agreements is the World Bank's \$200 million (through the UNDP), The European Union USD17-million grant (also through the UNDP) for the Social Protection Community Resilience Project. Similarly, an agreement was signed with the World Bank to provide a grant of \$19.5 million (through FAO) for the Agricultural Productivity Enhancement Project and the German government signed 3 agreements directly with SFD to contribute €15 million to support the rural LIWP.

Table (): New funding agreements and their status (mid-2015 – 31 Dec 2017)

| Donor | Agreement | Agreement Status | Agreement Equivalent Value in USD | Disbursed Amount (equiv. to USD) | Remaining Amount (USD) | Signing Year |
|----------------------------|--|-------------------------|-----------------------------------|----------------------------------|------------------------|--------------|
| German Government/ KfW | Grant for LIWP | Effective | 5,400,000 | 1,231,380 | 4,168,620 | 2016 |
| | Grant for Strengthening Resilience through LIWP (1) | Effective | 5,400,000 | 2,275,064 | 3,124,936 | 2016 |
| | Germany/KfW grant for Strengthening Resilience through LIWP(2) | To be effective in 2019 | 5,400,000 | 0 | 5,400,000 | 2017 |
| UK Government | Additional DFID Grant for SFD IV | Effective | 10,920,000 | 10,920,000 | 0 | 2017 |
| UNDP | UNDP Grant for Women Economic Empowerment | Closed | 800,000 | 800,384 | 0 | 2015 |
| | SFD-Peace and Transition Support Project | Closed | 200,000 | 200,144 | 0 | |
| | UNDP Project for Youth Economic Empowerment II | Closed | 107,000 | 107,028 | 0 | |
| | SFD-Peace and Transition Support Project (2) | Closed | 115,000 | 114,873 | 0 | |
| | UNDP Grant for Enhancing Rural Communities Resilience | Effective | 1,933,833 | 942,164 | 991,669 | |
| | USA Grant thru UNDP (<i>four-million-USD additional funding has been signed</i>) | Effective | 9,099,719 | 3,840,498 | 5,259,221 | |
| | WB Emergency Grant thru UNDP (1) | Effective | 29,532,162 | 29,532,162 | 0 | 2016 |
| | WB Emergency Grant thru UNDP (2) | Effective | 174,000,000 | 34,203,062 | 139,796,938 | 2017 |
| | EU Grant thru UNDP for Social Protection to Strengthen communities Resilience | Effective | 17,894,596 | 876,268 | 17,018,328 | 2017 |
| The Netherlands Government | Grant for Water and Sanitation Project for Cholera-inflicted Communities | Effective | 3,000,000 | 0 | 3,000,000 | 2017 |
| FAO | WB Grant thru FAO for Increasing Agric. Productivity | Effective | 19,513,305 | 0 | 19,513,304 | 2017 |
| UNESCO | Grant for the Preparatory Plan of Old Sana'a City Protection (Phase 1) | Effective | 26,510 | 26,510 | 0 | 2017 |
| | Grant for Improving the Env. Status of Zabid City (Al-Hudaidah) | Effective | 29,830 | 29,830 | 0 | 2017 |
| Prince Claus Fund | Grant to support Inscriptions House in Zabid | Effective | 18,370 | 14,247 | 4,123 | 2017 |
| TOTAL | | | 283,390,325 | 85,113,614 | 198,277,139 | |

Continuing funding signed before 2015 and provided from Phase IV resources

During the year, some of the donors that had started supporting SFD during Phase IV continued to provide SFD with funds such as the British, German and Dutch governments, to contribute to the implementation and completion of the SFD's Phase IV plan.

Table (): Current funding from resources of Phase IV (2011–2015) and its extension (2016–2017)

| Donor | Agreement | Amounts in USD | | | Signing Year |
|--------------------------------|---|-------------------------|--------------------------|------------------------------|--------------|
| | | Amended Agreement Value | Drawn Amounts from Donor | Remaining Amounts with Donor | |
| Islamic Development Bank (IDB) | Loan and Grant for VOLIP | 11,260,000 | 3,656,227 | 7,603,773 | |
| | Loan for Youth Employment | 25,000,000 | 15,025,139 | 9,974,861 | |
| The Netherlands Government | Grant to Support Girls' Education and Literacy Program | 3,947,368 | 3,298,956 | 648,412 | |
| | Grant for SFD Water & Sanit. projects in 9 Governorates (2) | 3,640,000 | 3,458,000 | 182,000 | |
| German Government/ KfW | Grant to Support LIWP | 10,692,477 | 10,692,477 | 0 | |
| | Grant for Water Crisis Program in Abyan | 14,894,677 | 14,023,700 | 870,977 | |
| UK Government | DFID Grant for SFD Phase IV (<i>all commitments have been received in May 2017, activities are being completed and additional funding prepared</i>) | 156,297,253 | 156,297,253 | 0 | |
| TOTAL | | 225,731,775 | 206,451,752 | 19,280,023 | |

The Emergency Crisis Response Program (ECRP)

SFD has signed two **200-USD-million** agreements with the **World Bank/UNDP** to support projects under the ECRP. The first agreement (mounting to **\$30 million**) was signed in August 2016 and the second (**\$170.4million**) in March 2017.

The project implements quick, small-scale interventions in terms of disbursing specific funds as an **immediate** response supporting households and communities affected by conflict, thus providing them with income (wages) to purchase basic needs. This project will pay special attention to the youth and will provide them with opportunities to earn income and **participate in the project**.

This project will be implemented through two components:

The labor-intensive works program and community services: The IDA contributes \$180 million to this program, including the cash for work and community services (\$125 million) and the nutrition program (\$55 million). This component targets young people, women and the IDPs.

Reactivating the small- and microenterprises and creating job opportunities (\$20 million): This component focuses on providing livelihood in agriculture and small and microfinance.



Annexes: Additional Data

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

| Program | 2017* | Phase IV (2011–2017) | Cumulative (1997–2017) |
|---|--------------|----------------------|------------------------|
| Community and Local Development | 20.5 | 661.5 | 1,703.0 |
| Labor Intensive Works Program | 121.7 | 303.7 | 455.1 |
| Capacity Building | 3.3 | 62.4 | 93.5 |
| Small and Micro Enterprises Development | 23.1 | 96.7 | 127.3 |
| Total[†] | 168.6 | 1,124.30 | **2,378.9 |

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 A2. Disbursements by Program (Millions of U.S. Dollars)

| Program | 2017* | Phase IV (2011–2017) | Cumulative (1997–2017) |
|---|-------|----------------------|------------------------|
| Community and Local Development | 22.1 | 568.4 | 1,328.50 |
| Labor Intensive Works Program | 43.4 | 194.2 | 315.80 |
| Capacity Building* | 10.7 | 94.8 | 119.90 |
| Small and Micro Enterprises Development | 14.2 | 71.7 | 81.40 |
| Total | 90.4 | 929.1 | 1,845.6 |

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

**Disbursements are for 2016 projects as well as for previous ones that commenced in preceding years.

Figure A1. Distribution of Commitments by Sector, 2017

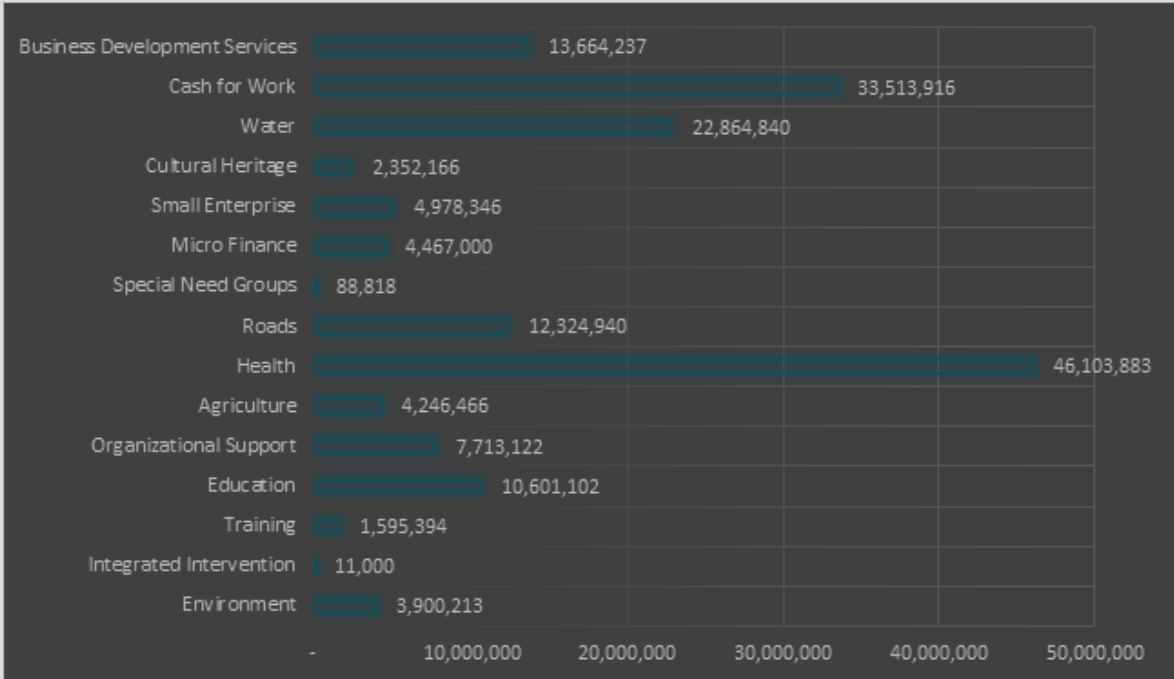


Figure A2. Distribution of Cumulative Commitments by Sector, 1997–2017

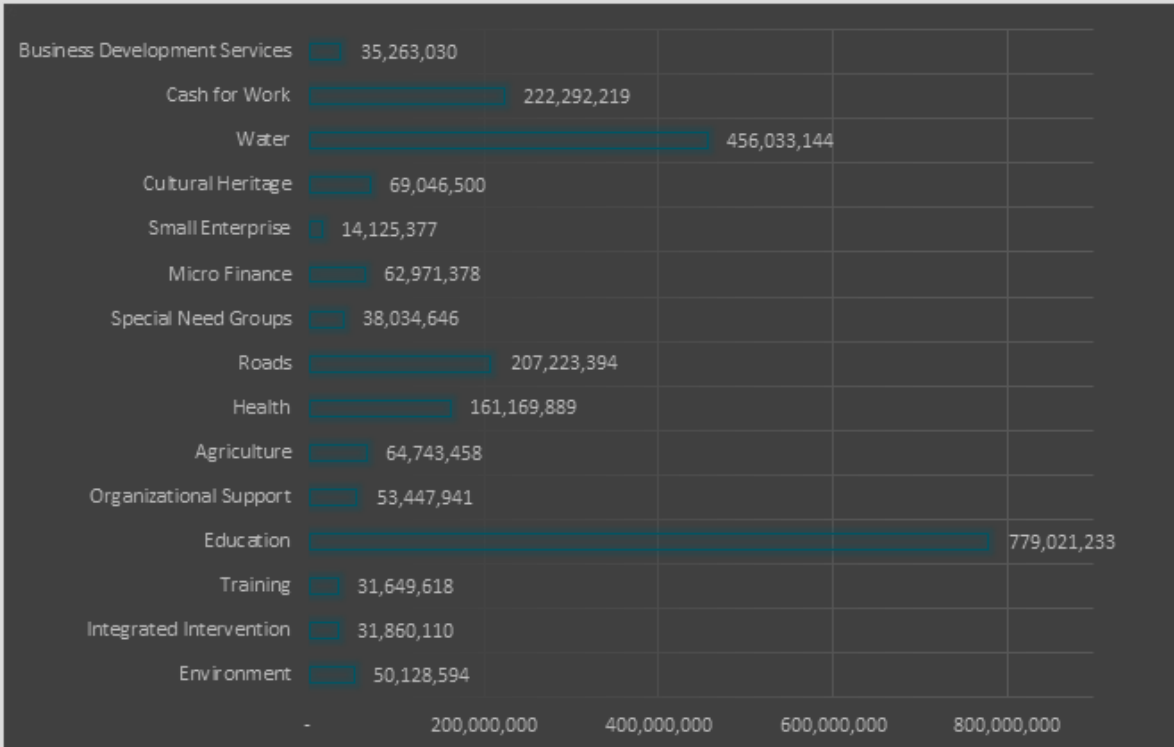


Figure A3. Distribution of Commitments by Governorate, 2017 - (Millions of U.S. Dollars)

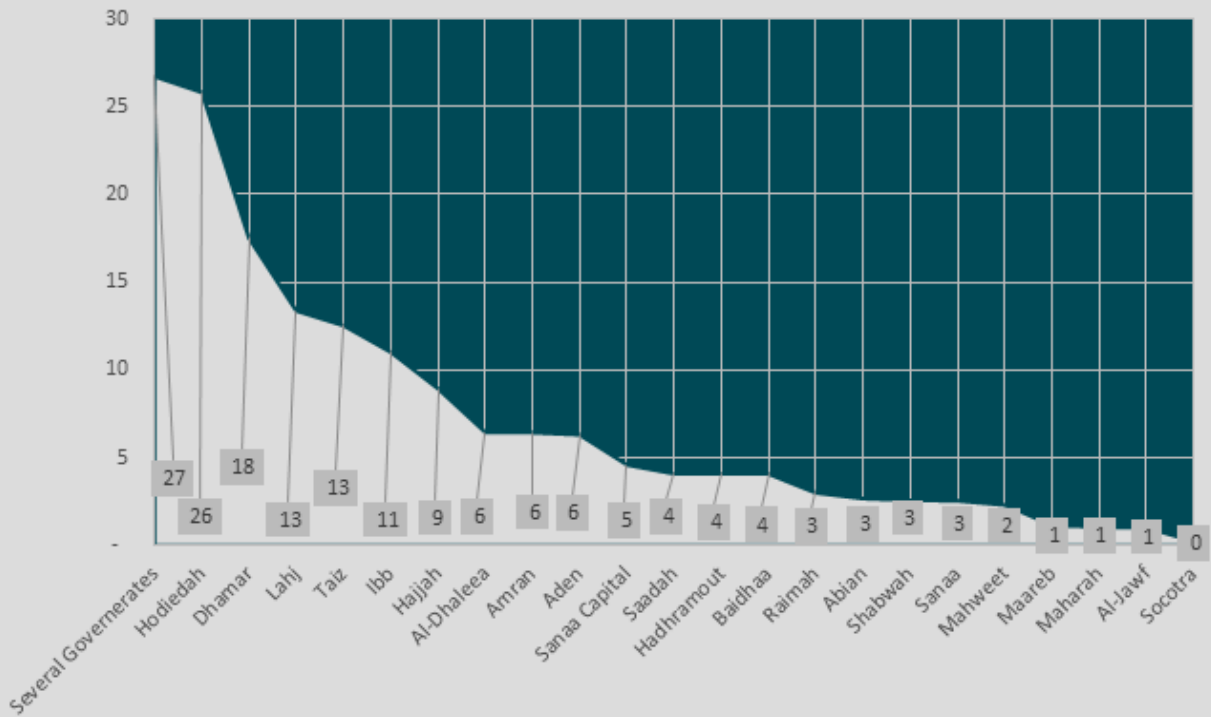


Figure A2. Distribution of Cumulative Commitments by Sector, 1997–2017

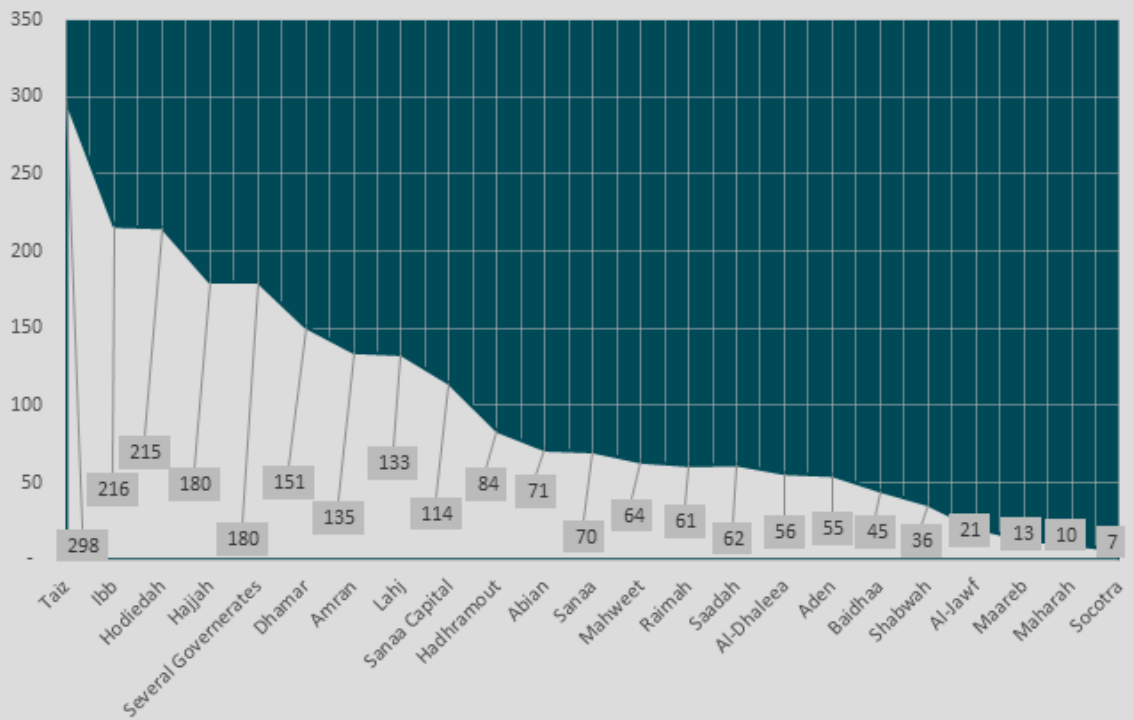


Figure A5. Commitments, annually & cumulatively (1997–2017) (Millions of U.S. Dollars)

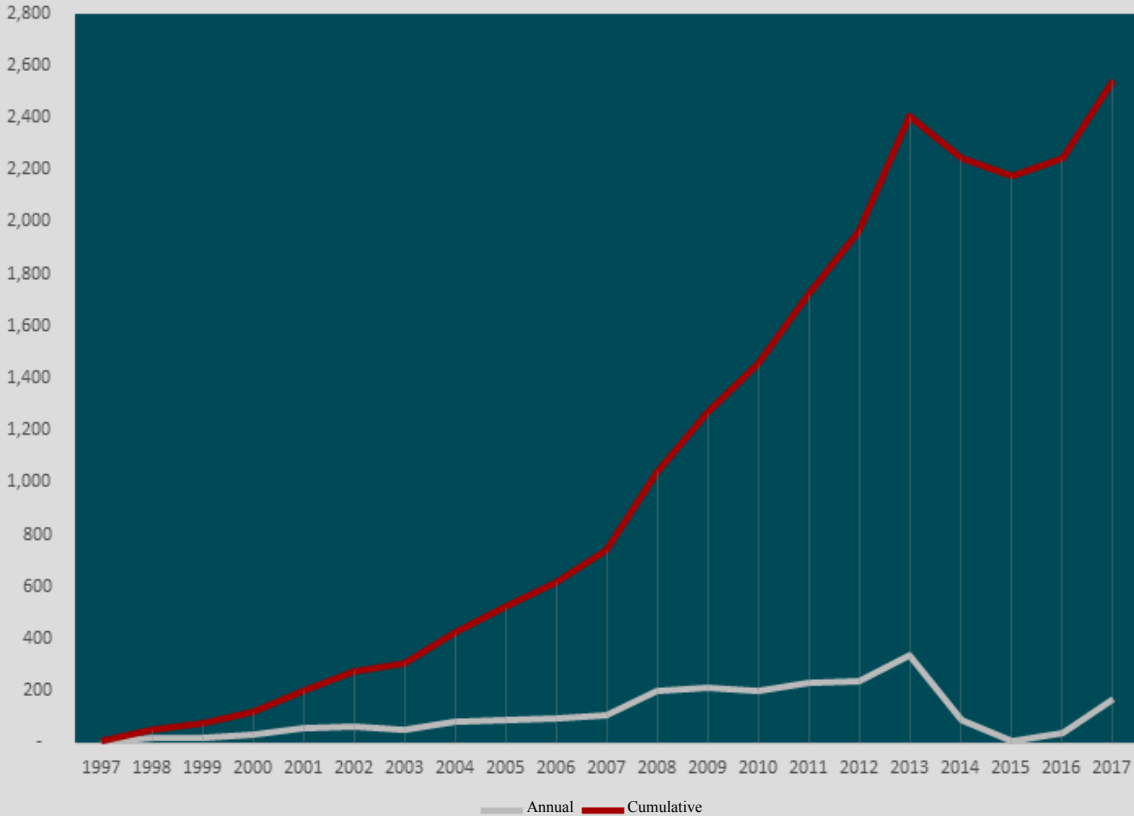


Figure A6. Disbursements, annually & cumulatively (1997–2017) (Millions of U.S. Dollars)

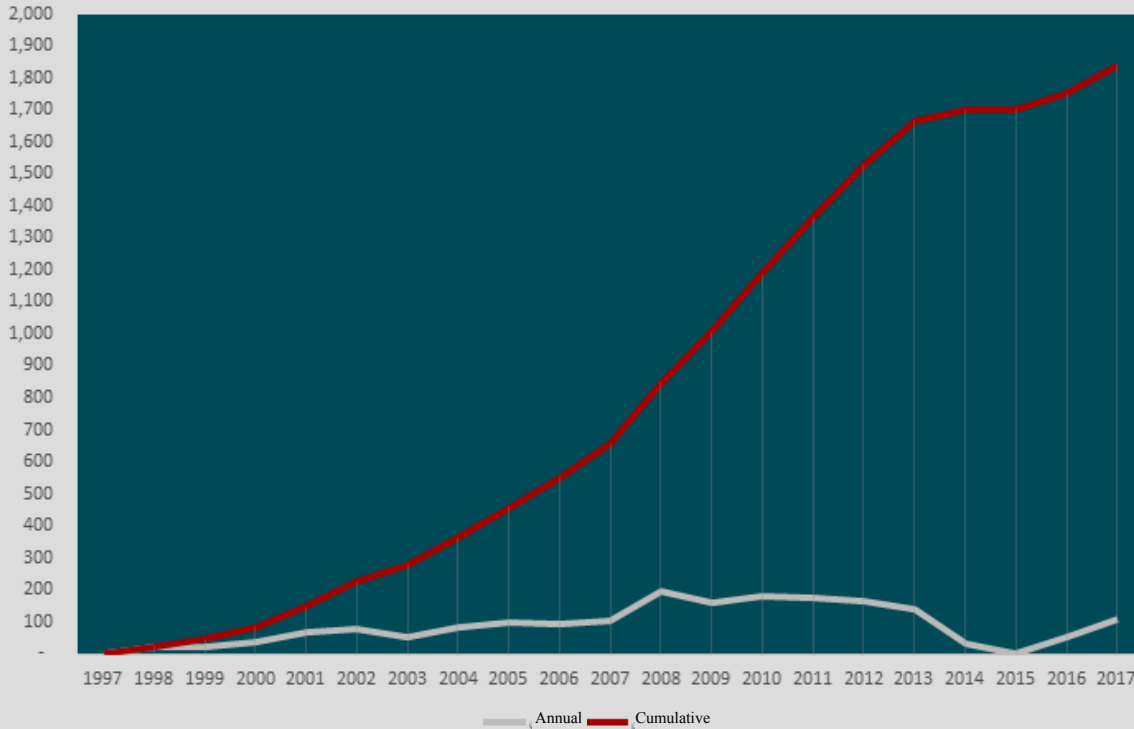


Figure A7. Employment Created by SFD-Supported Projects, annually & cumulatively (1997–2017) (Millions of workdays)

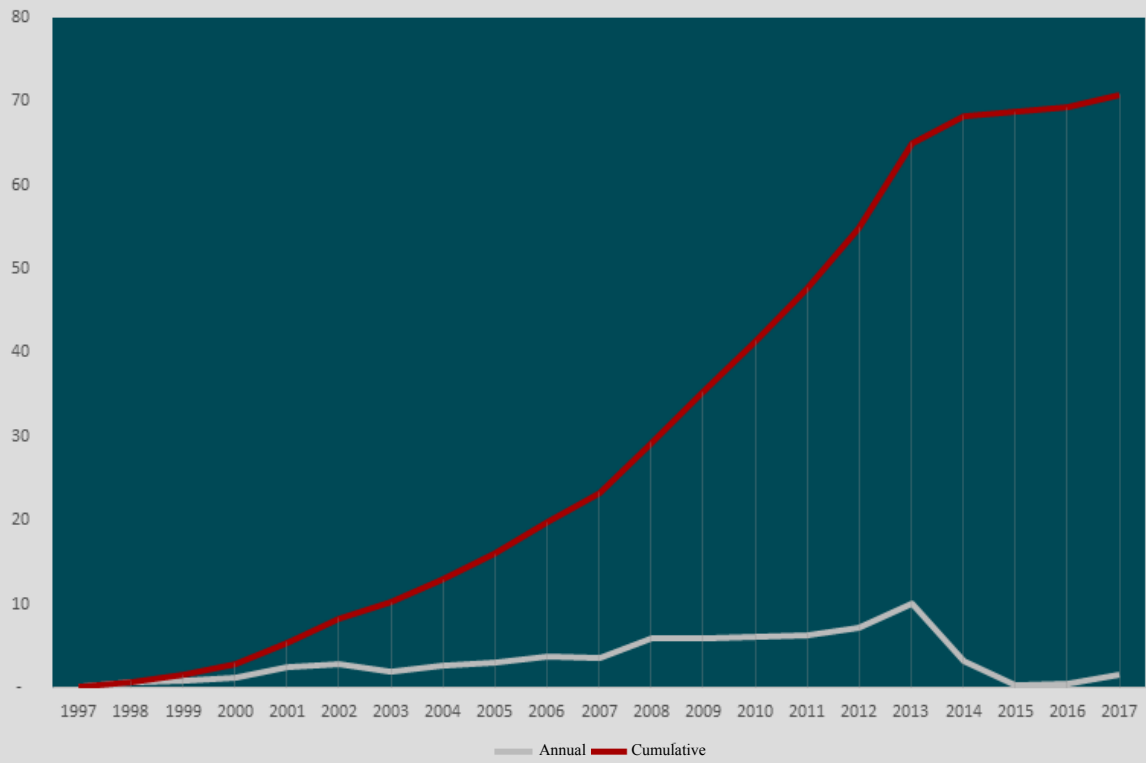


Figure A8. Number of Direct Beneficiaries of SFD-Supported Projects, 1997–2017 (Millions)

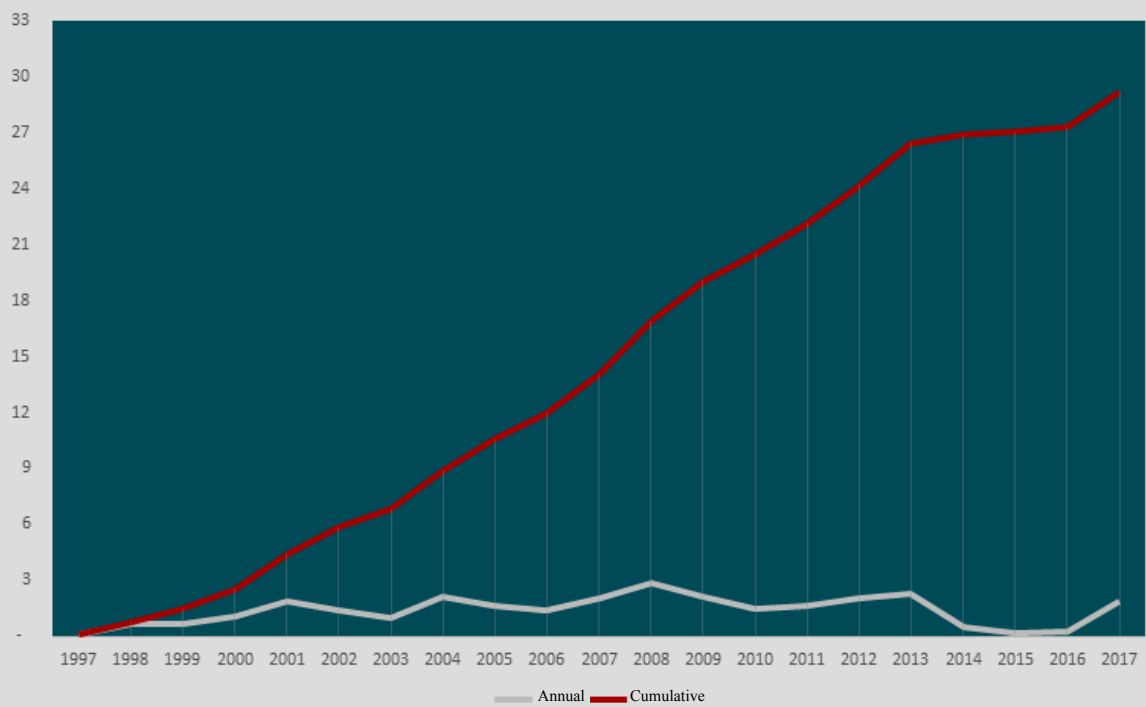


Figure A9: SFD Organizational Structure

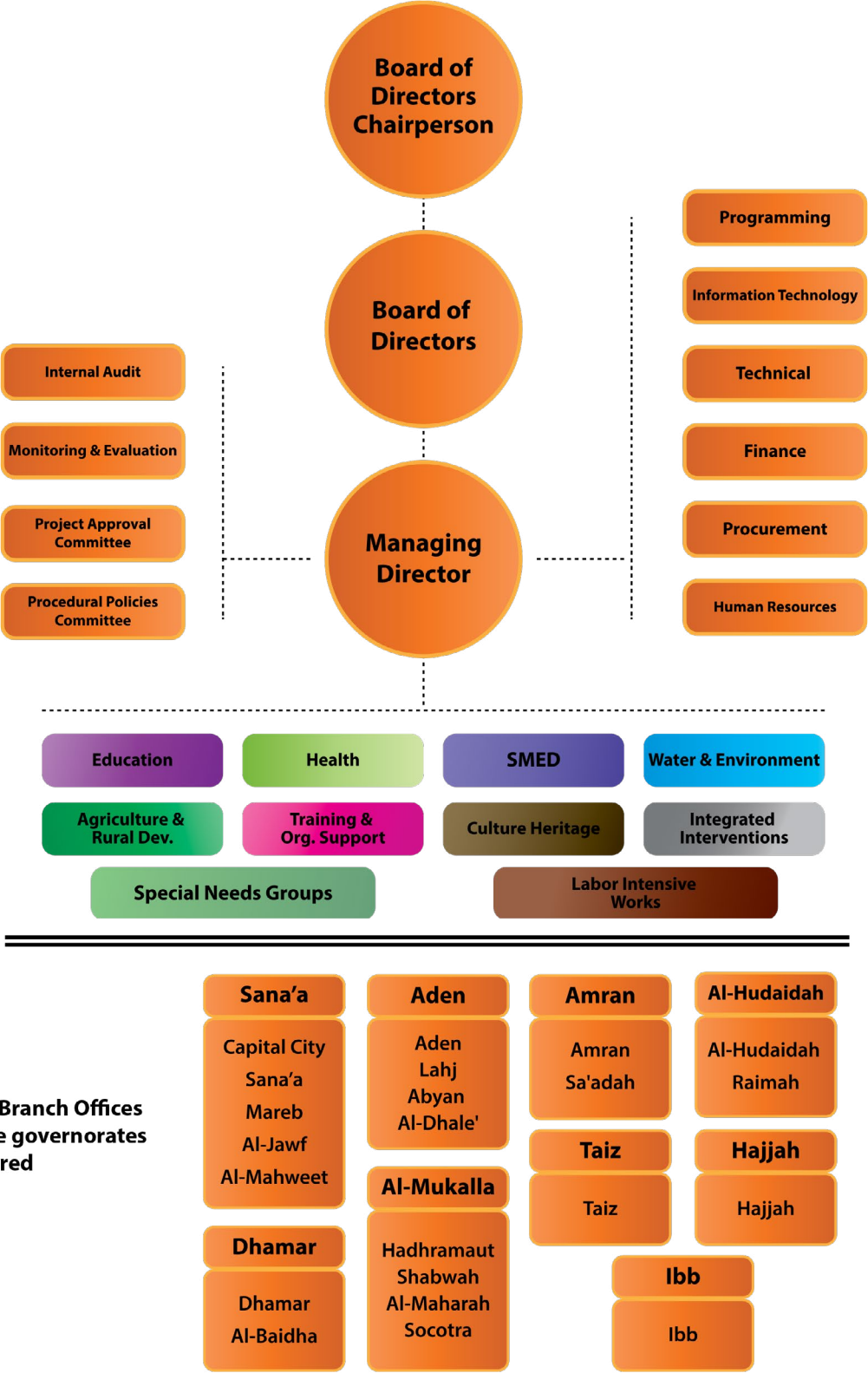


Figure A10. SFD Branch Offices and Governorates Covered



@SFDYemen



www.sfd-yemen.org

Faj Attan - Sana'a - Yemen

P.O.Box. 15485

Tel: +9671449669

Fax: +9671449670

www.sfd-yemen.org/ar

فج عطان - صنعاء - الجمهورية اليمنية

ص.ب. 15485

هاتف: +9671449669

فاكس: +9671449670