



The Social Fund for Development

Phase IV, Crisis Response Plan II 2018 - 2020

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SFD is Yemen's largest development programme. From 2018 to 2020, SFD intends to mobilise \$750m in providing developmental and social safety net contributions that will mitigate Yemen's humanitarian and developmental crises.

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Acronyms

ARDU	Agriculture and Rural Development Unit
AWD	Acute Watery Diarrhoea
CFS	Cash For Services
CSS	Cash for Social Services
CFW	Cash For Work
CLD	Community and Local Development
FAO	Food and Agriculture Organisation
HH	House Hold
CRP	Crisis Response Plan
USD	United States Dollars
SSN	Social Safety Net
CCT	Conditional Cash Transfer
MFI	Micro Finance Institution
PRA	Participatory Rural Appraisal
ELD	Empowerment for Local Development
LC	Local Council
KfW	Kreditanstalt für Wiederaufbau
INGO	International Non-Governmental Organisation
UN	United Nations
PWP	Public Works Programme
SWF	Social Welfare Fund
CDD	Community Driven Development
IDP	Internally Displaced Person
EU	European Union
CBO	Community Based Organisation
RAWFD	Rural Advocate Working for Development
MSME	Micro, Small and Medium-scale Enterprises
BRAVE	Business Resilience for Added Value Enterprises
M&E	Monitoring and Evaluation
TPM	Third Party Monitoring
TOT	Training of Trainers
CBY	Central Bank of Yemen
ESMF	Environmental and Social Mitigation Framework
LIWP	Labour Intensive Works Project
MIS	Management Information System
NGO	Non-Governmental Organisation
OCHA	UN Organisation for the Coordination of Humanitarian Affairs
PAC	Projects Approval Committee (SFD)
TOR	Terms of Reference
PPC	Procedural Policy Committee (PPC)
RALP	Rain-fed Agriculture and Livestock Project
SAM	Severely Acute Malnutrition
SFD	Social Fund for Development
SME	Small and Micro Enterprises
SMED	Small and Micro Enterprise Development
SMEPS	Small and Micro Enterprise Promotion Services
IOM	International Organisation for Migration

UNHCR	High Commission for Refugees
TOSU	Training and Organisational Support Unit
SDG	Sustainable Development Goals
VCC	Village Cooperative Council
VOLIP	Vocational Literacy Programme for Poverty Reduction
VSLA	Village Savings and Loan Associations
WASH	Water, Sanitation and Hygiene
ECRP	Emergency Crisis Response Plan

EXECUTIVE SUMMARY

Yemen's emergency

Yemen's current multi-dimensional war is over three years old. This conflict has exacerbated the Yemen's chronic vulnerabilities leaving an estimated 22 million people in need of humanitarian assistance, including an estimated 11.3 million children and 2.9 million IDPs. The number of new Acute Watery Diarrhoea (AWD) / suspected cholera cases is now in decline, but children under 5 now represent 28% of all new cases, up from 18% in the summer of 2016. The total number of suspected AWD / suspected cholera cases reached 964,477 with 2,220 associated deaths, as of 30 November 2017.¹

Prior to 2015, over 80% of government revenues from exports of oil and gas were cut off. This has stopped entirely in 2015 and 2016 with minor exports in 2017. The trading economy of imports and distribution still exists but at a fraction of its former volume. Yemen's reserves of hard currency has been severely depleted from \$4.2 billion in December 2014 to \$485 million by December 2016, the exchange rate for the Yemeni Riyal declined from YR215/USD in March 2015 to YR520/USD in January 2018.² The failure in the state's economy resulted in the state ceasing to pay the salaries of the civil servants, this led to widespread failure in basic public services and the suspension of payments to Social Welfare Fund beneficiaries.

Set against this humanitarian and economic catastrophe, this document lays out the Social Fund for Development's (SFD) proposed response strategy for the years (2018 - 2020). The objective of this strategy is to enhance the resilience of the most vulnerable communities and households to cope with multi-dimensional needs, whether of a chronic long-term nature or those needs emerging as a result of the on-going conflict. SFD will achieve this through supporting income generation, creating livelihood opportunities, restoring basic services and reviving Small and Micro Enterprises (SMEs). SFD's strategy is built on the premise that delivering a developmental approach alongside humanitarian operations is crucial to early recovery and stabilisation.

SFD and the response

SFD was established in 1997 as an investor in Yemen's development. Over twenty-one years SFD has grown into a major implementing partner for international donors, government and beneficiaries to work with in responding to Yemen's chronic and emergency needs. SFD is currently the largest single component of Yemen's social safety net comprising an extensive network of capable personnel, partners, regional offices, financial management systems and flexible programmes. SFD comprises a unique body of experience and status, having gained and maintained the confidence of all its stakeholders.

Since the 2011 crisis, and in response to many natural disasters, SFD has adapted its accumulated experience to successfully contribute to relief, recovery and humanitarian responses. Despite current state of war and social and political divisions, SFD is currently able to function in Yemen's twenty-two governorates due to the solid foundation of trust among communities and provincial authorities and the reputation of neutrality that it has carefully developed and maintained. These attributes, coupled with SFD's long-term focus on social protection, mean that SFD today is in a strong position to contribute effectively, and at a larger scale.

SFD's response contains three programs delivered by eight technical units through nine branch offices. A 'Theory of Change' perspective shows that SFD's delivery of cash for work, increases the livelihoods opportunities of vulnerable households (including IDPs), along with restoration of essential services and support of key small and micro businesses. The combined outcome means that Yemeni households and communities will be able to better cope with the impact of the current war and be drivers of resilience-building and recovery efforts.

SFD's three programmes are:

¹ See UNICEF Humanitarian Situation Report. November 2017: <https://reliefweb.int/report/yemen/unicef-yemen-humanitarian-situation-report-november-2017> Issue (25) July, 2017 Yemen Socio Economic Update.

- **Social Safety Net (SSN)** includes Cash for Work (CFW), Cash for Social Services (CSS) and **Conditional Cash Transfer on nutrition (CCT)**. **Communities will benefit from short-term job opportunities, mothers benefit from transfer linked to nutrition** education and youth have enhanced skills and employment opportunities– Labour-intensive Cash for Work schemes and small-scale community infrastructure rehabilitation such as land and terrace rehabilitation, rainwater harvesting household schemes and small feeder roads, will improved income and access to productive assets for vulnerable Yemenis, particularly food insecure households, IDPs, youth and women. The target number of beneficiaries' households from the cash for work is 319 thousand (an estimated 2.2 million persons in these households³), mothers receiving conditional cash transfer (CCT) and nutrition services 100,000 and the number of youth employed (CSS) 9,000 of which 50% are female. The programme's budget is \$404.m (54% of total).
- **Community and Local Development (CLD)** aims to restore basic services through supporting the construction of infrastructure and the management of service delivery. This program includes activities in education, health, water and sanitation sectors as well as capacity-building of local organisations. Reconstruction and rehabilitation of essential public and community infrastructures along with supporting the operation of the services will lead to improved community access to basic socio-economic assets and service delivery. The Community and Local Development Programme includes sector-specific units working on Health, Education, WASH, Agriculture & Rural Development, Capacity building and training (Community training and organisational support) and Cultural Heritage. The total number of beneficiaries with access to these restored services are expected to be 2.35 million of which 50% are female. CLD is expected to create over 7.7 million work days for an estimated 126.1 workers. CLD budget is \$285.5m (38% of total).
- **Small and Micro Enterprise Development. (SMED) Will** provide financial and technical support to Micro-Finance Institutions (MFI), Village Savings and Loan Associations as well as supporting the businesses development of SMEs which allow them to restore, sustain and scale up their business operations and even grow. The target under this program is the support of 10,000 SMEs, 9 MFIs and supporting the creation and sustainability of 3,500 income generating activities. The SME's budget is \$60.5m (8% of total).

Details of the various forms of cash transfer are given below:

Cash for Work (CFW) is implemented through the LIWP that manages CFW and the road sectors. LIWP employs CFW as a short-term intervention to provide temporary employment in community and public projects in rural and urban areas targeting most deprived villages and the conflict affected people in cities. Works include repairing roads, clearing debris or repairing and constructing terraces, rehabilitating agriculture land, constructing latrines, painting sidewalk and artistic walls in the cities, etc... In practise, LIWP establishes a field management team who select and employ members of households from the poorest communities. Based on a distress index, each governorate and then districts will have an allocation. Based on this allocation, the initial selection is made on the basis of poverty index data from the 2004 Census, this selection is verified in consultation with district councils, field visits and finally PRA. If a village has more than 30% of households with a member in formal employment, it becomes ineligible. For civil construction (rural roads and urban pavement) the work is divided up into small segments and run through community-based contractors. SFD hire master builders to assist unskilled labour to do the work and provide on the job training.

For WASH: the sector provides grant and technical assistance to the household while the household purchase the materials and hire the master builders to help them construct the rainwater-harvesting roofs and channels.

³ For CFW, members of households are calculated as an average of 7 per household. For CCT on nutrition and the CSS for youth the primary target are the individuals and currently no data collected at the household level.

Cash for services (CFS) is where Youth (16 – 35 years old) are given short-term paid work placements of between 2-12 months that are in-line with potential employment with SFD, NGOs and international agencies. Youth employed under are deployed in three sectors:

- **Training and Organisation Support:** youth are trained and contract for 50 days to work as local consultants to facilitate community empowerment activities including self-help initiatives.
- **Education:** youth will be contracted for nine months and placing them to provide education service for local NGOs caring for Special Needs Groups (2) deliver community based rehabilitation at the community level helping families with person with disabilities. (3) placing them as teachers in schools and literacy centres in underserved areas served areas.
- **Nutrition:** contracting youth for 12 months to serve as community educators and provide services such as screening children and mothers for malnutrition, delivering the education health and nutrition messages, supporting mothers to transport malnourished children to reach the treatment facilities.

Youth are trained prior the placement and work under the supervision of trained persons.

Conditional cash transfer (CCT) on nutrition is an SFD intervention that provides incentives to pregnant and lactating women and their under age 5 children who are either suffering from, or vulnerable to, malnutrition. They receive the cash transfer if they comply with the conditions of the intervention by attending the monthly health and nutrition educational sessions and attend the treatment in Therapeutic Feeding Centres. Priorities are given to recipients of the Social Welfare Fund assistance.

Targeting

SFD expects to have interventions nationwide but conditions on the ground are highly variable. Available funds for Community & Local Development will be distributed at the governorate level then at the districts level according to the updated distress index as well as donor's requirements.

SFD balances the level of need and extent of damage against the level of stability. SFD is only wholly excluded from a few districts that face fighting on the ground. However, in the last quarter of 2017, out of Yemen's 333 districts, only 13 were inaccessible for SFD due to the on-going conflict.⁴

Expected impact

Job creation will be the priority in the three programmes and in all three budget scenario. The proposed best budget scenario will be used to create an estimated 26 million work days, approximately 0.9 million beneficiaries will benefit from income support of which 36% female and 4.1 million people will benefit from access to assets and services created of which 51% female. Compared to 21.1 million work days, approximately 0.7 million people of income support under medium budget scenario and 17.3 million work days, approximately 0.6 million beneficiaries from income support for the worst budget scenario.

Under the SSN Programme, Job creation will be the highest priority in the cash-for-work activities where a workday would cost approximately \$15 (including materials and wages). CSS job creation will be for youth with education, while the cash transfers under the nutrition will be for women under the condition of attending the service.

It is expected that the management costs including the programme costs, operating expenses monitoring and evaluation will be 9% of the total budget in best case scenario, compared to 10% in the medium case and 11% in the worst case scenario.

⁴ The front lines of the conflict were almost static for two years (September 2015 to September 2017) in the last quarter of 2017 and the first months of 2018, the war on the ground has begun to move – creating a few more districts where insecurity will exclude humanitarian and development work, notably in the lower Tihama, around Taizz, in Beyhan / Bedia and around Nehm.

Budget

SFD is proposing three budget scenarios as follow:

- The best budget scenario to cover the costs of the activities over the coming three years is \$750m this will include \$533m new requested funds and \$217m carryover from previous years with the Social Safety Net Programme, Community and Local Development, Small and Microenterprise Business support representing of 54%, 38%, 8% respectively. SFD's current disbursement capacity has reached \$15m a month and is expected to gradually increase to reach the 2013 levels of around \$20m a month. While needs have obviously increased, SFD has the staff capacity and systems in place to work at this scale despite the conflict.
- A medium budget scenario acknowledges that the current cash liquidity shortages within the commercial banks could continue to affect the disbursement. Other factors that affect disbursement are donors' contributions committed and signed late, thus SFD can have predictability to prepare sufficient number of projects in the pipeline. If security worsens, access restrictions may also delay implementation. SFD therefore proposes a second scenario to cover the costs in the coming three years with a budget of \$612m including \$395 m new requested fund and \$217 m carryover. Under this scenario the share of the Social Safety Net, Community& Local Development and Small & Microenterprise will be 53%, 37%, 10% respectively.
- The worst budget scenario will be \$510 m including \$293m new requested fund and \$217m carryover with the Social Safety Net Programme, Community and Local Development and Small & Microenterprise representing of 52%, 36%, 12% respectively.

Further elaboration is made in section 3... However, a strong SFD working at a large scale can profoundly affect the path that Yemen takes in the coming years. SFD intends to continue adapting to Yemen's recovery and continue being a viable partner for donors into the future, ensuring that public funds invested in Yemen represent value for money, transforming into progressive quality of life improvements. A strong SFD will be up to the challenge of scaling up its operations to a level that matches the needs and the received funding.

The phasing and context of SFD

Up to 2017, SFD worked through four phases. Through these four phases an estimated \$2bn of donor and government funding was raised to fund projects, while the cumulative flow of disbursements amounted to an equivalent to \$1.83bn, this has created around 70m work days as temporary jobs and supported 25.9m beneficiaries with improved access to services, community infrastructure or direct cash revenues.

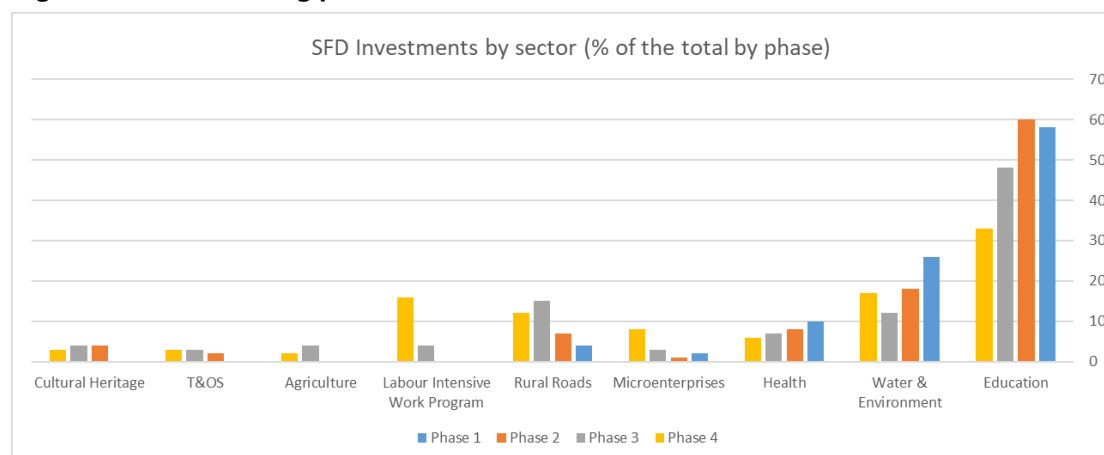
The number of donors increased steadily and reached fourteen during Phase III and IV: clear evidence that SFD steadily gained the confidence and consent of the international donor community.

SFD's most significant investments have been in Education, Water, Roads, Cash for Work, health, Agriculture and Small and Micro-Enterprise Development. Included in all these programmes is the development of human capital through capacity-building of local communities, local authorities and youth. SFD's aim is to create development management models driven by and for communities; improving the sustainability of services delivered, ownership, accountability and social harmonisation.

Table 1: SFD by phase

Phase	Development objectives	Funding level (Disbursements)
I 1998 – 2000	Reducing poverty by creating income generating opportunities through three programs: Community Development, Small & Micro-enterprise Development and Capacity Building. Implementation focussed on five sectors: Education, Health, Water and Microfinance. (Education & Water were the largest).	\$ 44 million
II 2001 – 2004	Improving services and options available to poor sections of Yemeni population through three programs: Community Development, Small & Micro-enterprise Development and Capacity Building.	\$ 195 million
III 2004 – 2010	Service provision to the poor by refining social service delivery approaches and empowering communities and local councils to take charge through three programs: Community Development, Small & Microenterprise Development and Capacity Building.	\$ 678 million
IV 2011 - 2017	Scaling up the successful activities of previous phases and enhancing SFD's role as a safety-net program to reduce poverty through four programs: Community & Local Development, Small & Micro-enterprise Development, Capacity Building and Labour Intensive Work In this phase, the name of the Community Development changed to emphasize the role of SFD in supporting the decentralisation process in Yemen and the Labour Intensive Works. The program was added to increase SFD's role in social safety net in Yemen. Although SFD reprioritised its interventions in 2011 and again in 2015-2017 to implement livelihoods-related projects in cash-for-work, the rural roads, water, nutrition and education sectors all continued with a large share given that regional donors contributed largely to Community and Local Development Program and its importance in Yemen given the relatively low enrolment rate and the huge need for education infrastructure.	\$ 912 million

Figure 1: SFD's Shifting priorities



SFD's results 2011-2017

SFD is currently operating under an extension of phase four, which initially ended at the end of 2015 but was extended to the end of December 2017.

Despite the political turbulence and multi-faceted conflict that has prevailed in Yemen since March 2011, SFD has continued its operations throughout the country. The key element in this success is that SFD has multiple sources of funding and some of them did not freeze their funding during the conflicts. At the implementation level, SFD has had to re-prioritise its interventions, promoting labour-intensive cash-for-work and water projects not only because these interventions affect the people's immediate livelihoods, particularly the cash-for-work programme, but also because they depend heavily on local materials and are implemented directly by beneficiaries who have interests in protecting the project operations. SFD's resilience is attributed to the diversification of its approaches: SFD has been working through private contractors but also making direct contracts with recipient communities.

During Phase IV, 2011 – 2017 the Labour Intensive Works Program has cumulatively developed 944 cash-based projects at a total estimated cost of \$155 million. The program has reached slightly over the target of 1.1 million direct beneficiaries (65% rural) generating 13.4m workdays and reaching 97% of the target workdays.

In education, SFD completed the construction and rehabilitation of 9,875 classrooms (vs 9,871 planned) from which 280,766 students were expected to benefit (vs 281,616 planned), of whom 46% were females (vs 46.5% planned). SFD trained 5,184 formal and non-formal teachers (vs 3,500 planned) and 2,351 professionals (vs 1,738 planned) of whom 42% were females (vs 35% planned). The number of children with special needs who were integrated in ordinary schools because of SFD's interventions to facilitate such integration reached 7,540 of whom 52% were female.

198 health facilities constructed and/or equipped (184 target) and 3,189 staff trained (100% of the target). 91% of SFD's health facilities are operational and delivering services. SFD facilities are currently used by national and international humanitarian agencies to deliver services, particularly nutrition services, which underscores the importance of SFD-built infrastructure in facilitating the delivery of emergency aid. Some 2,560 out of the planned 2,463 community midwives were trained and qualified, and 3,239 staff from primary health centres were trained (40% females) from 3,192 planned.

SFD managed to provide 1.1 million beneficiaries (vs 1.2 million planned) with access to improved water sources and 317,965 beneficiaries (vs 411,000 planned) with access to improved sanitation. SFD has supported communities in building rooftop and public cisterns with a total storage capacity of 3.6 million cubic meters (vs 3.6 million planned).

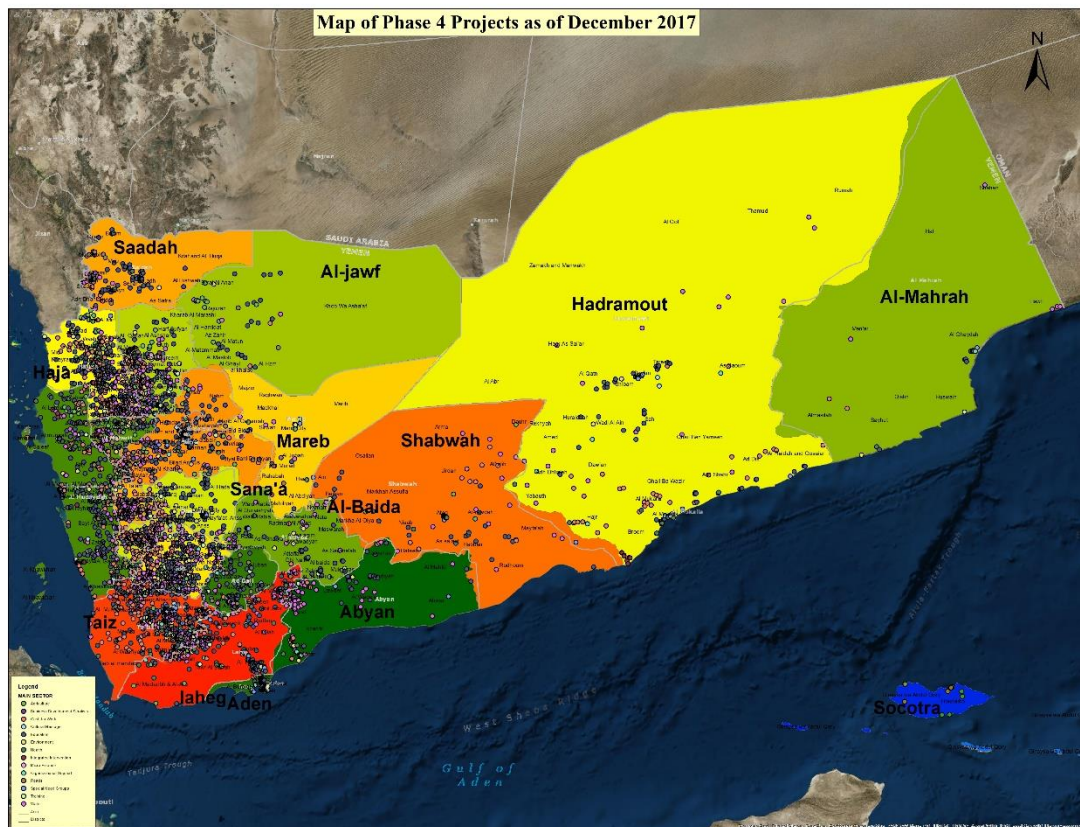
In response to the breakdown of national-level governance, SFD has given special attention to capacity-building of local structures. It helped form or reactivate 5,067 village cooperative councils (VCCs) from the 4,516 planned, and strengthened the capacity of nearly 5,542 local authority members on Tamkeen (ELD) program from 5,372 planned.

SFD is Yemen's largest source of microfinance. In December 2017 SFD's supported microfinance institutions reached 85,716 active borrowers (43% females) and 740,146 active savers compared to targets of 89,514 borrowers and 634,194 savers as planned in 2016. The outstanding loan portfolio has amounted to YR 7.8bn in 2017 compared to a projected YR 6.9bn.

The project utilisation survey 2014-2017

Between 2014 and 2017, SFD completed four rounds of project surveys covering 1,857 completed projects located in 21 governorates around Yemen (the only governorate that was not covered by the survey was Socotra).

Figure 2: A map of Phase 4 (projects at December 2017)



The objective of the survey was to measure the outcomes achieved by the SFD's interventions: its operational status, utilisation and benefits delivered. The surveys included projects in the following sectors: education, health, water, roads, labour intensive, training and institutional support, and empowerment of local development. The survey collected data on the perception of the communities on the consultation process prior to the starting of the projects, their representations during the implementation as well as their perception of the benefits.

Table 2: SFD's project utilisation survey by year and sector

Type	Round (1) July 2014	Round (2) November 2014	Round (3) February 2015	Round (4) July 2017	Total
Education	58	39	262	271	572
Health	4	16	32	14	62
Water	31	30	290	260	580
Roads	16	0	60	65	125
Labour Intensive Works (Cash-for-Work)	0	25	99	197	321
Training	0	13	27	2	42
Local-community Empowerment	0	3	18	25	46
Grand Total	109	126	788	834	1857

Below is a summary of the survey results for each sector and program:

Education sector: The results of the surveyed 608 schools showed that 93% of the education projects were operational at the time of the visit, and providing services to a total number of 226,000 students (45% female). The benefits of SFD's investments has helped school administrations take action to leverage these outputs in terms of adding higher grades. For example, they upgraded the educational level by upgrading their primary schools (top grade 6) to basic schools (top grade 9), separating female students (girls) in segregated classrooms, turning a number of schools that work two shifts (morning and evening) to work in the morning, and reducing rates of overcrowding in schools. All these results have contributed in increasing children's enrolment in education. The last survey round was conducted in 2017 (while the three first ones were in 2014 and early 2015) and found 89% of the schools were functional and providing services to communities. Out of 271 schools, there were 26 non-operational schools - because the teachers haven't been paid.

Health sector: The results showed that 91% of 352 SFD-supported health facilities visited during the first three rounds were functioning and providing services to the people. 87% of the surveyed respondents reported that at least one of the families interviewed visited the health facility looking for health service (treatment, counselling, etc.). Of those who visited the facility, 97% reported they benefited from their services provided in one way or another. 88% reported that the project achieved its goals. The average number of community visits to a facility was 893 visits per month. It was observed that during the last visit in 2017, the 14 health facilities where SFD intervened were operational with the support of international humanitarian agencies and providing medical services to people during the survey period. It was found that all of them provide patient consultation, children immunisation, and aid program and nutrition services including treating cases of malnutrition.

Water sector: The SFD has achieved the objectives set out in the results framework in terms of indicators of water availability period and time required to fetch water. The results showed that 76% of the respondent households rely on the SFD-supported water facility as a major source of water in the dry season and 59% rely on it in the dry and rain seasons. The results also showed a decrease in the time required to fetch water to 31 minutes. The percentage of households bringing water in less than 30 minutes reached 67% of the respondents. The average time of fetching water during the dry and rainy seasons ranges between 30 and 40 minutes, respectively. The decline in water-fetching time is attributed to the communities' preference to harvest water from private rooftops rather than from public rainwater harvesting tanks. In terms of water availability, 86% of households confirmed the availability of water in the cisterns or tanks, and the number of months of water availability has increased from 7 to 9 months. In addition, 84% reported that they had improved the cleanliness and quality of water. The satisfaction rates with the SFD interventions are high; 90% of respondents selected the "excellent" grade to the SFD water projects.

Rural roads (65 rural roads location): There are three main dimensions to measure the results of the rural road projects: the time to the nearest market /city, the number of trips per person per week and the fare to the market/city. The survey findings showed significant project results; the trip time is 50% less than that before the intervention (ranged from 138 to 74 minutes). These results confirm that 77% of the respondents reported that the SFD's project reduced the trip time to the market/city. As the journey to the nearest market/city became easier, faster and less expensive, the number of weekly trips to the market increased by three times more than before the intervention (1.2 to 3.7 times per week) and the transportation fare declined by 25% per passenger to the market/city. Qualitative data (open questions) also showed positive indicators when reading the respondents' opinions and their level of satisfaction; 98% of respondents said that the road enabled beneficiaries to access services more quickly, comfortably, and at a lower cost than that before the intervention.

Cash-for-work program: The results showed that 84 - 89% of the assets rehabilitated or built by SFD are still functioning and benefiting the local community. In 93% of the projects visited, the key respondents to the survey said that the cash-for-work has provided temporary work opportunities that supported the population with cash. The population benefited from these projects to meet their main requirements, especially they increased food consumption and paid their debt, while 91% reported that some residents were able to save some of the funds they received as labour wage from the program, and some residents have bought productive assets (e.g. sheep, goats, cows, motorcycles, beehives, etc.). In the last survey new skills gained was reported such as cutting and shaping stones, plastering, etc. In 98% of the cash for work projects, road projects were considered the priority.

Training and Organisational support: SFD supports various governmental and non-governmental institutions and local authorities. The survey results show that three-quarters of these visited facilities are functioning and providing services to the population. 88% of the respondents to the main statement in the functioning projects reported that they met with the SFD team and discussed with them their priority needs and requirements, and they praised the transparency, clarity and ease of work with SFD.

In the fourth survey in 2017, the two associations were visited were active in humanitarian aid delivery. The two associations staff confirmed that the support provided from SFD were excellent except for the training materials that were rated as medium.

Empowerment for Local Development: The fourth round included 25 projects of two types of interventions: (1) stimulated self-initiatives and the establishment of village's cooperative councils (VCC), and (2) support of local councils (LC) with participatory training projects. As for the stimulated self-initiatives and the establishment of VCC, the results show that VCCs have been formed in 15 projects through direct blind ballots. The respondents confirmed that 80% of the polls were held in public buildings and 13% in private houses. Besides, 73% of respondents confirmed the use of minutes in their meetings. The VCCs held 10 meetings per year on average and implemented 12 self-initiatives.

Impact evaluation findings

Three major external evaluations, as well as the donors' joint mission reports and other publications have evaluated the SFD's performance.

Evaluation findings between 2003 – 2010⁵

SFD went through three major external evaluations in 2003, 2006, and 2009⁶. These evaluations were based on quantitative survey in addition to a qualitative study. The quantitative evaluation methodology in 2003 and 2006 attempted to compare the results of the outcomes in communities that received projects with the social-economic conditions of communities that had not received interventions. In 2009, the evaluation used a difference-in-

⁵ 2003 Impact Evaluation supported by a trust fund managed by the WB while in 2006-2010 it was commissioned and funded by DFID

⁶ Data collection, analysis, and report finalization were completed in 2010. However, the evaluation title is the 2009 Impact Evaluation as the process started in 2009.

differences approach to selected measurable indicators based on asking recall questions on the situation prior to intervention in the treated communities. Both the 2006 and 2009 evaluations included return visits to communities and households included in earlier evaluations in order to assess the sustainability of interventions; therefore, the evaluation sample continued to increase in each round of the evaluations to include older project areas and households.

Each evaluation assessed the effectiveness of SFD in terms of poverty targeting; community consultations and participation; the efficiency of SFD in terms of coverage; and outcomes attributable to SFD's interventions in the areas of education, health, water, rural roads, and microfinance - which accounted for about 70% of SFD's investments at that time.

These major evaluations were conducted at the end of each phase in order to measure the outcomes of the respective phase. The sample size for the 2003 evaluation was 4,000 households located in 200 communities, with 100 having received the interventions and 100 being still in the pipeline waiting for the interventions. The 2006 sample was 6,000 households, including 2,000 in 200 project areas who were still waiting for the interventions and 4,000 households located in 400 project areas and were distributed in two groups, the first group having received the interventions between 1997-2002 and the second who received them between 2003-2005. The sample size in 2006 was increased to compensate for attrition in the sample size that occurred in the 2003 evaluation.

LIWP evaluation

Since 2008, new programmes were added to the SFD's portfolio of interventions including the Labour-Intensive Works Programme (LIWP) and the Rainfed Agriculture and Livestock Project (RALP), which both were rigorously evaluated for impact. The LIWP evaluation was based on a community matched-pair randomised control trials design⁷. The randomisation was possible as the LIWP cash-for-work approach was only used by SFD and there was no possibility that other programmes would intervene in the control areas. Additionally, SFD's capacity to intervene in both control and treatment areas at the same time was limited. As the LIWP was rolled out, control areas would become eligible for interventions after completion of the evaluation.

The LIWP evaluations confirmed SFD's efficiency at targeting poor and deprived communities and at meeting their priority needs (Christian et al., 2013)⁸. In treated communities, 74% of households had at least one member participating in LIWP. However, benefits were unequally distributed across the participating households because the crisis attracted the participation of households that would have normally opted out of the programme. Wages were set on a piece-work basis, creating greater rewards for workers involved in more skilled and intensive tasks. Despite this inequality, benefits were progressively distributed, with more aggregate benefits going to the poor and a decline in intra-community Gini coefficients. Income gains were used to increase staple food consumption, reduce levels of indebtedness, and protect durable goods ownership from decapitalisation to cope with the crisis. There was no detectable impact on the ownership of animal assets, consumption of higher value foods, and ownership of goods such as clothing and household utensils. At the time of the evaluation, few projects implemented through LIWP had been completed, but the evaluation showed improved access to water where projects focused on water availability. The evaluation of LIWP thus confirmed the value of the productive safety net approach in mitigating the impact of economic shocks.

Institutional assessment

In addition to quantitative evaluations, two institutional assessments were conducted focusing on SFD's indirect contribution to national public/private implementation capacity, through both "expertise transfer" and co-operative arrangements for implementation and policy development. These institutional assessments, which use qualitative methods, added to an understanding of how SFD operates in fragile environments and how its practices contribute to the country's institutional development. **SFD's operations have reached about 25% of Yemen's 40,000**

⁷ Communities are randomly allocated to the different treatments of the study. In this case, the communities' pairs are randomly allocated for the interventions in 2010 and those of the interventions in 2013

⁸Christian, S., A. de Janvry, D. Egel, and E. Sadoulet (2013). "Quantitative Evaluation of the Social Fund for Development Labor Intensive Works Program (LIWP)." Berkeley: University of California.

villages⁹ and more than 50 per cent of the rural population. SFD is the only development program in Yemen with such coverage. As such, dealing with conflicts and tensions is relevant to SFD's operations particularly in troubled geographical areas. The institutional assessments attributed SFD's ability to work in difficult areas to:

- SFD's clearly defined work procedures,
- The policy of employing local staff, and
- SFD's close structural relationship with communities and local authorities that help it overcome insecurity and operate in conflict situations¹⁰.

The institutional assessment described some of SFD's practices in attempting to raise the quality standard of development initiatives as well as the capacity of the national public administration. Some of these practices include continuously measuring the efficiency of interventions as part of a results-based management approach, targeting investment through the use of data and objective indicators, a participatory approach to decision-making regarding projects, and responsiveness to beneficiary needs

The 2006 assessment noted that SFD had evolved into a "model" organization in Yemen, operating on a nationwide basis and extending participatory development efforts to rural and remote areas. As the main supporter of NGOs, SFD promoted capacity development and good governance amongst NGOs. According to Jennings (2006), the SFD's demand-led approach, pro-poor resource allocation on a nationwide basis, use of verified results as a basis for decision-making, participatory processes, transparency principles at all levels, and well developed procurement systems have allowed it to contribute to the promotion of solid systems of governance that underscore state-building. The 2006 institutional assessment asked a group of contractors 'If the price that you offer SFD was 100 in a specific item, what would be your price for the next five actors including ministries'. All contractors agreed that they would give SFD the lowest unit price, attributing this to not having hidden costs when bidding for SFD-supported projects (Jennings 2006, see footnote 26). A 2008 study, commissioned by KfW in partnership with the Ministry of Education on the provision of educational facilities, found SFD to be the most efficient in terms of procurement performance. The same study also found that SFD's costs are at least 20% lower than the education ministry. SFD's cost efficiency has been mainly attributed to its transparent procurement practices.

The 2009 institutional assessment indicated that SFD has effectively managed conflict situations including rivalries among community interest groups over the location of projects, political divisions and the tendency to politicise interventions, tensions over community contributions, conflicts with contractors, and also differences with line ministries over coordination issues.

The institutional assessment described how SFD has been dealing with such tensions in order to prevent, resolve, or minimize conflict, including establishing and respecting clear criteria to avoid bias in selecting and implementing projects that could offer equal opportunities to access resources. Also, SFD strived to insure transparency at all times, including in the formation of community committees, the establishment of community contributions, and community contracting as well as in providing access to its reports and procedures. A key factor in enlisting community support was to use local staff and consultants. When it comes to resolving an already existing problem, SFD's regional branches work with local leaders to address the issue. However, in a deeply entrenched patronage system like Yemen, this has not been problem-free. The Parliament, where the majority of its members are elite community leaders, has several times reluctantly ratified SFD loans as SFD is sometimes seen as a threat to their patronage role in their constituencies. While SFD has gained recognition by communities and development organisations, this has often not been the case among elites and central government officials.

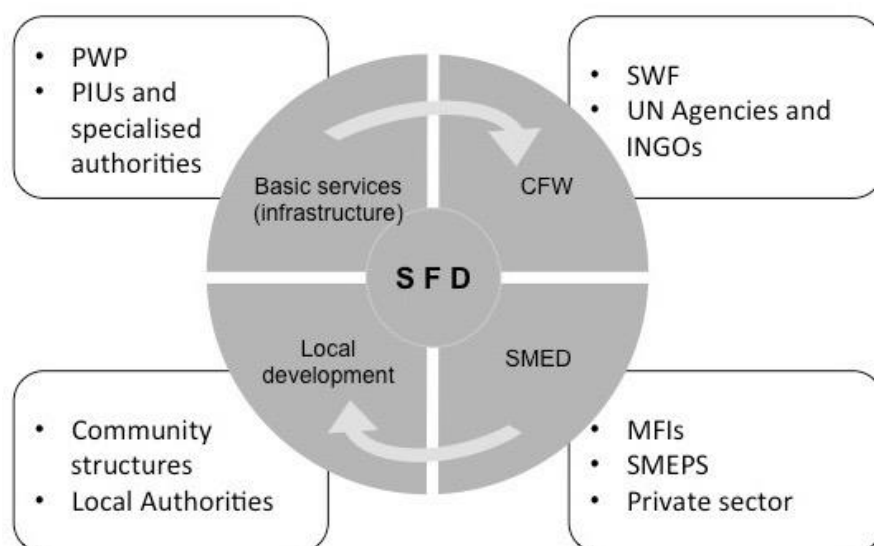
The institutional assessment noted that SFD could remain functional when a crisis occurs. For example, it increased its investment in the Hadhramaut Governorate following the 2008 floods and loss of life. Similarly, it introduced a labour-intensive programme to create employment in

9 SFD Management Information System (July 2013)

¹⁰Jennings, M. (2009). "DFID Yemen Social Fund for Development – Institutional Evaluation SFD Evaluation 2009." Final Institutional Evaluation Report, Contract No.: CNTR 200808562. The Recovery and Development Consortium: Maxwell Stamp PLC, the Post-Conflict Reconstruction Unit, The University of York and COWI

local public goods projects as a response to rising food prices during the global food crisis in 2007-2008.

Figure 3: SFD in the context of its partner development organisations



SFD's positioning

SFD holds a central position within the social safety net and local development agents in Yemen. To ensure an effective implementation and integrated efforts, SFD maintains strong relations with different local and international partners including; local communities, local authorities, relevant line ministries, the Social Welfare Fund, the Public Works Project, the executive specialised units, and small and microfinance institutions, in addition to the close coordination with, UN agencies and INGOs operating in the country.

As the diagram above shows, CFW activities are the main implementing vehicle of SFD's Social Safety Net activities in terms of targeting, coverage, and/or diversification of interventions. SFD's CFW is integrated with the goals of the Social Welfare Fund and the international humanitarian organisations.

In terms of enhancing the provision of services, the relationship is directed towards the line ministries and authorities and their implementing bodies at the governorate level such as the rural water authorities and the ministries' offices; there is also close coordination with Public Works Project PWP. The relationships have two aims: 1) to avoid duplication, and 2) where relevant, to handover completed projects to the authorities responsible for supporting operations and maintenance.

With regards to community and local development, SFD has built a strategic partnership with the local communities on a national scale. Since its inception, SFD has adopted the Community Driven Development (CDD) concept to enhance local development. This approach has resulted in a strong partnership with empowered local communities who now collectively represent one of SFD's main strengths. Relationships with Local Authorities are also strong and have helped significantly project implementation. Since 2003, SFD has launched capacity-building programs to strengthen LA's capacities. SFD is keen to continue strengthening these relationships by introducing local development modules characterised by community participation, strengthening of CBOs, investment of social capital, adopting participatory planning processes and decentralised implementation models.

SFD prioritises support for Small and Micro Enterprises (SME) and is keen to promote this area of work in the context of conflict and early-recovery, to this ends, the three budget scenarios in this proposal demonstrate that as the overall budget falls, the proportion of funding directed at SMEPs rises.

Since its inception, SFD has developed a raft of vehicles for strengthening this critical sector focusing on financial and nonfinancial services. Ten microfinance programs and institutions were established and supported in addition to the establishment and support of the Small and Microenterprise Promotion Service (SMEPS) and the Yemen Microfinance Network as non-financial (technical) instruments to support the capabilities of this important sector. SFD also maintains a strong and encouraging relationship with the private sector institutions involved in this sector to advocate the adoption of microfinance concepts and greater integration into the wider economy.

Key Lessons Learned 2011 - present

Several important lessons will contribute to improving and shaping SFD's operations in the next few years. The most important of these lessons are:

- Maintaining political and geographical neutrality and sectoral balance. SFD is perceived by stakeholders as a neutral developmental institution with no political affiliation. This aspect has largely contributed to SFD's ability to operate even in difficult locations; SFD has demonstrated that it serves all vulnerable Yemenis, regardless of their political affiliation in responding to their priority needs. This perception is of utmost value in the context of conflict;
- Close coordination with local authorities. SFD focuses its work at the district level, where many state authorities still function; and where the partnership with local communities is essential in facilitating project implementation - including access and safety of staff;
- Revival of community self-help initiatives. The absence of effective government services created a wide demand for self-help initiatives. Communities volunteer to support initiatives that provide services such as water, improved roads, delivering relief aid, etc. SFD works with communities in designing programmes that can only be delivered on the basis of communities' willingness and enthusiasm;
- Delivering sustainable interventions can help bond communities together. Improved social cohesion and harmony among the beneficiary communities is an outcome of the majority of SFD's interventions, where feuds and disputes, (in particular over land and water rights and rights of way), have subsided or been completely resolved.

SFD will continue to work closely with local communities, SFD will maintain its transparent criteria for balancing investments geographically as well as at intervention levels (See the Targeting note in Annex 2).

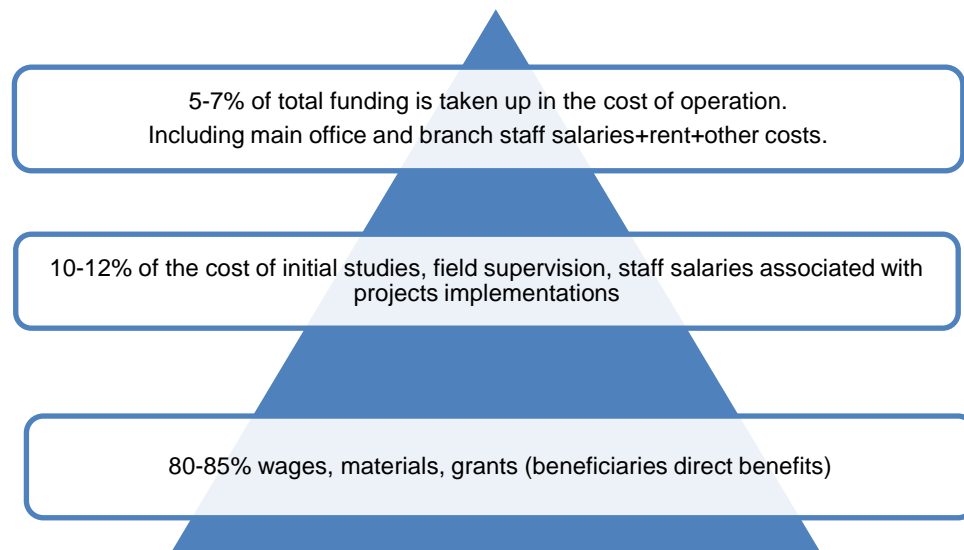
Value for money

SFD can demonstrate value for money through its financial resources management, leverage of financial resources from community contributions, interest gained and number of donors participating, the large scale of implementation as well as demonstrating effectiveness through meeting targets and objectives.

Financial resource management

SFD's core operating costs (including management and projects) remain well under 10% of the total budget. Operating expenses were 7% in 2017 and just 5% cumulatively since 2011. The delivery cost through local consultants including cost of targeting, registration of beneficiaries, technical support throughout the implementation and the monitoring and evaluation processes is between 10-12%. It is estimated that net benefits totalling 80 - 85% of the resources go to the beneficiaries in the form of wages, materials and grants.

Figure 4: Distribution of funding between Beneficiaries, management and operations



SFD maximises the benefits of donors' contributions as SFD generates the highest possible interest on its current accounts. Such interest, along with the government's contribution, reached 25% of the \$912m spent between 2011-17.

Additionally, during phase IV, the total value of the communities' contributions reached \$156.6m¹¹.

Efficiency of SFD's systems

In a 2008 study conducted by the Ministry of Education with support from KfW¹², SFD was described as the most efficient agency in Yemen in building schools due to its robust procurement system. This procurement system is still in place – confirmed by two capacity assessment studies that were carried out in 2016 by independent auditors contracted by the EU¹³ and UNDP¹⁴. The assessments found that SFD's procurement risk rating is low: The structure of the SFD's procurement unit is clear, with defined reporting lines that foster efficiency and accountability. The procurement unit ensures that procedures are properly applied and comply with SFD's written procurement policies and procedures that include written policies on procurement ethics, anti-fraud and corruption. It utilises standard bidding documents and contracts and awards procurement contracts to qualified bidders whose bids substantially conform to requirements set forth in the tenders and which offer the lowest cost.

SFD currently manages 19 funding agreements, in the past it managed up to 33 agreements simultaneously - using advanced information management, procurement and financial systems. In November 2017, SFD was managing 877 active projects in the field, this capacity is directly expandable to 1,500 projects at a given time if and when levels of funding increase.

Effectiveness in meeting the objectives

- SFD has met its targets for phase IV including reaching the neediest communities, increasing attendance in SFD-supported schools, reducing time spent in fetching water.
- In December 2017, the number of households benefiting from cash-for-work between September 2016 and December 2017 reached 55,569 households. Additionally, 50,679

¹¹Community contribution is mostly in terms of materials or labours and it is provided to/ in the project site.

¹²Ministry of Education, Republic of Yemen and KfW Entwicklungsbank (2008). "School Construction Costs in Yemen Cross-Sector and Multi-Institutional Assessment Study." Draft Report on Findings SEF No: 1992 70 182. Prepared by GET German Education and Training GmbH.

¹³ Grant Thornton, Social Fund for Development (SFD), Yemen, Pre-award Assessment March 2016

¹⁴ Implementing Partners Capacity Assessment Report Social Fund for Development – SFD Prepared by: Talal Abu-Ghazaleh & Co. Submitted to: United Nations Development Programme (UNDP). April 2016

mothers and children under five benefitted from nutrition services including 13,380 women who benefitted from CCT.

- All Third Party Monitor studies have confirmed that SFD has been successful in reaching the targeted population and those who are most in need. Some donors direct SFD's operations toward specific sectors, often by funding the safety net component - CFW. This leaves SFD with the task of delivering basic social services and supporting the capacity of NGOs, CBOs, emerging private sector initiatives and local government. No other development entity works at the same scale in support of local governance.
- SFD's effectiveness is measured by assessing outcomes against intentions. SFD's independent impact evaluations of 2003, 2006 and 2010 showed that SFD's interventions deliver increasing education enrolment among children particularly girls, improved access to water supply, health services and economic opportunities¹⁵. The LIWP 2013 impact evaluation showed that the cash-for-work interventions were successful in cushioning the impact of the 2011 crisis and that the communities benefitting from CFW fared better than those who did not participate. Beneficiaries who received (YR100,000 or \$468) or more, tended to invest in business assets, i.e. investing in long-term income generation. Beneficiaries responded that the community infrastructure created was beneficial.

Quality of financial management

Over twenty years of operation SFD has a strong financial management track record: SFD has regularly received unqualified opinions by the annual external auditors. SFD used to receive consistently receive positive ratings from World Bank experts. Some donors such as the Islamic Development Bank have been individually audited in a quarterly basis. SFD's automated, multicurrency/multi-donor financial management system allows SFD to track and record each transaction made across the organisation. SFD Branch Offices and HQ also regularly undertake sample checks on payments.

¹⁵All evaluation reports are posted in SFD website: www.sfd-yemen.org

The Strategy

In the years 2015 - 2018 Yemeni social resilience has been stretched to its limits, but there are signs that social fabric will deteriorate if left unsupported. It is clear that as the conflict continues, past development gains are being reversed.

Aid interventions in Yemen should cater on the one hand to addressing immediate needs – leveraging and enhancing social support mechanisms to people in needs and can complement a largely insufficient humanitarian response¹⁶ – and on the other hand for to maintain the development process which will be the foundation for future early recovery and reconstruction. Experience in countries in the Arab region, such as Syria, illustrates that where conflict is protracted and on-going, resilience-based development approach activities are both feasible and critical¹⁷. SFD's operations and monitoring 2015 - 2016 also confirms this assessment. See Box 1¹⁸

Box 1 – Narratives from the field

Story 1

Radman Aladbu'i, married with 6 children, fled the war-destroyed town of Haradh, north western of Hajja Governorate to an IDPs' camp in Ibb City. So far, Radman has received YR 70 thousand as labor wage from a CFW street pavement project, of which he paid for the bill of the recent delivery of his wife and the nutritious food for her and his newborn baby and the public school fees for the 5 children after they had dropped out. He also subscribed in a saving group that he plans to buy a motorcycle as a new source of living after his working days in the project are completed. His large family members bear the poor quality of food served by the camp to cover their other essential needs. They also feel that their suffering will prolong after their town of origin has been totally closed due to the continued clashes and most buildings were severely damaged.

Story 2:

Samar remained in armed conflict affected Taiz and CFW-supported home garden saving her from humiliation: These crops have saved us from the 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. I, therefore, expanded my garden by three times in area. 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 dried garlic or orange peels as pesticides which are effective and healthy," the widow Samar Mohamed shares her story of her CFW-supported home garden. Using her labor wage, Samar bought a door to protect her garden and a sewing machine to start a small project to support the schooling and living of her three kids. Samar's husband was killed by unknown people as the family was **stranded** inside the city during fierce street clashes.

Story 3:

After multi-displacements due to the heavy clashes in Taiz City, Saddam Abdullah has spent most of his CFW labor wage on starting an income-generating commodity shop inside his only unfinished bedroom. Saddam and his wife are using their bedroom also for accommodation and cooking. Having his room in the third floor, he sells the food and detergent goods for the peer IDPs living in the same unfinished six-floor building in Alhawban suburb that houses large numbers of IDPs. Receiving only one-off food basket from an INGO and suffering unemployment throughout his 30-month displacement, Saddam could plan well his spending of the \$400 on other things; food items and repairing his motorcycle for additional support of livelihood. Now, he saves the income of his motorcycle for the future needs while using all income of his shop to expand it. "We have been living the best period of our life in displacement," says Saddam.

Story 4:

The Ghazi's five-member family has stayed displaced in the city of Alkaida for the third year after they fled the intensive fighting in Aden City and their house was seriously damaged. This affected family feels it shameful to approach aid distribution so it nominated Ms. Nada (23 years) to join a CFW intervention in Alkaida as life skills learner and a health educator. "We spent my wage on several things; food, a drug to my chronically ill mother who survived a heart attack, school uniforms for my younger brothers and debt repayment," says Nada. "I am the first one to have benefited from the training I received; I totally quit smoking argil and chewing qat after the program had informed me of the associated health damage. I had been feeling health problems and were not aware it was because of those stuff!" Nada added that some women for whom she had held awareness sessions quit chewing qat. She plans to allocate part of the cash she received to produce and sell the Aden-reputed perfumes and incense.

¹⁶ As of 2 March 2018 only 3% of the 2018 YHRP (Yemen Humanitarian Response Plan) is currently funded and 2017 only 73% and 2016 63 were funded: <https://fts.unocha.org/appeals/657/summary>

¹⁷ <https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/9018.pdf>

¹⁸ Feature stories were written by Abdulelah Taqi, SFD senior communication officer based on his visit to Ibb and Taiz and meeting with the IDPs participated in SFD cash for works

In response to the conflict that started in March 2015, SFD, with the support of its donors, developed a Crisis Response Plan (CRP) 2016 - 2017 within the framework of the SFD phase IV. The CRP aimed to build resilience through restoring livelihoods, basic social services and delivering large scale CFW activities, supporting social basic services delivery and reviving the activities of SMEs and MFIs.

SFD is now launching an extension to the CRP to cover 2018 through 2020 to continue and expand SFD's operations in mitigating the impact of the current crisis on households and communities. CRP 2018 – 2020 will achieve specific results in:

- 1) Increasing short-term employment and livelihoods opportunities through the Social Safety Net Program;
- 2) Restoring key service delivery through small-scale infrastructure and supporting the continuity of key social services in education and health; and
- 3) Reviving MSEs and MFIs as private sector in Yemen is the largest existing source of livelihoods in Yemen.

Theory of Change

The SFD CRP Theory of Change model assumes that if income-generation and livelihoods opportunities are increased for vulnerable households (including IDPs), with essential service delivery restored and micro and small businesses revived, households and communities in Yemen will be able to more effectively cope with the impact of the current crisis and be strong drivers of the resilience-building and recovery efforts. *Promoting and supporting self-help and community initiatives will not only maximise and enhance resilience, but will lay solid bases for more cost-effective recovery and development.*

The theory of change that underlies the SFD CRP rests on a number of interconnected assumptions, principles, and lessons accrued through 20 years of SFD's operations and its experiences from the field - including during the last five years.

Early economic revitalisation through job creation and restoration of basic services are key to effectively stabilising communities and maintaining peace immediately after conflict, thus facilitating early recovery and steady return to sustainable development. Short-term employment created through the cash for work and community infrastructure along with restoration of basic services, and support to the recovery of SMEs will help crisis-affected people to develop or regain sustainable livelihoods and critical assets, improve access to basic services and contribute to the revival of the local economy.

Community empowerment through supporting community infrastructure rehabilitation initiatives, can support community members to come together to improve the conditions in their communities, strengthen partnerships with local authorities, reflect their own priorities in broader recovery and development planning and acquire new knowledge and skills that empowers them to expand their opportunities and choices.

Support for community infrastructure rehabilitation is an important entry point for mobilising communities around initiatives that help restore access to essential services for the entire community.

Increasing the roles of women and youth in local decision-making and their access to services and jobs as well as implementing the activities in conflict sensitive manner. Youth engagement is critical in peace-building and recovery in their communities, and employment opportunities deter youth from taking up arms and prolonging the conflict. The active participation of women is aimed at a substantial strengthening of their role in the public sphere, particularly because most women in Yemen are marginalised. SFD's enforcement of greater women's participation in economic activities will contribute to build a culture of wider female participation in political, social, economic and cultural life that will contribute to family welfare and peace-building in society. SFD implements its interventions in a conscious approach that empowers community members to peacefully resolve local issues and conflict in processes that build social cohesion and peace from the bottom-up.

Just as emergency relief activities are crucial to saving lives by responding to the most urgent human needs, integrating an early recovery approach within humanitarian

operations is crucial to the first efforts of a community to recover. There needs to be complementarity and continuity between the humanitarian response and the recovery effort - and this needs to be planned. SFD has found that early recovery through the creation of income generation activities is vital to complement humanitarian aid. It prepares the ground for an effective 'exit strategy' for humanitarian actors and contributes to 'durable solutions' by establishing the base on which nationally-led development can be regained.

The success of the project also depends on a number of critical *external* factors:

- The land conflict is confined to a small number of districts (15 out of 333), therefore, the majority of the country remains accessible;
- Donor support is continuous to cover the cost of the CRP 2018 – 2020 and appropriate communication and coordination mechanisms are adopted;
- The parties to the conflict respect SFD's neutrality and don't intervene in decision making;
- Banking networks and financial service providers will continue to be functional, and the issues with cash availability / liquidity will not worsen;
- Existing and newly-built community infrastructure is not further damaged in the conflict; and
- Donors will provide SFD with sufficient degree of flexibility in geographical and sectoral use of funds.

The diagram in Annex 4 captures the chain of development changes that link the proposed interventions with the results. It shows also how external factors pertaining to the broader security, institutional, political and socio-economic context will influence the outcomes of the planned interventions.

SFD's approach and beneficiaries' feedback

The SFD's Response 2018-20 will build on the well-established approaches of SFD's community driven development while continuing to adapt them to the context of conflict. Beneficiary communities and households are the most important constituency of SFD. Community involvement, with a focus on women and youth and their feedback, will be integrated throughout the project cycle. SFD will also continue to work with key partners including community based organisations (CBOs), private sector contractors, suppliers and financial services as well as SMEs, Micro Finance Institutions (MFIs) and NGOs. Close coordination and consultation will take place with local authorities as well as with international humanitarian agencies.

Beneficiary communities and households

SFD is a demand-driven organization. Communities' involvement starts in the early stages of the project cycle during the initial needs assessment using participatory approaches, the involvement continues throughout the project cycle as follows:

Participatory needs assessment The decision of fund allocation at governorate and district levels is based on an index (comprised of sets of conflict and poverty data (as outlined in the targeting note). The decision of selecting a particular community (village or a group of villages) is made based on field visits and in consultation with local authorities and community based organizations in the respective districts. Once the community is selected for a participatory approach – a form of Participatory Rapid Appraisal (PRA), the community itself qualifies for feedback from SFD on the best way to address their priority needs.

Elected beneficiary's committee – at project level SFD's field team facilitates the process of establishing a community committee that represents the relevant communities during the implementation of the project. These committees are based on a blind ballot community-level election, after which the elected committee becomes responsible for communication and coordination with the SFD field team.

Beneficiaries engagement in implementation This is variable and depends on the mode of implementation. In the cash for work modality, the beneficiaries implement the project themselves assisted by master builders hired by SFD. In addition to the community committee, the SFD field team organise the community into groups based on the type of work to be performed. Each group elect a team leader that will represent them to the SFD field team. Feedback is either directed to the field team, or to SFD's officers conducting monitoring visits, or can be raised through the secured complaints box installed in each project site, or through other complaints channels (such as Facebook or Twitter).

When the project is implemented through private sector contractors, the relevant community committee will usually be tasked with supervision and monitoring. Feedback to SFD is also ensured through the complaints mechanism channels.

Beneficiaries feedback during the evaluation During the initial project survey, SFD collect information on beneficiaries' perceptions about the consultation process itself prior to the implementation of the project. This is to ensure that the project is a priority as well as gaining the beneficiaries view of the quality of implementation. Data on benefits also are collected: in addition to collecting the perception of the beneficiaries through survey, SFD conduct focus group discussions as well as interviews of key informants' persons in the community.

Contractors & suppliers

SFD provides training and capacity building for small contractors and suppliers as key partners in delivering the project. Their rights and responsibilities are outlined in the contract signed with the SFD. A senior member at SFD, the head of the technical unit, is assigned to solve problems that contractors may raise and mediate between SFD's branch office and the contractors if and when a dispute arises.

Box 2: SFD's contracting methods

SFD implements projects through the following main methods:

1. **Formal contracting** (national bidding process) administered by SFD's Procurement Unit.
2. **Community contracting**, whereby a community committee administers the procurement for traditional small-scale civil works such as feeder roads and water harvesting schemes.
3. **Cash-for-work method** where households are paid in cash for completed work according to agreed rates and stages of work (applicable to LIWP and rooftop water harvesting works).
4. Through **non-governmental organizations which** is mostly for the microfinance.

Community based organization and village councils

Village Cooperative Councils (VCCs) are another form of CBO that SFD supports. VCCs are formed and trained to play a central role in supporting grassroots' decision making, lead community mobilisation towards self-help, and raise citizen's voices to local authorities at District and Governorate level.

SFD's support to these VCCs comes under "Tamkeen", the Empowerment for Local Development (ELD) Program, which aims at empowering the communities and local authorities and bridge the gaps between them as a pre-requisite for local development. The program support revives the traditions of self-help and collaborative work, builds on available social capital, and prepares the sub-district local systems to benefit from effective local development. The support includes building VCC's capacities to develop their own by-laws which regulate their work, it also describes the re-election process and other requirements for sustainability.

This community networking is very important in helping SFD and the other national and international agencies to intervene in the remote areas. The small-scale subprojects facilitated by VCCs are highly valuable for the poor villagers and help the resilience of their communities. The SFD plan is to continue its technical support to these community structures and to encourage the implementation of community initiatives based on the villages' resilience plans.

SFD's Complaint Handling mechanism

SFD has a systematic automated complaint handling mechanism that allows beneficiaries and partners to raise concerns / complain about an SFD's practices and to receive official response. The complaint handling mechanism has many entry points that can be used to receive complaints: a secured box to receive complaints is established at each project sites to enable beneficiaries to express their opinions directly and not only via the elected project committee. A hotline has been established in addition to other channels like an e-mail address and a WhatsApp number.

Youth

SFD will continue to actively engage youth in playing a key role in resilience building in their own communities through social and community mobilization. SFD will give special attention to youth and women and provide them with income and participation opportunities as an important factor in peace-building. Since 2016, a minimum of 35% of the total direct beneficiaries (cash for work workers) are between 16 - 35 years of age. In this sense, SFD contributes to peace building mechanisms by providing opportunities for jobs, facilitating community dialogue, and building trust among youth from different areas by having interventions that enhance equality and inclusion, and providing the space for citizen's engagement and enable an on-going process of collaboration around project implementation and monitoring.

Gender mainstreaming

SFD applies an inclusive gender approach across all programmes and sub-programmes to fully integrate gender aspects and ensure gender disparity is taken into consideration in all activities, in particular, access to water, education and health services, equal opportunities for employment and income generation activities, for example, SFD set an overall target that at least 30% of the CFW workers are women. This is in a male-dominated culture where women's participation in paid labour in rural areas is 3% compared to 65% for men¹⁹. Gender mainstreaming is considered from the initial design of any programme, addressing barriers and encouraging women to participate. A good example is the LIWP, where payment procedures were adapted to increase women's participation by designing work to suit women's skills, capacities and preferences. Women also can have arrangements in place to care for children. Data collected from the field is dis-aggregated and SFD's reporting includes data segregated by gender.

Conflict sensitivity and social cohesion

Beneficiary communities are selected on the basis of transparent eligibility criteria and with consultations with communities and leaders (i.e. poverty levels, marginalised, displacement status, etc.), in a process that prioritises the villages that are most in need. Once the community is selected for an intervention, the raft of interventions offers inclusive benefits to all sections of the target communities. SFD ensures that the interventions do not cause or escalate conflicts in the target areas – this is achieved by training of staff, close monitoring and planning to identify and mitigate possible conflicts and associated risks. The activities are designed to contribute to rebuilding and strengthening the social fabric between and among the communities.

Local authorities and sectoral ministerial offices

SFD's engagement with local authorities under a coordination / partnership framework is important for both entities: it facilitates the SFD's activities at the local and community levels and avoids duplication, it builds local authorities' capacity through experiential 'learning by doing' processes based on the SFD's management processes²⁰. In terms of the long-term impact, the collaborative and inclusive process links the district authorities to their communities. SFD will continue its work largely in coordination with local authorities at district level - which is the closest level to the targeted communities. Additionally, in the case of the community-based approaches and community contracting modalities, the project will use an effective way for bottom-up capacity building towards future de-centralisation efforts and fostering social cohesion.

International humanitarian agencies

The emergency relief activities are crucial to saving lives by responding to the most urgent humanitarian needs, integrating an early recovery approach within humanitarian operations is crucial to the first efforts of a community to recover. There are needs that should be addressed through humanitarian response and recovery efforts, and this needs to be planned. This has been already observed and documented within SFD's targeted CFW projects that responds to the essential needs of IDPs that are not being offered by the humanitarian and relief agencies. SFD is supporting infrastructure including health facilities, schools and roads are supporting the efforts of the humanitarian agencies to deliver aid. SFD trains youths to work in delivering aid and conducting needs assessments and monitoring for the humanitarian agencies.

At present (Q1 2018) there is an ongoing social media campaign ongoing in Yemen under the hashtag #BringDevBack. The campaign seeks to contrast the impact of the conflict with efforts to improve livelihoods and generate development. The response shows that Yemenis roundly

¹⁹ Christian, S., A. de Janvry, D. Egel, and E. Sadoulet (2013). "Quantitative Evaluation of the Social Fund for Development Labor Intensive Works Program (LIWP)." Berkeley: University of California.

²⁰ Many officials from the executive bodies and from the department of community participation in the districts are practicing some skills regarding community organization on developmental bases, and participating in applying of many tools together with SFD's team. these tools include resource mapping tools, social mapping tools, data collection and needs prioritization tools

support SMEs, job creation, income generation and creating new sources of livelihoods, they recognise that this will be possible through development projects and cash-based interventions.

SFD's results framework for 2018 – 2020

SFD's Crisis Response focuses on three programs outputs on below.

Programme 1: Social Safety Net \$404m

Households & communities' benefits from short-term income generation – through labour-intensive Cash for Work schemes and small-scale community infrastructure rehabilitation leading to increased income-generation and livelihoods including access to productive assets for vulnerable Yemenis. The result will be providing Yemeni households; particularly youth and women, with short-term income and livelihoods opportunities.

The results will be achieved through the construction and/or rehabilitation of community infrastructure; such as irrigation schemes, private, group and public rooftop rainwater harvesting, agricultural land and terrace rehabilitation, maintenance and improvement of village access roads, improvement of shallow wells, small watershed management, improvement of IDPs shelters, constructions of latrines, agricultural inputs and others based on the priority needs identified by each community. Several activities may be implemented in one community e.g. in one community the activities may include land and terrace rehabilitation, attending life skills training and the construction of a village access road.

In addition, to add value to CFW activities at community level, SFD intends to implement larger intercommunity projects such as rural roads that connect districts as well as providing of public infrastructure. This approach will enhance SFD's reach by absorbing larger numbers of local labour, increasing household incomes by employing larger numbers of participating labourers.

Expected results

The SSN will provide wage employment for food insecure communities - specifically vulnerable people (male and female) while creating or enhancing community assets and improving access to sustainable livelihoods and basic services. SFD's water, agriculture and cultural heritage sectors will participate in the provision of CFW opportunities through implementing their respective sectors.

The total costs of the CFW operations under scenario (1) is \$297m and expected number of direct beneficiaries from CFW is estimated at 638,164 persons, 30% female, 35% youth (16-35 years old) and 20% IDPs/returnees. In total it is estimated to represent 319,082 households. It is expected in rural areas that from each targeted household, at least two people will participate in CFW including at least one woman, the beneficiaries will be paid directly 'cash in hand' through financial service providers going to each targeted village (The individual beneficiaries will not bear any cost from receiving or collecting their wages).

A breakdown of the expected results is provided in the results framework Annex 5

Youth employment opportunities will be designed for youth with education aged between 16 - 35 years old. It includes employment in education by teaching in underserved areas or supporting people with disabilities centres or in community rehabilitation centres. In health and nutrition by delivering community-based health and nutrition services such as holding health education sessions, screening and identifying malnutrition cases among children under five and pregnant and lactating women using Middle and Upper Arm Circumference testing, and referring malnourished children and mothers to the health facilities for treatment. The duration of the employment of youth in education and health will range between nine months to a year depending on the interventions. Each youth will be paid \$1,200 during the employment period. The proposed number of youths to be employed in education and health services is 9,000 persons of which 50% are female and the total budget is \$17m. Additionally, the continuation of the vocational training and entrepreneurial skills program will target 1,500 dropout adolescents aged 14-18 (of these 35% are female) with an estimated cost of \$3m.

Conditional cash transfer on nutrition: It will target the districts that are identified by the UN led Nutrition Cluster as having highest severe malnutrition cases and where the coverage with

nutrition services is low. Within these districts it will target poor households with malnourished mothers and or children under five. Currently SFD is intervening in 23 districts in seven governorates (targeting note is identifying the current targeted districts Annex 2) with a target of delivering nutrition services to 70,000 women and children. SFD intends to expand coverage to more districts during 2018 - 2020 reaching an additional 100,000 mothers in CCT as well as 40,000 children with referral services. The cost is estimated at \$87m. The services provided will include screening for malnutrition, education sessions and referral - covering the costs of transportation - and treatment of all malnourished children and mothers in the targeted communities. In addition, the monthly cash transfer for one year for eligible women²¹ will be provided on the condition of mothers attending the monthly health education sessions. The total amount of transfer is currently set at YR15,000 per month and benefit is for one year (in total per mother is YR180,000 or about \$500).

Box 3: issues in LIWP

During SFD phase IV 2011 – 2015, women’s participation in CFW as workers was only 8% of the days worked. In 2016, SFD made the decision that women’s participation as workers should be at least 30% in rural & urban areas and 50% in rural areas. To make this happen, SFD ensured that the component of work should be designed to suit women’s needs by providing work close to their homes, all female working groups, family groups, and activities that are less physically demanding.

While the CFW activities have been successfully reaching the poorest communities and have enabled households to increase their consumption, repay debt and invest in productive assets, issues related to work safety have been worrying for the program, particularly the absence of a Health Safety and Environment (HSE) culture, including among LIWP beneficiaries who frequently neglect to comply with safety rules. In response, SFD has begun to pro-actively change the overall culture and reduce the incident rate at work by deploying specialist trainers to provide HSE education and applying more rigorous enforcement of rules - including monitoring the use of Personal Protection Equipment.

Due to the liquidity crisis (mid 2016 on), delays in payment transfers were reported. SFD has assiduously chased its financial service providers to ensure that cash is available and to perform the cash transfers on time. SFD has begun to exploring the use of mobile banking in which the payment collection might be through agents that have better cash liquidity than banks and financial intermediaries. As the payment for beneficiaries in LIWP is based on piecework, there is a constant demand for SFD’s consultants to calculate the number of days / outputs etc. Sometimes disputes over the calculation of dues can arise as LIWP is working with the most deprived persons with little or no education at all. SFD’s consultants are encouraged to use local measurements to assist in resolving such disagreements.

²¹ Eligible women are those who or a member of the household is a recipient of the SWF assistance.

Programme 2: Community & Local Development \$285.5m

Communities benefit from restored socio-economic community assets - through the reconstruction and rehabilitation of community infrastructures leading to functional key socio-economic community infrastructures as well as supporting the operations of key basic social services to continue to deliver its operations. The end-result will be that the communities benefit from restored and functioning socio-economic community assets through extended basic service delivery

The restoration of basic scale infrastructure will be provided through contracting local private sector contractors. Consequently, this intervention will also support restoration of small private sectors contractors. Contractors will be monitored and required to register labourers - identifying their characteristics, which will to assist SFD track the beneficiaries from the intervention.

Interventions under the CLD will comprise the activities under five sectors: Education, Health, WASH, Agriculture, Cultural Heritage and Training and Organizational Support. The following describes the contribution and the results of four of these sectors:

Education: restoration of basic services is the main theme for the education sector with an estimated budget of \$84.6m Main activities will include:

- a) Renovation, furnishing and equipping of damaged schools. 4,300 classrooms accommodating 141,000 students (of which 43% female) in districts affected by the conflict.
- b) Training of teachers, and education personnel. Paying incentives and transportation costs for 3,300 formal teachers and school administrative staff in targeted schools (30% female). The support for the continuity of the education process will serve an estimated 200,000 students (43% female).

Health: restoration of Basic Services/ Social Service Delivery estimated budget \$19.9m

Main activities planned include

- a) Renovation/ construction, furnishing and equipping of health facilities. Expected outputs: Renovation of 80 health facilities benefiting 42,000 mothers and children, with estimated 70 % will be mothers and female children. This will be achieved by providing access to primary health care and nutrition services, improving access to maternal care, new-born and child health care.
- b) Supporting psychological activities through training of primary health staff, teachers and school administrative staff and providing recreational activities. Expected outputs: 42,000 conflict-affected beneficiaries including (IDPs, hosts, returnees).

Water & sanitation (WASH): restoration of Basic Services/ Social Service Delivery estimated budget \$118m.

Within this theme, WASH interventions will include rehabilitating and constructed water and sanitation facilities in urban and rural areas and supporting local water and sanitation corporations. Expected outputs will comprise:

- Rehabilitating damaged water facilities and replacing fuel operated water pumps by renewable energy pumps to regain access to water for 176,540 people,
- Constructing 27,400 covered rainwater harvesting cisterns (rooftop and communal) with total storage capacity for improved water 822,000 m³ to serve 155,000 people,
- Open rainwater harvesting cisterns – only limited to nomads – with total storage capacity 59,000
- Improving access to sanitation through rehabilitating damaged sanitation systems and building/improving 12,300 latrines to serve 104,660 people.

WASH activities will include also cholera-related activities such as protecting and improving water sources, solving acute sanitation problems such as stagnating rainwater and wastewater - and collection and disposal of garbage. These activities will target areas with an estimated population of 1.2 million people which was hit, or susceptible to be hit, by cholera.

Agriculture: Community and Local Development estimated budget \$13m

Activities include provision of inputs, training and technical support to farmers and beekeepers to support them to add value to agricultural products, livestock, fishing equipment, bee-hives and enhancing responses to climate change through introducing drought-resistant varieties of staple grains (notably maize), knowledge and practices to manage risks. Expected to reach 75,333 beneficiaries

Supporting Self-help Initiatives through the Training and Organizational Support Unit

This sector is directed at community empowerment through supporting community infrastructure rehabilitation initiatives. These initiatives bring community members together around projects that help restore community access to common critical services in a way that enhances community structures. The aim is to create effective development-oriented community based organisations that will play a role in early recovery and reconstruction and be the base of future civil engagement from the bottom up.

Scaling up the implementation of community-based initiatives through supporting self-help and rural resilience in 75 districts through the Tamkeen programme, this activity will include matching grants to support community-based subprojects based on communities' own resilience plans:

- Training Village Cooperative Councils (VCC) to produce 'resilience plans' based on participatory mapping and prioritisation process;
- Select subprojects (related to basic services delivery) from the VCC resilience plans and implement them jointly (experiential learning) with support from the relevant district level authorities; and
- Helping local authorities at sub district level to produce their own recovery plans that both feed into overall district development plans and support district governance.

Scaling-up youth employment interventions including Rural Advocacy for Development (RAWFD)²²: creating employment opportunities for 3,000 youth in community empowerment and social cohesion activities (including a target of 40% female participation).

Pilot urban resilience strategies for effective recovery interventions. As large numbers of IDPs are concentrated in the poorest urban slums, there is increasing pressure on already-scarce resources and services. Therefore, this pilot will implement 15 resilience-based plans to help poor IDPs and host communities to cope.

Cultural Heritage

Cultural Heritage interventions will focus on continuing to contribute to: (a) the preservation of historic cities, areas and sites, (b) enhancing technical and institutional capacity of relevant authorities, and (c) documentation of the inventory of the tangible and intangible cultural heritage assets. The budget is \$5m and it is expected to generate 148,800 days of work and train 125 persons 50% of which are female. It is also expected to implement at least 6 studies, document 4 sites and restore/rehabilitate 20 sites.

²² A program was initiated in 2008 to train newly university graduates from rural areas throughout Yemen in development issues and give them the opportunities for short term employment with SFD as on job training. Hundreds of the graduates are now assisting international organisations in needs assessment studies, monitoring and verifications.

Programme 3: Small and Micro-Enterprise Development \$60.5m

MSMEs, along with the agriculture sector, are considered the most accessible route for the poor to generate income and improve their livelihoods. Both of these sectors generate over two-thirds of employment opportunities nationwide.

SMED

More than 60% of the lending portfolio of the whole microfinance sector is at risk, as the majority of SMEs were badly hit by the economic crisis and pricing distortions arising from the conflict, and a significant decrease in active borrowers. **Due to the increase of risk in the overall portfolio, MFIs have incurred huge losses during 2015-2017, to the point that almost no MFI is financially sustainable.**

Within this theme, SMED and SMEPS²³ aim at to create a more robust MSME sector capable of responding to changing market conditions and needs, and enhancing the resilience of poor households. SMED has contributed to ground-breaking initiatives such as assisting in the introduction of mobile money services. This service has facilitated increasing financial inclusion. Currently there are more than 500,000 subscribers and users of the service.

SFD intends to further its support for the expansion of the services through:

1. Increasing awareness of the public on mobile banking;
2. Support the CFW programme to use mobile banking in financial transfers to beneficiaries, this in turn will play a role in raising awareness, knowledge and trust of the public in the service; and
3. Conduct a study to measure the impact of the use of mobile banking (existing service) this will draw in the challenges, limitations of the service and recommendations for future steps.

Expected results: continue the support of the technical capacities and the lending portfolio of MFIs through package of interventions: no of MFIs: 9 to support an estimated 100,000 active clients by end of 2020. SMED will support its newly established Loan Grantees Program to issue 2,700 guarantees by end of 2020 as well as supporting the creation/sustaining 3,500 income generation activities through the establishment of 850 village savings and loan groups.

SMEPS

Efforts to support business resilience remain SMEPS's top priority for the next three years. SMEPS's goals are to positively impact business resilience in a manner that creates thousands of job opportunities and strengthens vital services.

SMEPS plans to scale-up projects that were successfully implemented during 2015 - 2017. Success of these projects can be considered as breakthroughs in such a time of on-going conflict. These include:

Business Resilience for Added Value Enterprises (BRAVE). Offering business resilience training as well as consultancy to businesses in the vital sectors such as health, food, agri-business and clothing.

SME Revitalisation and Employment Generation. Providing small grants of between \$400 and \$1,500 to farmers and fishermen to improve their resilience and create jobs. Women participating in farming and fishing will be trained in health, hygiene and skills for livelihoods.

Private Health Care Resilience and Growth. Offering support to private health workers to establish business practices.

Expected results: SMEPS provide support a total of 10,000 businesses including: farmers, fishermen and beekeepers to be supported: 9,240, No. of women Primary Health Care workers supported: 760.

²³ Small & Microenterprise Development (SME) is SFD Program Unit in charge of providing financial and nonfinancial support to Small & Micro Enterprises. Its main focus is on Microfinance Institutions that are the financial service provider arms of SMED. SMEPS is a business development subsidiary agency of SFD. It is SFD/SMED arm to provide the knowledge and technical assistance to small & micro business and support business innovations and good practices disseminations.

Cross-cutting elements

Acknowledging that there are broad-based and pervasive problems that cut-across many sectors, SFD aims to incorporate elements relevant to three issues across its programmes.

Cholera Awareness campaigns

SFD has recently decided to include awareness campaigns on cholera as a cross-cutting community based activities. SFD will assess its effectiveness in this areas and will also benefit from the lessons learned by other actors in the designing and the delivery of the campaigns. SFD will continue including awareness sessions/campaigns in all its projects. The cholera task force and the humanitarian organizations are preparing themselves for the next cholera wave in 2018 as all the causes of the 2016 and 2017 cholera waves still exist. Because the cholera attack rate is a good indicator of low WASH level in the community, for hardware interventions, SFD will use data received from the WASH cluster coordinator to target areas with the highest incidence of cholera. The Interventions will include improving and protecting water sources, improving sanitation and solid waste management.

Sustainable renewable energy

Since the onset of the crisis, the country witnessed fuel shortages, leading to a doubling of the prices for fuel (sometimes much more than double – depending on the supply/demand) and highlighting the vulnerability of the reliance on diesel and petrol for power.

SFD will explore the options of incorporating within its interventions renewable energy, mainly solar-powered systems, bio-fuel and wind energy whenever viable. It will also consider providing renewable energy to institutions that it supports to restore functionality.

SFD will promote use of renewable energy in infrastructure services to be restored / rehabilitated as well as in new construction projects.

Qualified engineers assess project viability through calculations based on the power usage needed to operate the system and looking for options to provide the service either through local suppliers or other options. through local suppliers or other options. In case water systems, the limiting factors could be the area needed for installing the solar panels, the total head against which the pump shall push water to the required delivering point and the amount of water to be pumped daily.

This decision was made due to the crisis and the shortage of fuel, water systems – operating on fuel- stopped. As the prices of fuel have increased and the supply is not always reliable, humanitarian organisations had to provide fuel for water systems to operate. Therefore, replacing fuel-based systems with solar ones will facilitate the exiting strategy of humanitarian agencies.

Resources Required for the Crisis Response Plan 2018 – 2020

This section provides three budget proposals for the Crisis Response Plan 2018 -2020. It also gives a background of SFD's funding management, the conditions that have impacted the current budget, the results of SFD IV, and SFD's current funding status.

Background

To ensure consistency in delivery, SFD's project cycles require early stage funding, and will result in a carryover of funds after the closing date of the operations.

SFD can maximise its cost-efficiency and programme effectiveness if donors provide flexible funding - funds not earmarked for specific projects. SFD acknowledges that many donors do target specific sectors, projects or geographical areas. As a result, SFD's funding system has developed the capacity to earmark internal funding for specific projects; this applies to donor funding which has not been earmarked. SFD keeps a separate account for each donor's agreement and maintains separate sets of projects and activities under each donor's account. In other words, the SFD's funding is not based on a pool funding system.

SFD applies planning in cycles of between 3 and 5 years. Within this planning frame, SFD and its lead donors collaborate in setting an overall budgetary estimate for the phase based on SFD's performance in previous years, the volume of needs in the country and the capacity of the donor agencies. SFD also works with its lead donors in conducting fund-raising for future phases. Donors make their funding available at different dates during the phase, the closing date stipulated in the funding agreements should acknowledge that funds may carry over beyond the planned end date of the phase.

SFD's fiduciary requirements (and the donors' requirements) take time to resolve before planning can begin. It takes time for projects to start disbursing funds because of the planning and project development lead-in. It typically takes 14 months to complete a CFW project from needs assessment through to completion; within this time frame, field implementation ranges from 6 – 9 months. In many cases where funds are signed at the final year of the phase the completion of disbursements is carried over to the following year.

Unlike humanitarian agencies who estimate in advance what materials and support will be distributed to conflict affected people, SFD takes a longer-term approach to community development and reacts to community demands in laying out longer-term support. SFD needs to retain its standing as Yemen's largest social protection and development agency. So although SFD has adapted to the current situation by increasing the CFW to deliver funds to the poor -along with CCT, SFD still applies a rigorous participatory approach.

Phase IV

Phase IV was planned in 2010, approved by the Board of Directors in May 2010, implementation started in 2011 just before the first wave of political and economic crises²⁴ started which lasted for almost a year. Several donors suspended funding in 2011 including the World Bank and the Netherlands, while others, such as DFID, delayed their funding. Despite this hiatus, most funds came back online in 2012 to a level sufficient to continue the implementation of Phase IV. At the beginning of 2014, the funding situation further improved as three agreements were signed with regional donors and the World Bank totalling \$200 million. However, these funds came online during the September 2014 political and security crisis.

The World Bank's suspension of all funds to Yemen in early March 2015 was particularly challenging to SFD as there were five active agreements and one more in the pipeline, leaving a total amount of \$256 million undisbursed.

To illustrate how the reduction of funds affected SFD, funds disbursed between October 2014-March 2015 were \$63.7 million, between April and September 2015 SFD disbursed only

²⁴ Youth and political parties' demonstration and sit-in in major cities demanding the change of the regime which was ended that former president step-down of power and the formation of government of unity early 2012.

\$13.5m, just one fifth of the 'normal' level. During that same six-month period, only 11 new projects were assigned a source of funding (compared to 111 in 2014 and 738 in 2013).

SFD adapted its existing risk management strategies and used community and local networks of trained consultants and staff to deliver - whenever conditions and funding have allowed. At the same time, SFD has maintained regular dialogue with its stakeholders, including the government and the donors, and managed to pay its dues to contractors and suppliers, but the overall situation has left hundreds of projects uncompleted^{25 26}.

In July 2015, SFD produced a draft Crisis Response Paper outlining plans for an extended Phase IV, the paper outlined SFD's role in a post-conflict recovery context. With support of donors, a meeting took place in Amman in November 2015 to discuss the Phase IV extension. On the basis of inputs from donors, SFD shared a revised proposal with partners in late December of 2015. The Crisis Response Paper 2016-17 resulted in an extension to Phase IV. Despite all the difficulties and scaled-down operations, SFD has been able to deliver. This performance was beyond expectations given the unpredictable and changing situation.

Table 3: SFD IV Funding and outputs 2011 - 2017

Description	Planned	Actual	Achieved
Total New Funds Requested/received	1.1 billion	0.9 billion	0.8
Total Work Days of Employment Created	36.9 M	35 M	95%
Number of Beneficiaries	9.7	9.1	94%
Male	4.6 M	4.1 M	%45
Female	5.1 M	5 M	%55
Operation costs	7%	7%	

Current funding

SFD managed to raise funds during 2015 - 2016 period, signing agreements which improved the flow of funds from the end of 2016 through 2017, at which point SFD signed several new agreements as indicated in table 4. Some of these agreements are scheduled to close in 2019 and 2020. At the end of 2017, there was an equivalent to \$217.4 million undisbursed.

²⁵ If funding is becoming available, SFD will reassess the situation of these projects and whether still considered priorities in light of the changing in the situation and if the investment that have been made previously is still exist, SFD may consider to compete them.

Table 4: Finance status as of December – 2017

Donor	Agreement	Equivalent amount in US\$	Received \$	Remaining \$	Sign date	First pay received	End date	Sector/ Prog. covered
FAO	World Bank's Fund for Agriculture Sector through FAO	19,513,304	-	19,513,304	15-10-2017	0	09-08-2020	Agriculture
German Gov't.	Germany/KFW GRANT for WASH in Abyan	14,894,677	14,023,700	870,977	19-12-2012	26-05-2013	30-06-2018	Water
German Gov't.	Germany/KFW GRANT for LIWP-BMZ-No.: 2015 67 577	5,400,000	1,231,380	4,168,620	21-10-2016	06-12-2016	31-12-2018	LIWP
German Gov't.	Germany/KFW grant No.: 2014 41 005 for Strengthening Resilience through LIWP	5,400,000	2,275,064	3,124,936	21-10-2016	06-12-2016	31-12-2018	LIWP
German Gov't.	Germany/KFW grant No.: 2016 41 034 for Strengthening Resilience through LIWP II	5,400,000	-	5,400,000	01-05-2017	-	31-12-2020	LIWP
IsDB	Islamic Bank Loan for VOLIP programme	11,260,000	3,656,227	7,603,773	04-05-2010	09-07-2013	01-05-2018	Education
IsDB	Islamic Bank Loans For Youth Employment Support	25,000,000	15,025,139	9,974,861	07-03-2013	04-06-2014	30-06-2018	LIWP and business service
Netherlands	Netherlands Grant for Girls Education and Literacy Programme Activity No. 26489/SAA0118554	3,947,368	3,298,956	648,412	28-05-2014	29-05-2014	30-06-2018	Education
Netherlands	EKN Fund for SFD Water & Sanitation Project Targeting Communities with High AWD/Cholera Attack Rate	3,000,000	-	3,000,000	07-12-2017	-	31-12-2019	Water & Sanitation
Prince Clause	Prince Clause Fund for Zabid	18,370	14,247	4,123	18-10-2016	18-10-2016	31-03-2018	Cultural Heritage
UK	DFID Grant for SFD 4 extension	10,800,000	10,800,000	0	19-07-2017	24-10-2017	31-03-2018	All sectors
UNDP	UNDP Grant for Implementation of Rural Resilience	1,933,833	942,164	991,669	27-07-2016	08-08-2016	31-12-2018	Supporting self-help initiatives
UNDP	Yemen Emergency Crisis Response Project-USAID –(signed additional 4 m)	9,099,719	3,840,498	5,259,221	10-12-2016	25-01-2017	31-12-2018	,
UNDP	Yemen Emergency Crisis Response Project-UNDP (IDA WB)	29,532,162	29,532,162	0	14-08-2016	24-09-2016	14-08-2018	LIWP & youth employment, SMED/SMEPS
UNDP	Yemen Emergency Crisis Response Project II-UNDP (IDA WB)	174,000,000	34,203,062	139,796,938	27-03-2017	03-04-2017	30-06-2019	LIWP & youth employment, SMED/SMEPS
UNDP	EU Social Protection for Community Resilience (SPCRP)	17,894,596	876,268	17,018,328	28-09-2017	08-10-2017	30-06-2020	LIWP, Health and self-help initiatives
Total funding at 31 December 2017		337,094,029	119,718,867	217,431,502				

Three Funding Scenarios

At the request of donors, SFD is presenting three funding scenarios – Best Case, Medium Case, and Worst Case for its proposed 2018 – 2020 budget. Each is described below.

Scenario 1: Best Case Scenario: The Best Case Scenario, for a total of \$750 million for operations over 3 years.

This amount is covered by carryover fund with an amount equivalent to \$217 million (29% of the total budget) and the total amount of the new funds required for this scenario is \$533 million (71% of the total budget). This scenario assumes that all donors will pledge their contribution and make the first instalment available between 2018 and early 2019. It assumes that the liquidity crunch in the country will ease and/or SFD, along with its financial institutions, will be able to find solutions that ease the liquidity problem and enable disbursement to beneficiaries. Under this scenario there will be a remaining 10% of funds to be disbursed in 2021 - mainly to release dues and final payments for commitments made during the period of 2018 - 2020.

Scenario 2: Medium Budget Scenario: The total value of this proposed budget would be \$612 million over three years.

This amount is covered by carryover funds equivalent to \$217 million (35% of the total budget) and new requested funds equivalent to \$395 million (65% of the total budget). For the plan to achieve its targets and complete the disbursement by end of 2020, the agreements have to be signed and first instalment has to be received between 2018 and the first half of 2019. This scenario represents 81% of the Best Case scenario.

Scenario 3: Worst Case Scenario: The Worst Case Scenario, for a total of \$510, is equivalent to 60 percent of the Best Case Scenario.

The amount of the new funding requested would be 57% of the total amount. This scenario assumes that the situation in the country will not improve and the liquidity crisis will continue and may worsen. It assumes that no solution such as the use of electronically transfer will advance.

Table 5: Funding Sources by Scenario

Funding sources	Best Case Scenario	Medium Case Scenario	Worst Case Scenario
Available Funds	\$ 217,000,000	\$ 217,000,000	\$ 217,000,000
New Funds requested	\$ 533,000,000	\$ 395,000,000	\$ 293,000,000
Total	\$ 750,000,000	\$ 612,000,000	\$ 510,000,000
Number of beneficiaries of assets: male 49%, female 51%	4,120,244	3,305,395	2,689,384
Number of direct beneficiaries of work & nutrition transfer : Male 73% and Female 27% (in Cash for Works only 30% female & in nutrition 100% female)	873,326	698,661	567,662
Number of work days	26,080,437	21,078,749	17,327,484
Operational Costs	9%	10%	11%

Investment by Programme

During the three-year period, funds will be invested in three types of activities:

- Social Safety Net which provide support at the individual household level;
- Community and Local Development at facility and community level activities; and
- Small and Micro Enterprise Development to revive SMEs and MFIs

Table 6: Proposed Budget - 2018 & 2020 - by Programme

Program	Best Scenario Budget		Medium Scenario Budget		Low Scenario Budget	
	Cost \$	share	Cost \$	share	Cost \$	share
Social Safety Net	404,000,000	54%	323,200,000	53%	263,765,418	52%
Community and Local Development Program	285,500,000	38%	228,400,000	37%	186,398,582	37%
Small and Microenterprise Development	60,500,000	8%	60,500,000	10%	60,500,000	12%
Total Requested budget	750,000,000		612,100,000		510,664,000	

Sector breakdown of the budget - based on the best case scenario

In all three scenarios, the sector breakdown of the project funding puts the greatest priority on LIWP (cash for work and roads) followed by WASH (21%) and then health and nutrition (16%), then education (13%) lastly SMEPS/microfinance (8-10%). However, as funding decreases, the relative spending on SMEPS increases.

The heaviest investment in all three budget scenarios is LIWP - CFW (28%), which serves a mechanism to get cash into people's hands quickly to help households purchase basic necessities like food to keep their families fed during this difficult period.

SFD's experience shows that the cash for work activities build resilience and complements humanitarian aid actions as beneficiaries tend to invest in income generation activities. Water and Sanitation are basic necessities to minimise the health impacts of the conflict. Keeping schools functioning is a priority for SFD, including the provision of transportation costs for teachers which is essential to keep the schools running. Supporting the MFIs and SMEs is vital to generate sustainable employment and to support food security through supporting farmers. The remainder of the requested funds will be invested as follows: roughly 6 percent in Training and Organizational Support including supporting self-help initiatives and similarly 6% for agriculture.

Table 7: Proposed Budget by Sector - 2018 & 2020 - by Scenario

Sectors	Best Scenario Budget	% of Total	Medium Scenario Budget	% of Total	Worst Scenario Budget	% of Total
LIWP – Cash for Work and roads	210,000,000	28%	168,000,000	27%	136,696,160	27%
WASH	160,000,000	21%	128,000,000	21%	104,461,552	20%
Health & Nutrition	116,900,000	16%	93,520,000	15%	76,322,221	15%
Education	94,600,000	13%	75,680,000	12%	61,762,893	12%
SMED	60,500,000	8%	60,500,000	10%	60,500,000	12%
Agriculture	48,000,000	6%	38,400,000	6%	31,237,501	6%
Training	45,000,000	6%	36,000,000	6%	29,379,811	6%
CH	15,000,000	2%	12,000,000	2%	9,793,270	2%
Grand Total	750,000,000		612,100,000		510,153,408	

Implementation Arrangements

Targeting, M&E, conflict sensitivity, gender mainstreaming and risk mitigation

Targeting

SFD's mandate is to target the poor, vulnerable and affected population and communities either through direct support, and/or through supporting the organisations and agencies that serve them. To achieve these ends, SFD follows a policy of allocating funds by geography - based on meta-data and information related to poverty and needs. This data is traditionally generated from the Yemen Census and Household Budget Survey. However, at the end of 2016, a revised targeting methodology (See Annex 2) was introduced to reflect the prevailing conditions in the country by using data related to conflict and food insecurity.

Two targeting approaches have been followed:

- General geographical targeting and resource allocations by governorate and districts;
- Thematic and sectoral approaches at the district level to address challenges emerging during the crisis - including targeting districts that have been hit hard by severe malnutrition; and
- Using participatory approaches at community level (below district level) to identify specific beneficiaries.

Within the geographical targeting, the allocation of funds to each governorate is determined based on a Distress Index that consists of a number of indicators collected by the relevant UN clusters related to food insecurity, the level and intensity of displacement, and the scale and characteristics of the population in urgent need of assistance. A multi-layered targeting approach is used: governorate level fund allocations, targeting of districts within the governorates, community targeting, and the selection of the neediest families within the targeted communities.

Both Social Safety Net and the Community and Local Development funds allocations will be based on the distress index (detailed in the Targeting Note Annex 2); however, to address malnutrition in the most affected districts, SFD will give an earmarked allocation based on data from the UN nutrition cluster while further verification is made at the field level by SFD's field team – (as per Table A7 in Annex 2).

For the targeting approach to SMEs, SMED and SMEPS will focus on supporting the existing nine MFIs to cope with the deteriorating lending portfolio through a package of interventions, and expand rural microfinance through supporting expanding village loan and saving associations; and lastly by supporting the loan guarantee fund - especially because so many clients have lost their guarantors due to the conflict.

SMEPs will focus on small business resilience in a manner that creates sustainable jobs and strengthens essential services. This will be through introducing innovative approaches and technologies that will reduce the cost of production and increase profitability.

More detailed is on the targeting note annex 2.

Monitoring, evaluation, reporting and communication

SFD's current M&E system was launched in 2002 and serves two objectives: to provide accountability for all stakeholders including government, donor agencies and beneficiaries, and to feed into learning and development. To this ends, SFD's M&E System has been built around three sources of information:

- Management Information System (MIS), which links all SFD's branches with the main office in Sana'a. The MIS is the basis upon which SFD is able to report progress to donors;
- Field visits (project surveys) collecting qualitative and quantitative data to monitor the benefits generated of the projects. The frequency ranges from bi-weekly, monthly to quarterly visits depending on the purpose of the visits. Additionally, SFD along with its donors commissioned several external Third Party Monitoring (TPM) surveys; and

- Impact evaluation studies including beneficiaries' assessments that are usually conducted by external evaluators generating a wealth of evidence on how SFD's interventions make positive effects on the lives of the targeted population.

With the deteriorating security situation in Yemen, some donors have commissioned TPM studies to evaluate SFD's performance, these also provide SFD with additional findings that help improve its operations. Usually each donor visits its own supported projects - with the exception of recent DFID-supported TPM that visited all SFD's projects.

The M&E system is documented in a manual²⁷ which clearly defines measurement variables, methodological approaches to data collection, data sources, the frequency and format of reporting, and the roles and responsibilities of staff members and consultants involved at the branch and central office levels.

Monitoring and Evaluation approaches for 2018 - 2020

SFD will continue to strengthen its M&E system in order to improve its performance as well as providing its donors and stakeholders with data and information on the status of their financial contributions and the implementation progress of projects and benefits generated. The M&E activities will include the following:

- **Enhancing data quality** and generation through collecting data directly from the field level – using the most appropriate technology that significantly reduces manual data entry (probably mobile phone based). This will speed up the process of generating collated data with reduced errors, and improve the quality of reports. Furthermore, to verify that the data being sent back to SFD is of good quality, SFD conducts regular data quality audits of a random sample of sub-projects;
- **Developing remote monitoring systems.** Due to the continuing insecurity, SFD Remote Monitoring is increasingly relying on mobile telecommunication technology to collect and send data and pictures for M&E purposes. Mobile phone coverage is sufficient in Yemen to make this technology a viable option. This will include the development of a dash board that will allow donors to access the data and information directly;
- **Expanding Public Monitoring** through social media to assess public views of SFD's performance. SFD will continue to use social media to monitor public opinion and satisfaction on SFD's performance. SFD will recruit additional staff for this purpose. While this is not the optimum M&E mechanism, it is a safe and reasonably effective means of monitoring during the conflict; and
- **Expanding project surveys.** SFD's survey tools will be further improved to include projects that are still under implementation in order to gauge the benefits received by target beneficiary groups and to capture the effects of the interventions in the short term. At the project level, SFD will continue to adapt practices to enhance its supervision and data collection.

In specific conflict-affected areas, SFD has adapted its M&E. Wherever possible, project consultants are responsible for the supervision of the progress of a sub-project located at those project sites. This approach increases the security of the monitoring consultant, who no longer needs to travel regularly to the worksite, and ensures that the project gets regular close supervision;

The M&E feeds directly into impact evaluations of selected of SFD's interventions. SFD will continue to involve and encourage donors to fund independent impact evaluation studies to examine specific areas and answer questions that may improve SFD's interventions, donor policy decisions as well as support SFD in fund-raising.

During the coming phase 2018 – 2020, SFD will complete the evaluation of the nutrition and youth employment programme which was implemented with the support of the World Bank who is contracting an independent firm to run the M&E. Additionally, SFD will seek to conduct a second evaluation of the Labour Intensive Works CFW to examine its impact under the current security and crisis situation. SFD intends to explore how evaluations of SFD's support to SMEs could be commissioned directly by donors, possibly with the involvement of SFD's M&E unit.

²⁷ It is available upon request

SFD Communications will continue to support SFD's neutral stance. SFD will consistently advocate adaptive and emergency approaches that protect the most vulnerable Yemenis and increase their resilience capacity through the hardest times. To this ends, SFD will use several communication modes including face-to-face communications, workshops, social media and SFD's website.

SFD prioritises communications with donors through preparing regular reports, with communities through consultants' orientation and feedback and social media updates, in addition to SFD's periodic public reports.

The communication messages will highlight SFD's capability to adapt to emergency procedures, its capability to deliver the planned response and meet beneficiaries' needs. The products will be supported with images, videos, analysis and supporting feature stories.

SFD communications delivered via social media platforms (primarily WhatsApp, Twitter and Facebook) are prepared by staff in branch offices who can post recent images, videos and information about field operations.

Updating the M&E Manual. During this phase the SFD's M&E unit will update the M&E manual to reflect new tools and methodologies available and shifts in SFD's overall programming.

SFD's approach to conflict sensitivity

Yemen's conflict is multi-dimensional. On one hand there is a national level conflict that affects the entire country, and on the other, the scale and distribution of fighting is extremely limited. The implication is that SFD can operate at full capacity outside any areas of conflict. The areas directly affected by fighting on the ground are small: in Q4 of 2017, of Yemen's 333 districts, only 9 were deemed totally inaccessible due to fighting (four in Taiz, three in Hajja, two in Saadah) and four in Taiz are partially inaccessible. SFD uses conflict sensitivity approaches to both understand and navigate the delivery of SFD's programmes.

Existing conflicts are not directly addressed. SFD does not directly interfere, aim to resolve or be part of any existing conflict. However, SFD recognises that development intervention may *indirectly* help in reducing existing conflict. To underscore this point, the evaluation of LIWP and other community based interventions found that SFD's intervention increases community solidarity and cooperation. Additionally, SFD's response to any incidents or possibility of disputes rapidly and stops any projects that may contribute to or lead to escalating conflict.

SFD currently integrates two number of steps into its normal programming:

Conflict analysis: While SFD maintain an overview of the national level conflicts, in order to work at governorate or district level, SFD has to map out and understand the conflicts in the context of current actors, social history and the implications of working in the vicinity of that conflict. The Branch Offices of SFD have a close read of the conflicts in their area of work, conducting stakeholder mapping and conflict histories to better understand the dynamics of each context. To strengthen this process, SFD developed a training material for conflict sensitivity. All project officers were trained, 106 consultants (50 are females), and 646 VCCs members (123 are females). The training was implemented across all SFD branches.

Also, a TOT was conducted where a total of 29 trainers (11 females) attended the training, those trainers are expected to carry out future trainings for the officers, consultants and the VCCs. The training is meant to help in assessing the environment within the area of intended intervention (to conduct a comprehensive conflict analysis at community to district level.).

Contextualising Conflict Sensitivity: Starting from the principle that SFD's interventions should not directly or indirectly do harm, the nature of the conflict is mapped out in a structure that describes the actors, the drivers of conflict and the potential means of transforming the conflict. SFD's intervention is then assessed for all its potential impacts on that conflict and the actors involved in it. Areas of risk are identified and mitigation plans built into the programme. During the participatory consultations with local communities to define the interventions, SFD's team analyse the context in which the project will be implemented to make sure that SFD's intervention will not cause a conflict or escalate an existing conflict in that particular area. This is done during the preparation stage of the project cycle, at which the potential for conflicts is determined (i.e. disputes

around the project site, land, source of water, etc.). If or when the project successfully passes this stage, the possibility of disputes is lowered.

Additionally, a succinct environmental and social impact assessment is prepared during the project design and mitigation measures are included in the design and implementation plan.

When it comes to procurement, the competitive bidding process, whether it is a community contracting or national competitive bidding, reduces the tension around who wins the contract. When it comes to the interaction between the contractors and beneficiaries in projects implemented through contractors, the community contracting typically involves less tense relationships with beneficiaries as workers are usually drawn from the local area, particularly the semi-skilled or unskilled workers from the local areas. When contractors are selected based on an open / national competitive process, the potential of conflict with communities is higher. This is being managed through the presence of SFD's consultants in the field and the defined roles and responsibilities of the contractors and beneficiaries' committees along with the implementation of a clear grievance mechanism.

Integrating Conflict sensitivity into programme delivery

SFD's working practise is community based. The inclusive self-help activities are designed to give space for all sections of the community to work together for mutual benefit. People come together to prepare their village resilience plan and cooperate in implementing community-based initiatives supported by SFD. During this implementation process, bonds are formed or re-established which contribute directly to social cohesion.

As indicated above, during the design and preparation stage of the project the SFD field staff engage directly with the community at which point the field staff can identify the possibility of dispute or conflict and resolve it at an early stage even before project implementation. During the implementation process, SFD's staff keep monitoring the situation to recognise and manage conflicts around the project. Staff are trained on conflict management focussing on the common issues that may arise and how these can be handled to the best outcome. Branch office staff can also refer to SFD's HQ to consult on issues and seek backing best to handle more complex issues.

During the Crisis Response 2018 - 2020, SFD will integrate new elements of peace-building in the capacity-building activities that target CBOs, LAs, and youth social workers. SFD will also be supporting VCCs to adopt peace-building tools for use in their communities.

Monitoring conflict sensitivity

As part of the risk management process, when working in proximity to conflict areas, SFD remains very conscious of the dynamics of the conflict, undertaking frequent and regular reviews of the conflict and noting any changes that could affect SFD's programming, directly or indirectly.

Field officers keep a close eye and monitor such changes during their monthly visits to project locations. Because local communities are the most knowledgeable on both conflicts and paths for traditional resolution, SFD integrates beneficiary communities into the process of conflict monitoring – actively seeking information about what is going on and what the potential resolution may entail. In this way, local facilitators actively mitigate the possibility of conflict and disputes arising from SFD's interventions.

Transparency and communication is primary. Overall, SFD work on the principle that the context of conflict requires that more care be applied in the selection and targeting of beneficiary communities. SFD use a transparent allocation of funds based on national statistics indicators at governorate and district levels, below this level, selection of the community beneficiaries is based on a transparent eligibility criteria and in consultations with communities and leaders. At a programme level, ensuring transparency in the procurement processes, including those of community contracting, both demonstrates best practices and reduces conflict among communities.

Gender equity

Gender equity under conflict is important to SFD. It is documented that during the current conflict women and girls in the conflict affected areas are the most vulnerable group among the population. SFD recognises that women and men experience poverty differently and that this is influenced by different access to assets and resources, accessibility to income earning opportunities, different demands on their time, and different expectations by Yemeni society. Moreover, the household is a key site for gender discrimination and subordination, and in many locations women are excluded from community and social life. SFD also recognises that while not all female-headed households are poor, female-headed households are likely to be concentrated among the very poor in society, and their status will be affected by the extent of social support that they receive. As such, SFD's policy is to ensure equality between males and females in benefiting from both access to community infrastructure and from wage employment.

The following matrix shows how this will be considered additionally, Annex 4 offers a breakdown of beneficiaries' male and female from each interventions.

Table 8: Gender sensitivity checklist

Cross cutting	<p><u>Participation:</u> Female consultants are recruited for field studies</p> <p><u>Distinction:</u> Women's perspectives are considered separately from men in the PRA/PLA process and in decision-making.</p> <p><u>Design</u> in choice of appropriate intervention reflect women's needs such as technology, location of water source, solid waste management,</p> <p><u>Decision-making:</u> Women are considered to be members in the communities' committees (the target is at least 70% of the committees established has at least one-woman member) thus full engagement in identification of priorities, project/beneficiary committees, training, maintenance, operations and management.</p> <p><u>Access to paid labour:</u> At least 30% of the wages of the cash-for-works go to women</p> <p><u>Access to training</u> At least 50% of the training on nutrition awareness, health & hygiene education is female</p> <p><u>Access to project benefits:</u> Access to community services, women assume to benefit equally from the community infrastructure created.</p>
Sector	Issues to be taken during the preparation of sub-projects
Labour Intensive Cash-for-Work	<p>Women will be encouraged to participate in the work and earn income through designing special components that suit women capacities, skills and preference as well as inviting at least a woman from the targeted household to participate in the work. Components of work to be close to their homes and may engage other family members such as terraces and land rehabilitation, small rainwater harvesting schemes.</p> <p>At least 30% of the wages of go to women</p>
Education	<p><u>Equity of providing access to girls/boys</u> to enrol at different age levels</p> <p><u>Equity between male and female in providing access to vocational training</u></p> <p><u>Location</u> – distance, acceptable location and terrain for girls to walk to school</p> <p><u>Design</u> – toilets, fence, acceptable mixed classrooms (separate where necessary)</p> <p><u>Participation:</u> Fathers' & Mothers' Councils operating effectively</p> <p><u>Qualifications and training of teachers</u> are targeting both male and female teachers</p>
WASH	<p><u>Access – reduction in time & distance to access/fetch water:</u> Water harvesting sachems built close to the households will reduce time and efforts on women in fetching water as women are traditionally responsible for this task. Access for latrines for safety & dignity of females</p> <p><u>Access to wage employment when the cash-for-work method apply:</u> women should have at least 30% of the wages.</p>
Roads	<p><u>Women needs to access and reduce time to reach services & goods</u> e.g. health care, district administration, school, shops are analysed and taken into consideration</p>
Health	<p><u>Participation:</u> Women identifying their own & family's health needs</p> <p><u>Accessibility:</u> time & distance to health services</p> <p><u>Acceptability</u> – availability of female health staff at health facilities/at home; choice of location</p> <p><u>Utilisation:</u> use of health services</p> <p><u>Quality:</u> quality of training provided to health care workers</p>
Special Needs Groups	<p><u>Data:</u> sex-disaggregated data collected & analysed to determine gender differences.</p> <p><u>Advocacy:</u> initiatives with families, wider community, at policy level</p> <p><u>Mainstreaming:</u> no's in mainstream education</p> <p><u>Participation:</u> level of involvement of parents/beneficiaries in designing programme services</p> <p><u>Quality:</u> of service provided</p> <p><u>Impact:</u> benefits for families & individuals recognized (documented)</p>

Agriculture	<p><i>Design:</i> projects designed to take account of seasonal division of labour</p> <p><i>Participation:</i> women's involvement in settings priorities, and in farmer's associations</p> <p><i>Access:</i> women have access to agriculture technologies, inputs, savings & credit services, and training</p> <p><i>Control:</i> women actively involved in decision-making, and benefit from their labour</p> <p><i>Paid labour:</i> Access to wage employment when the cash-for-work method apply and women should have at least 30% of the wages.</p>
Micro Finance	<p><i>Women access to loan and saving:</i> At least 50% of the clients are women</p> <p><i>Skills development:</i> equity of access of women/men to training (where provided).</p> <p><i>Size of loan:</i> women has access to similar size of loan based on the type of activity and credit history.</p> <p><i>Access to the guarantee program:</i> equity of access to the services of the guarantee program based on the needs.</p>
Training	<p><i>Paid employment:</i> equity to access paid employment in social services</p> <p><i>Participation:</i> women in community committees actively involved in decision-making</p> <p><i>Training:</i> ensure that women have equal chance to be selected to receive training – including in leadership.</p>

Risks and Assumptions

Full details are in the risk log in the annex (1).

Political risks

SFD is a national institution with a governing board chaired by the Prime Minister. The risks of being impacted by the political fragmentation induced by the war is mitigated by its managerial independence stated in SFD's law of establishment where the Managing Director is in charge of the day-to-day operations and the Board of Directors' role is limited.

SFD maintains its operational integrity through adherence to principles of impartiality – in particular, SFD's obligation to distribute to needy populations Nationwide.

SFD coordinates closely with its donors to collectively address any political risks that arise.

Grievances from beneficiaries and stakeholders are channelled through a well-established mechanism. SFD clearly communicates its work to all parties in the conflict and to the public at the same level.

Operational risks

Due to the ongoing conflict and related insecurity, SFD faces some operational risks in relation to potential disruption to business processes. At Headquarters level, SFD has developed an emergency plan that ensures that critical central functions can be performed from other locations if necessary. SFD has offices in eight governorates outside Sana'a and two of them are prepared to work as the headquarters. SFD relays on network of local consultants and its staff presence at the field level to continue the operation in case there is a disruption of its business in a given location.

Financial/fiduciary risks:

The financial and fiduciary risks are defined by a number of factors, including hyper-inflation, national currency depreciation and loss of values, fraud, and cash advance management and liquidity constraints. To avoid exchange rate losses and other negative effects of working in the national currency, SFD keeps its accounts in USD. The transfer into local currency is made at the time of payment. SFD now adheres to the operational exchange rate of the UN agencies as the reference rate. The issue of exchange rate has been raised by donors and the UN agencies are now discussing to operate an exchange rate closer to the market rate and once this is established, SFD will follow. The liquidity constraints have become a major risk that can slow implementation and delivery of projects. This has been addressed by regular meetings with commercial banks as well as preparation of a monthly liquidity plan so that banks can see in advance how much cash is needed to cover SFD's payments.

SFD holds accounts in several local commercial banks that have network of branches throughout the country. In order to serve SFD, each of these banks takes efforts to provide cash liquidity to keep up with SFD's disbursement rates. Transfers to the field are sent through financial institutions with the highest number of branch offices in every district and sub-district.

SFD has been advocating for the use of mobile banking and one of its activities is to run an awareness campaign among its cash for work beneficiaries to promote the use of mobile banking. SFD has put a target in 2018 that it will transfer payments to 10% of the CFW beneficiaries through mobile banking.

SFD's anti-fraud policy, the annual audits, regular spot-checks by SFD hired audit and the Third Party Monitoring Agent hired by the donors ensure that the funds are directed to implement projects and there is no misappropriation and diversion of funds. Funds going out into the branches are transferred in small tranches based on quarterly forecasts.

Despite the worries on the status of the banking system in Yemen, all the local banks with which SFD has accounts are still functioning. The transfer of the CBY to Aden caused a problem for banks' ability to clear cheques. To avoid this, SFD encourages contractors, suppliers and

beneficiaries to open accounts in the same bank/same bank branch of each grant account in order to avoid cross-bank transfers.

Payments are made directly to the individual identified by SFD as the beneficiary, on condition of presenting the SFD issued family card in addition to another ID such as the national ID. During the distribution, the project accountant is present with the financial agent. Each beneficiary should present the work card along with the national ID or any other legal ID. SFD support beneficiaries at the outset of the project to obtain the national ID.

CFW programme is short-term. On average all the transfers are made within 4 - 6 months, within this time frame, the close engagement between SFD staff beneficiaries means that there has never been a complaint of fraud. Cash is distributed directly to the beneficiaries in rural areas. In urban areas, payments are made by wire transfer which enables the beneficiaries to receive the cash from any commercial money transfer office. In urban areas SFD encourages beneficiaries (particularly women) to open bank accounts.

Programmatic risks:

The primary programmatic risks are associated with difficulties in access and targeting due to the conflict. SFD works with its widespread network of consultants to reduce these risks. SFD acknowledge the potential risk of, for instance, an inability to verify results on the ground in a timely manner, or a potential delay in meeting delivery expected targets due to the restricted access to certain areas in the country.

SFD is expanding its use of remote monitoring tools, as well as communicating with donors to re-direct resources allocated to specific districts where there is a problem, to another district or community within the same governorate or in an adjacent governorate according to the fund allocation in the contingency plan. Flexibility is an appropriate response to some issues. See the Targeting Note in Annex 2.

Social and environmental risks:

The social and environmental risks of the project are related to potential adverse impacts to people and the environment. SFD apply a Social and Environmental Screening Procedure which is documented in its procedural Environmental and Social Management Framework (ESMF) in which projects are classified (A), (B) or (C), A for high, B for moderate and C for no impact.

The majority of SFD projects are small with limited impacts both in magnitude and scope and can be mitigated easily. The ESMF handles the expected environmental and social impacts throughout all the stages of the project. Responsiveness to the environmental and social issues are checked and resolved at the proposal stage. In the design stage, there is a checklist of all the expected environmental and social impacts of every project, and if any of the potential impacts is valid, then mitigation measures shall be included in the project design and bill of quantities to ensure they are priced become obligatory to the implementation partners. If there are no valid impacts, the design consultant is still obliged to state in the design report why and how there are no negative impacts. The ESMF is incorporated in all SFD's systems and procedures including the ToR of the consultancy services, the procurement documents, the second party financing agreement and the MIS. For example, due payments can be released only after checking the implementing party's compliance with the ESMF items in its contract. Because conflicts on water rights, land rights and roads construction are common in rural areas, particularly under the existing water scarcity situation, this issue was one of the expected ESMF impacts in relevant projects.

Annex 1: Risks and Mitigation Measures as of October 2017

Type	Main Risks	Probability of Risk Occurrence	Mitigation measures	Severity of Impact
Political	Attempts to interfere with SFD's political neutrality by any factions	High	<ul style="list-style-type: none"> Per the SFD establishment Law and Manuals, the Board of Directors has limited authority over SFD's operational level issues. SFD maintains a good geographical and sectoral balance in investments through the distribution of funds for the 22 governorates and 333 districts in the country and based on transparent distress/vulnerability index that are being agreed with donors in each phase of operations. This could be an important element of a work system that enables SFD's partners to be assured and provide assurance about objectivity of SFD's investment. distress/vulnerability index that is usually agreed by the BoD and donors to avoid accusations of bias. SFD informs donors of any event that affects its autonomy. Involving donors in the SFD's governance to be considered/adapted as a key safeguard 	Low
Financial	Misuse of funds by others	High	<ul style="list-style-type: none"> Dissemination of anti-Fraud and corruption materials to all involved in the implementation. Design and programmed implementation of customized Intensive awareness workshops on combating Corruption. Regular review/ inspection of partner's performance. SFD's funds are in banks that have insurance. Thus, banks will bear any losses Keep only a small amount of petty cash in the HQ and BOs. Transfer project funds directly to the beneficiary accounts or to individuals without accounts through Al Amal Bank, the Post Office, and local agents, who take the risk per the contractual agreement once funds have left SFD's account. Two factors of identifications are being used including the household card issued by the SFD and other ID. Due to the short term period of the cash-for-work transfer (4-6 months) and the close engagement of SFD field staff and the beneficiaries, no complaints have been received or identified until now. Add mobile banking as a mechanism for paying individual beneficiaries 	Low
Security	Security of SFD's staff and consultants	High – Moderate	<ul style="list-style-type: none"> SFD central and branch offices collect data on the overall security situation and keep abreast with security briefings from UN agencies Monitor security developments at the Headquarter and Branch Offices Intensify communication between offices and fields as required. 	Moderate

Type	Main Risks	Probability of Risk Occurrence	Mitigation measures	Severity of Impact
			<ul style="list-style-type: none"> Use local supervision consultants in project communities. Using the emergency and business continuity plan as stipulated in working under emergency procedures 	
Security	SFD's offices impacted by war	High	<ul style="list-style-type: none"> Move to a safer zone. Increase IT system back-ups and remove hard files to safe storage. Use of emergency teams to keep operations 'live' until full-scale activities resume 	Low
Administrative	Institutional capacity to oversee activities in operational areas diminished	High	<ul style="list-style-type: none"> Allocate additional resources to support increase project staff at branch levels Enhance the use of remote monitoring using smart devices, taking pictures and live-videos communication. Provide technical support to main programmes through HQ Delegate more authority to BOs along with increase the size of review sample that is being done by the auditors to insure compliance with regulations and procedures 	Low
Security	Protracted war limits access to target governorates	High	<ul style="list-style-type: none"> Focus on quick short projects and minimise advance payments. Use smaller and more frequent payments. Use local resources (including human resources) and work closely with local communities. Delegate greater authority and responsibilities to BOs subject to prior and post reviews. In certain areas, wait until security permits, and have rapid response teams on stand-by to benefit from window of opportunities they may arise. Using the technology to provide assurances on the results being achieved: pictures, videos and geo-tag locations 	Moderate
Financial	Limited, delayed, or lack of funding	High	<ul style="list-style-type: none"> Promote SFD's response paper to key partners. Prioritize interventions that are more relevant to the current situation. Supporting livelihoods Avoid making new commitments. 	Moderate
Management	Monitoring: Insufficient capacity to monitor activities nationwide	Moderate	<ul style="list-style-type: none"> Use of comprehensive database. Use of remote monitoring. Use of well-trained consultants and encourage outsourcing. Use branch managers, quality assurance team, and HQ staff to undertake field visits. Conduct IEs. And analysis of the complaint handling system 	Low
Management	Use of consultants: Need for a large number of consultants jeopardises performance	Moderate	<ul style="list-style-type: none"> Wide database of experienced and trained consultants. Contracts short-term and maybe terminated for unsatisfactory performance. Embed capacity support for consultants in regions with scarcity of consultants. 	Low
Financial	\$/YR change differences rate further increase	High	<ul style="list-style-type: none"> Consults SFD's partners. Explore possible options/impact. 	

Type	Main Risks	Probability of Risk Occurrence	Mitigation measures	Severity of Impact
			<ul style="list-style-type: none"> Align with international agencies. Given the challenges and risks associated with determining the x change rate on a daily basis, SFD prefers/ needs a neutral reference. UN's Operational X change rate is expected to be reviewed and updated soon towards the best possible rate. This is practically the only available reference to SFD. As all active IA's in Yemen face this issue, a joint position (perhaps through the Market and Currency Working Group CMWG) might be the best option. 	
Financial	Banking system close down in some regions	High	<ul style="list-style-type: none"> Use alternative systems, such as money exchangers and SME banks. Remote areas to might be affected. No specific area yet. Viability is to be assessed once it happens 	Moderate
Financial	High increase in other cost, such as construction, supplies, and services. Or the cost of food	High	<ul style="list-style-type: none"> The default approach is the efficient procurement For cash-for-work beneficiaries, to link the transfer to a consumer price index And or carry out rapid assessment of prices and adjust rates accordingly. 	Moderate
Administration	Blockade delays imports of project materials	High	<ul style="list-style-type: none"> Use local materials as much as possible. Enhance/ refine planning and procurement processes. For example; Early planning and procurement (once possible). Regular cost analysis, 	Low
<p>Rating of risks on a four-point scale – High, Substantial, Moderate, Low – according to the likelihood of occurrence and magnitude of potential adverse impact. The more the risk factor is out of control of SFD and its partners, the less magnitude of reduction.</p>				

Annex 2: Targeting Approach

Overview

The SFD targeting approach in 2018 -2020 Plan will follow the approach set for the Emergency Crisis Response Project. The Plan will cover all of Yemen's 22 governorates, fund allocations to each governorate will be determined based on a distress index that will be constructed from a number of indicators, including: governorate level fund allocations, targeting of districts within the governorates, community targeting, and the selection of the neediest families within the identified communities.

Different sources of updated data are used in constructing the distress index, including the latest UN agencies' (IOM/UNHCR, FAO, OCHA) data on food insecurity, population in needs, and population movement and population projections (see Table 1 below). The allocation process will favour the most affected governorates and the vulnerable individuals within them with an emphasis on food insecurity, while taking into consideration the importance of political neutrality and conflict sensitivity.

Table A1: Data Sources

Indicator	Data Source
Displacement	Population Movement Task Force, IOM/UNHCR, July 2016
Food Insecurity	FAO/IPC, June 2016
Population in Needs	OCHA, November 2015
Total Population	2018 census projections, CSO

Governorate Level Targeting

As noted above, the CRP will be implemented in all governorates. Governorate level fund allocation will be determined based on a *distress index* constructed from six indicators: the level and intensity of people with food insecurity (i.e. the number of food insecure people in the governorate and their share of the total population), the level and intensity of displacement (i.e., the number of IDPs and returnees in the governorate and their share of the total host population), and the level and intensity of population in urgent need for assistance.

Emergency needs and food insecurity. The updated index for food insecurity will rely on data coming from the Food Security and Agriculture Cluster (FSAC). This will replace the previous data source of generating the indicators for food insecurity from the Integrated Food Security Phase Classification. See Table A2 below.

Table A2: Distribution of population by food insecurity levels by governorate, FSAC 2018 YHRP district level targets for all cluster activities.

Governorate	Population Projection in 2018	People with emergency food needs assistance	Total population targeted with emergency food assistance	Intensity of emergency needs assistance (% of the people in emergency food needs)	Proportional distribution of people with emergency needs
Ibb	3,017,004	583,509	19.3	3.3	6.9
Abyan	583,244	235,606	40.4	6.8	2.8
Amanat Al Asimah	2,964,095	586,123	19.8	3.3	7.0
Al Bayda	770,358	212,451	27.6	4.6	2.5
Taizz	3,056,224	1,270,226	41.6	7.0	15.1
Al Jawf	589,320	137,142	23.3	3.9	1.6
Hajjah	2,442,557	980,387	40.1	6.8	11.7
Al Hudaydah	3,315,813	899,030	27.1	4.6	10.7
Hadramaut	1,468,310	185,805	12.7	2.1	2.2
Dhamar	2,064,533	445,336	21.6	3.6	5.3
Shabwah	650,046	213,190	32.8	5.5	2.5
Sa'ada	959,745	514,001	53.6	9.0	6.1
Sana'a	1,497,466	398,567	26.6	4.5	4.7
Aden	955,022	221,085	23.1	3.9	2.6
Lahj	1,028,117	492,920	47.9	8.1	5.9
Marib	368,613	92,162	25.0	4.2	1.1
Al Mahwit	749,974	202,329	27.0	4.5	2.4
Al Maharah	159,395	0	0.0	0.0	0.0
Amran	1,173,541	359,439	30.6	5.2	4.3
Al Dhale'e	753,487	247,568	32.9	5.5	2.9
Raymah	622,106	127,291	20.5	3.4	1.5
Socotra	66,455	0	0.0	0.0	0.0
	29,255,425	8,404,167	593.4	100.00	100.0

Displacement. The *displacement* index is derived from the Task Force on Population Movement report issued by IOM and UNHCR in October 2017, using the number of IDPs and returnees in all governorates. The index takes into consideration the share of IDPs and returnees (Total Displaced Population) among the total population of the governorate. See Table A3 below.

Table A3: Numbers of Total Displaced Population (IDPs and Returnees) and their share of the total population of the host governorate, October 2017

Population Projection in 2018	Total IDP in Governorate	Total Returnees in Governorate	Total 'Displaced' in Governorate (IDPs+returnees)	Intensity of displacement (Total Displaced)	Relative distribution of population affected by displacement (Total Displaced in Gov/Total Displaced) (4)
Ibb	3,017,004	150,720	5.00	2.0	4.9
Abyan	583,244	26,868	4.61	1.9	0.9
Amanat Al Asimah	2,964,095	344,772	11.63	4.7	11.3
Al Bayda	770,358	43,230	5.61	2.3	1.4
Taizz	3,056,224	409,884	13.41	5.4	13.4
Al Jawf	589,320	60,360	10.24	4.1	2.0
Hajjah	2,442,557	416,442	17.05	6.9	13.6
Al Hudaydah	3,315,813	109,830	3.31	1.3	3.6
Hadramaut	1,468,310	51,540	3.51	1.4	1.7
Dhamar	2,064,533	155,184	7.52	3.0	5.1
Shabwah	650,046	90,048	13.85	5.6	3.0
Sa'ada	959,745	139,320	14.52	5.9	4.6
Sana'a	1,497,466	128,862	8.61	3.5	4.2
Aden	955,022	373,692	39.13	15.8	12.2
Lahj	1,028,117	125,826	12.24	4.9	4.1
Marib	368,613	89,376	24.25	9.8	2.9
Al Mahwit	749,974	41,316	5.51	2.2	1.4
Al Maharah	159,395	16,746	10.51	4.2	0.5
Amran	1,173,541	172,926	14.74	6.0	5.7
Al Dhale'e	753,487	57,450	7.62	3.1	1.9
Raymah	622,106	42,456	6.82	2.8	1.4
Socotra	66,455	5,268	7.93	3.2	0.2
Total	29,255,425	3,052,116	247.60	100.00	100.0

Population in Needs. The Population in Needs index below uses the OCHA data from November 2017, which is currently the latest publicly available. The index includes the number of population by governorate in needs of assistance, and its level and intensity. See Table A4 below.

Table A4: Numbers of Total Population in Need of Assistance and their share of the total population of the host governorate, November 2017:

Governorate	Population projection _2018	Total population in need of assistance2018	percentage of assistance needs	Intensity of population in need of assistance	Relative distribution of population in need of assistance
Ibb	3,017,004	1,900,689	63.00	3.9	8.6
Abyan	583,244	507,556	87.02	5.4	2.3
Amanat Al Asimah	2,964,095	2,356,281	79.49	4.9	10.6
Al Bayda	770,358	453,193	58.83	3.6	2.0
Taizz	3,056,224	2,561,545	83.81	5.2	11.6
Al Jawf	589,320	496,335	84.22	5.2	2.2
Hajjah	2,442,557	2,019,608	82.68	5.1	9.1
Al Hudaydah	3,315,813	2,743,888	82.75	5.1	12.4
Hadramaut	1,468,310	860,764	58.62	3.6	3.9
Dhamar	2,064,533	1,349,355	65.36	4.0	6.1
Shabwah	650,046	547,543	84.23	5.2	2.5
Sa'ada	959,745	857,429	89.34	5.5	3.9
Sana'a	1,497,466	1,051,095	70.19	4.3	4.7
Aden	955,022	906,740	94.94	5.9	4.1
Lahj	1,028,117	884,125	85.99	5.3	4.0
Marib	368,613	267,045	72.45	4.5	1.2
Al Mahwit	749,974	478,279	63.77	3.9	2.2
Al Maharah	159,395	100,933	63.32	3.9	0.5
Amran	1,173,541	889,139	75.77	4.7	4.0
Al Dhale'e	753,487	518,563	68.82	4.2	2.3
Raymah	622,106	385,754	62.01	3.8	1.7
Socotra	66,455	29,904	45.00	2.8	0.1
Total	29,255,425	22,165,763	1621.63	100.00	100.0

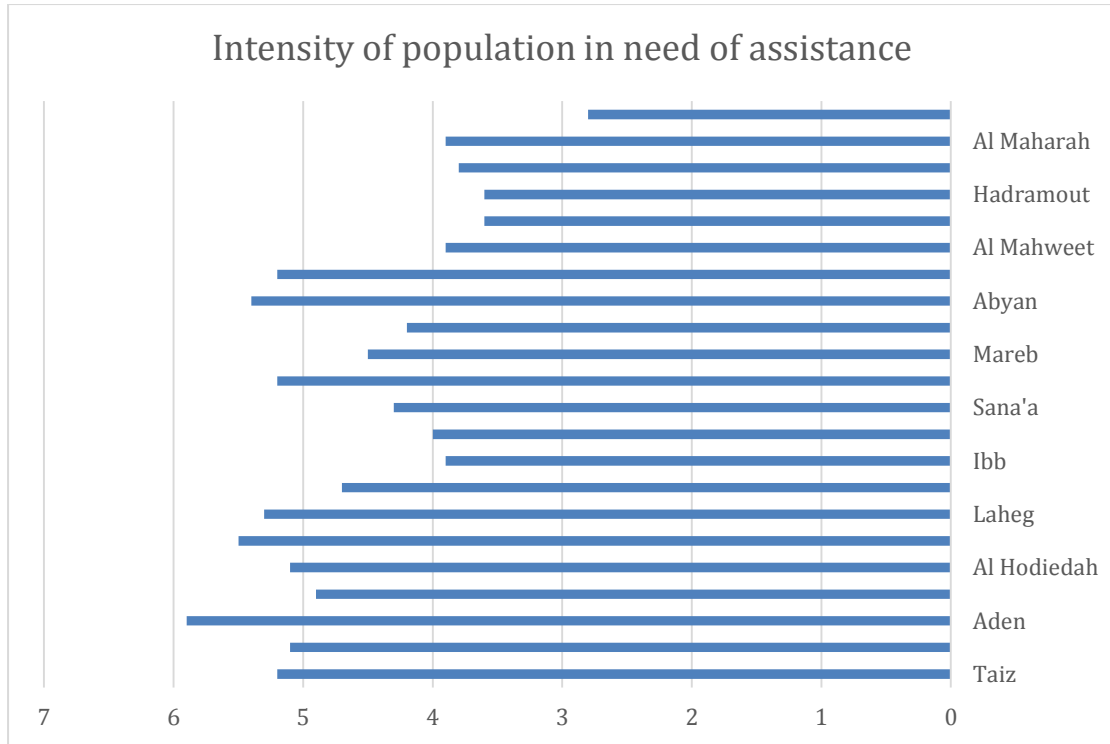


Fig A1: Intensity of population in need of assistance

Overall Governorate Level Distress Index. Each of the six indicators presented above is given an equal weight of 16.7 percent in the overall distress index. The following table provides the details of how the overall distress index is constructed and the final index for each governorate. The allocation of project resources (except for the nutrition interventions which will have a special allocation arrangement – as described in later sections of this note) for each governorate is based on the respective distress indices in the table below. For example, Hajja Governorate has a distress index of 8.6 and therefore its share of the resources will be 8.6% the total allocation. See Table A5 below.

Table A5: Governorates' Distress Index

Governorate	Population projection 2016	Intensity of emergency needs food assistance (1)	Proportional distribution of people in emergency needs food assistance (2)	Intensity of displacement (Total Displaced) (3)	Relative distribution of population affected by displacement (4)	Intensity of population in needs (5)	Relative distribution of population in need of assistance (6)	Distress Index (1+2+3+4+5+6)/6	Ranking
Ibb	3,017,004	3.9	8.6	2.0	4.9	3.3	6.9	4.9	9
Abyan	583,244	5.4	2.3	1.9	0.9	6.8	2.8	3.3	15
Amanat Al Asimah	2,964,095	4.9	10.6	4.7	11.3	3.3	7.0	7.0	4
Al Bayda	770,358	3.6	2.0	2.3	1.4	4.6	2.5	2.8	18
Taizz	3,056,224	5.2	11.6	5.4	13.4	7.0	15.1	9.6	1
Al Jawf	589,320	5.2	2.2	4.1	2.0	3.9	1.6	3.2	16
Hajjah	2,442,557	5.1	9.1	6.9	13.6	6.8	11.7	8.9	2
Al Hudaydah	3,315,813	5.1	12.4	1.3	3.6	4.6	10.7	6.3	5
Hadramaut	1,468,310	3.6	3.9	1.4	1.7	2.1	2.2	2.5	19
Dhamar	2,064,533	4.0	6.1	3.0	5.1	3.6	5.3	4.5	10
Shabwah	650,046	5.2	2.5	5.6	3.0	5.5	2.5	4.0	12
Sa'ada	959,745	5.5	3.9	5.9	4.6	9.0	6.1	5.8	6
Sana'a	1,497,466	4.3	4.7	3.5	4.2	4.5	4.7	4.3	11
Aden	955,022	5.9	4.1	15.8	12.2	3.9	2.6	7.4	3
Lahj	1,028,117	5.3	4.0	4.9	4.1	8.1	5.9	5.4	7
Marib	368,613	4.5	1.2	9.8	2.9	4.2	1.1	4.0	13
Al Mahwit	749,974	3.9	2.2	2.2	1.4	4.5	2.4	2.8	17
Al Maharah	159,395	3.9	0.5	4.2	0.5	0.0	0.0	1.5	21
Amran	1,173,541	4.7	4.0	6.0	5.7	5.2	4.3	5.0	8
Al Dhale'e	753,487	4.2	2.3	3.1	1.9	5.5	2.9	3.3	14
Raymah	622,106	3.8	1.7	2.8	1.4	3.4	1.5	2.4	20
Socotra	66,455	2.8	0.1	3.2	0.2	0.0	0.0	1.0	22
	29,255,425	100.00	100.00	100.00	100.00	100.00	100.00	100.00	

District Level Targeting

Where a governorate's allocation is not being sufficient to provide support to all districts within the respective governorate. In such cases, district ranking is used to identify priority districts. A district distress index is determined by level and intensity of displacement, including IDPs and returnees, (defined as a share of total displaced people in the district out of the total population of the district) and the level and intensity of food insecurity (defined as the share of the population in severely and moderately food insecure out of the total population of the district). All four indicators are given equal weight of 25 percent.

All districts within each governorate are ranked, where 1 is most distressed. Based on the total governorate envelop and cost of subprojects, it will be deciding whether all districts will be targeted or only priority districts in accordance with the ranking results. UNDP will finalise the district identification and allocation with its implementing partners and will share the final results with the World Bank prior to the implementation of the project. See Table A6 below.

Table A6: Sample of Districts' Distress Index and Districts' Ranking (Taiz Governorate)

Districts (Taizz)	Population Estimate 2018	Intensity of assistance needs (1)	Relative distribution of population need assistance (2)	Intensity of displacement (Total Displaced (3)	Relative distribution of population affected by displacement (4)	Relative distribution of people with emergency food (5)	Relative distribution of food insecurity (severely and moderately food insecure) (6)	Distress Index (1+2+3+4+5+6)/6	District Ranking
Dhubab	23,856	4.6	0.8	28.6	6.6	8.5	1.7	8.5	1
At Ta'iziyah	256,775	4.6	9	3.5	8.8	5	10.4	6.9	2
Al Mudhaffar	163,721	4.6	5.8	6.3	10.1	5.6	7.5	6.6	3
Ash Shamayatayn	237,234	4.2	7.5	3.7	8.7	3.8	7.3	5.9	4
Al Qahirah	120,150	4.6	4.2	6.9	8.1	5.5	5.4	5.8	5
Dimnat Khadir	181,672	4.4	6	4.4	7.9	2.5	3.8	4.8	6
Hayfan	115,595	4.5	3.9	4.8	5.3	5.3	5	4.8	7
Al Misrakh	131,756	4.4	4.4	2.5	3.2	6.4	6.8	4.6	8
Al Mukha	71,794	4.5	2.5	10	7	2.1	1.3	4.6	9
Maqbanah	260,370	4.3	8.5	1.5	3.9	2.5	5.2	4.3	10
Al Ma'afer	149,179	5.1	5.8	3	4.4	3.1	3.8	4.2	11
Salh	105,991	4.6	3.7	3.9	4	3.8	3.3	3.9	12
Sabir Al Mawadim	149,211	4.4	5	2.4	3.4	3.7	4.6	3.9	13
Shara'b As Salam	157,459	4	4.7	2.4	3.6	3.8	4.9	3.9	14
As Silw	55,438	4.2	1.8	3.6	1.9	7.5	3.4	3.7	15
Al Mawasit	161,647	2.7	3.3	1.3	2.1	5.4	7.2	3.7	16
Mawiyah	179,116	4.6	6.3	1	1.7	3.4	5	3.7	17

Jabal Habashy	161,901	4.2	5.1	2.4	3.7	2.6	3.5	3.6	18
Shara'b Ar Rawnah	207,781	3.9	6.1	1.4	2.9	2.6	4.4	3.6	19
Mashra'a Wa Hadnan	35,859	4.2	1.2	1.8	0.6	5.5	1.6	2.5	20
Sama	59,611	4.7	2.1	1.6	0.9	3.7	1.8	2.5	21
Mawza	33,223	4.5	1.1	1.5	0.5	3.8	1	2.1	22
Al Wazi'iyah	36,885	4.2	1.2	1.4	0.5	3.9	1.2	2.1	23
	3,056,224	100	100	100	100	100	100	100	

Targeting for the Nutrition Interventions

Beneficiaries of the nutrition interventions under the Social Safety Net Programme are pregnant and lactating women and children under the age of 5 who are either suffering from, or vulnerable to, malnutrition and therefore, long term negative impact on their health and capabilities. These beneficiaries need to be identified and reached to through a separate targeting approach from that of communities for the cash-for-work or community infrastructure interventions. Under the Social Safety Net around US\$97m will be earmarked for the nutrition interventions, and hence the following targeting approach will be used for this allocation.

The UN-lead Nutrition Cluster has identified 144 districts in Yemen as districts with significant number of Severe and Acute Malnourished (SAM) cases. With the current plan's allocation for nutrition interventions, it is estimated that the 100,000 women and their children and employ about 3,500 health and nutrition promotion worker (female youth). Therefore, the Plan will obtain the update data from nutrition clusters and determined the districts that will be of high priorities selecting districts complementing the on-going activities.

Currently, SFD is covering 23 - districts (the support is for one year and it includes cash transfer on condition of attending hygiene education. The selection of the current 23 - districts was done in two steps:

First, the 40 top priority districts were identified using a district ranking according to the intensity of the unmet needs for SAM (defined as the share of the number of cases within a district identified with SAM that have not received assistance against the total number of cases nationally identified with SAM that have not received assistance). See Table A7 below.

Second, exclusion criteria were applied to the 40 districts to select out the priority 23 districts. The exclusion criteria were: inaccessibility for intervention due to conflict and security; urban areas due to operational challenges in implementing community-based approached in urban settings; and placement in the ranking list. The exclusion achieved two objectives: a) regional inclusion – key for conflict sensitivity; and b) operational feasibility.

In case the priority district becomes inaccessible due to conflict, another district will be selected for implementation within the same governorate, ensuring geographic inclusion. In case the district prioritisation is modified due changing nutrition needs on the ground, additional districts adjacent to the initial priority district will be selected to enhance operational efficiency. The selected 23 districts as highlighted in Table A7 below fall under six governorates: Al-Hudaidah, Taizz, Ibb, Dhamar, Lahj and Al-Al-Dhala'a.

Table A7: Priority Districts for Nutrition Activities as of September 2016 to be modified as a new funding pledge to this component

Governorates	Districts	Need (# of cases with severe and acute malnutrition - SAM)	Ranking of Governorates According to Need (SAM)	Coverage against Need (SAM) (% of cases receiving assistance)	Intensity of Unmet Need at district level (SAM) (vis-à-vis national)	District Ranking per Unmet Need, based on ranking of the 144 districts
Abyan	Rasad (conflict)	995	10	7%	0.73	39
Abyan	Lawdar (conflict)	1620	10	39%	0.78	36
Al Dhale'e	Damt (conflict)	1296	10	18%	0.84	33
Al Dhale'e	Qa'atabah	1992	10	29%	1.11	23
Al Hudaydah	At Tuhayat	3210	1	41%	1.50	11
Al Hudaydah	Al Garrahi	4189	1	52%	1.57	10
Al Hudaydah	Al Hali (urban)	7875	1	27%	4.50	3
Al Hudaydah	Al Hawak (urban)	7169	1	31%	3.91	4
Al Hudaydah	Ad Durayhimi	2598	1	43%	1.17	20
Al Hudaydah	As Sukhnah	2800	1	40%	1.32	16
Al Hudaydah	Ad Dahi	2572	1	39%	1.24	18
Al Hudaydah	Al Qanawis	3415	1	52%	1.28	17
Al Hudaydah	Al Marawi'ah	6113	1	38%	2.96	6
Al Hudaydah	Al Mansuriyah	2106	1	32%	1.12	22
Al Hudaydah	Al Mina(urban)	4195	1	15%	2.81	7
Al Hudaydah	Bajil	7984	1	12%	5.55	2
Al Hudaydah	Bura	2115	1	15%	1.42	12
Al Hudaydah	Bayt Al Faqiah	11362	1	31%	6.13	1
Al Hudaydah	Zabid	7343	1	41%	3.42	5
Al Jawf	Khabb wa ash Sha'af (conflict)	1511	6	0%	1.19	19
Al Jawf	Kharab Al Marashi (conflict)	1173	6	18%	0.76	37
Dhamar	Al Hada	2734	2	19%	1.74	8
Dhamar	Dawran Aness	2310	2	41%	1.08	24
Dhamar	Anss	2266	2	22%	1.39	14
Dhamar	Dhamar City (urban)	3315	2	33%	1.74	9
Dhamar	Wusab Al Ali	3100	2	44%	1.37	15
Hajjah	Haradh (conflict)	1798	5	0%	1.41	13
Ibb	As Sayyani	1143	2	5%	0.85	32
Ibb	Al Dhihar (urban)	1613	2	37%	0.80	34
Lahj	Al Qabbaytah	1193	9	7%	0.87	30
Lahj	Yafa'a	943	9	0%	0.74	38
Sana'a	Arhab (conflict)	1566	7	23%	0.95	26
Sana'a	Bani Matar (ranking)	1733	7	48%	0.71	40
Taizz	As Silw (conflict)	1152	4	5%	0.86	31
Taizz	Al Qahirah (urban)	1165	4	4%	0.88	29
Taizz	Wazi'iyah	1166	4	0%	0.92	28
Taizz	Hayfan	1314	4	10%	0.93	27
Taizz	Salah (urban)	1521	4	5%	1.14	21
Taizz	Mawza (ranking)	1883	4	46%	0.80	35

Community Targeting

The geographical targeting described above will apply to both SSN and CLD within the targeted districts, communities will be selected by the branch offices of SFD based on available field data and information documented at the community level (numbers of IDPs/returnees, damaged infrastructure, loss of livelihood, and so on), as well as through consultations with local leaders, civil society organizations and international non-governmental organisations

Beneficiary Targeting

At beneficiary level the targeting is variable and depends on the objective of the interventions.

- In nutrition interventions, they are mothers with children under 5, for Youth it is those who have education but they are not employed.
- For farmers or those who have between 1 and 2 hectares of land, access to water, and they are willing to introduce modern practices and work with SFD's consultants.
- For fishermen the criteria is to be a member of a fishermen's cooperative.
- In Community & Local Development, they can be teachers that receive the training and the transportation incentives who have to be within educational system in targeted areas.
- For beneficiaries as workers, it will vary between the CFW that employs the direct community implementation approach, which allows for more innovation and flexibility in targeting more vulnerable community members including women and youth, compared with the private sector contractor approach used under the CLD which relies on private sector contractors for selecting the workers.

Beneficiary targeting under Social Safety Net Programme

Communities selected under this programme have already passed through a verification and consultation process with districts leaders who identify that the community concerned have a high level of people with no stable income and/or a high number of IDPs/returnees.

To ensure an optimal distribution of benefits, each participating household is 'capped' to receive a total benefit of US\$500 in wages - regardless of the number of participating workers from the household. CFW tries to accommodate all applicant households, but if demand outweighs funding availability for a particular community, the cap can either be reduced to allow for the inclusion of more households; or the community can be consulted to identify the neediest households to be prioritised.

Nutrition activities will target households with pregnant and lactating women and children under the age of five. Primary focus will be given to eligible HHs from list provided by the Social Welfare Fund (SWF) but is not be limited to them, as many poor HHs are excluded from the SWF program. Women and children of the SWF HHs will receive cash assistance of YR10,000 per month (about \$40) for 12 months on the condition that the women attend health education sessions and follow up on the nutrition treatment (provided by the health sector). Wider community members with mothers and children under age of 5 who have been screened and identified with severe or acute malnutrition also benefit from a transportation and accommodation allowance and a treatment allowance of up to YR 10,000 per family per month during the treatment period which can last between 6 and 9 months.

Women's participation/targeting

In CFW interventions, the targeting unit is the household. Women will be encouraged to participate by measures that make their participation easier: allowing flexible hours of on-site work, providing on-site child care (this will also hire a caregiver from the community), having the subproject based at the community level and in a location close to the villagers, and by consulting women on the types of subprojects they can participate in.

Given that the baseline of women employment in paid labour in rural areas is 3%²⁸ to have 30% female participation target is of benefit, (women comprise more than 50% of the microfinance clients under SMED). Women are assumed to benefit equally from the community infrastructures created. Women are the primary beneficiaries of the water harvesting schemes as these reduce time and effort in fetching water, a responsibility for women and girls in Yemen. Women are also the primary wage participants and beneficiaries of nutrition-based service delivery and also the sole beneficiary of cash for nutrition.

Youth participation

Social service interventions under both SSN and CLD target male and female youths between 16 and 35 years of age, targeting both skilled and unskilled youth through services that suit each group. Particular emphasis is made on skilled and unskilled youth between 16-25 years of age. For example, youth with some education are provided with work in health promotion and nutrition-based service delivery, social harmony and community mobilisation and delivering alternative learning/schooling activities. Relatively unskilled youth with very little formal education are given manual work.

Beneficiary targeting under CLD

Selection of workers under this program is the responsibility of the contractor. However, because most of the projects will be small in size, it is expected that smallest contractors recruit workers from the immediate project area or nearby communities. Contractors will be required to register the workers and record their characteristics to enable monitoring of the beneficiaries. While implementation through contractors is not expected to be accessible to women, they are expected to be mostly attractive to poor semi-skilled and unskilled labourers. SFD gives preference to women consultants and engineers to supervise such work.

Targeting Approach for Sub-component SMED

SMED is focusing on agriculture-based interventions and rural livelihoods. The SMED program is developing specific products / crops grown in each governorate, improving the value chain from farm gate to market. Selection of farms is based of pre-set criteria, including the type of produce, size/scale of farm, proximity to local market, ability to employ workers, etc. Targeting of fishermen and livestock producers prioritises areas with a high concentration of fishermen and livestock producers, the presence of existing and active producer's associations (such as fishermen's cooperatives), access to local markets. As with other SFD interventions, the existence of conflict can affect the range of interventions offered.

Targeting in SMED will be primarily for the nine existing Micro Finance Institutions (MFIs) to locate clients who can usefully work with small capital outlay (the loan of the MFIs is capped at \$1,000).

Fund allocation contingency Plan:

Given the uncertain security situation, several target areas are predicted to encounter issues of inaccessibility before or during implementation. Since the beginning of the conflict in 2015, twenty-six districts²⁹ (out of the total 333 districts in Yemen) have continued to be hot conflict zones and hence partially or fully inaccessible, and recently some districts (e.g. in Hudaidah), where implementation is running, might become inaccessible, fully or partially, due to increased insecurity in those areas.

SFD needs to allow for a reasonable degree of change in fund allocation at district level, this flexibility can follow a contingency plan (derived from the current CRP Contingency Plan) to manage the required changes in an informed and documented manner. The CRP Contingency

²⁸ Christian, S., A. de Janvry, D. Egel, and E. Sadoulet (2013). "Quantitative Evaluation of the Social Fund for Development Labour Intensive Works Program (LIWP)." Berkeley: University of California.

²⁹ Six in Saada, five in Al-Baida, five in Taiz, three in Al-Jawf, three in Hajjah, one in Sana'a, one in Shabwa, one in Marib, and one in Al-Dhalea

Plan aims to effectively address issues that are likely to affect the process of fund allocation under predictable scenarios of inaccessibility, sub-project suspension, and budget savings or reduction.

It endeavours to facilitate swift decision making in determining the reallocation of funds to other districts based on specific considerations if and where needed. According to this contingency plan, such issues as inaccessible areas or disrupted interventions will be subject to regular review for three months and a decision will then be taken to reallocate the funds according to the updated distress index and any priority emerging issues - such as malnutrition or cholera crisis. In the case of reallocation within the same district, the branch office will communicate with SFD's main office to take the necessary steps to cancel the original project and open a new project in the same district - and to go through the required processing of any new project. In case of diverting funds to other districts or governorates the SFD headquarters will take the necessary steps and this may include informing donors to ensure that there is no objection.

Annex 2-1: Targeting Approach updated

Overview

As data on population needs is becoming available in disaggregated manner, SFD is being able to respond to the donors' demand³⁰ to enhance the targeting approach with additional sectoral indicators from UN/the integrated response/humanitarian response plan 2018. Furthermore, SFD has been able to obtain more updated data on what was indicated above. The following are proposed revised index to be used for SFD's resources distribution at the governorate level:

Table A1: Data Sources

Indicator	Data Source
Displacement	Population Movement Task Force, IOM/UNHCR, July 2016
Population in Needs	OCHA, November 2018
Total Population	2018 census projections, CSO

Governorate Level Targeting

As noted above, the CRP will be implemented in all governorates. Governorate level fund allocation will be determined based on a *distress index* constructed from eight indicators as presented below. The overall governorate distress index is derived and calculated based on the 8 indicators (each indicator is presented in the sections below – Table ... to). Each of the eight indicators is given an equal weight of 12.5 percent. The allocation of the SFD resources will follow the overall distress index (presented in the table below) which gives a more fair and balanced fund allocation at the governorate level. To further explain, in the below table Taiz is given an average of 8.7 in the distress index and therefore, will receive 8.7 from the SFD overall resources.

Gov.	Distress Index of Education 2018	Distress Index of food security & agri. People 2018	Distress Index of people in need for health 2018	Distress Index of people in need for nutrition 2018	Distress Index of people in need for protection 2018	Distress Index of people in need for shelter 2018	Distress Index of people in need for WASH 2018	Distress Index of displacement Oct. 2017	Average Distress Index
Taizz	9.3	9.2	9.7	7.3	11.0	5.7	8.0	9.4	8.7
Amanat Al Asimah	10.1	5.5	5.5	8.5	7.5	12.3	5.8	8.0	7.9
Al Hudaydah	8.6	7.8	12.9	8.3	7.4	7.2	8.5	2.5	7.9
Hajjah	6.8	7.6	8.7	6.3	7.5	7.8	7.4	10.3	7.8
Ibb	7.2	7.0	5.2	6.8	5.1	5.0	7.3	3.5	5.9
Aden	4.1	5.3	3.6	3.9	7.4	3.9	3.7	14.0	5.7

³⁰ Minutes of meeting, joint SFD/donor call on the 28th of March 2018

Dhamar	6.6	5.6	5.4	6.4	4.9	4.2	5.6	4.1	5.3
Sa'ada	5.3	5.3	6.3	4.1	7.4	4.5	4.0	5.2	5.3
Sana'a	5.2	4.7	4.9	5.0	5.2	5.7	4.6	3.8	4.9
Amran	5.4	3.7	4.1	4.4	5.1	4.7	4.7	5.8	4.7
Lahj	2.8	5.2	4.0	3.6	3.0	3.1	4.4	4.5	3.8
Shabwah	2.5	4.8	2.2	3.3	4.2	3.3	3.4	4.3	3.5
Al Dhale'e	2.7	3.5	3.5	3.6	2.7	5.7	3.7	2.5	3.5
Hadramaut	1.9	4.6	1.4	4.4	2.8	7.4	3.1	1.6	3.4
Al Jawf	3.7	3.3	4.1	3.5	2.2	3.3	3.7	3.1	3.3
Marib	2.1	2.8	2.6	2.6	3.3	3.6	3.0	6.4	3.3
Abyan	2.8	4.6	3.8	2.6	3.7	2.7	3.6	1.4	3.2
Al Bayda	2.8	2.9	3.6	3.4	2.0	2.9	3.5	1.8	2.9
Al Mahwit	3.4	2.4	3.6	3.3	2.5	0.5	4.0	1.8	2.7
Raymah	2.9	2.9	3.3	3.4	2.0	0.5	3.6	2.1	2.6
Al Maharah	2.2	0.7	0.8	2.9	1.4	4.0	2.6	2.4	2.1
Socotra	1.6	0.8	0.9	2.5	1.6	2.0	2.0	1.7	1.6
Grand Total	100.0	100	100	100	100	100	100	100	100

Details on each distress index are given below:

- (1) The level and intensity of people with food insecurity (i.e. the number of food insecure people in the governorate and their share of the total population); the level and intensity of displacement (i.e., the number of IDPs and returnees in the governorate and their share of the total host population). The updated index for food insecurity is updated based on the Humanitarian Needs Overview (HNO)³¹, 2018 produced by the OCHA. This will replace the previous data source of generating the indicators for food insecurity from the Integrated Food Security Phase Classification. See Table A2 below.

Table A2: Distribution of population by food insecurity levels by governorate, HNO, 2018

Gov.	Estimated population 2018	Food security and Agriculture total	The percentage of food security & agri. People	Intensity of food security & agri. People 3	Relative distribution of food security & agri. People 4	Distress Index of food security & agri. People
Taizz	3,056,224	2,243,516	0.7	5.7	12.6	9.2
Al Hudaydah	3,315,813	1,960,171	0.6	4.6	11.0	7.8
Hajjah	2,442,557	1,726,804	0.7	5.5	9.7	7.6

³¹ The HNO report of 2018 is based on population projections issued by the Yemen Central Statistical Organization, adjusted with data generated from the 16th TFPM report.

Ibb	3,017,004	1,698,948	0.6	4.4	9.5	7.0
Dhamar	2,064,533	1,192,530	0.6	4.5	6.7	5.6
Amanat Al Asimah	2,964,095	1,340,884	0.5	3.5	7.5	5.5
Sa'ada	959,745	767,084	0.8	6.3	4.3	5.3
Aden	955,022	763,823	0.8	6.3	4.3	5.3
Lahj	1,028,117	786,917	0.8	6.0	4.4	5.2
Shabwah	650,046	539,590	0.8	6.5	3.0	4.8
Sana'a	1,497,466	870,799	0.6	4.5	4.9	4.7
Abyan	583,244	487,701	0.8	6.5	2.7	4.6
Hadramaut	1,468,310	842,562	0.6	4.5	4.7	4.6
Amran	1,173,541	598,813	0.5	4.0	3.4	3.7
Al Dhale'e	753,487	433,318	0.6	4.5	2.4	3.5
Al Jawf	589,320	347,500	0.6	4.6	1.9	3.3
Al Bayda	770,358	365,362	0.5	3.7	2.0	2.9
Raymah	622,106	314,903	0.5	4.0	1.8	2.9
Marib	368,613	205,605	0.6	4.4	1.2	2.8
Al Mahwit	749,974	300,418	0.4	3.1	1.7	2.4
Socotra	66,455	12,591	0.2	1.5	0.1	0.8
Al Maharah	159,395	27,316	0.2	1.3	0.2	0.7
Grand Total	29,255,425	17,827,155	12.8	100.0	100.0	100.0

- (2) The level and intensity of population in need for protection (i.e. the number of people with vulnerabilities or specific needs and their share of the total population). This index takes into account the number of people needs of protection

Gov.	Estimated population 2018	Protection needs (total)	% of people in need for protection	Intensity of people in need for protection 9	Relative distribution of people in need for protection 10	Distress Index of people in need for protection
Taizz	3,056,224	1,951,146	0.64	6.9	15.2	11.0
Hajjah	2,442,557	1,225,296	0.50	5.4	9.5	7.5
Amanat Al Asimah	2,964,095	1,303,990	0.44	4.8	10.1	7.5
Al Hudaydah	3,315,813	1,347,958	0.41	4.4	10.5	7.4
Sa'ada	959,745	780,352	0.81	8.8	6.1	7.4
Aden	955,022	776,470	0.81	8.8	6.0	7.4
Sana'a	1,497,466	694,062	0.46	5.0	5.4	5.2
Amran	1,173,541	600,867	0.51	5.5	4.7	5.1
Ibb	3,017,004	891,598	0.30	3.2	6.9	5.1
Dhamar	2,064,533	756,737	0.37	4.0	5.9	4.9
Shabwah	650,046	340,925	0.52	5.7	2.7	4.2
Abyan	583,244	283,847	0.49	5.3	2.2	3.7
Marib	368,613	179,438	0.49	5.3	1.4	3.3
Lahj	1,028,117	325,879	0.32	3.4	2.5	3.0
Hadramaut	1,468,310	365,309	0.25	2.7	2.8	2.8
Al Dhale'e	753,487	245,958	0.33	3.5	1.9	2.7
Al Mahwit	749,974	227,958	0.30	3.3	1.8	2.5
Al Jawf	589,320	166,482	0.28	3.1	1.3	2.2
Al Bayda	770,358	183,951	0.24	2.6	1.4	2.0
Raymah	622,106	155,527	0.25	2.7	1.2	2.0
Socotra	66,455	18,861	0.28	3.1	0.1	1.6
Al Maharah	159,395	37,595	0.24	2.6	0.3	1.4
Grand Total	29,255,425	12,860,206	9	100	100	100

(3) The level and intensity of people in need for access to health (the number of people in need to access health services and their share of the total population)

Gov.	Est. population 2018	Health needs (total)	% of people	Intensity of people	Relative distribution of people	Distress Index of
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			need Health	need health 5	need health 6	people need health
Al Hudaydah	3,315,813	2,919,729	0.88	7.9	17.8	12.9
Taizz	3,056,224	2,145,674	0.70	6.3	13.1	9.7
Hajjah	2,442,557	1,779,146	0.73	6.5	10.9	8.7
Sa'ada	959,745	813,886	0.85	7.6	5.0	6.3
Amanat Al Asimah	2,964,095	1,201,318	0.41	3.6	7.3	5.5
Dhamar	2,064,533	1,040,202	0.50	4.5	6.4	5.4
Ibb	3,017,004	1,139,582	0.38	3.4	7.0	5.2
Sana'a	1,497,466	819,189	0.55	4.9	5.0	4.9
Al Jawf	589,320	384,495	0.65	5.8	2.3	4.1
Amran	1,173,541	594,135	0.51	4.5	3.6	4.1
Lahj	1,028,117	540,338	0.53	4.7	3.3	4.0
Abyan	583,244	355,589	0.61	5.5	2.2	3.8
Al Mahwit	749,974	403,243	0.54	4.8	2.5	3.6
Al Bayda	770,358	407,500	0.53	4.7	2.5	3.6
Aden	955,022	461,019	0.48	4.3	2.8	3.6
Al Dhale'e	753,487	385,442	0.51	4.6	2.4	3.5
Raymah	622,106	322,134	0.52	4.6	2.0	3.3
Marib	368,613	171,704	0.47	4.2	1.0	2.6
Shabwah	650,046	219,248	0.34	3.0	1.3	2.2
Hadramaut	1,468,310	226,675	0.15	1.4	1.4	1.4
Socotra	66,455	13,291	0.20	1.8	0.1	0.9
Al Maharah	159,395	25,042	0.16	1.4	0.2	0.8
Grand Total	29,255,425	16,368,581	11	100	100	100

- (4) Similarly, the displacement index is derived from HNO, 2018, using the number of IDPs and returnees in all governorates. The index takes into consideration the share of IDPs and returnees (Total Displaced Population) among the total population of the governorate. See Table A3 below.

Table A3: Number of Total Displaced Population (IDPs and Returnees) and their share of the total population of the host governorate, 2018

Gov.	Estimated population 2018	IDP's & Returnees (total) 16	% of displacement (total affected)	Intensity of displacement 15	Relative distribution of displacement 16	Distress Index of displacement
Aden	955,022	373,692	0.4	15.8	12.2	14.0
Hajjah	2,442,557	416,442	0.2	6.9	13.6	10.3
Taiz	3,056,224	409,884	0.1	5.4	13.4	9.4
Amanat Al Asimah	2,964,095	344,772	0.1	4.7	11.3	8.0
Marib	368,613	89,376	0.2	9.8	2.9	6.4
Amran	1,173,541	172,926	0.1	6.0	5.7	5.8
Sa'ada	959,745	139,320	0.1	5.9	4.6	5.2
Lahj	1,028,117	125,826	0.1	4.9	4.1	4.5
Shabwah	650,046	90,048	0.1	5.6	3.0	4.3
Dhamar	2,064,533	155,184	0.1	3.0	5.1	4.1
Sana'a	1,497,466	128,862	0.1	3.5	4.2	3.8
Ibb	3,017,004	150,720	0.0	2.0	4.9	3.5
Al Jawf	589,320	60,360	0.1	4.1	2.0	3.1
Al Dhale'e	753,487	57,450	0.1	3.1	1.9	2.5
Al Hudaydah	3,315,813	109,830	0.0	1.3	3.6	2.5
Al Maharah	159,395	16,746	0.1	4.2	0.5	2.4
Raymah	622,106	42,456	0.1	2.8	1.4	2.1
Al Bayda	770,358	43,230	0.1	2.3	1.4	1.8
Al Mahwit	749,974	41,316	0.1	2.2	1.4	1.8
Socotra	66,455	5,268	0.1	3.2	0.2	1.7
Hadramaut	1,468,310	51,540	0.0	1.4	1.7	1.6
Abyan	583,244	26,868	0.0	1.9	0.9	1.4
Grand Total	29,255,425	3,052,116	10.4	100.0	100.0	100

(5) The level and intensity of people in need for shelter (i.e. the number of people in need for shelter and their share of the population).

Gov.	Estimated population 2018	Shelter nfi & cccm (total)	% of people in need for shelter	Intensity of people in need for shelter 11	Relative distribution of people in need for shelter 12	Distress Index of people in need for shelter
Amanat Al Asimah	2,964,095	908,524	0.31	7.7	16.9	12.3
Hajjah	2,442,557	538,940	0.22	5.6	10.0	7.8
Hadramaut	1,468,310	413,934	0.28	7.1	7.7	7.4
Al Hudaydah	3,315,813	548,911	0.17	4.2	10.2	7.2
Sana'a	1,497,466	322,868	0.22	5.4	6.0	5.7
Al Dhale'e	753,487	218,813	0.29	7.3	4.1	5.7
Taizz	3,056,224	422,502	0.14	3.5	7.9	5.7
Ibb	3,017,004	374,020	0.12	3.1	7.0	5.0
Amran	1,173,541	235,064	0.20	5.1	4.4	4.7
Sa'ada	959,745	202,118	0.21	5.3	3.8	4.5
Dhamar	2,064,533	271,054	0.13	3.3	5.0	4.2
Al Maharah	159,395	44,737	0.28	7.1	0.8	4.0
Aden	955,022	174,205	0.18	4.6	3.2	3.9
Marib	368,613	82,897	0.22	5.7	1.5	3.6
Shabwah	650,046	114,522	0.18	4.4	2.1	3.3
Al Jawf	589,320	106,407	0.18	4.6	2.0	3.3
Lahj	1,028,117	144,734	0.14	3.5	2.7	3.1
Al Bayda	770,358	111,917	0.15	3.7	2.1	2.9
Abyan	583,244	87,543	0.15	3.8	1.6	2.7
Socotra	66,455	9,969	0.15	3.8	0.2	2.0
Al Mahwit	749,974	18,698	0.02	0.6	0.3	0.5
Raymah	622,106	15,613	0.03	0.6	0.3	0.5
Grand Total	29,255,425	5,367,990	18.3	100	100	100.0

(6) The level and intensity of people in need to access education services (i.e the number of children in need to access educational services). This includes the enrolment rate and percentage of functional schools

Gov.	Estimated population 2018	Education need _cluster (total)	% of education needs	Intensity of education needs 1	Relative distribution of education needs 2	Distress Index of Education
Amanat Al Asimah	2,964,095	562,057	19.0	6.7	13.6	10.1
Taizz	3,056,224	519,435	17.0	6.0	12.5	9.3
Al Hudaydah	3,315,813	494,657	14.9	5.3	11.9	8.6
Ibb	3,017,004	399,928	13.3	4.7	9.6	7.2
Hajjah	2,442,557	352,993	14.5	5.1	8.5	6.8
Dhamar	2,064,533	321,276	15.6	5.5	7.7	6.6
Amran	1,173,541	198,561	16.9	6.0	4.8	5.4
Sa'ada	959,745	172,734	18.0	6.4	4.2	5.3
Sana'a	1,497,466	218,932	14.6	5.2	5.3	5.2
Aden	955,022	134,712	14.1	5.0	3.2	4.1
Al Jawf	589,320	87,146	14.8	5.2	2.1	3.7
Al Mahwit	749,974	93,961	12.5	4.4	2.3	3.4
Raymah	622,106	70,529	11.3	4.0	1.7	2.9
Lahj	1,028,117	96,686	9.4	3.3	2.3	2.8
Al Bayda	770,358	78,990	10.3	3.6	1.9	2.8
Abyan	583,244	65,236	11.2	4.0	1.6	2.8
Al Dhale'e	753,487	76,968	10.2	3.6	1.9	2.7
Shabwah	650,046	63,442	9.8	3.5	1.5	2.5
Al Maharah	159,395	18,205	11.4	4.0	0.4	2.2
Marib	368,613	35,450	9.6	3.4	0.9	2.1
Hadramaut	1,468,310	79,568	5.4	1.9	1.9	1.9
Socotra	66,455	5,746	8.6	3.1	0.1	1.6
Grand Total	29,255,425	4,147,212	282.4	100	100	100.0

(7) The level and intensity of people in need for WASH (i.e. the number of people in need for WASH – hygiene, sanitation and water – and their share of the total population)

Gov.	Estimated population 2018	WASH (total_pin)	% of people in need for WASH	Intensity of people in need for WASH 13	Relative distribution of people in need for WASH 14	Distress Index of people in need for WASH
Al Hudaydah	3,315,813	1,947,049	0.59	4.8	12.2	8.5
Taizz	3,056,224	1,794,414	0.59	4.8	11.2	8.0
Hajjah	2,442,557	1,536,716	0.63	5.2	9.6	7.4
Ibb	3,017,004	1,626,475	0.54	4.5	10.2	7.3
Amanat Al Asimah	2,964,095	1,287,904	0.43	3.6	8.0	5.8
Dhamar	2,064,533	1,084,144	0.53	4.3	6.8	5.6
Amran	1,173,541	704,126	0.60	5.0	4.4	4.7
Sana'a	1,497,466	779,954	0.52	4.3	4.9	4.6
Lahj	1,028,117	616,870	0.60	5.0	3.9	4.4
Al Mahwit	749,974	464,111	0.62	5.1	2.9	4.0
Sa'ada	959,745	536,386	0.56	4.6	3.4	4.0
Aden	955,022	498,314	0.52	4.3	3.1	3.7
Al Dhale'e	753,487	427,058	0.57	4.7	2.7	3.7
Al Jawf	589,320	362,561	0.62	5.1	2.3	3.7
Raymah	622,106	373,263	0.60	5.0	2.3	3.6
Abyan	583,244	349,945	0.60	5.0	2.2	3.6
Al Bayda	770,358	408,264	0.53	4.4	2.6	3.5
Shabwah	650,046	362,032	0.56	4.6	2.3	3.4
Hadramaut	1,468,310	516,776	0.35	2.9	3.2	3.1
Marib	368,613	207,041	0.56	4.6	1.3	3.0
Al Maharah	159,395	89,045	0.56	4.6	0.6	2.6
Socotra	66,455	29,904	0.45	3.7	0.2	2.0
Grand Total	29,255,425	16,002,352	55	100	100	100

(8) The level and intensity of people with malnutrition cases (i.e. the number of people with malnutrition cases and their share of the total population). The severity of

Gov.	Estimated population 2018	Nutrition needs (total)	% of people in need for nutrition	Intensity of people in need of nutrition 7	Relative distribution of people in need of nutrition 8	Distress Index of people in need of nutrition
Amanat Al Asimah	2,964,095	822,731	0.28	5.3	11.7	8.5
Al Hudaydah	3,315,813	824,888	0.25	4.8	11.7	8.3
Taizz	3,056,224	713,396	0.23	4.5	10.2	7.3
Ibb	3,017,004	660,527	0.22	4.2	9.4	6.8
Dhamar	2,064,533	544,621	0.26	5.0	7.8	6.4
Hajjah	2,442,557	571,413	0.23	4.5	8.1	6.3
Sana'a	1,497,466	368,922	0.25	4.7	5.3	5.0
Amran	1,173,541	287,336	0.24	4.7	4.1	4.4
Hadramaut	1,468,310	320,007	0.22	4.2	4.6	4.4
Sa'ada	959,745	237,878	0.25	4.7	3.4	4.1
Aden	955,022	226,903	0.24	4.5	3.2	3.9
Lahj	1,028,117	217,928	0.21	4.1	3.1	3.6
Al Dhale'e	753,487	179,744	0.24	4.6	2.6	3.6
Al Jawf	589,320	150,391	0.26	4.9	2.1	3.5
Al Bayda	770,358	175,024	0.23	4.3	2.5	3.4
Raymah	622,106	149,180	0.24	4.6	2.1	3.4
Shabwah	650,046	152,744	0.23	4.5	2.2	3.3
Al Mahwit	749,974	165,274	0.22	4.2	2.4	3.3
Al Maharah	159,395	42,477	0.27	5.1	0.6	2.9
Marib	368,613	80,091	0.22	4.2	1.1	2.6
Abyan	583,244	112,481	0.19	3.7	1.6	2.6
Socotra	66,455	16,825	0.25	4.8	0.2	2.5
Grand Total	29,255,425	7,020,781	5	100	100	100

Annex 3: SFD in Detail

History of SFD

SFD was created in 1997 as an autonomous government institution alongside its sister organisations, the Social Welfare Fund (SWF) and Public Works Programme (PWP) to mitigate against the negative effects of the proposed Economic Reform Programme on the poor,³²

SFD delivers a wide range of services and its development approach centres on empowering local communities and building the capacities of local and national government institutions. SWF is Yemen's primary vehicle for transferring social cash assistance to the poorest individuals, mostly elderly, widows, people with disabilities and orphans.

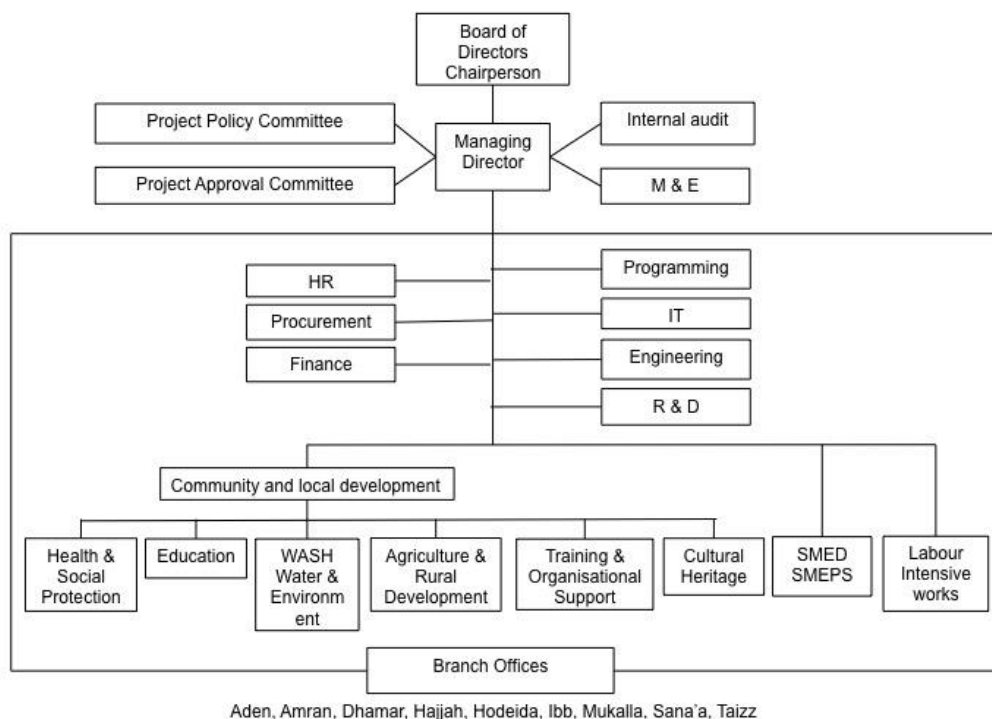
SFD does not only build infrastructure, but also provides the additional human inputs to manage such services by providing specialist training for the personnel involved in using the infrastructure, from schools to clinics to markets. SFD offers complementary business development and financial services through SMEPS and SMED.

The structure of SFD

The SFD's organisational structure has three main levels: The Board of Directors, the Headquarters Office, based in Sana'a, and its nine branch offices based out in the governorates (apart from Sana'a, which is based in the HQ).

Fig A2 A diagram of the organisation of SFD

³² In 1995 Yemen initiated an economic reform programme, this was supported by the IMF and the World Bank among others, it aimed to 'strengthen the foundations of a market-based and private sector-driven economy, integrated into world markets and operating in a context of broad financial stability.' SFD was founded, in part, to mitigate the impacts on the poor of the policy package that the Poverty Reduction and Growth Facility (PRGF) prescribed.



Board of Directors

SFD is overseen by a Board of Directors chaired by the Prime Minister, and comprising members representing key line ministries (including Planning, Health, Education, Agriculture and Transport), NGOs, and the private sector. The Board's responsibilities include:

- mobilising the government's contribution to SFD;
- approving SFD's main policies and orientations;
- approving SFD's annual and five-year work plans;
- reviewing the progress made by SFD; and
- reviews and approves SFD's audit reports.

Direct management of SFD falls under the Managing Director, who is supported by both a permanent Yemeni team and a significant number of resident and temporary consultants. The Managing Director keeps the Chairperson of the board informed on major issues, and shares new and updated plans.

Current status as of December 2017

Given the current political status, the Board is unable to function normally. However, SFD's operations including signing funding agreements, approving projects, managing funds are not affected, since they are the responsibility of the Headquarters represented by the Managing Director as per SFD's establishment law and operational manual.

It is imperative that SFD remains politically neutral while acting as a primary actor in Yemen's development. SFD's development partners have individually and jointly an oversight role whereby overall performance, implementation progress, risks, as well as audits and other issues are reviewed regularly. The largest current contribution to the SFD's which is the Emergency Crisis Response project (ECRP), funded by the World Bank through UNDP, added another enhancement at the governance level. In the absence of an effective Board of Directors, and per the ECRP project document, a Project Board comprising UNDP and SFD was established with the World

Bank as an observer. SFD's donors joint six-monthly review meetings enhance further SFD's governance.

Staff

In December 2014³³ SFD had 596 staff on its payroll, by January 2016 this had reduced to 441, the drop in numbers was comprised primarily of consultants, who typically work on a one-year fixed term contracts. Because the drop in disbursements led to a gradual decline in project implementation, the temporary consultant staff were the first to be laid off. Permanent staff have largely been retained.

Around half the total contingent of staff are based in Sana'a – serving in both the headquarters and Sana'a branch unit. The Sana'a branch covers four governorates: Sana'a, AlJawf, Mareb and Mahweet as well as Amenat al Asimah (Sana'a capital city).

³³ The average monthly disbursement in 2013 and 2014 was 19 million a month.

Table A8: Total permanent staff numbers in SFD 2014 - 2017

	Dec-14	Jan-16	Sep-17
Project officers	109	103	122
Project consultants	124	75	102
Financial and technical officers	69	59	80
Financial and technical consultants	68	42	52
Admin and support staff	137	162	119
Support staff	89		24

Source: SFD, Communication 10-Oct-2017

Headquarters

The HQ contains the Managing Director, the Unit Heads and their staff. According to SFD's establishment law and mandate; full operational authority is the responsibility of the SFD management team. The HQ (headed by the fully authorised Managing Director) is in charge of overall operations. These include signing funding agreements; full management control over financial resources and identification and approval of projects. This level of autonomy ensures that SFD will continue to control operational all decisions. The HQ supports the nine branch offices and processes financial requests, reviews technical aspects of procurement and implementation. The HQ carries out its duties through the Procedural Policy Committee (PPC) and the Projects Approval Committee (PAC)

The **Procedural and Policy Committee (PPC)**: the purpose of the Procedural Policies Committee (PPC) is reaching collective decision-making process based on synergy and exchange of experiences. It is charged of the following functions: (i) develop and adopt general procedural policies; (ii) provide greater synergy and coordination between programs and sectors; Commission sub-committees to design or develop mechanisms of action as needed; (iii) make proper recommendations on policies and criteria; and (iv) approve the Technical Guidelines for Operations and its updates.

The **Projects Approval Committee (PAC)**, The PAC performs the following functions: discuss subproject proposals submitted by the Units or Branch Offices in light of the general SFD policies and relevant criteria; approve, suspend or reject subprojects' proposals based on clear justifications.; Insure synergy and coordination between programs and sectors

At its core, SFD has eight technical units, each having a unit head in the HQ backed by a team of specialists. **The eight units are:**

- Education
 - Water and environment (including WASH and sanitation)
 - Health, nutrition & special needs groups
 - Rural roads
 - Training & organizational support
 - Agriculture
 - Cultural heritage
 - Labour intensive works
-
- Reviving Enterprise / Small and Microenterprise Development (SMED & SMEPS). -SMEPs is SFD's arm in implementing business development activities and it is independently headed by a managing director and its main office in Sana'a and has two branches one in Aden and the other in Al-Mukala).

At community-project level, elements of these technical units are combined to provide the optimum configuration to address the community's needs. Programmes make conscious efforts to enhance synergies amongst the sub-programmes through the creation of strong coordination links, having complementary interventions and knowledge sharing.

Assessments at community level identify the communities' specific needs, these are then translated into a set of actions and strategies for response in an achievable and cost-effective manner.

Branch Offices

All of SFD's nine branches (each being responsible for 1-4 governorates) are currently functional. The offices service a variety of populations and geographical areas, this means that a branch office could cover between one and four governorates based on population size and the resources allocated to each governorate. Currently and due to the extensive conflict in Taiz city, the Taiz Branch operates from nearby Ibb Governorate, for the safety of the staff.

Branch Offices are the implementing arm of the SFD and are responsible for coordination with local communities, the identification of projects based on needs of the poorest individuals, households and communities, monitoring project implementation and ensuring quality assurance. Furthermore, in time of crisis, they play an important role in monitoring the security situation and identifying the most adversely affected communities and the crucial needs emerging on ground. Branch Offices also have access to a large pool of consultants to assist in the wide scope of their functions.

In recent times, and in response to national emergency needs, SFD's headquarters has delegated more authority to the Branch Offices to enable initiating interventions rapidly. This delegation is coupled with detailed procedures and directives along with close monitoring of the concerned units by the head office and maintaining a robust M&E system.

SFD's current working principles

SFD's Strategy is based around specific principles that are reviewed periodically to assure their relevance. The following eight principles have guided the design of SFD's response to the current crisis:

- SFD is a **neutral, non-partisan and autonomous institution** that works to benefit all Yemenis. It has no political affiliation and has consolidated its reputation as development agency working to benefit all vulnerable individuals and communities irrespective of their political, territorial or sectarian affiliations. Their needs are the guiding factors for SFD responses;
- SFD is primarily **an investor in Yemen's development**, taking a longer-term perspective than most humanitarian or relief organisations;
- SFD's funds are distributed on **clear transparent guidelines and criteria**, while selection of investments will be in full coordination and consensus of the stakeholders' i.e. communities and local authorities;
- SFD works mainly through **local community groups/users groups**, and where relevant, through NGOs and private sector contractors. Building the capacity of its local partners will be a priority for SFD;
- SFD will continue its **close working relationships with communities**. In the absence of local institutions / authorities and in times of widespread conflict, closer collaboration with communities is imperative for facilitating implementation, increasing ownership and ensuring sustainability;
- SFD interventions will be in line with existing national policies and strategies (where existent) and will be **coordinated with under the UN-led cluster system**, SFD will ensure that local authorities are key in providing assistance to the vulnerable, poor displaced and conflict affected communities; [see below]
- SFD will have special focus on **nutrition and employment** creation including temporary employment; and

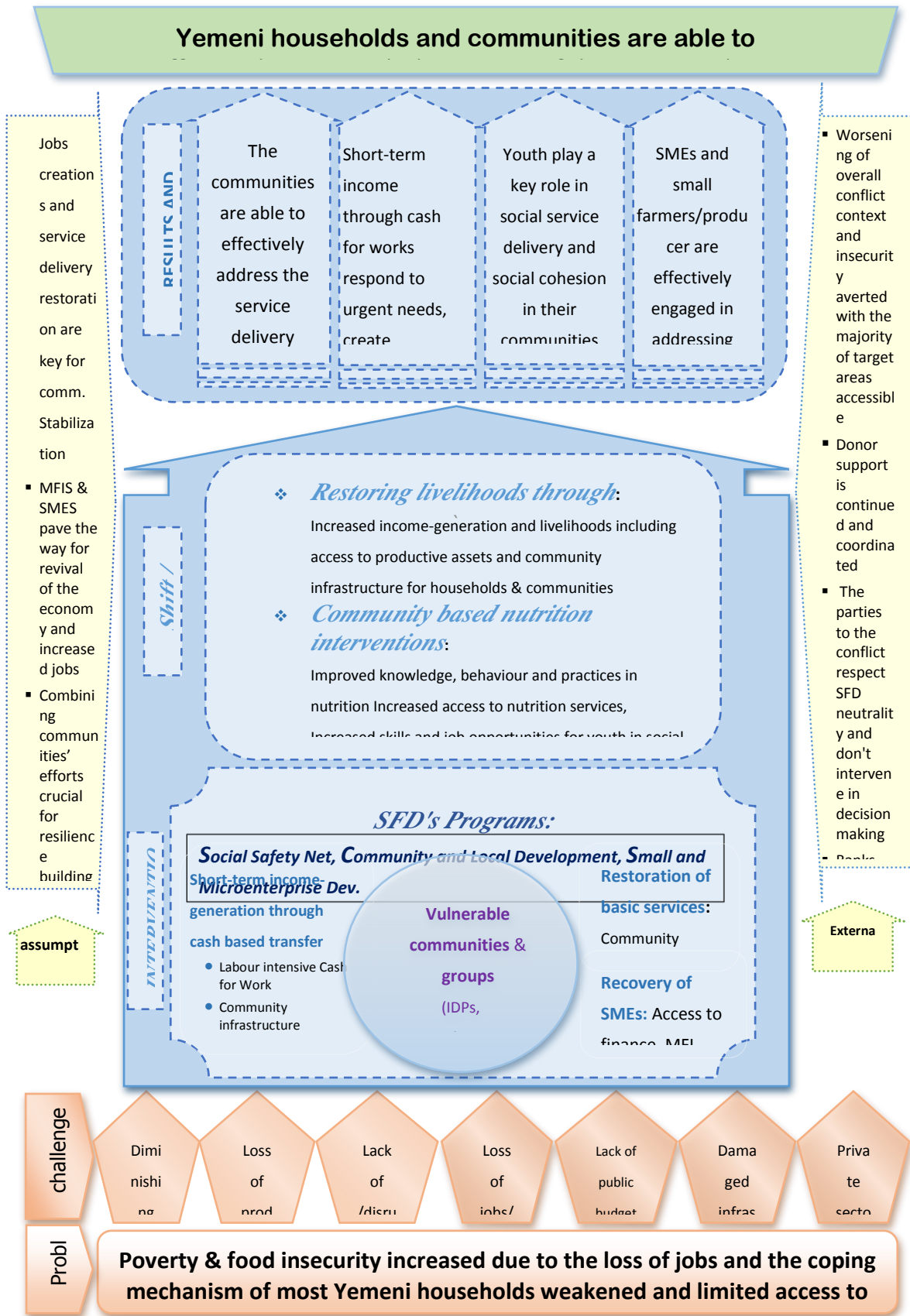
- SFD's investment activities will target **youth and women**; and youth will be drivers for community initiatives that promote social cohesion and peace building.

SFD's comparative advantage

SFD is built around a strong project, financial, and data management systems that enable it to manage hundreds of projects across the country simultaneously. SFD is currently working to develop a remote monitoring system that will allow donors to track the progress through dashboards and maps. For complaints handling and beneficiary's grievances this is currently being handling through different channels including a hotline, a Facebook page and a website. Overall, SFD comprises:

- Nationwide coverage and capacity;
- An active member in several UN-led emergency clusters including the WASH, Education, Agriculture and Nutrition clusters;
- SFD is Supporting humanitarian organizations to deliver aid and complement its work. For example, humanitarian agencies are utilizing SFD supported community structures such as village councils to reach aid recipients. It utilises SFD's built access roads, health facilities and schools to deliver services. SFD built local capacities of hundreds of rural development advocates who are supporting humanitarian partners in conducting needs assessment, evaluations, monitoring and verifications;
- Continuous development, based on lessons learned;
- A broad diversity of implementation mechanisms;
- A nationwide network of good relations with partners and stakeholders. SFD's interventions contribute to improved social cohesion and harmony among the communities as well as integrating IDPs; and
- Interventions that contribute to at least 15 out of the 17 SDGs. The exceptions are SDG 14 'life below water' (marine issues) and SDG 16 'Peace and Justice'.

Annex 4: Theory of Change – Diagram



Annex 5: Results Framework 2018 – 2020

Scenario 1

Overall Results	UoM	Baseline	Progress				Target Values				Data source /Methodology	Frequency and reports	Description (indicator definition)	
			Y1	Y2	Y3	Total	Y1	Y2	Y3	Total				
1. The number of direct beneficiaries of wage employment (# of wage beneficiaries of Safety Net & Community and Local Development programs)														
Total #	No.						291,109	291,109	291,109	873,326	MIS	Six-monthly	<ul style="list-style-type: none"> Beneficiaries who worked in the cash-for-works, agriculture, water, cultural heritage and or feeder roads (not including their family members) It is calculated based on average of 2 persons from each HH. Beneficiaries worked in projects implemented by formal contractors under CLDP. It is calculated based on average 60 days per person. Beneficiaries of the employment in social services (health, education & promoting self-help initiatives). Female beneficiaries of cash transfer on nutrition. 	
Female 30%							87,333	87,333	87,333	261,998				
IDPs/Returnees 20%							58,222	58,222	58,222	174,665				
Youth 35% (age 16-35)							101,888	101,888	101,888	305,664				
2. The number of people provided with access to key services (from all interventions)														
Total #	No.						1,567,895	1,226,174	1,226,174	4,020,244	MIS		Beneficiaries from water, road, health & education under the CLDP & SSN	
Female 50%							783,948	613,087	613,087	2,010,122				
3. Number of work days created (from all interventions)							8,693,479	8,693,479	8,693,479	26,080,437	MIS			
Results by Program	UoM	Baseline	Progress				Target Values				Data source /Methodology	Frequency and reports	Description (indicator definition)	

	costs in USD			Y1	Y2	Y3	Total	Y1	Y2	Y3	Total				
Social Safety Net	367,658,395 ³⁴														
Health/ Conditional cash transfer on nutrition & youth employment:	88,274,417														
Youth recruited and received wages of working on nutrition services		No.						1,500	1,500	1,500	4500				
Female 50%				88.27				750	750	750	2250				
Number of children who benefited from the nutrition services		No.		367.64											
Total #				367.64				6,000	8,000	6,000	20,000				
Female children 50%								3,000	4,000	3,000	10,000				
Pregnant women and mothers who benefited from cash transfer & the nutrition services (awareness sessions, screening and/or transport)		No													
Total #								30,000	35,000	35,000	100,000				
Mothers with a child with disabilities 10%								3,000	3,500	3,500	10,000				
2. Education/Youth employment on education:	9,100,455														

³⁴ Operational cost (9%) deducted from programs budget

Youth recruited and received wages on education services												
Total #						1,500	1,500	1,500	4,500			
Female 50%	No.					750	750	750	2,250			
Youth providing community health rehabilitation targeting persons with disabilities 30%						450	450	450	1,350			
Youth to work with centers & NGOs servicing SNGs 30%						450	450	450	1,350			
Dropout adolescents aged 14-18 who completed long-short training courses (education – vocational training)	No.											
Total #						500	500	500	1,500			
Female 35%						175	175	175	525			
Cash for works (including WASH, CH, Roads and LIWP and Agriculture)												
270,283,523												
The number of direct beneficiaries of wage employment (number of workers)	No.											
Total #						212,721	212,721	212,721	638,164	MIS	Six-Monthly	Including all sectors participating under SSN: CfW; WASH roads and agriculture.
Female 30%						63,816	63,816	63,816	191,449			
IDPs/Returnees 20%						42,544	42,544	42,544	127,633			

Youth 30% (age 16-35)						63,816	63,816	63,816	191,449			
Number of working days created	No.					5,565,807	5,565,807	5,565,807	16,697,420	MIS	Six-Monthly	2233575.262
Households benefited from cash for works activities	No.					106,361	106,361	106,361	319,082	MIS	Six-Monthly	With assumption that an average of 2 persons benefiting from each HH
Number of households members						744,525	744,525	744,525	2,233,575			Number of people in each HH (number of HH *7) - Average family members
Wages distributed at the level of households equivalent to USD added this indicator (based on DFID request)	Amount					53,180,363	53,180,363	53,180,363	159,541,090	MIS	Six-Monthly	
Area of agriculture land & terraces rehabilitated and protected	H					2,750	2,750	2,750	8,250	MIS	Six-Monthly	Sectors' contributions to achieve this indicator. ARDU: 1,033; CfW: 7,217
Irrigation channels constructed/rehabilitated	KM					36,789	36,789	36,789	110,367	MIS	Six-Monthly	Sectors' contributions to achieve this indicator. CfW: 110,000 ; ARDU: 367
Cubic meters of water schemes constructed /rehabilitated	M3					348,256	348,256	348,256	1,044,767	MIS	Six-Monthly	Sectors' contributions to achieve this indicator. ARDU: 64,667; CfW: 239,100; CH: 91,000; Water: 650,000
Length of roads improved	KM					703	703	703	2,109	MIS	Six-Monthly	Roads: 1,986 ; CfW: 123
Square meters of stone paved areas	M2					229,733	229,733	229,733	689,200	MIS	Six-Monthly	CfW: 329,200; CH: 87,000; Roads: 273,000
Number of latrines constructed or rehabilitated	No.					3,380	3,380	3,380	10,140	MIS	Six-Monthly	CfW

Number of IDPs houses and shelters protected, improved or rehabilitated	No.					2,500	2,500	2,500	7,500	MIS	Six-Monthly	CfW
Number of home food gardens	No.					1,000	1,000	1,000	3,000	MIS	Six-Monthly	CfW
Community & Local Development: Communities benefit from restored socio-economic community assets:												
259,818,000												
Training & Organizational Support:												
40,952,049												
Community based initiatives supported and implemented	No.					1,000	1,000	1,000	3,000	MIS	Six-monthly	
Village Councils formed/activated	No.					1,000	1,000	1,000	3,000	MIS	Six-monthly	
Youth trained and secured temporary job opportunity	No.										Six-monthly	
Total #						1,000	1,000	1,000	3,000	MIS		
Female: 40%						400	400	400	1,200		Six-monthly	
Health/restoration of basic service delivery:												
18,109,906												
Number of facilities constructed/rehabilitated and equipped	No.					27	27	27	80			
Number of people benefited from basic mental health care/psychosocial support	No.											
Total #						14,000	14,000	14,000	42,000			

Female 70%						9,800	9,800	9,800	29,400			Female including mothers and female children
IDPs/Returnees %												
Education/restoration of basic service delivery:	76,989,852											
Number of classrooms constructed / rehabilitated and equipped	No.					300	1,200	2,800	4300			
Number of teachers, facilitators, education personal and community members trained	No.											
Total #						1100	1100	1100	3300			
Female: 30%						330	330	330	990			
Number of teachers and school management received monthly incentives/ transport costs	No.											
Total #						6,500	6,500	7,000	20,000			
Female: 30%						1,950	1,950	2,100	6,000			
Number of students having access to education												
Total #						75,020	98,890	167,090	341,000			Beneficiaries are calculated based on average of 33 students per classroom constructed/rehabilitated + students benefited from supporting the incentives of teachers an average of 10 students per teacher.
Female 42%						31,508	41,534	70,178	143,220			
WASH/restoration of basic service delivery	107,385,373											
Number of people benefiting from access to improved water	No.					43,400	43,400	68,200	155,000			Including beneficiaries under CLD
Storage capacity for improved water	M3					250,000	250,000	360,000	860,000			Capacity created under CLD
Storage capacity for unimproved water	M3					10,620	24,190	24,190	59,000			

Number of people benefiting from access to appropriate sanitation	No.					17,792	43,957	43,957	104,660			
Number of communities declared ODF	No.					60	140	140	340			
Number of people benefiting from cholera preventive measures support	No.					300,000	350,000	350,000	1,000,000			
Agriculture:												
11,830,592												
Number of beneficiaries from adding value to agriculture: farmers, beekeepers and fishers	No.					25,444	25,444	25,444	76,333			Including (farmers, livestock and bees owners & fishermen)
Cultural Heritage :												
4,550,228												
Number of beneficiaries from the restoration, protection, inventory, documentation, training, etc	No.											
Total #						9,500	9,500	9,500	28,500			
Female: 50%						4,750	4,750	4,750	14,250			
Small and Micro-enterprise Development												
55,057,755												
SMED												
16,744,838												
Number of active microfinance clients (borrowers)												
Total #						80,000	90,000	100,000	100,000	MFIs	Every six months	With the assumption that the situation wouldn't deteriorate further (Outcome level indicator)
Female 50%						40,000	45,000	50,000	50,000			
Youth (start up) 10%						8,000	9,000	10,000	10,000			
Number of loan guarantees issued by the loan grantees Program (LGP)	No.	0				600	900	1,170	2,670	LGP	Every six months	
Number of new MF branches in under/un-served areas	No.					1	1	2	4	MFIs/SMED	Every six months	

Number of mobile money service subscribers	No.					300,000	300,000	400,000	1,000,000	MFIs/SMED	Every six months	
Number of new VSLA groups formed & activated	No.					120	300	430	850	SMED	Every six months	
Number of income generating activities created/ sustained	No.					500	1,000	2,000	3,500	SMED	Every six months	Mainly From VSLA project. And/or graduation project or other projects not related to MF
Number of job opportunities created/sustained from microfinance services	No.					5,000	7,000	10,000	22,000	MFIs/SMED	Every six months	
SMEPS	38,312,917											
Number of businesses supported:	No.					3,000	4,000	3,000	9,240	SMEPS		Farmers, fishers and beekeepers
Number of Women PHC workers supported						228	304	228	760			Women PHC workers
Number of working days created	No.					300,000	400,000	350,000	1,050,000			
Operating & management cost, Monitoring & Evaluation \$67.5m	67,465,850											
Community & household engagement: percentage of community members/households who agree on the selection of the project	%					70%	0.7	0.7			HH and project survey	
Households views and perception regarding the participation in the CfW: payment frequencies, work conditions and safety, Knowledge of how the dues were calculated	%					70%	0.7	0.7	0.7		HH and project survey	
Community views and perceptions of the communities on the quality of infrastructure rehabilitated	%					70%	70%	70%			HH and project survey	

Percentage of CfW beneficiaries reporting on spending wage transferred on food and basic necessities	%							70%	70%	70%			HH and project survey	
Percentage of completed projects which are operational by sector	%							70%	70%	70%			HH and project survey	
Percentage of grievances registered related to delivery of project benefits that are actually addressed								80%	80%	80%			HH and project survey	
Development of remote monitoring system: dashboards through which donors can monitor the progress								Fully achieved	Fully achieved	Fully achieved		SFD/M&E	Monthly	Update and improve the dashboard to be achieved by July 2018
Reporting: producing 6 monthly progress report								Fully achieved	Fully achieved	Fully achieved			Every six months	Disseminating the report on July and January each year
Annual project survey and beneficiaries assessment study including analysis of findings from the SFD three programs														
Dissemination of audit reports														

Scenario 2

Scenario 2				80 %											
Overall Results		Uo M	Bas eline	Progress				Target Values				Data source /Methodology	Frequency and reports	Description (indicator definition)	
				Y1	Y2	Y3	Total	Y1	Y2	Y3	Total				
1. The number of people benefiting from cash transfers (# of wage beneficiaries of Safety Net		No.											MIS	Six-monthly	Beneficiaries who worked in the cash-for-works, agriculture, water, cultural heritage and or feeder

&Community and Local Development programs)																		roads (not including their family members) It is calculated based on average of 2 persons from each HH.	
Total #							232,887	232,887	232,887	698,661								· Beneficiaries worked in projects implemented by formal contractors under CLDP. It is calculated based on average 60 days per person.	
Female 30%							69,866	69,866	69,866	209,598								· Beneficiaries of the employment in social services (health, education & promoting self-help initiatives).	
IDPs/Returnees 20%							46,577	46,577	46,577	139,732								· Female beneficiaries of cash transfer on nutrition.	
Youth 35% (age 16-35)							81,510	81,510	81,510	244,531									
2. The number of people provided with access to key services (from all interventions)		No.																MIS	Beneficiaries from water, road, health & education under the CLDP & SSN
Total #							1,254,316	980,940	980,940	3,216,195									
Female 50%							627,158	490,470	490,470	1,608,098									

3. Number of work days created (from all interventions)								7,026,250	7,026,250	7,026,250	21,078,749	MIS		
Results by Program	USD	UoM	Baseline	Progress				Target Values				Data source /Methodology	Frequency and reports	Description (indicator definition)
				Y1	Y2	Y3	Total	Y1	Y2	Y3	Total			
Social Safety Net :	290,726,945													
Health/ Conditional cash transfer on nutrition & youth employment:	69,824,856													
Youth recruited and received wages of working on nutrition services		No.						1,200	1,200	1,200	3600			
Female 50%					88.27				600	600	600	1800		
Number of children who benefited from the nutrition services		No.			367.64									
Total #						367.64			4,800	6,400	4,800	16,000		
Female children 50%								2,400	3,200	2,400	8,000			
Pregnant women and mothers who benefited		No												

from cash transfer & the nutrition services (awareness sessions, screening and/or transport)														
Total #							24,000	28,000	28,000	80,000				
Mothers with a child with disabilities 10%							2,400	2,800	2,800	8,000				
2. Education/Youth employment on education:	7,108,458													
Youth recruited and received wages on education services		No.												
Total #							1,200	1,200	1,200	3,600				
Female 50%							600	600	600	1,800				
Youth providing community health rehabilitation targeting persons with disabilities 30%							360	360	360	1,080				
Youth to work with centers & NGOs servicing SNGs 30%							360	360	360	1,080				
Dropout adolescents aged 14-18 who completed long-short training courses (education – vocational		No.												

training)														
Total #							400	400	400	1,200				
Female 35%							140	140	140	420				
Cash for works (including WASH, CH, Roads and LIWP and Agriculture)	213,793,631													
The number of direct beneficiaries of wage employment (number of workers)		No.									MIS	Six-Monthly	Including all sectors participating under SSN: Cfw; WASH roads and agriculture.	
Total #							170,177	170,177	170,177	510,531				
Female 30%							51,053	51,053	51,053	153,159				
IDPs/Returnees 20%							34,035	34,035	34,035	102,106				
Youth 30% (age 16-35)							51,053	51,053	51,053	153,159				
Number of working days created		No.					4,452,645	4,452,645	4,452,645	13,357,936	MIS	Six-Monthly		
Households benefited from cash for works activities		No.					85,089	85,089	85,089	255,266	MIS	Six-Monthly	With assumption that an average of 2 persons benefiting from each HH	

Number of households members							595,620	595,620	595,620	1,786,860			Number of people in each HH (number of HH *7) - Average family members
Wages distributed at the level of households equivalent to USD added this indicator (based on DFID request)		Amount					42,544,291	42,544,291	42,544,291	127,632,872	MIS	Six-Monthly	
Area of agriculture land & terraces rehabilitated and protected		H					2,200	2,200	2,200	6,600	MIS	Six-Monthly	Sectors' contributions to achieve this indicator. ARDU: 1,033; CfW: 7,217
Irrigation channels constructed/rehabilitated		KM					29,431	29,431	29,431	88,294	MIS	Six-Monthly	Sectors' contributions to achieve this indicator. CfW: 110,000 ; ARDU: 367
Cubic meters of water schemes constructed /rehabilitated		M3					278,605	278,605	278,605	835,814	MIS	Six-Monthly	Sectors' contributions to achieve this indicator. ARDU: 64,667; CfW: 239,100; CH: 91,000; Water: 650,000
Length of roads improved		KM					562	562	562	1,687	MIS	Six-Monthly	Roads: 1,986 ; CfW: 123
Square meters of stone paved areas		M2					183,787	183,787	183,787	551,360	MIS	Six-Monthly	CfW: 329,200; CH: 87,000; Roads: 273,000
Number of latrines constructed or rehabilitated		No.					2,704	2,704	2,704	8,112	MIS	Six-Monthly	CfW

Number of IDPs houses and shelters protected, improved or rehabilitated		No.					2,000	2,000	2,000	6,000	MIS	Six-Monthly	CfW
Number of home food gardens		No.					800	800	800	2,400	MIS	Six-Monthly	CfW
Community & Local Development: Communities benefit from restored socio-economic community assets:	205,515,426												
Training & Organizational Support:	32,392,974												
Community based initiatives supported and implemented		No.					800	800	800	2,400	MIS	Six-monthly	
Village Councils formed/activated		No.					800	800	800	2,400	MIS	Six-monthly	
Youth trained and secured temporary job opportunity		No.					0	0	0	0	MIS	Six-monthly	
Total #							800	800	800	2,400			
Female: 40%							320	320	320	960		Six-monthly	
Health/restoration of basic service delivery:	14,324,893						0	0	0	0			

Number of facilities constructed/rehabilitated and equipped		No.					21.6	21.6	21.6	64			
Number of people benefited from basic mental health care/psychosocial support		No.					0	0	0	0			
Female: 70%													
Total #							11,200	11,200	11,200	33,600			
Female %							7,840	7,840	7,840	23,520			Female including mothers and female children
IDPs/Returnees %						0	0	0	0				
Education/restoration of basic service delivery:	60,898,792					0	0	0	0				
Number of classrooms constructed / rehabilitated and equipped		No.					240	960	2,240	3440			
Number of teachers and education personal trained		No.					0	0	0	0			
Total #							880	880	880	2640			
Female: 30%							264	264	264	792			
Number of teachers and school management received monthly incentives/ transport costs		No.					0	0	0	0			

Total #							5,200	5,200	5,600	16,000			
Female: 30%							1,560	1,560	1,680	4,800			
Number of students having access to education							0	0	0	0			Beneficiaries are calculated based on average of 33 students per classroom constructed/rehabilitated + students benefited from supporting the incentives of teachers an average of 10 students per teacher.
Total #							60,016	79,112	133,672	272,800			
Female 42%							25,207	33,227	56,142	114,576			
WASH/restoration of basic service delivery	84,941,577						0	0	0	0			
Number of people benefiting from access to improved water		No.					34,720	34,720	54,560	124,000			Including beneficiaries under CLD
Storage capacity for improved water		M3					200,000	200,000	288,000	688,000			Capacity created under CLD
Storage capacity for unimproved water		M3					8,496	19,352	19,352	47,200			
Number of people benefiting from access to appropriate sanitation		No.					14,234	35,166	35,166	83,728			
Number of communities declared ODF		No.					48	112	112	272			

Number of people benefiting from cholera preventive measures support		No.						240,000	280,000	280,000	800,000			
Agriculture:	9,357,970							0	0	0	0			
Number of beneficiaries from adding value to agriculture: farmers, beekeepers and fishers		No.						20,355	20,355	20,355	61,066			Including (farmers, livestock and bees owners & fishermen)
Cultural Heritage :	3,599,219							0	0	0	0			
Number of beneficiaries from the restoration, protection, inventory, documentation, training, etc		No.						0	0	0	0			
Total #								7,600	7,600	7,600	22,800			
Female: 50%								3,800	3,800	3,800	11,400			
Small and Micro-enterprise Development	54,438,193													
SMED	16,556,409													
Number of active microfinance clients (borrowers)												MFIs	Every six months	With the assumption that the situation wouldn't deteriorate further (Outcome level indicator)

Total #								80,000	90,000	100,000	100,000			
Female 50%								40,000	45,000	50,000	50,000			
Youth (start up) 10%								8,000	9,000	10,000	10,000			
Number of loan guarantees issued by the loan grantees Program (LGP)		No.	0					600	900	1,170	2,670	LGP	Every six months	
Number of new MF branches in under/un-served areas		No.						1	1	2	4	MFIs/SMED	Every six months	
Number of mobile money service subscribers		No.										MFIs/SMED	Every six months	
Total #								300,000	300,000	400,000	1,000,000	Banks		
CfW recipients accessing electronic money (mobile money) #			0					2,100	2,100	2,100	6,300	CfW/Banks		
Number of new VSLA groups formed & activated		No.						120	300	430	850	SMED	Every six months	
Number of income generating activities created/ sustained		No.						500	1,000	2,000	3,500	SMED	Every six months	Mainly From VSLA project. And/or graduation project or other projects not related to MF

Number of job opportunities created/sustained from microfinance services		No.						5,000	7,000	10,000	22,000	MFIs/S MED	Every six months	# of SME owners taking a loan and their staff (to be measured during the loan cycle mainly on the first and last loan installment)
SMEPS	37,881,784													
Number of businesses supported disaggregated by type:		No.						3,000	4,000	3,000	9,240	SMEPS		Farmers, fishers and beekeepers
Number of Women PHC workers supported							228	304	228	760				Women PHC workers
Number of working days created		No.					300,000	400,000	350,000	1,050,000				
Operating & management cost, Monitoring & Evaluation:	61,319,435													
Community & household engagement: percentage of community members/households who agree on the selection of the project		%						70%	0.7	0.7			HH and project survey	
Households views and perception regarding the participation in the CfW: payment frequencies, work conditions and safety,		%						70%	0.7	0.7	0.7		HH and project survey	

Knowledge of how the dues were calculated														
Community views and perceptions of the communities on the quality of infrastructure rehabilitated		%						70%	70%	70%			HH and project survey	
Percentage of Cfw beneficiaries reporting on spending wage transferred on food and basic necessities		%						70%	70%	70%			HH and project survey	
Percentage of completed projects which are operational by sector		%						70%	70%	70%			HH and project survey	
Percentage of grievances registered related to delivery of project benefits that are actually addressed								80%	80%	80%			HH and project survey	
Development of remote monitoring system: dashboards through which donors can monitor the progress								Fully achieved	Fully achieved	Fully achieved		SFD/M &E	Monthly	Update and improve the dashboard to be achieved by July 2018

Reporting: producing 6 monthly progress report								Fully achieved	Fully achieved	Fully achieved			Every six months	Disseminating the report on July and January each year
Annual project survey and beneficiaries assessment study including analysis of findings from the SFD three programs														
Dissemination of audit reports														
Programmes costs	550,680,565													
Operating Expenses	61,319,435													
Total	612,000,000													

Scenario 3

Overall Results	UoM	Baseline	Progress				Target Values				Data source /Methodology	Frequency and reports	Description (indicator definition)	
			Y1	Y2	Y3	Total	Y1	Y2	Y3	Total				
1. The number of people benefiting from cash transfers (# of wage beneficiaries of Safety Net &Community and Local Development programs)	No.													<ul style="list-style-type: none"> Beneficiaries who worked in the cash-for-works, agriculture, water, cultural heritage and or feeder roads (not including their family members) It is calculated based on average of 2 persons from each HH. Beneficiaries worked in projects implemented by formal contractors under CLDP. It is calculated based on average 60 days per person. Beneficiaries of the employment in social services (health, education & promoting self-help initiatives).
Total #						189,221	189,221	189,221	567,662		MIS	Six-monthly		
Female 30%						56,766	56,766	56,766	170,299					

IDPs/Returnees 20%								37,844	37,844	37,844	113,532			Female beneficiaries of cash transfer on nutrition.
Youth 35% (age 16-35)								66,227	66,227	66,227	198,682			
2. The number of people provided with access to key services (from all interventions)	No.													Beneficiaries from water, road, health & education under the CLDP & SSN
Total #								1,019,132	797,013	797,013	2,613,159			
Female 50%								509,566	398,507	398,507	1,306,579			
3. Number of work days created (from all interventions)								5,775,828	5,775,828	5,775,828	17,327,484			
Results by Program	UoM	Baseline	Progress				Target Values				Data source /Methodology	Frequency and reports	Description (indicator definition)	
Costs in USD			Y1	Y2	Y3	Total	Y1	Y2	Y3	Total				
Social Safety Net :	234,037,393													
Health/ Conditional cash transfer on nutrition & youth employment:	56,315,312													
Youth recruited and received wages of working on nutrition services	No.							975	975	975	2925			
Female 50%				88.3				488	488	488	1462.5			
Number of children who benefited from the nutrition services	No.			368										
Total #				368				3,900	5,200	3,900	13,000			
Female children 50%								1,950	2,600	1,950	6,500			
Pregnant women and mothers who benefited from cash transfer & the nutrition services (awareness sessions, screening and/or transport)	No													
Total #								19,500	22,750	22,750	65,000			

Mothers with a child with disabilities 10%						1,950	2,275	2,275	6,500			
2. Education/Youth employment on education:	5,805,116											
Youth recruited and received wages on education services												
Total #						975	975	975	2,925			
Female 50%	No.					488	488	488	1,463			
Youth providing community health rehabilitation targeting persons with disabilities 30%						293	293	293	878			
Youth to work with centers & NGOs servicing SNGs 30%						293	293	293	878			
Dropout adolescents aged 14-18 who completed long-short training courses (education – vocational training)												
Total #	No.					325	325	325	975			
Female 35%						114	114	114	341			
Cash for works (including WASH, CH, Roads and LIWP and Agriculture):	171,916,966											
The number of direct beneficiaries of wage employment (number of workers)												
Total #	No.					138,269	138,269	138,269	414,807	MIS	Six-Monthly	Including all sectors participating under SSN: CfW; WASH roads and agriculture.
Female 30%						41,481	41,481	41,481	124,442			
IDPs/Returnees 20%						27,654	27,654	27,654	82,961			

Youth 30% (age 16-35)							41,481	41,481	41,481	124,442			
Number of working days created	No.						3,617,774	3,617,774	3,617,774	#####	MIS	Six-Monthly	
Households benefited from cash for works activities	No.						69,134	69,134	69,134	207,403	MIS	Six-Monthly	With assumption that an average of 2 persons benefiting from each HH
Number of households members							483,941	483,941	483,941	1,451,824			Number of people in each HH (number of HH *7) - Average family members
Wages distributed at the level of households equivalent to USD added this indicator	Amount						34,567,236	34,567,236	34,567,236	#####	MIS	Six-Monthly	
Area of agriculture land & terraces rehabilitated and protected	H						1,788	1,788	1,788	5,363	MIS	Six-Monthly	Sectors' contributions to achieve this indicator. ARDU: 1,033; CfW: 7,217
Irrigation channels constructed/rehabilitated	KM						23,913	23,913	23,913	71,739	MIS	Six-Monthly	Sectors' contributions to achieve this indicator. CfW: 110,000 ; ARDU: 367
Cubic meters of water schemes constructed /rehabilitated	M3						226,366	226,366	226,366	679,099	MIS	Six-Monthly	Sectors' contributions to achieve this indicator. ARDU: 64,667; CfW: 239,100; CH: 91,000; Water: 650,000
Length of roads improved	KM						457	457	457	1,371	MIS	Six-Monthly	Roads: 1,986 ; CfW: 123
Square meters of stone paved areas	M2						149,327	149,327	149,327	447,980	MIS	Six-Monthly	CfW: 329,200; CH: 87,000; Roads: 273,000
Number of latrines constructed or rehabilitated	No.						2,197	2,197	2,197	6,591	MIS	Six-Monthly	CfW
Number of IDPs houses and shelters protected, improved or rehabilitated	No.						1,625	1,625	1,625	4,875	MIS	Six-Monthly	CfW
Number of home food gardens	No.						650	650	650	1,950	MIS	Six-Monthly	CfW
Community & Local Development: Communities benefit from restored socio-economic community assets:													
Training & Organizational Support:													
Community based initiatives supported and implemented	No.						650	650	650	1,950	MIS	Six-monthly	

Village Councils formed/activated	No.					650	650	650	1,950	MIS	Six-monthly	
Youth trained and secured temporary job opportunity	No.									MIS	Six-monthly	
Total #						650	650	650	1,950			
Female: 40%						260	260	260	780		Six-monthly	
Health/restoration of basic service delivery:	11,553,318											
Number of facilities constructed/rehabilitated and equipped	No.					17.55	17.55	17.55	52			
Number of people benefited from basic mental health care/psychosocial support	No.											
Female: 70%												
Total #						9,100	9,100	9,100	27,300			
Female %						6,370	6,370	6,370	19,110			Female including mothers and female children
IDPs/Returnees %												
Education/restoration of basic service delivery:	49,117,608											
Number of classrooms constructed / rehabilitated and equipped	No.					195	780	1,820	2,795			
Number of teachers, facilitators, education personal and community members trained	No.											
Total #						715	715	715	2145			
Female: 30%						215	214.5	214.5	643.5			
Number of teachers and school management received monthly incentives/ transport costs	No.					0	0	0	0			

Total #						4,225	4,225	4,550	13,000		
Female: 30%						1,268	1,268	1,365	3,900		
Number of students having access to education Total # Female 42%						0 48,763 20,480	0 64,279 26,997	0 108,609 45,616	0 221,650 93,093		Beneficiaries are calculated based on average of 33 students per classroom constructed/rehabilitated + students benefited from supporting the incentives of teachers an average of 10 students per teacher.
WASH/restoration of basic service delivery: 68,440,427											
Number of people benefiting from access to improved water	No.					28,210	28,210	44,330	100,750		Including beneficiaries under CLD
Storage capacity for improved water	M3					162,500	162,500	234,000	559,000		Capacity created under CLD
Storage capacity for unimproved water	M3					6,903	15,724	15,724	38,350		
Number of people benefiting from access to appropriate sanitation	No.					11,565	28,572	28,572	68,029		
Number of communities declared ODF	No.					39	91	91	221		
Number of people benefiting from cholera preventive measures support	No.					195,000	227,500	227,500	650,000		
Agriculture: 7,547,184											
Number of beneficiaries from adding value to agriculture: farmers, beekeepers and fishers	No.					16,539	16,539	16,539	49,616		Including (farmers, livestock and bees owners & fishermen)
Cultural Heritage : 2,902,558											
Number of beneficiaries from the restoration, protection, inventory, documentation, training, etc Total # Female: 50%	No.					6,175 3,088	6,175 3,088	6,175 3,088	18,525 9,263		
Small and Micro-enterprise Development: 53,800,473											
SMED: 16,362,458											

Community & household engagement: percentage of community members/households who agree on the selection of the project	%						70%	0.7	0.7			HH and project survey	
Households views and perception regarding the participation in the CfW: payment frequencies, work conditions and safety, Knowledge of how the dues were calculated	%						70%	0.7	0.7	0.7		HH and project survey	
Community views and perceptions of the communities on the quality of infrastructure rehabilitated	%						70%	70%	70%			HH and project survey	
Percentage of CfW beneficiaries reporting on spending wage transferred on food and basic necessities	%						70%	70%	70%			HH and project survey	
Percentage of completed projects which are operational by sector	%						70%	70%	70%			HH and project survey	
Percentage of grievances registered related to delivery of project benefits that are actually addressed							80%	80%	80%			HH and project survey	
Development of remote monitoring system: dashboards through which donors can monitor the progress							Fully achieved	Fully achieved	Fully achieved		SFD/M&E	Monthly	Update and improve the dashboard to be achieved by July 2018
Reporting: producing 6 monthly progress report							Fully achieved	Fully achieved	Fully achieved			Every six months	Dissiminating the report on July and January each year
Annual project survey and beneficiaries assessment study including analysis of findings from the SFD three programs													
Dissemination of audit reports													

Annex 6: Beneficiaries breakdown

Scenario 1

Program/Sector/themes	No. of beneficiaries of the services created			No. of workdays	No. of workers (direct beneficiaries of the cash)/and other transfers			Total budget\$	Note
	Total	Male	Female		Total	Male	Female		
Social Safety Net (SSN)									
Nutrition youth employment	4,500	450	4,050	300,000	4,500	2,250	2,250	10,000,000	
Nutrition: mothers received income assistance and other services along with children under 5	40,000	12,000	28,000	-	100,000	0	100,000	87,000,000	
Education/youth employment on education	6,000	3,675	2,325	300,000	4,500	2,250	2,250	7,000,000	
1,500 (35% are female) dropout adolescents aged 14-18 who completed long-short training courses	1,500	975	525	0	0	0	0	3,000,000	Number of households
Agriculture/ cash-for works	190,000	95,000	95,000	2,275,000	76,000	53,200	22,800	35,000,000	38,000
Cash for works	778,000	389,000	389,000	9,230,000	311,200	217,840	93,360	142,000,000	155,600
Cultural Heritage/ cash for works	52,411	26,205	26,205	700,615	20,964	14,675	6,289	10,000,000	10,482
Roads/ labour intensive works implementing rural roads	350,000	175,000	175,000	2,312,000	140,000	98,000	42,000	68,000,000	70,000
WASH/ cash for works water & sanitation projects	225,000	112,500	112,500	2,179,805	90,000	63,000	27,000	42,000,000	45,000
Sub-total	1,647,411	814,805	832,605	17,297,420	747,164	451,215	295,949	404,000,000	319,082
Community Local Development Program (CLD)									
Agriculture	75,333	37,667	37,667	565,217	9,420	8,478	942	13,000,000	
Cultural Heritage	28,500	14,250	14,250	148,800	125	113	13	5,000,000	

Education/restoration of basic service delivery (students benefiting from classrooms + teachers support)	344,300	196,680	147,620	1,902,400	31,707	28,536	3,171	84,600,000	
Health/restoration of basic service delivery	292,000	102,300	189,700	546,600	9,110	8,199	911	19,900,000	
Training & Organizational Support/Reviving & supporting self-help initiatives	183,000	87,840	95,160	750,000	12,500	7,500	5,000	45,000,000	
WASH/restoration of basic service delivery	1,436,200	718,100	718,100	3,797,999	63,300	56,970	6,330	118,000,000	
Sub-total	2,359,333	1,156,837	1,202,497	7,711,016	126,162	109,796	16,366	285,500,000	
Small and Micro Enterprises Development									
SMED: No. of income generating activities created/ sustained (50% females)	3,500	1,750	1,750	22,000				18,400,000	
SMEPS: No. of businesses supported	10,000	7,500	2,500	1,050,000				42,100,000	
Sub-total	13,500	9,250	4,250	1,072,000				60,500,000	
Grand Total	4,020,244	1,980,892	2,039,352	26,080,437	873,326	561,011	312,316	750,000,000	

Scenario 2

Program/Sector/themes	No. of beneficiaries of the services created			No. of workdays	No. of workers (direct beneficiaries of the cash)/and of other transfers			Total budget\$	Note
	Total	Male	Female		Total	Male	Female		
SSN								0	
Health youth employment	3,600	360	3,240	240,000	3,600	1,800	1,800	8,000,000	
Health & nutrition: mothers & children under 5 transferred to treatment centres	32,000	9,600	22,400		80,000	0	80,000	69,600,000	
Education/youth employment on education	4,800	2,940	1,860	240,000	3,600	1,800	1,800	5,600,000	
1,500 (35% are female) dropout adolescents aged 14-18 who completed long-short training courses	1,200	780	420	0	0	0	0	2,400,000	Number of households
Agriculture/ cash-for works	152,000	76,000	76,000	1,820,000	60,800	42,560	18,240	28,000,000	28,308
Cash for works	622,400	311,200	311,200	7,384,000	248,960	174,272	74,688	113,600,000	123,077
Cultural Heritage/ cash for works	41,929	20,964	20,964	560,492	16,771	11,740	5,031	8,000,000	8,492
Roads/ labour intensive works implementing rural roads	280,000	140,000	140,000	1,849,600	112,000	78,400	33,600	54,400,000	51,032
WASH/ cash for works water & sanitation projects	180,000	90,000	90,000	1,743,844	72,000	50,400	21,600	33,600,000	50,338
Sub-total	1,317,929	651,844	666,084	13,837,936	597,731	360,972	236,759	323,200,000	261,247
Community and Local Development Program									
Agriculture	60,266	30,133	30,133	452,174	7,536	6,783	754	10,400,000	
Cultural Heritage	22,800	11,400	11,400	119,040	100	90	10	4,000,000	
Education/restoration of basic service delivery (students benefiting from classrooms + teachers support)	275,440	157,344	118,096	1,521,920	25,365	22,829	2,537	67,680,000	
Health/restoration of basic service delivery	233,600	81,840	151,760	437,280	7,288	6,559	729	15,920,000	

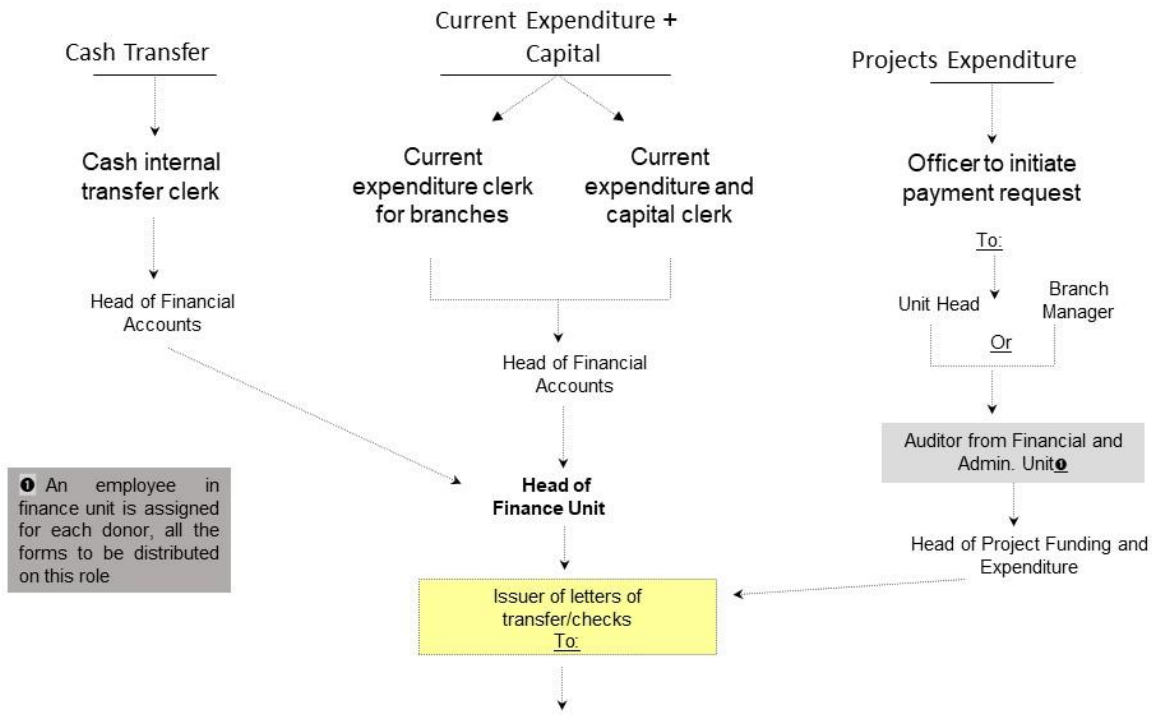
Training & Organizational Support/Reviving & supporting self-help initiatives	146,400	70,272	76,128	600,000	10,000	6,000	4,000	36,000,000	
WASH/restoration of basic service delivery	1,148,960	574,480	574,480	3,038,399	50,640	45,576	5,064	94,400,000	
Sub-total	1,887,466	925,469	961,997	6,168,813	100,930	87,837	13,093	228,400,000	
Small and Micro Enterprises Development									
SMED: No. of income generating activities created/sustained	3,500	1,750	1,750	22,000				18,400,000	
SMEPS: No. of businesses supported	10,000	7,500	2,500	1,050,000				42,100,000	
Sub-total	13,500	9,250	4,250	1,072,000	0	0	0	60,500,000	
Grand Total	3,218,895	1,586,564	1,632,332	21,078,749	698,661	448,809	249,852	612,100,000	

Scenario 3

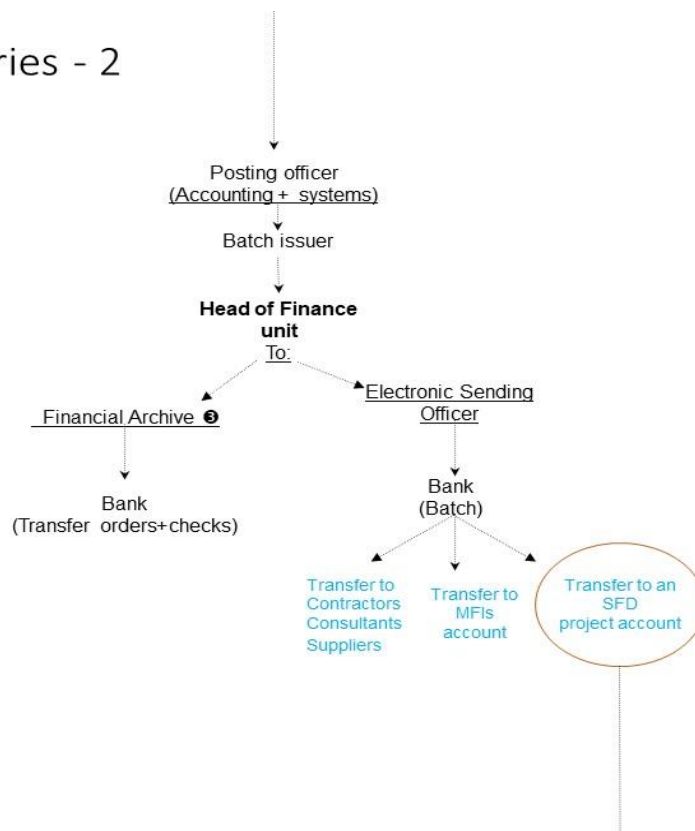
Program/Sector/themes	No. of beneficiaries of the services created			No. of workdays	No. of workers (direct beneficiaries of the cash)/and of other transfers			Total budget\$	No. of HHs
	Total	Male	Female		Total	Male	Female		
SSN									
Health& Nutrition youth employment	2,925	293	2,633	195,000	2,925	1,463	1,463	6,528,847	
Health Nutrition: mothers received income assistance and other services along with children under 5	26,000	7,800	18,200		65,000	0	65,000	56,800,969	
Education/youth employment on education	3,900	2,389	1,511	195,000	2,925	1,463	1,463	4,570,193	
975 (35% are female) dropout adolescents aged 14-18 who completed long-short training courses one and more.	975	634	341	0	0	0	0	1,958,654	Number of households
Agriculture/ cash-for works	123,500	61,750	61,750	1,478,750	49,400	34,580	14,820	22,750,000	23,000
Cash for works	505,700	252,850	252,850	5,999,500	202,280	141,596	60,684	92,300,000	100,000
Cultural Heritage/ cash for works	34,067	17,034	17,034	455,400	13,627	9,539	4,088	6,528,847	6,900
Roads/ labor intensive works implementing rural roads	227,500	113,750	113,750	1,502,800	91,000	63,700	27,300	44,396,160	41,463
WASH/ cash for works water & sanitation projects	146,250	73,125	73,125	1,416,873	58,500	40,950	17,550	27,421,157	40,900
Sub-total	1,070,817	529,624	541,194	11,243,323	485,657	293,290	192,367	263,254,827	212,263
Community and Local Development Program									
Agriculture	48,966	24,483	24,483	367,391	6,123	5,511	612	8,487,501	
Cultural Heritage	18,525	9,263	9,263	96,720	81	73	8	3,264,423	
Education/restoration of basic service delivery (students benefiting from classrooms + teachers support	223,795	127,842	95,953	1,236,560	20,609	18,548	2,061	55,234,046	
Health/restoration of basic service delivery	189,800	66,495	123,305	355,290	5,922	5,329	592	12,992,406	
Training & Organizational Support/Reviving & supporting self-help initiatives	118,950	57,096	61,854	487,500	8,125	4,875	3,250	29,379,811	
WASH/restoration of basic service delivery	933,530	466,765	466,765	2,468,699	41,145	37,030	4,114	77,040,394	
Sub-total	1,533,566	751,944	781,623	5,012,161	82,005	71,367	10,638	186,398,582	
Small and Micro Enterprises Development									
SMED: No. of income generating activities created/ sustained	3,500	1,750	1,750	22,000				18,400,000	
SMEPS: No. of businesses supported	10,000	7,500	2,500	1,050,000				42,100,000	
Sub-total	13,500	9,250	4,250	1,072,000	0	0	0	60,500,000	
Grand Total	2,617,884	1,290,817	1,327,066	17,327,484	567,662	364,657	203,005	510,153,408	

Annex 7: Delivery chain

SFD to Beneficiaries - 1

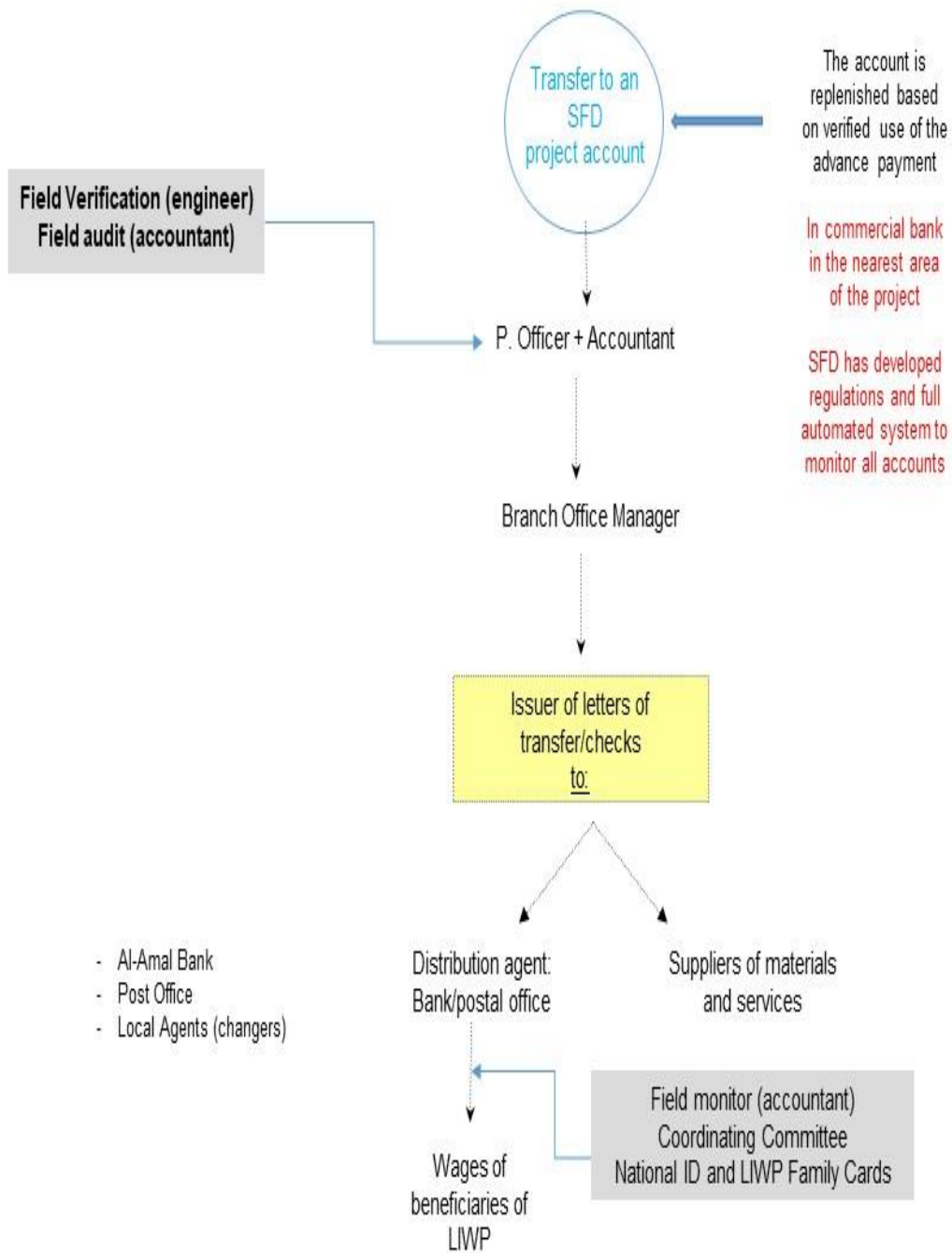


SFD to Beneficiaries - 2



- ② He receives the first copy of the batch only.
- ③ He receives the second copy of the batch, attached with all supporting documents in payment

SFD to Beneficiaries - 3



Method of implementation

SFD implements projects through the following main methods:

- **Formal contracting** (national bidding process) administered by SFD's Procurement Unit.
- **Community contracting**, whereby a community committee administers the procurement for traditional small-scale civil works such as feeder roads and water harvesting schemes.
- **Cash-for-work method** where households are paid in cash for completed work according to agreed rates and stages of work (applicable to LIWP and rooftop water harvesting works).
- Through **non-governmental organizations which** is limited to microfinance.
- **Field management method** when work items aren't clear in quantities and type, hence can't be contracted (applicable to rehabilitation and restoration of cultural-heritage monuments).

1) Formal Contracting Method

Two types of national bidding are applied, namely the quantities contract and lump sum contract.

Quantities Contract: Payments are made promptly to contractors in different instalments according to quantities of work executed and agreed unit rate.

Lump Sum Contract: Payments are made promptly to contractors in different instalments according to completed work items and their agreed price regardless of quantities, i.e. the contractor and the owner take the risk of increasing or decreasing the quantities needed to complete the respective work item.

In both types of contracts:

- An advance payment of 10% of the contract amount is paid to the contractor on submission of a Bank Guarantee for the same amount.
- 5% of every invoice is retained and released after the final takeover of the sub-project, i.e. one year after completion and preliminary takeover.
- The supervising engineer measures the executed quantities of works (in case of quantities contract) and completed work items (in case of lump sum contract) and issues and submits the invoice to the project officer (PO) signed and approved by him and the contractor.
- The PO reviews and approves the invoice and then issues the payment certificate via the MIS and submits it to the Unit Head (UH)/Branch Manager (BM).
- The UH/BM reviews and approves the invoice and submits it to the Financing Unit (FU).
- The FU transfers the invoice amount to the contractor bank account (if any) or issues a check.

Suppliers: Payment to suppliers follows a similar process. If necessary, an advance payment is made on Bank Guarantee provided by the supplier. The PO, Consultant, Beneficiary Committee and BM verify and approve the receipt of supplies. The final completion is verified and the final 5% retention is paid.

Consultants: Consultants are hired to perform consultancy services such as:

- Preliminary design;
- Final design and tender documents;
- Participation in the procurement process from tender announcement to tender award (including review of the final design and tender documents and evaluation of offers);
- Supervision of the works to preliminary and final takeover of sub-projects;
- Final completion at the end of the maintenance period;
- Quality control;
- Independent consultancy service to participate in the preliminary takeover;
- Independent consultancy service to provide training and facilitating workshops and training sessions as well as other services.

2) Payments in Community Contracting

The community committee (elected by the beneficiaries), and based on the agreement signed with SFD, opens a bank account specifically for the sub-project. The signatories are the Chairperson of the Project Committee, the Project Manager and the SFD Project Officer.

The following describes the payment schedules for community contracting:

- An advanced payment of 20% of the total budget is released against a commercial guarantee so that the project management will have some cash money to pay for labours and materials.
- When the disbursement reaches about 75% of the advance payment, the supervising consultant and the project manager prepare the request for the next payment. The request shall include all bills and receipts supporting all the disbursement in addition to the quantities of works achieved.
- The request for the next payment is reviewed and approved by the accounting consultant, and then submitted to the PO.
- The PO reviews the request for the next payment and if satisfied fills the form for releasing the next payment via the MIS and submits it to the UH/BM.
- The UH/BM reviews the form for releasing the next payment and if satisfied submits it to the financing unit.
- The financing unit reviews the form for releasing the next payment and if found sound then the payment is transferred to the project bank account.
- The work and payment continue in the same way till completion.

Note: No retention amount is deducted as the work is done under full supervision of SFD.

3) Cash for Work Method (Applicable in LIWP and rooftop rainwater harvesting schemes)

- Report HHs dues by Field Resident Technician.
- Check implemented work and compare it with HHs dues (Consultant Engineer).
- Submit payment papers to the BO (Consultant Engineer).
- Review payment papers (Financial Officer and Project Officer).
- Transfer the amount of payment required (households' dues) to the account of the Financial Service Provider/distribution agent (Project Officer, Financial Officer, Program Officer).
- Pay the participating HHs dues through the Financial Service Providers.

3) Funds transfer and monitoring when sent to the MFIs

- Loan proposal is sent from the MFI.
- SMED officer reviews the proposal, evaluates the MFI (using SMED evaluation tool), analyses the financial and operational condition of the MFI.
- A loan and grant agreement is developed and signed.
- The payments are made in instalments and are subject for verifications and auditing.
- Field and office audits are conducted regularly to ensure that the funding is being used according to the loan agreement.

The above payments are regulated by the SFD procurement guidelines and manuals and are subject to internal and external auditing.

SFD Project Cycle

