



## Editorial

The year 2018 passed with many tragic events and pain, but parts of lives of the SFD beneficiaries included areas overwhelmed with relative satisfaction and stability in times of hardship and vulnerability the Yemeni people have suffered. Thousands of conflict-affected households have used wages from cash-based interventions to manage the life risks that the lack of livelihood and of the basic services created.

The interventions have not only addressed the households' urgent needs, but also made them more prepared to the shocks of the new year that did not foreshadow a final solution to the existing conflict. The continued third-party evaluations have proven that improving access to cash and generating income have made people's lives more resilient to the effects of economic and social shocks caused by continued conflict, away from resorting to debt, selling production assets or lessening food intakes.

On the other hand, most basic services have still been out of service five years ago having no improvement or restoration. Here, stands out the multi-dimensional role of the SFD's efforts to bring those services to the stage of operation to contribute to alleviating the suffering of the population. Several communities have expressed their surprise as they saw vital SFD supported services and infrastructure functional during the most difficult periods of conflict after they had despaired of having them achieved during the stability period.

## SFD Emergency Response (2015 - March 2019)

<b>Projects developed</b>	1,853
<b>Est. cost (\$)</b>	340,989,454
<b>Exp. direct beneficiaries</b>	3,903,938 (Female %52)
<b>Est. workdays</b>	15,155,019

<b>Projects completed</b>	999
<b>Contractual cost (\$)</b>	138,992,413
<b>Actual direct beneficiaries</b>	1,420,243 (Female %50)
<b>Actual workdays</b>	7,732,399

## Four-year conflict compounds the Yemenis' crisis

Four years of continuing conflict in Yemen have worsened this already large humanitarian crisis. The fighting still rages across 30 active frontlines leading to displacement in affected areas and recently have been seen particularly in Al Dhale' and Al-Hudaidah Governorates, triggering increasing humanitarian needs.

Widespread unemployment and depreciation of the national currency have been exacerbated by the continuity of the conflict leading Yemenis to keep struggling to access and afford even the most basic commodities like fuel, food, and medicine.

Basic services in health, education and water supplies have been affected leading to children dropping out of schools and diseases (such as diphtheria, measles and cholera) outbreaking and spreading.

SFD has been successfully providing its contribution to respond to such a crisis and the activities presented in this newsletter highlight some of its work and interventions in this context.

## SECTOR ACTIVITIES



### Education

During the first quarter of 2019, focus was given to the implementation of the Vocational and Literacy Program "VOLIP" (with its various components), which is implemented by the SFD in Sana'a, Lahj and Al-Hudaidah Governorates (Govs.) as well as in Al-Mukalla District (in Hadhramaut Gov.).

#### Vocational and Literacy Program (VOLIP) for Poverty Alleviation

The program comprises several components as follows:

##### Access to non-formal basic education services

The number of the program's beneficiaries amounts to 39) 93 11 & unemployed young women and men respectively, and 43 working women), while a pioneering training was completed by 243 beneficiaries (16 & 109 young men & women respectively, and 118 working women).

During the period January – February 51 ,2019 new community-education classrooms were opened in 5 districts of Sana'a Gov., Bagel District in Al-Hudaidah Gov. and Al-Mukalla City, with the latter witnessing the delivery of the Harshiat Center for Community Education consisting of 3 classrooms with annexes (an office, a warehouse and 2 bathrooms). Likewise, in Tuban and Al-Hoatah Districts in Lahj Gov., 6 community-education classrooms and a center consisting of 3 classrooms, administration office and a warehouse were furnished and delivered. And 15 classrooms and a community center in Lahj, 3 classrooms in Al-Mukalla and 36 classrooms in Sana'a were provided with teaching tools, means & materials and life skills.

In Lahj Gov., in January 2019, the graduation and honoring of the program's 316 beneficiaries in Al-Fioush area (Tuban District) was celebrated after passing the follow-up stage of non-formal education. Also, in February, 3 awareness campaigns were carried out in the targeted villages in Tuban and Al-Hoatah Districts, aimed to raise awareness on the importance of education, especially the child's right to education. During March, the Al-Mubde'at "Innovators" and Al-Bassma "Imprint" community-education classrooms

in the village of Saber (Tuban) carried out a week-awareness on the risks faced by children (such as sexual harassment, abduction, fire, insects & snakes bites, rabies, etc.). The sessions included video presentations, drawings, paintings and wall photos. The aim of the awareness is to sensitize children to these risks and empower them with the skills and methods of prevention, safety and protection.

The quarter also witnessed a supervision visit paid by the program officer to follow up with the literacy and community-education classrooms in Tuban and Al-Hoatah, youth and working women entrepreneurship trainees in Aden Gov. and girls in the Community-Education Advocacy Center in Al-Fioush during training on life and crafts skills.

Finally, 9 female supervisors and 51 community-education facilitators were contracted to provide access to non-formal education services in Sana'a and Al-Hudaidah Govs and Al-Mukalla City.

##### Training of unemployed youth and working women

Training of 895 male and female beneficiaries (in the four target areas) on entrepreneurship, project management and life skills concepts has been completed. Seven service providers from several institutes specialized in training and qualification in vocational, technical, technical, veterinary, agricultural and commercial fields were also contracted to train 503 beneficiaries (of both sexes) who completed the entrepreneurship training (as a first stage, and according to their project plans).

The training disciplines were distributed in many fields including first aid, tailoring and dressmaking, cosmetics and hairdressing, caring for and raising livestock, sheep and goats, handicrafts and accessories, mobile phone maintenance, incense and perfume manufacturing.

##### Access to Microfinance Services

407 VOLIP beneficiaries, who had completed vocational and entrepreneurship training, have been transferred to the Loan Guarantee Program charged with managing the lending component to study their project plans in order to provide them with the funds needed to start their small businesses.

### Capacity Building

The SFD conducted a training course for program partners in computer leadership, secretarial work and electronic archiving, benefitting 17 workers in Literacy Office of Al-Mukalla and Al-Sahel Districts.

A -22day pre-service training was also provided to 43 facilitators and community-education supervisors from 5 districts in Sana'a Gov., with focus given to active-learning strategy manuals, community education, and verbal method in read-and-write teaching as well as numeracy principles.

### Education Indicators

Indicator	Achieved (Jan - Mar 2019)
Recepients of new jobs in social survices	2,024
Teachers and facillitators trained (Females %54)	1,284
Students benefiting from cash for social survices ( Female %81)	205,884
Beneficary schools ( girls schools %12)	891



## Health

During the first quarter of 2019, the focus was given to the implementation of the social protection project, strengthening community resilience and the restoration, reconstruction and equipping of the damaged health facilities.

### Social protection and community resilience

Under the community response component, screening and interviewing, and then training of 711 community youth (of both sexes) from Abyan, Taiz and Shabwah Governorates were conducted.

These young people were hired after being trained in communication concepts, holding community sessions and psychological relief as well as in managing recreational activities targeting all community groups, especially women and children as the most affected groups in war and emergency. Since January 2019, these community youth have been carrying out recreational activities and regular community sessions, as a community response to rescue individuals of the impact of mental disorders caused by war, and create friendly spaces for games, free drawing and other activities.

### Rehabilitation and reconstruction of damaged health facilities

The quarter witnessed reconstruction/repair/rehabilitation of 86 health facilities partially or totally damaged by the war in 11 governorates, with 42 of these facilities completed and

delivered to the respective health offices, and 16 provided with medical equipment. The SFD also supplied 30 health facilities with office furniture.

### Health Indicators

Indicator	Achieved (Jan - Mar 2019)
Health facilities constructed/rehabilitated and equipped	36
People benefited from access to health services	190,235
Number of trainees in identification of severe stress and trauma for psychosocial needs	-
Youth recruited and received wages of working on nutrition services (Females %100)	4,633
Pregnant women and mothers who benefited from the nutrition services	119,311
Community female mobilizer	4,633
Children who benefited from the nutrition services	63,115



## Water and Sanitation

The number of completed subprojects during the first quarter 2019 is 70, with 56 for water sector (at an estimated cost of 6.7\$ m) and 14 for sanitation sector (at an estimated cost of 1.6\$ m).

The activities during the quarter include the following:

### Water Sector

The activities achieved:

- Forty-one projects financed by Yemen Emergency Crisis Response Project IV- WB/UNDP costing more than 4.4\$ million.
- Two projects funded by Arab Fund Loan for SFD IV at a cost of 224,000\$.
- Four projects funded by EKN Fund for SFD Water 1 Project Targeting Communities with High AWD/Cholera Attack Rate at a cost of 310,000\$.
- Two projects funded by German Grant for Water Crisis Programme in Abyan at a cost of 1.1\$ million approximately.
- Seven projects from UNDP Grant for Yemen Emergency Crisis Response Project for WASH at a cost of 750,000\$.

Below are the detailed achievements in each subsector:

#### Rooftop Rainwater Harvesting Cisterns

During this quarter, 11 subprojects were completed for constructing 820 cisterns with total storage capacity of 19,752 cubic meters. These subprojects created 72,471 workdays and provided water service to 3,657 people.

#### Groundwater

Two projects funded by German Grant for Water Crisis Programme in Abyan were completed at an approximately cost \$ 1.5 million, providing water service to 438 people and created 13,667 workdays.

#### Public Covered Rainwater Harvesting Cisterns

Two subprojects funded by EKN were completed, aiming at constructing a covered cistern of storage capacity 4,900 m<sup>3</sup> and at estimated cost of \$125,500 with all needed components to collect and improve water quality such as collecting channels, sedimentation basins and communal taps. It served 1,137 people and created 2,545 workdays.

#### Labor Intensive Water Interventions

Forty-one subprojects were completed at a cost of US\$4.6 million comprising 4,932 cisterns with storage capacity of 90,228 m<sup>3</sup>, creating 283,225 workdays and providing water service to 303,963 people.

### Water Indicators

Indicator	Achieved (Jan - Mar 2019)
Number of people provided with access to improved water sources	137,202
Storage capacity for improved water (m <sup>3</sup> )	325,971
Storage capacity for unimproved water (m <sup>3</sup> )	53,896



### Sanitation Sector

During this quarter, 14 subprojects were completed at a cost of 1.6\$ million, serving 20,360 people and creating 104,572 workdays as follows:

- Two projects funded by EKN Fund for SFD Water 1 Project Targeting Communities with High AWD/Cholera Attack Rate at a cost of 198,668\$, serving 2,744 people and creating 10,072 workdays.
- Three projects funded by Yemen Emergency Crisis Response Project-UNDP at a cost of 851,360\$ serving 10,416 people and creating 54,629 workdays.
- Five projects were funded by UNDP Grant for Yemen Emergency Crisis Response Project for WASH at an estimated cost of 658,355\$ serving 7,200 people and creating 39,871 workdays.

Below are the detailed achievements in each subsector:

#### Wastewater Management

Seven subprojects were completed (including 1,870 latrines) at a cost of more than US\$ 857,000 creating 68,667 workdays and employing 2,858 workers; as a result, the number of direct beneficiaries reached 6,187.

#### Labor-intensive environmental activities

The SFD completed seven projects (including 563 bathrooms) at a cost of 851,360\$ creating 63,162

workdays and employing 2,946 workers, with the number of direct beneficiaries reaching 1,298.

### Participation in WASH Cluster

The Water and Environment Unit continues to participate in the meetings of the WASH Cluster to ensure update on the activities and locations of humanitarian organizations to avoid duplication as well as to see the latest developments resulting from surveys carried out by humanitarian organizations. The Unit provides the Group Coordinator with weekly reports on the SFD's water, sanitation and hygiene activities.

### Sanitation Indicators

Indicator	Achieved (Jan - Mar 2019)
Beneficiaries from access to appropriate sanitation	107,638
No. of latrines created	4,144
Number of people benefiting from cholera 239,426 preventive measures support	23,495



## Agriculture and Rural Development

During the first quarter of 2019, SFD has completed a number of projects and continue to implement a number of others within the fields of: emergency crisis response, humanitarian response, agricultural productivity enhancement for small farmers, and water component for agricultural production.

### I. Additional World Bank Emergency Response Grant Projects (via UNDP)

Four projects have been accomplished with a contractual cost exceeding 461,600 USD, aiming to provide job opportunities for the affected families, IDPs host families and for the displaced due to the current crisis, through the implementation of multiple agricultural activities to protect agricultural lands and improve and rehabilitate spate irrigation canals. In addition to improving the productive conditions of livestock through the establishment of shelters (sheds).

In Dhamar Governorate, 3 projects have been accomplished to improve the productive conditions of livestock through the establishment of animal shelters (sheds) in the sub-districts of Jarban, Bani Maanis and Bani Sawada (district of Wessab Al Safil), at a contractual cost of approximately 384 thousand USD, where the total number of accomplished sheds is 560 and households benefiting from cash reached 570 and jobs resulting from these projects were more than 36 thousand workdays.

In Lahej Governorate - Tur Al-Baha district, the project of improving the productive conditions of livestock has been

accomplished at a contractual cost of approximately 77,600 USD. The remaining 33 projects are still under implementation at an estimated cost of approximately 4.7 million USD.

### II. British Grant Projects for Humanitarian Response

Three projects are still under implementation at a cost of approximately 442,700 USD, aimed at improving spate irrigation systems, improving livestock production conditions and increasing agricultural productivity.

### III. Small-holder Agricultural Productivity Restoration and Enhancement Project (SAPREP)

The project aims at improving agricultural production and contributing to improving food security in 21 targeted districts in 7 governorates (Hajjah, Hodeidah, Taiz, Lahej, Abyan, Shabwa and Sa'ada). Two projects have been completed with a contractual cost of approximately 260,400 USD, while 87 projects are underway with an estimated cost of over 9.7 million USD.

### Water component of agricultural production

#### A. Rehabilitation of agricultural terraces

Work is underway to implement projects aimed at the rehabilitation of agricultural terraces. During this quarter, 7 hectares of terraces have been rehabilitated, bringing the cumulative total area of terraces that rehabilitated by SFD to about 31 hectares.

#### B. Protection of agricultural lands

Work is underway on 36 projects to protect and irrigate agricultural lands in the targeted districts, at an estimated cost of approximately 5.8 million USD. During this quarter, 108 hectares of agricultural lands were rehabilitated and

protected, bringing the cumulative total area of protected lands to 393 hectares.

#### C. Water harvesting for supplementary irrigation

Seven projects are under implementation at an estimated cost of about 617,000 USD, expected to provide storage capacity of 5,000 cubic meters.

#### D. Rooftop's water harvesting

During this quarter, two private rooftop's water harvesting projects were accomplished in two districts in Hajjah governorate. A total contractual cost of 260,400 USD. 268 rooftops were accomplished, 268 families benefiting from the cash generated from work, and the workdays generated was of approximately 19,300.

#### E. Rehabilitation of wells and springs

Five projects are underway at an estimated cost of more than 397,700 USD. During this quarter, 76 wells and springs were rehabilitated, bringing the cumulative total to 96.

#### F. Excavation of ponds (Caravans)

The implementation of such types of projects is limited to Shabwa governorate, where two projects in the districts of Rawda and Mayfa are under implementation, at a total contractual cost exceeding 196 thousand USD. During this quarter, SFD accomplished two caravans, bringing the total cumulative number to 7.

## Agriculture and Rural Development Indicators

Indicator	Achieved (Jan - Mar 2019)
Households supported with cash	15,156
Host households supported with cash	13,616
Displaced households supported with cash 14	1,540
Protected, irrigated and reclaimed agricultural land (ha)	1,477
Storage capacity (m3 )	16,290
Beneficiaries from the service	19,837
Total area of rehabilitated agricultural terraces (ha)	21
Rainwater harvesting cisters	1,619
Workers	32,619
Female workers	5,160
Workdays	623,762
Workdays (female)	89,620



## Training & Organizational Support

Interventions in the two sectors of Training & Organizational Support aim to provide services through training and building the human and institutional capacities of SFD partners whose activities are linked to SFD's goals represented by local development and poverty reduction.

During the first quarter various activities were implemented in the following programs:

### Empowerment for Local Development Program

The main activities implemented during the quarter in the framework of ELD included the following :

#### First: Formation and Activation of Councils and Sub-district Committees

About 220 Villages' Cooperation Councils were formed and reactivated , beside the formation of 45 sub-district committees in the governorates of Ibb, Amran , Ta'iz , Hajja , Reima , and Hodeida.

#### Second: Youth Employment within the ELD Program

About 250 male and female youths were employed in community activation within the Program where 250 temporary work opportunities were provided in the districts of Alzuhra (Hodeida), Almkhader (Ibb) , Mashra'a & Hadnan (Ta'iz) , Alsafiah (Reima) . Algumeimah (Hajja) and Almadan (Amran).

#### Third: Self-help Initiatives

Villages' Cooperation Councils implemented self-help initiatives through overall adoption ( awareness , planning , and implementation). The initiatives were diversified to include various components such as building water reservoirs , refurbishing school classes, maintenance of rural roads, sanitation , cleaning campaigns .... with the total reaching 531 initiatives ( in 8 governorates) and the estimated cost of about 52,4 Million Riyals .

#### Fourth: Supported Community Initiatives:

These are community initiatives supported by SFD in accordance with ELD mechanism . In this respect about 350 initiatives were supported in 7 governorates with the cost exceeding the sum of 195,8 million Riyals ( with community contribution reaching 60 % , and SFD's contribution of %40). These initiatives consisted of refurbishment and construction of school classes , maintenance of water reservoirs , repair and paving of roads. This is in addition to supporting initiatives in the component of capacity building , with 420 women trained in sewing and embroidery, making of perfume , incense, and zabad, as well as training in First Aid.

#### Fifth: Completion of Activities Related to Projects' Implementation Through Local Authorities

SFD achieved 8 development projects implemented through local authorities as an example within the

framework of early recovery plans which are supported by ELD program in various fields ( health, education, water) where the planning , implementation , and the management concerning such projects were conducted by the local authorities , with direct supervision by SFD. Such projects aim at building and strengthening the capacities of local authorities to manage and implement projects with transparency and efficiency. The implemented projects targeted a number of districts in the governorates of Hajja, Lahj, Hodeida , and Abyan.

**RAWAFED Program**

The Program implemented 11 projects for building the capacities of 947 university- graduated youths ( 437 females) for the purpose of facilitating their linkage with the work market in Aden, Lahj, Aldhale'e , Sana'a , Sana'a City Secretariat, Ma'arib , Almahra , Socotra , Shabwa , Albeidha'a , and Hajja . Capacity building included the implementation of training courses (23 days' duration) in the concepts and basic principles of development , basics of computer , P.R.A , and the formation of community committees.

The Program also developed the new "RAWAFED" web-site , its management and improvement of its components, as well as the development of the Program's access to the social media networks(Face-book, Twitter , Official E-mail ) . About 947 RAWAFED Program graduates participated in the implementation of 38 self-help youth initiatives in 11 governorates with the cost of 1,1 million Riyals.

**Community Participation**

About 93 assessments with community participation were implemented in 9 governorates , and 85 community committees were formed with the total of 475 members (142 females) for the main sectors , under the supervision and follow-up of the Training and Organizational Support Unit officers in the SFD branches in various governorates.

As concerns the realization of training and capacity building indicators , SFD implemented 6 training courses in the branches of Hajja, Hodeida , and Dhamar in the component of Principles of Re-enforcing Community Accountability and Complaints' Mechanism . About 171 trainees (52 females) attended the courses from among SFD officers in the afore-mentioned branches .

**Integrated Intervention Program**

Within the framework of supervision , monitoring, and technical support for the teams of saving and rural funding groups' formation ( in the Project of Expanding the Financial and Non-financial Services in the Program's Areas) , and with the participation of the Micro and Small Enterprises

Development Unit ,refresher workshops were organized in Dhamar, Lahj , and Mukalla . 22 SFD consultants and 8 projects' officers attended these workshops.

**Institutional Development of SFD Capacities**

Two workshops in the Concepts of Fighting Corruption were implemented . About 38 male and female participants participated , from among SFD employees , Yemen Network for Micro-Financing , and the Financings' Guarantee Program . This is in addition to the workshop concerning the Prevention of Risks related to the Practices Leading to Corruption within the framework of the institutions and programs of micro – financing , which targeted 23 trainees from among the employees of micro and small enterprises development unit , micro-financing network , Financings' Guarantee Program , and the foundations of Nama'a, Alwataniah , and Azal.

**Training & Organizational Support Indicators**

Indicator	Achieved (Jan - Mar 2019)
Community-based initiatives supported and 65 implemented	1,806
No. of active VCCs during activities implementation	2,735
Total number of youth trained and secured temporary job opportunity (Female: %50)	3,514



## Labor Intensive Works Program

The Labor Intensive Works Program (LIWP) targets poor communities in rural and urban areas focusing on IDPs, displaced and unemployed communities affected of the on-going war. These communities aim to have a double benefit once from the income generated of participated in the program's project to protect poor households against the current exacerbating conditions. Another benefit is to provide community assets that will generate future benefits and improve access of poor rural communities to centers that providing basic services by improving the status and development of the road. Thus, the program is a key component of the social safety net (SSN) and contributes to mitigate the negative effects of the crisis and improve the livelihoods and food security for poor and those affected in the targeted areas.

According to the current situation in the country, our targeting mechanism has expanded to include IDPs and conflict-affected areas directly.

LIWP comprises the Cash-for-Work (CfW) and Road Sectors.

### CfW sector

The cumulative number of benefiting households as of the end of the first quarter 2019 exceeds 343 thousand.

### CFW Indicators

Indicator	Achieved (Jan - Mar 2019)
Total number of direct beneficiaries of wage employment (number of workers)	145,839
Female (%30)	44,516
IDPs/Returnees (%18)	26,554
Youth (%64)	93,296
Number of working days created	4,453,742
Households benefiting from cash-for-work activities	98,677
No. of household members benefiting from the services	1,028,324
Area of agriculture land & terraces rehabilitated and protected	173
Irrigation channels constructed/rehabilitated	53,657
Cubic meters of water schemes constructed /rehabilitated	145,511
Length of roads improved (km)	103
Square meters of stone paved areas	299,396
Number of latrines constructed or rehabilitated	10,789
Number of IDPs houses and shelters protected, improved or rehabilitated	2,809
Number of home food gardens	3,157

### Roads sector

The total cumulative length of rural roads improved/constructed amounts to 1,638 km.

### Street Pavement

During phase IV, 861 Thousand temporary workdays have been cumulatively generated from completed and ongoing projects of street pavement.

### LIWP main events and activities

During this quarter, several awareness workshops were held in most of SFD branches to clarify the concepts, standards and mechanism of CfW attended the workshops 113 male 31 female participants from different governorates. Moreover, all branches have conducted trainings for community, technical and accounting consultants on the mechanism of community, technical and accounting studies for CfW and roads projects' execution mechanism, attended the trainings 113 male and 4 female consultants.

### Coordination with local communities

Meetings were held with local communities in targeted districts attended 129 members, aiming to involve them in the targeting process and facilitate implementation of projects.

### Training

Training is important and has a positive impact on the individuals to continue learning and developing their professional careers, which improve family economic and living conditions and get jobs later in the market.

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

**On-the-job training:** This kind of training focuses on qualifying unskilled and semi-skilled labors to be skilled labor, trainings were in different skills such as building, stone cutting and paving, cement plastering, etc., in addition to operate and make maintenance of produced assets. During this quarter, 1959 male & 97 female workers were trained during implementation of CfW and roads projects.

**Life skills:** This kind of training builds the capacity of the person, make him/her able to live with confident and understand himself as well as others. During this quarter, 2,687 male and 2,090 female beneficiaries trained from the cash-for-work projects.

### Health education and cholera

All SFD branch offices carried out awareness workshops on prevention of cholera epidemic, widespread diseases, qat damage, and improving health and environmental conditions. During the quarter, 14,552 male and 12,887

female beneficiaries attended the awareness workshops during the implementation of the projects.

### Occupational safety awareness

All branches held awareness sessions for 9,514 male and 5,645 female beneficiaries in targeted projects, raising awareness of the risks that could threaten their health and explaining prevention ways to avoid such risks, including the commitment to wear occupational safety tools at the workplace during the implementation of the projects.

### Awareness workshops for labor administrators

Several awareness workshops were held for 207 labor administrators in most SFD branch offices to clarify the concepts, standards and implementation mechanism of the program.

## Rural Roads indicators

Indicator	Achieved (Jan - Mar 2019)
Total number of people benefiting from cash transfers (# of wage beneficiaries of Safety Net & Community and Local Development programs)	32,464
Female (%30)	1,664
IDPs/Returnees	4,096
Youth: age "16-35"	23,797
Total number of people provided with access to key services (from all 1,338,552 interventions)	194,091
Number of workdays created	680,639



## Small and Micro Enterprises Development

### I. The activities carried out by the SMED Unit

#### 1- Funding and grants

As a result of the increasing demand for financial services by owners of small and micro projects, and in order to ensure the continuity of funding activities, during the first quarter SMED has funded programs and institutions with an amount of YR 2.72 billions in loans. The MFIs funded have included Azal MF Program, the National MF Foundation, and Namaa MF Foundation.

As for grants, during the quarter the unit has granted the Yemen Microfinance Network (YMN) and the Small and Micro Enterprises Development Agency a total amount of USD 2.7 millions, in order to finance the training and consulting activities they carry out.

It is worth noting that the total number of active clients in MFIs has reached 85,219 active clients by the end of March 2019, while the total active loan portfolios with these entities has reached about YR 14.664 billions.

#### 2- Supporting war-affected clients (Stage 2)

In the first quarter of 2019, 21 clients were compensated for a total amount of USD 6,000. In addition, the debts of 848 insolvent clients were canceled, amounting to USD 230,000. The cumulative number of beneficiaries from the project has

reached 3,840, with compensation totaling USD 1.7 million as of the end of the first quarter of 2019. The project aims at compensating 4,000 microfinance clients affected by the War and enabling them to restore their lost or affected activities.

#### 3- Supporting the expansion of financial and non-financial services in the areas of the Integrated Intervention Project

The number of groups formed during the quarter has reached 83 groups, comprising at least 1,900 members among men and women, comprising five separate directorates which represent the project's work areas. Also, several training activities have taken place during the quarter, in which at least 1,800 members have been trained in the principles of savings groups. About 400 members have been trained in the field of bookkeeping of operations, group activities, as well as administrative and organizational skills.

#### 4- SFD Partners Workshop

On February 18th-19th, a workshop was held to enhance partnership and communication between all players in the MF sector in Yemen. The workshop was attended by about 30 representatives from various MFIs operating in the country, in addition to other related parties such as the Small and Micro Enterprise Development Agency (SMEPS), the Yemen Microfinance Network (YMN), and the Yemen Loan

Guarantee program (YLG). Discussions dealt with the challenges, difficulties and opportunities facing the MF sector in light of the current situation in the country. These problems and future plans for the sector were discussed with a view to enhancing cooperation between all participating entities.

#### 5- Internal audit and auditing activities

In the period from Feb. 24th-Mar. 10th, field approvals were carried out on 1,534 clients of Al-Ittihad in the governorates of Abyan, Aden and Lahj. During the same period, field validations were made on 58 clients at the branch of the National MF Foundation (NMF) in Aden. Likewise, an audit was carried on the accounts, records and procedures of NMF at its headquarters in Sana'a.

#### 6- Development of automated and software systems

##### 6.1 Unit Website

Throughout the quarter, work has continued on developing the SMED website. Work has included completing the data entry of programs and institutions, and showing the results in their final form after ensuring they were correct. This followed work in the previous quarter in designing all the new templates in the reports and graphic charts.

##### 6.2 A mobile application for studying agricultural finance

Throughout the quarter, work has continued on developing the SMED website. Work has included completing the data entry of programs and institutions, and showing the results in their final form after ensuring they were correct. This followed work in the previous quarter in designing all the new templates in the reports and graphic charts.

##### 6.3 The Credit Bureau

The Unit's IT team has worked during the first quarter to develop the site's updated mechanism so that it has become possible for MFI to update the database directly and on a daily basis.

##### 6.4 Introduce geographic mapping technology for customers concentration

The Unit's IT team has worked during the first quarter to develop the site's updated mechanism so that it has become possible for MFI to update the database directly and on a daily basis.

##### 6.5 The human resources, loan tracking, and accounting computerized systems

During the quarter, routine technical support was provided to MFIs in solving technical issues and provide routine technical assistance in operating the three systems.

#### 6.6 The MF Programs and Institutions Assessment Tool

A team from the unit has evaluated the work of Al-Ittihad MF Program in Abyan through the application of this tool, which was designed using Excel and with the technical assistance from a German consulting firm. The tool allows for a comprehensive evaluation of programs, institutions and banks operating in the sector of small and microfinance in accordance with the mechanism of rating agencies.

### II. The Yemen Loan Guarantee Program (YLG)

During the first quarter, the program has continued its activity as a guarantor towards those clients who need guarantees to obtain suitable financing from MFIs. Since the beginning of 2019, the program has issued 71 guarantees to SMEs who took loans for a total in excess of YR 142.2 millions, while the value of the guarantees issued was estimated at YR 93.4 millions. Other activities have included attending several workshops and training courses, and conducting a training workshop for Al-Amal MF Bank attended by some of its finance specialists and branch managers to explain the mechanism of work on the feasibility study of agricultural loans.

### III. The Yemen Microfinance Network

In an effort to enhance its supportive, positive and effective role in advancing the microfinance industry in the country, YMN has implemented during the first quarter of 2019 several activities, the most important of which were:

#### 1- Training course for trainers

During the period Feb, 11th-14th, a training course lasting 4 days was held for trainers from MFIs on the standards of the International Finance Agency (IFC) in training trainers and exchanging experiences among them.

#### 2- Training course for consultants

YMN organized a training course between Feb. 18th and 21st, lasting 4 days, with the participation of a number of employees in the MF sector. The aim was to enable participants to develop their capabilities in providing consultancy services, based on the experiences they have gained through their work in the MF (each in his field of work).

#### 3- A panel discussion on ways to support the sector of female MF entrepreneurs

Within the project of "Women Economic Empowerment" being implemented by CARE in cooperation with the Foundation for All Girls, YMN hosted on Feb 28th this specific panel discussion. The panel discussed the role of these bodies in supporting women's economic



empowerment, the nature of women's MF products, as well as the most important challenges facing female entrepreneurs, and how to address them.

**4- Course for preparing project proposals to donors**

The session was organized by the network over the period Mar. 9th-14th. Working groups were formed, and each of whom prepared an integrated project proposal. The proposals were presented in the last day, and evaluated and discussed to improve and correct them.

**5- Financial analysis course**

The training course lasted over the period Mar. 23rd-27th, and was attended several by representatives from MFIs. The course aimed at forming relevant staff in the MF sector among accountants and financial managers on financial analysis of MFI.

**7- Training course in Product development**

This training course, which lasted from Mar. 25th to Mar. 29th, was targeted at middle managers interested in how to develop financial products for MFIs. The course enabled the participants on how to study and implement plans for developing financial products, and know the most important concepts and methods and their stages in product design.

**8- Financial saving workshop for youth**

As part of the Global Money Week 2019 event, YMN organized on March 28th a workshop on financial savings for young people between the ages of 18 and 28. The workshop, which was attended by 45 young men and women, aimed at providing the participants with skills, knowledge and concepts in financial savings. This, in turn, which would help them establish their own projects or obtain employment in various fields.

**Loan portfolio indicators for microfinance programs and institutions until the end of March 2019**

Ser. No.	Program	No. of disbursed loans	Active number of clients			Outstanding loan portfolio (Billion YR)	Amount of Disbursed loans (Million YR)	PAR (%)	Cumulative numbers		OSS	FSS	No. of Personnel	No. of loan officers	No. of Branch Offices	Area of operation
			Borrowers		Savers				Number of loans	Loan amounts (Million YR)						
			Total	Women (%)												
1	National MF Foundation	534	13,136	30	26,516	2,441	462	20.82	155,208	12,010	66	43	164	65	19	Capital City, Taiz, Ibb, Al-Kaada, Dhahran, Yarim, Hajjah, Lahj, Al-Hudaidah, Al-Tarba, Dami, Shibam, Baqi, Aden
2	Al-Kuraimi Islamic Microfinance Bank	549	4,149	8	835,693	3,193	629	3.20	28,608	17,320	84	76	75	56	65	Capital City, Taiz, Ibb, Aden, Hudaidah, Dhahran, Al-Mukalla, Seyoun
3	Al-Amal Microfinance Bank	264	33,220	38	132,596	2,906	141	71.55	131,216	12,131	264	163	193	42	15	Capital City, Ibb, Taiz, Dhahran, Al-Mukalla, Al-Hudaidah, Aden, Hajjah, Abta
4	Nama Microfinance Foundation	382	5,200	28	172	819	152	16.58	89,899	8,345	109	73	121	58	12	Capital City, Taiz, Hudaidah, Ibb
5	Hadhramaut Microfinance Program	354	6,637	31	5,629	843	90	21.47	35,568	5,124	154	136	72	37	7	Hadhramaut ( Seyoun, Tarim, Al-Suom, Saf, Al-Qurn, Shibam, Al-Mukalla, Al-Shehr, Al-Hami, Al-Waharah, Shabwah)
6	Al-Tadhamon Microfinance Program	260	4,057	27	0	1,473	198	4.15	41,850	11,238	132	132	60	28	15	Capital City, Taiz, Al-Hudaidah, Aden, Ibb, Hadhramaut
7	Al-Ihtidaj Microfinance Program	138	3,446	79	0	408	43	26.16	50,989	3,194	53	39	83	38	7	Abyan (Zanjibar, Khanfar, Al-Hwar), Al-Mukalla, Al-Shehr, Aden, Lahj
8	Azal Microfinance Program	273	3,364	36	4,461	803	179	12.65	52,660	5,638	84	69	87	33	7	Capital City, Al-Mahweet, Amran, Dhahran
9	Aden MF Foundation	0	9,802	66	7,065	666	0	77.13	54,019	4,376	68	43	65	34	5	Aden, Al-Buraikah, Al-Sheikh Othman, Lahj, Al-Dhale
10	Al-Awael MF Company	0	1,291	78	0	46	0	100	60,224	1,777	0	0	6	4	2	Taiz (Al-Camp, Hawdh Al-Ashraf, Al-Rahedah, Sainah, Al-Kaada)
11	Other Activities & IGP	-	-	-	-	-	-	-	109,187	21,391	-	-	-	-	-	Several areas
<b>Total</b>		<b>2,754</b>	<b>84,202</b>		<b>1,012,132</b>	<b>13,598</b>	<b>1,894</b>		<b>809,428</b>	<b>102,544</b>			<b>926</b>	<b>395</b>	<b>154</b>	

### Number of projects approved and estimated costs - first quarter, 2019 (by governorate)

Governorate	No. of Projects	Estimated Cost (%)	Est. SFD Contribution (\$)	Percentage (%)
IBB	6	989,810	989,810	100
Abyan	8	965,164	965,164	100
Socatra	1	49,600	49,600	100
Al- Baidha	5	970,312	970,312	100
Al-jawf	7	697,754	697,754	100
Al- Hudaidah	11	1,967,671	1,967,671	100
Al- Dhale	4	660,000	660,000	100
Al- Mahweet	5	438,000	438,000	100
Al-mahrah	2	122,800	122,800	100
Taiz	9	1,393,378	1,393,378	100
Hajjah	24	3,803,216	3,803,216	100
Hadrmout	9	1,092,475	1,092,475	100
Dhamar	13	1,840,998	1,840,998	100
Raimah	3	423,357	423,357	100
Shabwah	12	1,887,355	1,887,355	100
Sa'adah	7	872,260	872,260	100
Sana'a	9	1,209,300	1,209,300	100
Aden	4	546,000	546,000	100
Amran	9	1,426,200	1,426,200	100
Lahjj	7	1,014,140	1,014,140	100
Mareb	1	315,536	315,536	100
Several Governorates	14	9,677,820	9,677,820	100
<b>Total</b>	<b>051</b>	<b>32,363,146</b>	<b>32,355,621</b>	<b>100 %</b>

### Number of projects, estimated costs, expected beneficiaires and job apportounities - first quarter, 2019 (by sector)

Sector	No. of Projects	Estimated Cost (%)	Est. SFD Contribution (\$)	Direct Beneficiaries		Temporary Job Opportunities
				Total	Females %	
Environment	15	2,107,999	2,107,999	37,529	49	107,748
Training	1	86,084	86,084	90	33	228
Education	27	4,344,409	4,344,409	22,668	50	212,593
Orgnizational Support	8	1,622,202	1,622,202	41,062	48	31,846
Agriclture	10	985,970	985,970	8,343	50	64,928
Health	3	469,500	469,500	24,580	73	9,101
Roads	6	1,183,500	1,183,500	31,461	51	55,535
Micro Enterprises	10	8,521,736	8,521,736	17,260	44	13,078
Development	1	700,000	700,000	0	0	410
Small Enterprise	1	165,500	165,500	920	50	5,520
Development	63	8,370,807	8,370,807	73,739	50	424,264
Cultural Heritage	25	3,805,439	3,805,439	29,202	50	265,021
Water	170	32,363,146	32,355,621	286,854	51 %	1,190,272
<b>Total</b>						

### Number of projects under implementation, approved, estimated cost, and SFD contribution for the period (2015 - first quarter 2019) ,by governorate

Governorate	No. of Projects	Estimated Cost (%)	Est. SFD Contribution (\$)	Contractual Cost (USD)
IBB	114	19,174,474	19,168,974	17,897,420
Abyan	63	8,826,344	8,826,344	7,226,564
Socatra	24	2,104,993	2,104,993	1,689,308
Capital City	48	12,275,348	11,892,138	9,754,241
Al- Baidha	61	5,918,117	5,918,117	5,474,432
Al-jawf	27	3,917,404	3,917,404	3,535,423
Al- Hudaidah	147	43,656,437	43,639,537	39,166,619
Al- Dhale	42	8,076,939	8,076,939	7,371,812
Al- Mahweet	52	4,298,611	4,298,611	3,543,011
Al-mahrah	28	2,791,560	2,791,560	2,334,086
Taiz	168	28,343,895	28,285,895	26,031,365
Hajjah	216	25,098,709	24,948,709	20,704,002
Hadrmout	72	8,407,822	8,407,822	6,837,636
Dhamar	119	21,287,855	21,287,855	19,435,936
Raimah	46	5,318,147	5,318,147	4,880,838
Shabwah	94	9,692,178	9,689,553	7,472,580
Sa'adah	91	12,664,872	12,664,872	11,056,236
Sana'a	76	9,386,576	9,386,576	7,920,534
Aden	61	9,747,170	9,747,170	8,576,271
Amran	95	13,814,548	13,730,547	12,255,861
Lahjj	100	19,588,760	19,588,760	16,941,025
Mareb	24	5,135,014	4,635,014	3,804,748
Severel Governorates	85	61,463,680	61,463,680	56,257,526
<b>Total</b>	<b>1,853</b>	<b>340,989,454</b>	<b>339,789,217</b>	<b>300,167,474</b>

### Number of projects completed and contractual cost for the period (2015 - first quarter 2019) ,by sector

Sector	No. of Projects	Contractual Cost (USD)
Environment	35	3,393,315
Integrated Intervention	1	5,926
Training	16	825,418
Education	88	6,253,078
Orgnizational Support	26	3,680,972
Agriculture	37	4,178,446
Health	53	6,372,603
Roads	54	7,795,203
Special Needs Groups	2	107,559
Micro Enterprise Development	16	11,768,458
Small Enterprise Developmen	11	4,301,992
Cultural Heirtage	22	1,646,760
Water	256	23,935,466
Cash for Work	374	47,027,048
Business Development Survices	8	17,700,169
<b>Total</b>	<b>999</b>	<b>138,992,413</b>

**Completed, under implementation, approved projects, estimated and contractual cost, SFD contribution, estimated beneficiaries, temporary employment for the period ( 2015 - first quarter 2019), by sector**

Sector	No. of Projects	Estimated Cost (%)	Est. SFD Contribution (\$)	Contractual Cost (USD)	Direct Beneficiaries		Expected Indirect Beneficiaries		Total Estimated Temporary Job Opportunities
					Total	Females	Males	Females	
Environment	104	14,533,804	14,033,804	10,355,111	339,067	50	13,060	13,312	826,548
Integrated Intervention	2	151,000	151,000	112,718	5,475	53	200	0	2,523
Training	32	2,358,019	2,358,019	1,685,854	4,670	46	3,395	3,393	41,066
Education	131	17,499,927	17,499,927	10,028,087	106,577	56	38,381	42,162	868,604
Organizational Support	72	13,813,683	13,525,683	11,753,434	690,671	50	181,372	175,604	381,186
Agriculture	154	19,487,201	19,487,201	18,780,743	157,701	44	5,064	3,408	1,175,066
Health	159	64,759,335	64,376,124	58,569,840	649,754	60	334,604	3,523,558	1,694,896
Roads	125	20,833,203	20,833,203	19,026,719	421,308	50	0	0	856,591
Special Needs Groups	2	111,018	111,018	107,559	0	0	0	0	560
Micro Enterprise Development	31	23,126,651	23,126,651	22,035,331	73,140	47	212,070	194,232	92,704
Small Enterprise Development	18	6,636,370	6,636,370	6,130,903	7,792	45	25,530	21,216	22,512
Cultural Heiritage	42	6,252,956	6,252,956	5,760,375	30,068	50	53,685	36,916	228,651
Water	433	49,356,806	49,327,781	39,683,095	770,326	50	682	738	2,744,053
Cash for Work	536	78,669,669	78,669,668	73,842,643	622,693	50	206,705	216,419	5,536,631
Business Development Services	12	23,399,812	23,399,812	22,295,063	24,696	36	50,330	403,680	683,428
<b>Total</b>	<b>1,853</b>	<b>340,989,454</b>	<b>339,789,217</b>	<b>300,167,474</b>	<b>3,903,938</b>	<b>52 %</b>	<b>1,125,078</b>	<b>4,634,638</b>	<b>15,155,019</b>

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

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

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

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

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

