

EDITORIAL

The end of this reporting period marks one year since the conflict in Yemen has exacerbated adding fresh humanitarian needs that dramatically have increased the vulnerability and poverty of the Yemenis. The expanding war has made the adequate response to the increasing needs a substantial challenge in light of the continuing funding shortfall.

Amid insecurity and the increasing needs and numbers of the poor and affected communities, the SFD is still keen to cope with the humanitarian developments by adapting its policies and priorities in consistence with the type of needs and target locations. These actions intended to secure new sources to enable the affected communities to keep resilient to the conflict impact.

Despite its response in several areas focusing on creating job opportunities and generating income to the poorest people through labor-intensive projects in addition to water interventions that respond to the prevailing needs. The SFD also continued to encourage and guide the help-self initiatives, which the Empowerment for Local Development program has ignited for dozens of affected communities.

The SFD is still largely depending on its own resources in order to continue protecting the conflict-impacted communities. And the sustainable modes are being used in order to enable the local communities to stay in their areas and prevent displacement.

During 2015, the SFD approved 55 projects costing \$10 million despite the critical security and economic conditions. It was able to complete 625 projects at a contractual cost of \$102 million (including projects started in previous years) that generated over 4 million workdays.

Given the Yemenis' inability to further adapt to the crisis impact, after most of them lost their sources of living and they spend more than the income they earn, the SFD needs international funding to mitigate the war's expanding impact and prevent further deterioration.

PROVIDING VOCATIONAL TRAINING TO AL-HUDAIDAH RURAL FEMALES

The Vocational Literacy Program (VOLIP) has launched a two-month training course targeting young unemployed women in sewing, tailoring, women beautification, hairdressing, and incense and perfume making in Al-Hudaidah Governorate.

The course has targeted 248 rural women from the districts of Al-Zaidia, Al-Luhayah, Bajel, Al-Marawe'ah, Zabid and Al-Sukhnah. The participants attended a number of theoretical and practical lectures on advanced levels of the mentioned fields. The course aims to provide trainees with sustainable vocational skills to enable them to join the labor market in order to reduce poverty and improve their household income.

VOLIP aims to alleviate poverty by training the unemployed youth of low or medium educational levels, with 60% of participants being women. The program enables everyone to open his/her own businesses and help them improve their living conditions. The SFD attention to women comes within its efforts to promote rural women empowerment and to make them an effective element in society.



SFD-SUPPORTED CASH-FOR-WORK PROJECTS CONTINUE TO HELP SOCOTRA VILLAGERS

The Governor of the Governorate Socotra Archipelago, Salim Abdullah Al-Soqatri, and local officials met the Manager of SFD's Hadhramaut Branch Office, Mohamed Al-Dailami, and discussed details of the SFD ongoing Cash-for-Work and other infrastructure development projects in the governorate.

Al-Dailami noted that the Cash-for-Work program has targeted 15 villages at a total cost of YR114 million and are expected to benefit 566 poor families. The support is designed to help the beneficiary communities adapt to the current crises and be resilient to future crises and climate change.

The projects have comprised various interventions including building rainwater harvesting tanks, planting palm seedlings, digging or rehabilitating water wells. They aim to provide the poor with cash to respond to the economic and security shocks and climate change as well as with the infrastructure needed by the community.

The SFD is implementing a cash-for-work project in Socotra Island Governorate giving particular attention to environmental preservation considerations and safe disposal of waste.

SECTOR ACTIVITIES

EDUCATION

During the quarter, 18 projects have been approved at an estimated cost of approximately US\$3.5 million. The number of the direct beneficiaries is expected to reach 9 thousand people (85% female), and the temporary job opportunities expected to be created amount to more than 148 thousand workdays.

The grant of the Dutch Government for girls' education and the funding of the Islamic Bank for Development for vocational literacy have both funded these approved projects. These projects have focused on educating students on nutrition and reproductive health, facilitating access to non-formal education services, and training unemployed males and working women (in several governorates).

During the quarter, SFD has completed 26 projects at an estimated cost of \$4.2 million. This brings the total cumulative number of completed projects (1997 - end of March 2016) to 4,831 projects at a total contractual cost of US \$571.5 million.

Most of the completed projects have focused on the construction, rehabilitation and furnishing of a number of schools, training and awareness, training of female trainers, the establishment of rural girls development centers, supporting existing centers, and furnishing and equipping a number of administrative offices' Literacy and Adult Education.

As part of the Vocational Literacy Program (VOLIP) activities, which are being implemented by SFD in Al-Hudaidah, Lahj, Sana'a and Hadhramaut (in Al-Mukalla City) governorates, the SFD has carried out a number of courses to train over

800 unemployed males and working women on a number of income-generating skills. These include sewing and dress designing, women and bride beautification, incense, perfume and henna making, pastries and cake making, computer, internet and printing skills, vehicle-engine mechanic skills, carpentry, electrical wiring and maintenance of mobile and tablet sets.



Training of facilitators on nutrition and reproductive health in Al Hudaidah

Education Indicators

Results Indicators	as of 31 March 2016	Phase IV Targets	
# of classrooms	Constructed	6,396	
	Rehabilitated	2,894	
	Total classrooms	9,290	9,000
# of pupils benefiting from space created by newly constructed gender disaggregated classrooms	Boys	140,620	201,600
	Girls	115,220	158,400
	Children with S.N	6,877	5,000
# of formal education teachers trained	Males	232	100
	Females	226	100
# of non-formal education teachers trained	Males	30	1,000
	Females	2,688	
# of non-formal education teachers qualified	Females	471	200
	Males	1,023	782
# of educational professionals trained	Males	594	600
	Females	594	

HEALTH

The total cumulative number of the sector's projects amounts to 1,217 at an estimated cost of nearly \$108.6 million, with the number of direct beneficiaries expected to reach 8 million people (64% female) and employment opportunities generated to amount to about 2.3 million work days. Of those projects, 1,116 have been completed at a contractual cost exceeding \$70.7 million.

Under the Reproductive Health Services Enhancement Program, which aims to reduce the mortality and morbidity of mothers and newborns, SFD has completed 4 projects in Al Hudaidah Governorate, with three projects focusing on supporting infrastructure. The projects, targeting about 21,275 people, have built, equipped and furnished centers for basic obstetric emergency departments in Al-Luhayah, Al-Jarahi

and Al-khookha Districts. The fourth completed project aimed at building, equipping and furnishing the Motherhood and Childhood Center in the Mughtarbin neighborhood in the Al-Hali District, so the center can provide reproductive health services and relative health care for mothers and newborn, which are highly demanded during the current precarious conditions.

In Seyoun District in Hadhramaut Governorate, the SFD team carried out ten-month capacity-building activities, with 8 male and female nurses working in Seyoun Hospital trained. The activity responded to the hospital's high need of physical therapy training in order to provide appropriate services. The team also trained a physician on key skills related to the provision of relevant therapeutic services.

Health Indicators

Results Indicators	as of 31 March 2016	Phase IV Targets
# of health facilities constructed or renovated and equipped	102	100
# of health facilities furnished and equipped	69	50
# Community Mid Wife's trained	2,058	2,000
# of Community Mid Wives qualified		240
# of Primary Health Care personnel trained	Males	1468
	Females	901
# Primary Health Care qualified	Males	271
	Females	224



Training of medical assistants in Dhamar

SPECIAL NEEDS GROUPS

The total cumulative number of projects amounts to 718 at an estimated cost of nearly \$38 million, with the number of direct beneficiaries expected to exceed 184,600 people (39% female) and employment opportunities generated to amount to about 864,313 workdays. Of those projects, 695 have been completed at a contractual cost approaching \$28.2 million.

Inclusive and special education

The SFD completed three projects aimed at rehabilitating and integrating 127 children with hearing and visual disabilities in public schools. The first two projects aimed to enhance visual impairment program in public schools in the governorates of Ibb and Hadhramaut through the training of 90 social workers and teachers from 30 schools in the districts of Al-Zihar, Jiblah and Al-Mashanah in governorate of Ibb on the concepts of visual impairment, optometry and methods of prevention of disability, the referral system, and methods to deal with the visually impaired, as well as the implementation of an awareness campaign and optical scanning for students in targeted schools and medical examinations and the provision with visual aids to 325 students who are suffering visual problems.

The objective of the third project was to support the educational program of the Amwaj Al-Ata Association for mental disability in DhiSufal District in Ibb Governorate, through the training of 15 teachers on methods of teaching the mentally disabled, Portage, case study, preparing individual plans and basic skills.

Community-based Rehabilitation

The SFD has completed two projects. The first one conducted a rapid survey on the persons with disabilities (PwDs) living in Jiblah, Al-Dhihar and Al-Mashanah districts of Ibb Governorate. The survey identified the density of the PwDs in the target area and respective reasons. The survey included the training of 60 surveyors and a workshop that published and disseminated the survey findings.

SPECIAL NEEDS GROUPS Indicators

Results Indicators		as of 31 March 2016	Phase IV Targets
# of Children with special needs integrated in Ordinary schools	Boys	3,223	2,500
	Girls	3,654	2,500

WATER AND SANITATION

Activities in the water and sanitation sectors included:

Water Sector

Due to fund shortage problem SFD is passing through since 2015, only one project was approved during the first quarter 2016. Accordingly, the cumulative number of projects reached (since 1997 up to 31 March 2016) 2,301 projects and the total

The second project supported the training of 25 workers of the community-based rehabilitation committee members in the Community-based Rehabilitation Program in Al-Qaeda City (Ibb) on management, accounting, early detection and developmental delay, Portage, supporting the program office with administrative equipment and basic tools for physiotherapy, and a preliminary survey on disability for 1,437 children and medical examinations for the positive cases.

Early Childhood Development

The SFD focuses on early childhood as this age is important for the child development and growth and the development of his character through a number of diverse activities that develop early childhood from multiple sector services (education and healthy).

Under this program, the SFD team has completed a project to enhance the educational program of the Al-Tumouh Association for People with Intellectual Disabilities in Ibb City. The project trained 38 workers of the association on disability early detection, Portage, case study, and the basic skills.

Protection

The team completed a project that aimed to support the FajrAlamal Orphanage in Al-Qaidah City of DhiAlsufal (Ibb). The project targeted 64 orphans and 10 workers through employee training on alternative service concepts, psychological support, funding mobilization, marketing, community-based integration, equipping the orphanage with outdoor entertainment tools for the client children.

Institutional building

The SFD has completed a project that aimed to train 27 workers and members of the CSOs working in the field of disability in Ibb Governorate. The activities focused on communication and funding mobilization.

estimated cost is \$431 M (including communities' contributions, which reached \$219 M). The expected number of direct beneficiaries is 4.14 persons (half of them are females) and the number of short-term job opportunities expected to result out of these projects is 9.1 million workdays. Out of the cumulative projects, 1999 projects are completed with total disbursement \$153.8 M (SFD's contribution only).

Below are the details of achievement during this quarter in each sub-sector:

In rain water harvesting (Public covered cisterns), one project was completed in Al-Harabiya Village of Bani Ali Sub-district (Arhab District, Sana'a Governorate) containing one cistern with storage capacity 1,000 m³. SFD's contribution in this project is \$87,418 to serve 337 persons, and 1,491 workdays resulted out of this project.

Within rooftop rain water harvesting, 36 projects have been completed containing 4,326 cisterns with total storage capacity 210,701 m³ and SFD's and communities' contribution amounts

to \$3.67 M and \$10.6 respectively to serve 42,341 persons. The number of temporary jobs created reached 200,490 workdays.

For underground water projects, seven projects have been completed containing 7 distribution tanks, 6 pumping units, 93,199 m pipelines and 1,321 house connections to serve 8,591 persons. The total SFD's investment in these projects is \$1.38 M creating 92,234 workdays.

Coordination with partners: The Water and Environment Unit continues its participation in the monthly WASH cluster meetings and keeps the WASH cluster updated with SFD's activities through submitting monthly reports.

Water Indicators

Results Indicators	as of 31 March 2016	Phase IV Targets
*Water access: Number of people provided with access to improved water sources	824,559	646,000
Storage capacity for improved water (m ³)	3,118,810	2,240,000
Storage capacity for unimproved water (m ³)	1,838,602	1,690,000

Sanitation Sector

Due to fund shortage problem SFD is passing through, no project was approved during this quarter; hence, the total number of cumulative projects in this sector remains as stated in the previous quarter, i.e. 413 projects with total estimated cost \$46.1 M serving 3.63 million persons (half of them females) and temporary jobs created 679,724 working days. Out of those cumulative projects, 368 projects are completed with total investment is \$24.8 M to serve 3 million persons.

The sector comprises Wastewater Management, Solid Waste Management and Training & Awareness. Within the latter, 9 projects were completed with total cost \$85,474 targeting 49,450 persons and creating 1,617 workdays. These projects aim to change behavior in using latrines, hand washing, and water treatment at the point of use and the approach used to convey these messages is community-led total sanitation.

Shibam Hadhramut Infrastructure Project: This project, costing \$5.2 M, aims to protect the historical city of ShibamHadhramaut and its high-rise mud buildings from the damages caused by leaking water and sewerage networks as well as eliminating the view distortion caused by overhanging cables of electricity and telecommunication networks.

As a result of the war that erupted in March 2015 and funding shortfall, the work stopped in March 2016 at accumulated achievement in all components of about 96.3%.

The project has trained 147 local contractors in several relevant fields, and the trained contractors are now qualified to implement infrastructure projects for historical cities at the national, regional and international level. The amount of investment in labor wages is \$3.8 M and the number of temporary jobs created reached 231,325 workdays.

Sanitation Indicators

Results Indicators	as of 31 March 2016	Phase IV Targets
Sanitation access: Number of people provided with access to improved sanitation	246,044	265,000
*Number of SFD-supported Open Defecation Free communities	782	240

AGRICULTURE AND RURAL DEVELOPMENT

The total cumulative number of projects amounts to 462 at an estimated cost of nearly \$58.4 million, with the number of direct beneficiaries expected to reach 468 thousand people (45.5% female) and employment opportunities generated to exceed 1.4 million workdays. Of those projects, 363 have been completed at a contractual cost of about \$25.8 million.

In Water for Agriculture, the SFD has completed a multi-purpose water barrier in Gardan area of Shabwah Governorate at a storage capacity of 9 thousand cubic meters, benefiting 2,800 people. However, there are still 29 projects under implementation (completion delayed due to the current conditions) at a total estimated cost of approximately \$9.9 million expected to benefit nearly 66,250 people. In addition, there are 8 approved projects at an estimated cost of \$2.1 million to benefit about 12 thousand people (they have not been started due to shortfall of funding). With regards to supporting Agricultural and Livestock activities, given the scarcity of funding and the current conditions, 20 projects are still under construction at an estimated cost of \$1.2 million, as well as two approved projects at a cost of \$46 thousand to benefit more than 15,770 farmers.

The Pilot Credit and Saving Program: This program aims to encourage savings and investing these savings in self-run

activities, stimulate savings-and-borrowing culture as well as self-reliance among rural communities, introduce new practices for the low-income people and establish small income-generating projects.

Overall, 202 savings-and-lending groups have been established, with the number of members reaching 6 thousand (of both sexes). During the quarter, office and field follow-up of the groups have been conducted. For this purpose, a team comprising SFD's Small and Micro Enterprise Development and the Agriculture Units as well as lending institutions was formed to carry out field visits to 14 groups randomly selected in Al-Mahweet and Al-Hudaidah Governorates. The visits revealed all the groups are still working, with some carrying out lending activities serving development projects.

Beekeeping program

The quarter witnessed the implementation of 15 training courses in the basics of beekeeping. This activity comes under the project of training 400 rural beekeepers in Al-Asha and Sawyer Districts, Amran Governorate.

Agriculture Indicators

Results Indicators	as of 31 March 2016	Phase IV Targets
Storage capacity of water for agriculture and livestock use (m ³)	3,695,018	3,000,000
Total potential area of land to be irrigated by water sources (Hectare)	998	2,000
Total area of rehabilitated agricultural land and terraces (Hectare)	318	600



Water for agriculture in Jabal Ras district – Al Hudaydah

TRAINING & ORGANIZATIONAL SUPPORT

Interventions in Training and Organizational Support Sectors aim to provide services through training and building human capacities for SFD partners whose activities are linked to SFD objectives represented by local development and poverty reduction.

The total cumulative number of the Training Sector projects reached 1,049 at an estimated cost of nearly \$27.8 million, and direct beneficiaries expected to be about 163,600 persons (38% females), while created job opportunities expected to approach 405,500 workdays. Of these, 956 projects have been completed at a contractual cost of about \$14.8 million.

The total cumulative number of the Organizational Support Sector projects reached 660 at an estimated cost of nearly \$41 million, with direct beneficiaries expected to be about 836,550 persons (47.6% females) and created job opportunities expected to approach 925,632 workdays. Of these projects, 597 have been completed costing more than \$20.6 million.

Empowerment for Local Development (ELD) Program

The quarter witnessed the implementation of several ELD costing a total of about 1.3 billion Riyals. These include Self-help Initiatives and relief works.

Self-help Initiatives: About 91 initiatives were implemented with a total cost of 25.83 million Riyals. These initiatives include improving and paving roads, building roads leading to villages, constructing water tanks, cleaning ponds, adding and maintaining classrooms, opening literacy classes, digging potable water wells, establishing solidarity funds, constructing WCs in mosques.

Also, 110 relief works have been carried out, costing about 716.34 million Riyals. They included inventory and data collection about the internally displaced persons (IDPs) and distribution of food baskets. Also, SFD participated in the works/activities implemented by other agencies (WFP, CARE, OXFAM), with the number of these activities reaching 73 and costing 278.6 million Riyals. They consisted of works co-implemented by development organizations and community structures in the fields of roads and community-led total sanitation.

NGOs

The SFD has carried out an assessment of organizations, individuals and community structures (such as development committees) and their work. In addition, the SFD followed up with the activities of non-governmental organizations that had been supported by the SFD. The assessment and follow-up revealed that these NGOs contribute to providing relief and development services. For instance, Marib Dam Association has distributed lodgings/shelter materials for families displaced in Marib Governorate, in addition to the implementation of the emergency response project and sanitation Al-Baidha Governorate.

Similarly, Aden Spring Association, which had been trained by SFD's Aden Branch Office, has constructed small stations

containing large coolers for free water in Aden and Lahj Governorates. Moreover, SFD – with support from the Kuwaiti Al-Najat Association – has equipped the library of Al-Aidarous School (in Seera District, Aden Governorate) for developing the students' innovative capacities and encouraging reading.

Rural Advocates Working for Development (RAWFD) Program

The SFD continued to follow up with RAWFD graduates, and found that some graduates obtained short- and long-term work opportunities with a number of national and foreign civil society organizations working in the country. The follow-up also revealed that some graduates have volunteered to carry out initiatives related to establishing charitable associations, providing support and assistance to sick people and contributing in helping the IDPs.

Training & Organizational Support Indicators

Results Indicators	as of 31 March 2016	Phase IV Targets	
Number of active village councils in pilot areas	3990	1,500	
Number of people trained in RAWFD, M&E, participatory methods, planning or other strategic information management disaggregated by:	Male	887	2,500
	Female	702	1,500
Local Authority members trained on LED program	4,893	1,500	
Number of SFD consultants trained	6,482	3,000	
Number of NGOs supported	55	90	
Number of local authorities supported	50	90	
Number of Community-Based Organizations formed and trained	1,832	2,500	

The Integrated Intervention Program (IIP)

The total cumulative number of the IIP projects amounts to 339 at an estimated cost of nearly \$31.6 million, with the number of direct beneficiaries expected to reach 316 thousand people (51% female) and employment opportunities generated to exceed 784,200 workdays. Of those projects, 252 have been completed at a contractual cost of about \$15.3 million.

During the quarter, the SFD has communicated with IIP officers in the branch offices to follow up their work in the sub-districts, report about the activities they implemented and prepare reports related to the Program. The SFD has also followed up with the implementation of economic and agricultural activities concerning animal wealth and beekeeping in the two sub-districts of Bani Nashr (Hajjah) and Wade'a (Amran). Furthermore, in these sub-districts, in addition to Al-Mateena Sub-district (Al-Hudaidah), the SFD has followed up with the IIP development committees (DCs), which the SFD had also supported. The SFD found that these DCs have actively contributed to relief and sheltering works as well as in implementing development activities. These include enlisting of the IDPs and submitting the IDPs' registers to CSOs and Local Councils as well as supporting & assisting the IDPs and enlisting poor families affected by the events overwhelming the country.

Also, in Al-Mateena, piloting the solar power and the protected-agriculture system has been initiated along with the treatment of animals by veterinarians and the final handover of a school. Moreover, the DC in Wade'a (Amran) has constructed 2 water tanks in cooperation with local villagers.

Similarly, in Meifa'a Broum (Hadhramaut) the SFD found the salt pits being maintained and re-used by women working in this activity.

Integrated Intervention Program Indicators

Results Indicators	Completed as of 31 March 2016
Education: Number of classrooms	75
Water: Storage capacity (m ³)	39,150
Water: Rehabilitated wells	74
Water network (m)	
Health units	3
Roads (km)	17
Number of female students in women literacy classes	2200
Number of individuals trained in agriculture, animal production, health, handicrafts, education, etc)	1506
Members of committees trained (male/female)	554



Community mobilize by IIP in Athloth, Wisab Al-ali – Dhamar

CULTURAL HERITAGE

The total cumulative number of the sector's projects amounts to 285 at an estimated cost exceeding \$66 million, with the number of employment opportunities expected to be generated amounting to more than 2.5 million workdays. Of those projects, 237 have been completed at a contractual cost of nearly \$38.2 million.

Restoration of Al-Asha'er Mosque

Al-Asha'er Mosque in the historic city of Zabid (Al-Hudaidah Governorate) is one of the oldest and most important Islamic

archeological and architectural monument in Yemen. It was founded by the Companion Abu Musa Al-Asha'ari in the 8th Hegira year (7th AD century). The building and its annexes have been subjected to urban encroachment and significantly damaged. Therefore, SFD decided to carry out restoration intervention to save this important archaeological monument. During the first quarter of 2016, SFD approved a project to continue to support the restoration works of the mosque at a cost of \$194 thousand.

Cultural Heritage Indicators

Results Indicators	as of 31 March 2016	Phase IV Targets
Master builders trained \gained skills	1,285	510
Professionals trained & gained skills (Architects\ Archaeologists\ Engineers)	297	190
Number of sites and monuments documented, /conserved	50	50

LABOR INTENSIVE WORKS PROGRAM

LIWP comprises projects under the Cash-for-Work Program and Roads Sector.

Cash-for-Work (CfW) Program

During the quarter, 10 projects have been approved at an estimated cost exceeding US\$2.4 million. The number of the expected direct beneficiaries approaches 14 thousand people (50% female), and the temporary job opportunities expected to be created amount to nearly 166 thousand workdays.

Cumulatively, the total number of projects (1997 – end of March 2016) amounts to 839 worth nearly \$174 million, expected to directly benefit about 1.3 million people (49% female), while the total temporary job opportunities generated approaching 102.4 million workdays. Of these projects, 636 were completed at a total contractual cost of \$102.4 million.

As of the end of March 2016, the program's projects have benefited more than 0.2 million households.

During the first quarter 2016, the program's team held a meeting with the Emergency Committee of Sa'adah City, the director of the District of Sa'adah City, the local council and the director of the Ministry of Planning and International Cooperation in Sa'adah, in addition to further meeting with the People of Sa'adah Governorate Association that discussed the possibility to employ the poor and displaced families from the different

districts of Saada governorate in a service project, such as paving roadsides, completing the walls and removing the solid waste.

The team also held meetings in the SFD branch offices of Sana'a, Ibb and Dhamar with 25 civil society organizations to build their capacities in order to work with the program in the training of beneficiaries on life skills. Other workshops in the branches of Aden, Al-Hudaidah and Amran built the capacities of 56 engineers and resident technicians, who worked with in the program projects, in the areas of field management, project implementation mechanism, engineering supervision and follow-up. The participants presented the lessons learned in the previous projects.

Other meetings targeted the directors of the districts of Al-Jaafariah and Kusmah (Raymah), Hays, JabalRas and Bait Al-Faqih (Al-Hudaidah). The meetings presented the program's objectives and implement mechanism of the LIWP projects that will be implemented in their areas in order to ensure that the local authorities would be active partners to help address any challenges that might arise during the project implementation.

In Amran governorate, the program team trained community committees of four projects in Beit Al-Urry / Jabal Eyal Yazid + Qef and DhuHadian / Al-Ashah + Al-Qamhi / Shaharah. The training sessions built their capacities on the LIWP implementation mechanism and skills related to their assigned



Cash for Work

tasks during project implementation. Another induction meeting with the local authority of Socotra Archipelago Governorate introduced the LIWP's mechanisms in selecting the beneficiary communities and project implementation mechanisms.

The SFD (with support of CSOs) launched a training session on life skills and awareness of the risks of malnutrition and Qat chewing as part of the Rehabilitation and Protection of Irrigation Canals and Rainwater Harvesting Tanks in Radkhain group of villages in Rid WaQosaiar district (Hadramaut) and the Construction of Water Tanks and Digging and Rehabilitation of Wells and Reclamation of Agricultural Lands for Sarhain and Awrah villages in Hadibo district (Socotra).

The training benefited 324 persons including females. It also launched voluntary works in constructing water reservoirs, digging and rehabilitating wells and reclaiming agricultural land in the last two villages. In these works, the population and the trainees, under the supervision of the SFD community and technical officer and a local CSO, cleaned the coastal line

of Sirhin area of plastic waste and waste collection points and moving them in bags to the appropriate dumping areas.

The LIWP teams also conducted several workshops in Socotra Archipelago and Taiz governorates targeting engineers, accountants and community consultants in community outreach teams. The events informed them of the updates adopted in the LIWP implementation mechanism. They also built their capabilities in field management, engineering supervision mechanism and follow-up.

The SFD participated in a meeting with UNICEF to discuss the criteria of the selection of CfW beneficiary households in Al-Muthaffar and Al-Qaherah Districts (Taiz).

Rural Roads

During the quarter, SFD has not approved any project; yet, SFD has completed the implementation of 4 projects at a cost of \$0.8 million. This brings the total cumulative number of completed projects (since 1997) to 744 at a cost of \$136.7 million approximately.

Cash-for-Work (CfW) Program Indicators

Results Indicators	as of 31 March 2016	Phase IV Targets
Number of people directly benefiting from multi-year workfare assistance in rural areas		90,000
Number of people directly benefiting from short-term workfare assistance disaggregated by rural/urban	Rural	900,000
	Urban	416,900
	All	1,119,626
Number of workdays employment created under workfare assistance program for multi-year activities in rural areas		2.625m
Number of workdays employment created under workfare assistance program for short-term activities disaggregated by rural/urban	Rural	13.13m
	Urban	2.64m
	All	11,468,948
Indirect beneficiaries: Number of people benefiting from community livelihood assets	279,906	260,000
Land: Total area of agricultural rehabilitated land and terraces (Hectares)	4,527	4,980
% of resources paid as wages	0.70	60%

Roads Indicators

Results Indicators	Sep. 2015	as of 31 March 2016	Phase IV Targets
Total length of roads improved/built (km)	1,723 ¹⁰	1,194	1,300

SMALL AND MICRO ENTERPRISE DEVELOPMENT (SMED)

The security conditions in Yemen have relatively improved during the reporting period. And its impact on the institutional and financial conditions of the MFIs' institutions and programs has subsided; the improvement has been reflected on the size of repayment of loans, the performance indicators and numbers in general, the credit growth (but slow and cautious), the introduction of new lending products that cope with the these conditions, and the SFD provision with new funds. On the other hand, the current conditions are still affecting and deterring the expansion and proliferation of institutions and programs in order to offer financial services to the owners of income-generating activities. The MFIs continue to plan and take all the necessary financial and administrative procedures that will help cope with the current situation and any possible emergencies.

By the end of March 2016, the MFIs' active loan portfolio rose slightly to YR 6.806 compared to YR 6.741 billion by the end of 2015. This progress shows the fact that the size of this portfolio has stopped from further deterioration. However, the risk ratio increased slightly from 24% to 25.7% due to the rising lending during this period after continuous declines over the past year. By the end of the reporting period, the number of active customers of both sexes declined to around 88,415 compared to 93,199 in the last period, and the number of active savers increased dramatically to 592,541 from 509,590, the matter which reflects the growing interest of the clients to secure their savings under the current situation.

The SMED's performance during the quarter has focused on continuing and completing the implementation of projects planned for the period 2016 – 17, submitting further proposals to the donors in order to activate and revive the microfinance sector in Yemen and help it overcome the negative effects of the crisis. Also, the SFD has launched new initiatives including the establishment of a solidarity fund to recompense the MFIs affected by the events in the country and another one that will cover the risks associated with certain types of loans.

The SMED Unit has also rescheduled the SFD funds allocated for the MFIs, activated the Decent Life initiative and provided some grants related to MFIs' technical support.

Small and Micro Enterprise Promotion Services Agency (SMEPS): The SFD is the prime donor of SMEPS, and it has funded it during the reporting period with YR 125 million (\$500,000) as part of the Islamic Development Bank's value chains project activities.

Azal Islamic Microfinance Program: The SFD with the SOUL Development Organization have signed three agreements to finance the Program's loan portfolio with a total of YR 350 million (\$ 1,432,721) in order to continue its financial services to its clients.

Technical support to develop the MFIs' automated systems: SMED has continued to provide support to Al-Ittihad Microfinance Program in Abyan in order to enable it to re-operate its servers in some of its branch offices. It has also developed the centralization of MFIs' databases in order to keep track of the loan portfolio. Moreover, SMED has developed an automated system for the Guarantee Fund, with SMED's automated system undergoing several upgrades, including the development of loan rescheduling and exemption. Finally, SMED has analyzed its operations manual for the latter to be applied in SMED's automated system.

Field visits to MFIs: The SMED staff has continued to communicate and payfield visits to ensure continuous follow-up on a number of MFIs to discuss current challenges, explore potential opportunities and exchange information as well as to discuss MFIs' funding requirements and to learn from MFIs' experiences in mobile-phone banking services. Finally, an SMED team visited Al-Hudaidah and Al-Mahweet Governorates to assess the feasibility of setting up the savings and lending groups in villages and to be acquainted with samples of the potential target groups.

Al-Awael Microfinance Company (Taiz): Despite the crisis the microfinance sector is experiencing in Taiz City, in light of the aggravating security and humanitarian situation, the Company managed to collect about YR20.25 million in repayment of loans out of a total outstanding loan portfolio of YR 85 million as of 31 March 2015. This is regarded as an exceptional achievement in light of the closure of all foundations and programs that worked in Taiz due to violence.

Yemen Microfinance Network (YMN)

Finance Leasing Product: The Network conducted three seminars that presented the Finance leasing product that the network developed in collaboration with the Global Communities organisation. The implementation of the product will continue to study cases of 100 young men and women in order to understand their needs and attitudes, their relevant tools or equipment and to identify the needed finance products to enable them to start up small projects.

VOLIP project – Phase II: The YMN began the implementation of Vocational Literacy project (VOLIP Phase II), which includes the training and capacity building for the beneficiaries. This phase includes two main components; the first component provides quality training on professions being trained by the training centers accredited by the Ministry of Technical Education and Vocational Training, and the second one provides training on the small businesses and entrepreneurship which the YMN implements.

Number of projects & estimated costs - First quarter, 2016 (by sector)

Sector	No. of Projects	Estimated Cost (\$)	Est. SFD Contribution (\$)	Direct beneficiaries		Temporary Job Opportunities
				Total	Females %	
Training	3	160,266	160,266	150	50	405
Education	18	3,452,743	3,452,743	8,756	85	148,159
Micro Enterprises Development	3	2,562,067	2,562,067	16,568	46	12,354
Water	1	36,000	36,000	637	52	10
Cash for Work	10	2,443,886	2,443,886	13,987	50	165,948
Total	35	8,654,962	8,654,962	40,098	%56	326,876

Number of projects approved and estimated costs- First quarter, 2016 (by governorate)

Governorate	No. of Projects	Estimated Cost (\$)	Est. SFD Contribution (\$)	Percentage (%)
Ibb	1	86,090	86,090	1.0
Socatra	2	235,088	235,088	2.7
Several Governorates	9	5,658,169	5,658,169	65.4
Capital City	1	35,972	35,972	0.4
Al-Baidha	3	75,554	75,554	0.9
Al-Jawf	1	7,487	7,487	0.1
Al-Hudaidah	3	827,427	827,427	9.6
Al-Mahweet	2	32,291	32,291	0.4
Al-Maharah	2	210,588	210,588	2.4
Hajjah	3	74,184	74,184	0.9
Hadhramaut	1	247,000	247,000	2.9
Dhamar	1	138,286	138,286	1.6
Raimah	2	509,481	509,481	5.9
Sa'adah	1	53,422	53,422	0.6
Sana'a	1	40,363	40,363	0.5
Aden	1	40,700	40,700	0.5
Amran	1	382,860	382,860	4.4
Total	35	8,654,962	8,654,962	%100

Cumulative number of completed projects and contractual costs as of the end of first quarter 2016 (by sector)

Main sector	No. of Projects	Contractual cost (USD)
Environment	369	25,000,392
Integrated Intervention	252	15,258,249
Training	956	14,776,205
Education	4,831	571,462,060
Organizational Support	597	20,643,471
Agriculture	363	25,762,965
Health	1,116	70,726,319
Roads	744	136,672,490
Special Needs Groups	695	28,231,661
Micro Enterprises Development	178	29,593,795
Small Enterprise Development	32	6,815,998
Cultural Heritage	237	38,169,692
Water	1,961	150,559,175
Cash for Work	636	102,379,996
Business Development Services	68	9,834,665
Total	13,035	1,245,887,133

Cumulative number of completed on-going & approved projects and contractual est.&confr. costs as of the end of first quarter 2016 (by governorate)

Governorate	No. of Projects	Estimated Cost (\$)	Est. SFD Contribution (\$)	Contractual cost (USD)
Ibb	1,411	203,321,410	169,806,695	143,694,489
Abyan	343	67,666,486	55,918,868	40,543,107
Socatra	54	6,352,214	6,117,509	5,902,604
Capital City	711	108,804,213	103,417,919	88,532,675
Al-Baidha	312	40,053,555	35,570,911	30,580,793
Al-Jawf	160	19,340,879	18,521,478	14,537,087
Al-Hudaidah	1,249	186,126,540	180,623,562	147,375,656
Al-Dhale	295	49,617,730	43,450,925	33,909,096
Al-Mahweet	437	61,183,341	53,460,250	43,723,238
Al-Maharah	109	8,827,398	8,327,642	7,045,631
Taiz	1,807	280,826,743	206,998,003	178,482,937
Hajjah	1,189	167,472,794	149,607,301	119,645,495
Hadhramaut	684	79,436,447	76,808,886	60,247,226
Dhamar	982	132,120,004	104,211,367	92,224,626
Raimah	365	58,197,932	37,131,031	35,584,944
Shabwah	305	33,390,460	32,095,542	27,100,023
Sa'adah	355	56,632,886	55,588,581	48,086,937
Sana'a	544	67,241,630	62,769,030	51,272,823
Aden	326	48,373,760	45,827,504	36,519,763
Amran	931	126,451,101	112,298,575	94,707,576
Lahj	730	118,658,257	89,526,155	75,374,943
Mareb	129	12,095,465	11,538,118	10,229,603
Several Governorates	1,299	126,706,266	124,924,763	84,789,118
Total	14,727	2,058,897,513	1,784,540,616	1,470,110,388

**Cumulative number of completed projects and contractual costs
as of the end of first quarter 2016 (by sector)**

Main sector	No. of Projects	Estimated Cost (\$)	Est. SFD Contribution (\$)	Contractual cost (\$)
Environment	411	46,013,381	39,691,148	35,391,146
Integrated Intervention	339	31,588,005	26,252,217	19,606,943
Training	1,049	27,757,223	27,718,622	17,188,643
Education	5,295	766,203,933	741,446,572	623,429,689
Organizational Support	660	40,973,573	38,232,459	22,343,546
Agriculture	462	58,398,627	53,738,044	36,223,753
Health	1,217	108,592,309	105,777,906	85,131,517
Roads	845	193,453,046	187,309,383	155,748,630
Special Needs Groups	718	37,945,828	37,191,932	29,286,966
Micro Enterprises Development	198	50,489,252	50,326,150	36,889,997
Small Enterprise Development	33	8,982,031	8,981,031	6,945,998
Cultural Heritage	285	66,019,877	65,280,471	52,586,731
Water	2,294	430,568,037	211,524,374	192,459,968
Cash for Work	839	173,882,246	173,040,164	141,080,846
Business Development Services	82	18,030,143	18,030,143	15,796,013
Total	14,727	2,058,897,513	1,784,540,616	1,470,110,388

Cumulative number of projects, commitment, beneficiaries and temporary employment as of the end of first quarter 2016 (by sector)

Sector	No. of Projects	Estimated Cost (\$)	Est. SFD Contribution (\$)	Contractual cost (USD)	Expected direct beneficiaries		Expected indirect beneficiaries		Total estimated employment (workdays)
					Male	Female	Male	Female	
Environment	411	46,013,381	39,691,148	35,391,146	1,811,807	1,806,736	205,476	203,002	1,385,173
Integrated Intervention	339	31,588,005	26,252,217	19,606,943	154,334	161,462	110,961	114,028	784,207
Training	1,049	27,757,223	27,718,622	17,188,643	101,538	62,038	446,669	478,113	405,500
Education	5,295	766,203,933	741,446,572	623,429,689	1,547,095	1,322,868	1,919,023	1,631,966	25,121,678
Organizational Support	660	40,973,573	38,232,459	22,343,546	438,695	397,854	326,384	290,609	925,632
Agriculture	462	58,398,627	53,738,044	36,223,753	255,154	212,634	470,069	368,395	1,428,257
Health	1,217	108,592,309	105,777,906	85,131,517	2,858,109	5,011,114	905,515	1,756,137	2,299,513
Roads	845	193,453,046	187,309,383	155,748,630	2,225,326	2,202,830	844,758	835,484	8,951,326
Special Needs Groups	718	37,945,828	37,191,932	29,286,966	112,070	72,549	68,482	52,431	864,313
Micro Enterprises Development	198	50,489,252	50,326,150	36,889,997	80,562	332,397	508,715	1,377,578	185,691
Small Enterprise Development	33	8,982,031	8,981,031	6,945,998	18,434	22,101	60,129	44,866	17,828
Cultural Heritage	285	66,019,877	65,280,471	52,586,731	210,865	185,038	109,306	83,393	2,514,479
Water	2,294	430,568,037	211,524,374	192,459,968	2,038,356	2,055,464	160,002	140,633	8,847,681
Cash for Work	839	173,882,246	173,040,164	141,080,846	658,538	641,523	991,111	1,043,679	14,822,440
Business Development Services	82	18,030,143	18,030,143	15,796,013	67,813	26,942	97,017	69,619	3,757
Total	14,727	2,058,897,513	1,784,540,616	1,470,110,388	12,578,696	14,513,550	7,223,617	8,489,933	68,557,475

* The total includes 219 projects with no funding

Cash for work in Razih secures water, food, work and other benefits

Poverty dominates 91% of the population of Althawahir and BaniHudhaifah villages, on mountains of Razih district (Sa'adah Governorate). The people there lack sustainable sources of income. The area has still been suffering impacts of several climatic, political and economic shocks making it severely vulnerable while surrounding mountains restrict their movement for displacement or livelihood. The SFD targeted the area with a cash-for-work project in order to increase the people's resilience to adapt to impacts of the shocks.

Poverty has deepened here due to the last six wars in Sa'ada and drought, triggering food insecurity and drop in the number of livestock. And the people remain jobless after their livelihoods have been perished. The local people also suffered lack of drinking water, and women crossed a rugged and long road in order to fetch 20 litres of water. Saleh Ali Jaber expresses the suffering, saying, "We were tired to get water. We used to do a one-hour trip to fetch water from the spring. We take a queue as early as 2 pm hours, and each family gets 20 liters. We do not have road and water containers were carried by women and donkeys".

In response to those compounds, hard conditions, the SFD cash-for-work projects intervened engaging the community in building 62 household rainwater collecting tanks, and rehabilitating agricultural terraces of a total area of half a hectare worth a total of \$98,000. Some 459 people in 72 households have directly attained access to drinking water and cereals during rain seasons. Females also were given time access to education.

As a result, SFD has provided temporary income generating employments with a priority for female-headed households in the current critical times across the country. The project generated a total of 20,157 working days, including 2,872 for females.

The project has also indirect benefits. Some participants in the project purchased varied assets for sustainable income generation that secures most basic needs. The 72 beneficiary households purchased 50 goats, 10 calves, 6 sewing machines and 17 rock drilling compressors.

The SFD teams focused on awareness campaigns to encourage beneficiaries to take advantage of their work wages to improve and diversify food and nutrition of their households, as well as to purchase income generating assets for resilience of their families. "I and my brothers benefited from the first payment of wages as we ought food and compressors for rent," said the beneficiary Salih Jaber Qassim. The widow Bahjah Hassan also said "I worked in my water reservoir, and I bought food for my children and two goats".

In addition, 44 participants gained building skills that helped gave them access to the labor market. One of them, Dhaif Ali Jaber said "I learned from the project how to refine stones and how to build. I and my sons built our water tank ourselves, and my son Abdullah learned cutting stone".



SOCIAL FUND FOR DEVELOPMENT

Faj Attan, P.O. Box 15485 Sana'a, Republic of Yemen

Tel +967 (1) 449 669/8 Fax +967 (1) 449 670 Email info@sfd-yemen.org

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