



## Editorial

The SFD continues to scale up its development-emergency response to the nationwide crisis through implementing cash-based interventions to enable the beneficiaries to address their urgent needs and enhance their resilience

These interventions, being multifaceted and neutrally distributed across the country, have contributed to providing wages, generating employment opportunities, developing labor skills and improving the beneficiaries' livelihoods.

The interventions demonstrated robust results and a track record of operation in difficult environment as a result of effective partnership with and strong engagement of communities. Building on the technical experience, capacities and resources has enabled the effective implementation of the response plan innovatively and responsively.

The parallel coordination, oversight and fiduciary mechanisms have enhanced the quality of outcome in addressing emerging situations and humanitarian needs.

However, the SFD still faces shortages in covering the funding gap to further help mitigate the people's suffering and reinforce their resilience.

All these trends and facts are reflected in this newsletter.

## SFD Emergency Response (2015 - March 2019)

<b>Projects developed</b>	1,915
<b>Est. cost (\$)</b>	349,412,013
<b>Exp. direct beneficiaries</b>	3,818,705 (Female %52)
<b>Est. workdays</b>	15,499,150

<b>Projects completed</b>	1,096
<b>Contractual cost (\$)</b>	154,774,575
<b>Actual direct beneficiaries</b>	1,590,713 (Female %50)
<b>Actual workdays</b>	8,454,889

### Yemenis suffer from more burdens as the conflict rages

In the first half of 2019, fighting increased in certain areas of the country causing more casualties and infrastructure damage and triggered new patterns of displacement, aggravating the already stressed humanitarian needs. And torrential rains and flooding affected 80,000 people across Yemen.

The protracted conflict worsened the health and WASH conditions in the country leading to increased caseloads of fatal diseases. Since last January, there have been 439,812 suspected cases of cholera and 695 associated deaths (CFR 0.16 per cent) according to UN reports. Whilst there was a rapid upsurge in the first quarter, the new cases remained stable until mid-May followed with a slight decline in June. As of late June 2019, about 6,000 suspected measles and rubella cases with 44 associated deaths were reported. Reports also spoke of over 3,800 probable diphtheria cases with 214 associated deaths.

Meanwhile, fuel shortages and price hikes were recorded in the northern areas. This disrupted transport networks and access to the basic services and commodities putting further pressure on the already stretched household budgets. Against this backdrop of increasing humanitarian needs, the devaluation of the exchange rate since March 2019, combined with other factors, has posed risks on the families' livelihoods and local economy.

## SECTOR ACTIVITIES



### Education

The SFD continues to pay special attention to the implementation of the VOLIP Program.

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

During the second quarter of 2019, the following tasks were accomplished within the framework of three of the program's components:

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

362 community-education classrooms children (including 289 girls) have been re-enrolled in formal education (first to tenth grade "first secondary school") with the beginning of the new academic year 19/2018 in 3 targeted governorates of the program (Al-Hudaidah, Sana'a and Lahj) after passing the placement exams.

##### Training unemployed youth and working women

Training of 362 beneficiaries of unemployed youth (185 females, 58 males and 119 working women) has been completed, with training topics including sewing, vegetable production in greenhouses, beautification and livestock raising and care (sheep, goats, cows).

#### Education Indicators

Indicator	Achieved (April - June 2019)
Receptients of new jobs in social services	75
Teachers and facilitators trained (Females %54)	-
Students benefiting from cash for social services ( Female %81)	-
Beneficiary schools ( girls schools %12)	7



### Health

The second quarter of 2019 witnessed the completion of 12 projects (in terms of rehabilitation, furnishing and equipping) and 31 projects (delivered to district health offices after completing civil works). These projects, funded under the EU Grant to enhance community resilience, have provided 28,500 workdays for 1,492 workers (including more than 1,000 young workers and 160 IDPs).

#### Community response

**Youth training:** The SFD employs people with background and experience in psychosocial support (PSS), psychology, social work or other related fields to provide basic training for young people to play their role as community educators. This training provides participants with the basic knowledge

and skills on psychosocial impact of crises, guides them to PSS activities and provides them with the skills needed to organize community groups. Twenty-four psychologist consultants have been contracted to prepare training materials for community youth and implement training, in addition to monitoring and evaluating recreational activities and community sessions implemented in the field.

After the implementation of the training, 711 community youth from Abyan, Taiz and Shabwah Governorates (Govs.) were contracted to carry out recreational activities and community sessions periodically, as a kind of community response to relieve individuals from the impact of mental disorders caused by the war, and to create friendly spaces

for games, free drawing and other activities. Children and women are mainly targeted in this regard, as the most vulnerable groups in the targeted communities. An estimated 25 thousand workdays were created, with a budget of 21,330\$.

**School activities:** Schools were provided with recreational bags approved by the Ministry of Education, which assist social workers and classroom teachers who are able to conduct recreational activities aimed at providing PSS and 1,369 resolving conflicts within the school environment targeted 4 schools in 506 recreational kits were supplied to govts. (Abyan, Taiz, Shabwah and Al-Hudaidah). However, the project in Hajjah Gov. is still under implementation.

### Coordination with partners

The SFD (represented by the Health and SNGs Sectors) clusters, viz. 6 participated in the periodic meetings of Health, Nutrition, General Protection, Child Protection, Psychological Support and Mental Health. The meetings aim to exchange experiences and coordinate efforts between national and international agencies working in the mentioned fields. These clusters are supervised by WHO and UNICEF. The SFD regularly attends and effectively participates in such meetings, which discuss the general directions of the partners and the difficulties facing the implementers in the field, in addition to participating in filling the relevant questionnaires and sharing all the literature, information and reports with SFD's staff in the Main Office as well as in Branch Offices.

## Health Indicators

Indicator	Achieved (April - June 2019)
Health facilities constructed/rehabilitated and equipped	8
People benefited from access to health services	253,628
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)	-
Pregnant women and mothers who benefited from the nutrition services	-
Community female mobilizer	-
Children who benefited from the nutrition services	-



## Water, Sanitation and Hygiene

The number of completed subprojects during the quarter has reached 32 subproject, 26 of them are in the water sector for an amount 2.25\$ million and 6 subproject are in the sanitation and hygiene sector for an amount 554,000 \$.

The activities during the quarter include the following:

### Water Sector

The activities achieved:

- 1- Nine subprojects financed by Yemen Emergency Crisis Response Project IV- WB/UNDP for total amount 762,000 \$.
- 2- One subproject financed by Arab Fund Loan for SFD IV at a cost of \$ 65,000.
- 3- Seven subprojects finance by the Embassy of the Kingdome of the Netherlands (EKN) for SFD WASH program Targeting Communities with High AWD/Cholera Attack Rate at a cost of 612,000 \$.
- 4- Three subprojects financed by the Germany Government through KFW Grant for SFD WASH Programme II for an amount 212,000 \$.

5- Five subprojects financed by UNDP Grant for Yemen Emergency Crisis Response Project for WASH for an amount 455,000\$.

6- One subprojects financed by Saudi Fund for Development Grant for SFD 4th Phase for an amount 147,000 \$.

Below are the detailed achievements in each subsector:

#### Rooftop Rainwater Harvesting Cisterns

During this quarter, 15 subprojects were completed for constructing 1,987 cisterns with total storage capacity 46,872, cubic meters costing 1.3\$million. These subprojects created 84,552 workdays and provided water service to 16,790 people.

#### Public Covered Rainwater Harvesting Cisterns:

Two subprojects were completed for constructing covered cisterns of total storage capacity 1,850 m3 for an amount 185,000 \$ with the necessary components such as collecting channels, sedimentation basins and communal taps. These subprojects provided water service to 1,925 people and created 4,015 working days.

**Labor Intensive Water Interventions:**

Nine subprojects were completed, out of them 8 are rooftop rainwater harvesting (cisterns) and one is groundwater based subproject for an amount 761,000 \$. The outputs of these subprojects included 733 cisterns of total storage capacity 13,194 m<sup>3</sup> and rehabilitation of a public water project in Thamud city, Hadhramaut Governorate, providing water service for 9,156 people and creating 57,857 working days.

**Water Indicators**

Indicator	Achieved (April - June 2019)
Number of people provided with access to improved water sources	11,361
Storage capacity for improved water (m <sup>3</sup> )	49,535
Storage capacity for unimproved water (m <sup>3</sup> )	-

**Sanitation and Hygiene Sector:**

Achievement includes the following:

1- Three subprojects funded by the Germany Government through KFW Grant for SFD WASH Programme for a total amount 293,749 \$.

2- Two subprojects funded by Yemen Emergency Crisis Response Project IV- WB/UNDP Grant for total amount 144,218 \$.

3- One subproject funded by the World for an amount 115,745 \$.

Below are the detailed achievements in each subsector:

**Onsite Sanitation:**

Five subprojects were completed included 505 latrines and improving 237 existing latrines, serving 4,873 people and creating 45,667 workdays.

**Wastewater Management:**

One subproject was completed funded by World Bank included sewerage network with a total length 4.2 km, 107 manholes and inspection chambers and 230 house connections serving 3,062 people and creating 2106 workdays.

**Participation in WASH Cluster:**

SFD continues to participate effectively in updating the WASH cluster with SFD interventions and will continue to share information of its intervention so as to avoid any implementation duplication/overlapping. The WASH cluster are using the online monitoring and evaluation tool (activity Info) so as to manage the date of the interventions and analysis the outcomes before they are shared with all WASH-cluster partners. The tool has been used since the beginning of 2019 and SFD has been using it since May, 2019. The delay in use was due to miscoordination of the mentioned activities, which were improved to comprehend SFD's both developmental and emergency interventions. The update for the cluster is based on monthly update and SFD has never failed to share the required data through it ever since.

SFD is also part of the Sanitation Technical Working Group (STWG) and has been an active member in all its activities. The STWG aims to produce a unified sanitation guidelines and manuals in order to be used by all implementing organizations working in the Yemeni context. The outcomes are very promising as the latrine's designs, drawings and BoQs have been agreed upon and will be presented to the cluster SAG (Strategic Advisors Group) to be approved and verified. The chosen latrines were all suitable to the Yemeni context and to the social norms of the Yemeni culture in order to ensure that the latrines are used by the targeted beneficiaries in all Yemen with its different topography and climate. The STWG has also assigned a consultant to conduct market assessments in order to determine the range of material and labor work necessary for the latrine construction to be used in all interventions as a unified cost.

### Training and Qualification of SFD's WASH Staff:

During this quarter, the unit held a training course for a week to qualify WASH officers in using renewable energy (solar energy) as an alternative to diesel engines, in order to operate water pumping systems for under-construction and future projects.

The unit also held at the end of this quarter a workshop for a week to exchange technical and managerial experiences among the headquarter and branch offices where challenges, obstacles and their solutions were discussed in order to complete projects and grants according to their planned schedule.

### Sanitation and Hygiene Indicators

Indicator	Achieved (April - June 2019)
Beneficiaries from access to appropriate sanitation	10,816
No. of latrines created	742
Number of people benefiting from cholera 239,426 preventive measures support	198,525



## Agriculture and Rural Development

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

During the 2nd quarter 2019, three projects were completed in Sana'a Governorate's districts of Sanhan, Al-Hima Al-Kharjiya and Jahana), with the contractual cost amounting to 513,402 USD. The projects aim to create temporary job opportunities for families affected by the war through implementing agricultural activities, such as improving irrigation channels and protecting wadis' edges from the damage of torrents. The rest of the projects are still under implementation.

### II. British Grant Projects for Humanitarian Response

Three projects are still under implementation with a contractual cost of 442,688 USD, aimed at improving irrigation systems, improving the productive conditions of livestock and increasing agricultural productivity. About 3,614 individuals are expected to benefit from these projects (of whom about 980 are females). Also, during this quarter, 8 projects were approved at an estimated cost of 554,200 USD, with most of the activities being in protecting agricultural lands and rehabilitating the entrances of spate irrigation channels. It is expected that about 7,544 individuals will benefit from these projects, of whom about 2,170 are females.

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

The project aims to enhance agricultural productivity to improve agricultural production and contribute to

improving food security in the targeted districts (21 districts of 7 governorates: Hajjah, Sa'adah, Taiz, Lahj, Abyan, Al-Hudaidah and Shabwah).

#### o Water component of agricultural production

During this quarter, 9 projects were accomplished, at a contractual cost of 67,884.5 USD, while 86 projects are still under implementation.

#### o Honey and beekeepers

In this component, projects for training of 700 beekeepers (30 women and 670 men) in 13 districts of the targeted governorates were completed, with the contractual cost approaching 115,460 USD. The projects aim to introduce new techniques and sound bee practices, enhance production and marketing of honey and non-honey bee products and boost beekeeper's capabilities and skills.

### Agriculture and Rural Development Indicators

Indicator	Achieved (April - June 2019)
Households supported with cash	1,822
Host households supported with cash	866
Displaced households supported with cash	25
Protected, irrigated and reclaimed agricultural land (ha)	192
Storage capacity (m3 )	11,314
Beneficiaries from the service	3,039
Total area of rehabilitated agricultural terraces (ha)	-
Rainwater harvesting cisters	-
Workers	3,506
Female workers	384
Workdays	92,753
Workdays (female)	6,424

## 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 quarter the following activities were implemented :

### Empowerment for Local Development Program:

About 1,123 Villages' Cooperation Councils were formed and reactivated, in addition to the formation of 43 sub-district committees in 40 districts of 18 governorates . On the other hand the VCCs implemented 826 self-help initiatives with the estimate cost exceeding 9,2 Million Yemeni Ryals.

In the component Supporting Community Initiatives , within the framework of the ELD Program , SFD supported 621 initiatives with the total estimate cost of about 596,7 Million Yemeni Ryals. This is beside providing work opportunities for about 525 youths (males & females) in community activation , as well as the training of 52 persons from among the Local Authority members in Shares and Wadhra , Hajja governorate, and also the training of 568 females in livelihood skills.

In the field of completing projects' activities related to Implementation Through Local Authorities , SFD provided support to the local authorities in 9 districts for the implementation of one project in the component of recovery services , which followed the completion of 8 development projects that had been implemented through the local authorities as a model within the framework of early recovery plans supported by SFD in various fields. Planning and implementation of such projects is carried out by the local authorities , with direct supervision from SFD.

### Community participation

About 65 community and assessment studies were implemented in accordance with the (PRA) methodology for beneficiaries whose aggregate number reached 96,669 individuals ( including 13,935 females) in the fields of water ( private water reservoirs "siqayat", watersheds , rehabilitation of irrigation canals , and the deepening and expansion of water ponds). sanitation , environmental situation , soil rehabilitation and protection , and reclamation of agricultural lands. In this respect studies and committees' formation were carried out for some sectors under the

supervision and monitoring of training officers in SFD branches.

Also, about 371 members of 62 community and voluntary committees were trained (including 112 females). This is in addition to the implementation of 7 field training courses targeting 195 participants ( including 58 females) from among SFD employees and consultants in the branches of Mukalla, Aden , and Dhamar, in the field of reinforcing the principles of community accountability and complaints' mechanism , as well as the utilization of (PRA) methodology , within the framework of raising the institutional and practical capacities related to SFD.

### Integrated Interventions Program

As concerns the completion of Al-zahra Girls' Primary and Secondary School Project of (Al-qasim, Wadia'ah sub-district , Beni Sureim , Amran ) , practical achievement has reached %70 represented by the complete refurbishment of the ground floor , while the financial achievement reached %50.

On the other hand about 100 private water reservoirs have been approved for Al-athlouth sub-district (Wisab-al-A'ali , Dhamar) which are to be implemented within the framework of SFD's Water & Environment Unit projects .

### Training & Organizational Support Indicators

Indicator	Achieved (April - June 2019)
Community-based initiatives supported and 65 implemented	297
No. of active VCCs during activities implementation	-
Total number of youth trained and secured temporary job opportunity (Female: %50)	1,114



## Cultural Heritage

The implementation of various activities continued during the second quarter of 2019, and a number of projects have completed.

### Paving Bab Al-Qortob

The paving project of Bab Al-Qortob (Zabid, Al-Hudaidah Governorate "Gov.") is of great importance in preserving the location in the southern side of the city. It is also one of the historic gates of Zabid City. As this region was suffering from congestion of rainwater, which leads to a great threat to the fall of the fence and the adjacent monumental buildings, in addition to pollution as a result of mixing water with accumulated waste, which leads to the spread of diseases and epidemics.

Intervention has been carried out by paving the area, removing waste and building the city wall along the pavements (in the context of fencing the historic city of Zabid), and an awareness campaign was launched on the prevention of diseases caused by water accumulation. All five phases of the project have been implemented and activities have been %100 completed, and the project has been received.

### Environmental Improvement Project, Al-Mu'atrid Village (Al-Hudaidah)

The Al-Mu'atrid area (in Rouba' Al-Wadi, Al-Zahra District, Al-Hudaidah Gov.) suffers from a bad environmental situation as a result of the gathering of rainwater in the market area and some streets adjacent to Al-Sharif Mosque and the historical fort of Al-Ashraf, as this leads to the spread of diseases and epidemics (acute watery diarrhea, malaria, etc.) Which in turn affects the health of the residents of the region.

The intervention was carried out by treating rain water drainage in places of congestion and accumulation of water, which includes digging and filling the streets, filling the inner courtyard of the fort, as well as strengthening and protecting the mosque's northern and western facades, and conducting an awareness campaign on the prevention of diseases caused by water accumulation. All activities have been completed and the project has been received.

### Improving and paving the pool of Saddoun (Al-Jubain District, Raimah Gov.)

The people of the villages of Saddoun, Shahet, Al-Haith and Bait Al-Ja'mani were suffering from the scarcity and lack of water necessary for regular household purposes and they

have no water project. The pond carved in the rock on a high plateau, dating back to an ancient period, with a storage capacity of 560 cubic meters, and will benefit the people of the villages mentioned above.

The pond has been expanded by adding walls of stone and qadad in successive historical periods in order to increase the storage capacity of the water inside the pond. This pond suffers from leakage in some of the walls, damage and disappearance of some of the water feeding the pond, and not to use the clean plaster areas well and the absence of sedimentation basins. Intervention has been made to address the infiltration of the pond water by re-repairing the walls according to the traditional, engineering and historical assets appropriate to the historical facility using appropriate materials. In addition to rebuilding and maintaining the feeder water for the pond, building sedimentation basins to increase the purity of the water in the pond, and paving the areas adjacent to the pond to increase the wastewater. All activities have been completed and the project was delivered.

Similarly, the project to improve environment in Martyrs Square vicinity in Zinjibar (Abyan Gov.) has been completed, while and SFD is currently implementing the final stages of the project of paving and improving the square adjacent to Al-Hajar Palace in Al-Houta (Lahj Gov.) as well as the project to improve the environment in Al-Badri neighborhood (Aden).

### Cultural Heritage Indicators

Households supported with cash	Host households supported with cash	Displaced households supported with cash	Storage capacity for water (m3)
1,084	-	58	-



## 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

During fourth quarter of 95 ,2017 projects have been approved at an estimated cost nearly 14.3\$ million, with direct beneficiaries expected to be more than 114 thousand persons (%51 female) and job opportunities 987 thousand temporary workdays. Thus, the cumulative total number of CfW sector projects (1997 - September 2017) reached 1,068 at an estimated cost of 203\$ million and the direct beneficiaries expected to mount to 1.5 Million person approximately (%49 female), generating about 16.6 million temporary workdays. Of these projects, 814 have been completed costing around 148\$ million.

The cumulative number of benefiting households exceeds 357 thousand.



### CFW Indicators

Indicator	Achieved (April - June 2019)
Total number of direct beneficiaries of wage employment (number of workers)	20,888
Female (%30 )	5,373
IDPs/Returnees (%18)	4,461
Youth (%64)	12,090
Number of working days created	594,429
Households benefitting from cash-for-work activities	14,015
No. of household members benefitting from the services	262,297
Area of agriculture land & terraces rehabilitated and protected	311
Irrigation channels constructed/rehabilitated	11,007
Cubic meters of water schemes constructed /rehabilitated	-
Length of roads improved (km)	-
Square meters of stone paved areas	46,280
Number of latrines constructed or rehabilitated	1,152
Number of IDPs houses and shelters protected, improved or rehabilitated	117
Number of home food gardens	611

### Roads sector

During this quarter, 20 projects have been approved at an estimated cost of 3.6\$ million, generating job opportunities exceed 147 thousand temporary workdays.

Thus, the cumulative total number of sector projects reached 870 projects at an estimated cost of 186.2\$ million and the total beneficiaries from the service expected to mount to 4.5 Million person approximately (%50 female), generating about 8.6 million temporary workdays. Of these projects, 789 have been completed costing around 170\$ million.

### Street Pavement

During phase IV, 876 Thousand temporary workdays have been cumulatively generated from completed and ongoing projects of street pavement.

### Main events and activities of Labor Intensive Works Program

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 140 male 63 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 44 male and 17 female consultants.

### Coordination with local communities

Meetings were held with local communities in targeted districts attended 151 members with the aim of involving them in the targeting process and to facilitate implementation of projects.

### Trainings

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, 1,550 male & 191 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, 4,038 male and 2,728 female beneficiaries trained from the cash-for-work projects.

### Health education and cholera

All branches carried out awareness workshops on prevention of cholera epidemic, widespread diseases, qat damage, and improving health and environmental conditions and misconducts that providing healthy environment with a high level of health education. During this quarter, 7,218 male and 5,927 female beneficiaries were aware during the implementation of the projects.

### Occupational safety awareness

All branches held awareness sessions for 9,389 male and 3,140 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 239 labor administrators in most SFD branches to clarify the concepts, standards and implementation mechanism of the program.

### Rural Roads indicators

Indicator	Achieved (April - June 2019)
Total number of people benefiting from cash transfers (# of wage beneficiaries of Safety Net & Community and Local Development programs)	-
Female (%30)	-
IDPs/Returnees	-
Youth: age "16-35"	-
Total number of people provided with access to key services (from all 1,338,552 interventions)	-
Number of workdays created	154,282



## Small and Micro Enterprises Development

### The SMED Unit

#### 1. Funds and grants

Due to increasing demand by SME owners for financial services, and a shortage of funds to meet demand by microfinance institutions (MFIs), SMED has funded both Hadramout MF and Al-Itihad MF programs and Nama MF Foundation for a total of YR 918,000,000 during the quarter. In terms of grants, SMED has provided during the quarter grants to Yemen Loan Guarantee Program (YLG), Al-Itihad MF Program, National MF Foundation and Nama MF Foundation totaling YR 214,223,737. The grants were meant to finance their activities in the field, rural expansion, marketing and promotion activities, and improve governance.

Other grants were also provided amounting to 35,152,734 YER for the formation, training and monitoring village savings and loans associations (VSLAs). The grants were also disbursed to sustain other activities, such as: supporting the expansion of financial and non-financial services in the areas of Integrated Interventions, development of IT systems in MFIs, support of Thimar MF Program, field validations of MFI loans and loans of war-affected clients. The total number of active clients at microfinance banks, programs and foundations at the end of June 2019 has reached 85,097 active clients, of which the percentage of women was %41, totaling YR 15.98 billions.

## 2. Support for war-affected clients (Phase 2)

During the second quarter of this year, 189 clients have been compensated, of which %33 were women, totaling USD 105,000. At the end of June 2019, the cumulative number of beneficiaries supported has reached 4,028, totaling USD 2.2 millions. The project has achieved its target of compensating 4,000 SMEs affected by the War with in-kind grants to re-launch or expand their businesses, and help them restart their activities.

## 3. Support the expansion of financial and non-financial services in the integrated Intervention Areas

During the quarter, SMED has continued its support for the expansion of financial and non-financial services in the integrated intervention areas in the governorates of Dhamar, Ibb, Amran, Lahj and Hadramout by conducting field follow-up visits to evaluate the village savings and loan associations (VSLAs) and their activities. The number of groups formed during has so far reached to 83, comprising 1,947 members (men and women) in the aforementioned governorates. The groups have so far accumulated about YR 20 millions.

In addition, 234 electronic accounts have been opened via mobile phones for the beneficiaries of the Cash for Work Program.

## 4. Internal Audit Activities

In order to verify the integrity of internal control procedures and obtain reasonable assurances on the data of a number of MFIs, a financial and administrative evaluation of the activities of Yemen Microfinance Network (YMN) and Hadramout MF Program was conducted. Also, a field validation was carried out at the Nama Foundation on 207 clients at branches of Sana'a. In addition, a training project was developed to qualify consultants in field validations of clients in order to expand the base of consultants able to carry out field validations of MFI clients.

## 5. Thimar MF Foundation

In order to ensure that the continuous provision of financial services by SFD in the Governorate of Taiz for income-generating activities, SMED has developed a project to establish a new foundation (Thimar) in place of Al-Awael Microfinance Company, which was suspended due to the security unrest in Taiz.

## 6. Development of the computerized automated systems

### 6.1 The Desktop Recognition System

SMED has continued to develop and test the applications, both using the fingerprint or eye print. The aim of the system is to facilitate the registration

and verification of microfinance clients. This will play a major role in facilitating lending procedures.

### 6.2 Computerized input mechanism for the SEEP monthly reports

SMED has developed a computerized mechanism that extracts the data from the Computerized Accounting and the Loan Tracking systems, and inputs them in the SEEP monthly reports, which are currently inserted manually by MFIs. The mechanism has been tested in Azal MF Program.

### 6.3 Developing the SMED English website

During the 2nd quarter of 2019, the English version of the SMED website has been developed further, including updating data and indicators, as well as adding success stories.

### 6.4 Design of the agricultural loan application using the mobile phone

The development of the mobile application for agro-loans has been completed and tested in more than one institution. This mobile application will help automate and speed up the loan application process in the field for loan officers, and raise the efficiency and accuracy of work.

### 6.5 A workshop on the mobile application for agro-loans

After having trained loan officers from the National MF Foundation in a previous workshop, SMED carried out a three-day training workshop for 8

## 7. Development of marketing and public Relations Activities of MFIs

SMED has established a project aimed at increasing promotion, marketing and public relations activities targeting a number of microfinance institutions and programs (National, Nama, Hadramout, Al-Ittihad, Azal). The final aim of the project is to give MFIs the necessary skills to build a positive image in front of donors in order to attract more funds, improve their relationship with stakeholders, and be able to attract more clients. During the quarter a total of USD 49,200 was disbursed to NMF and Nama.

## II. Yemen Loan Guarantee Program (YLG)

YLG is the first program in Yemen that provides guarantees to clients whose guarantees are not sufficient to obtain a loan, or are unable to provide guarantees. During the second quarter, YLG has provided guarantees for 179 borrowers, amounting to YR 236,492,998. YLG also signed partnership with four MFIs: Hadramout MF Program, Al-Ittihad Program, Nama Foundation, and the Bank of Yemen and Kuwait.

YLG also organized a workshop for the VOLIP partners to discuss the challenges and constraints they face during the lending phase. In addition, YLG has initiated the registration procedures for membership of the Global Network of Guarantee Institutions (GNGI). Finally, a number of the staff members have participated in a training course in Egypt on Credit Risk Assessment and on Countering Corruption.

### III. Yemen Microfinance Network (YMN)

In continuing its role promoting the MSME financial sector in Yemen, YMN carried out several training course during the 2nd quarter of 2019, as follows:

#### 1. Emergency Response Project

During the quarter, YMN has continued to implement and finalize the First Phase of the project. The Social Fund covers the cost of compensating those MFI clients who have been affected by the War, while YMN directly implements the disbursements. During the quarter, the network has launched the Second Phase of the project, in which 2,000 MFI clients are expected to be compensated by the end of 2019.

#### 2. Risk Assessment – Egypt

In collaboration with Prima Foundation, and with the support of MEDA Foundation, YMN has coordinated during the second quarter a -3day training course in Cairo (Egypt), where participants from a number of Yemeni MFIs were trained on Risk Assessment Mechanisms.

#### 3. Accounting for non-Accountants

In collaboration with Prima Foundation, and with the support of MEDA Foundation, YMN has coordinated

during the second quarter a -3day training course in Cairo (Egypt), where participants from a number of Yemeni MFIs were trained on Risk Assessment Mechanisms.

#### 4. Customers Service

Another training course was conducted by the network in Seiyun dealing with customer service in MFIs. The course targeted those in the sector requiring direct communication and dealing with customers, by developing their in identifying customer needs and problems, and providing quality services to different types of microfinance customers.



### Loan portfolio indicators for microfinance programs and institutions until the end of June 2019

Ser. No.	Program	No. of disbursed loans	Active number of clients			Outstanding loan portfolio (Million 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	Al-Amal Microfinance Bank	308	33,461	38	132,915	3,128	126	66.48	132,042	12,575	281	164	210	50	15	Capital City, Ibb, Taiz, Dhamar, Al-Mukalla, Al-Hudaidah, Aden, Hajjah, Abiss
2	Nama Microfinance Foundation	272	5,535	26	130	1,021	144	12.75	91,193	8,892	99	74	126	62	12	Capital City, Taiz, Hudaidah, Ibb
3	Hadhramaut Microfinance Program	269	6,795	31	5,686	927	68	19.45	36,681	5,407	109	101	72	37	7	Hadhramaut (Seiyun, Tarim, Al-Suqim, Sah, Al-Quln, Shibam, Al-Mukalla, Al-Shehr, Al-Hami, Al-Maharah, Shabwah)
4	Al-Kura'im Islamic Microfinance Bank	257	4,504	9	906,055	3,738	419	2.6	29,830	19,033	82	75	86	60	65	Capital City, Taiz, Ibb, Aden, Hudaidah, Dhamar, Al-Mukalla, Seiyun
5	National MF Foundation	185	12,350	26	25,746	2,591	152	18.59	156,308	12,792	73	46	174	79	19	Capital City, Taiz, Ibb, Al-Kaada, Dhamar, Yarim, Hajjah, Lahj, Al-Hudaidah, Al-Tarba, Damt, Shibam, Soqil, Aden
6	Al-Tadamon Microfinance Program	122	4,428	27	0	1,672	97	3.24	42,531	11,757	119	119	62	30	15	Capital City, Taiz, Al-Hudaidah, Aden, Ibb, Hadhramaut, Lahj, Shabwah, hajjah, Amran Mareb
7	Azal Microfinance Program	94	3,321	35	4,437	811	68	11.60	53,143	5,964	84	60	86	36	7	Capital City, Al-Mahweet, Amran, Dhamar
8	Al-Ihtidat Microfinance Program	53	3,601	77	0	498	21	20.97	51,749	3,439	52	37	86	38	7	Abyan (Zanjibar, Khanfar, Athwar), Al-Mukalla, Al-Shehr, Aden, Lahj, Al-Mahrah
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-Awa'el MF Company	0	1,291	78	0	46	0	100.0	60,224	1,777	0	0	6	4	2	Taiz (Al-Camp, Hawdh Al-Ashraf, Al-Rahedah, Sa'nah, Al-Kaada)
11	Other Activities & IGP's	-	-	-	-	-	-	-	109,187	21,391	-	-	-	-	-	Several areas
<b>Total</b>		<b>1,560</b>	<b>85,088</b>	<b>-</b>	<b>1,082,034</b>	<b>15,098</b>	<b>1,095</b>	<b>-</b>	<b>816,907</b>	<b>107,403</b>	<b>-</b>	<b>-</b>	<b>978</b>	<b>430</b>	<b>154</b>	

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

Governorate	No. of Projects	Estimated Cost (%)	Est. SFD Contribution (\$)	Percentage (%)
IBB	3	401,145	401,145	100
Socatra	1	24,000	24,000	100
Capital City	1	336,025	336,025	100
Al- Baidha	5	691,125	691,125	100
Al-jawf	3	572,000	572,000	100
Al- Hudaidah	6	1,090,406	1,090,406	100
Al- Dhale	1	53,500	53,500	100
Al- Mahweet	2	193,000	193,000	100
Al-mahrah	1	44,000	44,000	100
Taiz	6	917,497	917,497	100
Hajjah	15	2,120,375	2,120,375	100
Dhamar	4	657,523	657,523	100
Raimah	2	173,527	173,527	100
Shabwah	2	138,540	138,540	100
Sa'adah	2	312,330	312,330	100
Sana'a	5	771,590	771,590	100
Aden	2	321,000	321,000	100
Lahjj	3	271,920	271,920	100
Mareb	2	630,000	630,000	100
Several Governorates	6	1,423,236	1,423,236	100
<b>Total</b>	<b>72</b>	<b>11,142,739</b>	<b>11,142,739</b>	<b>100 %</b>

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

Sector	No. of Projects	Estimated Cost (%)	Est. SFD Contribution (\$)	Direct Beneficiaries		Temporary Job Opportunities
				Total	Females %	
Environment	2	447,025	447,025	3,583	50	20,834
Education	10	1413,335	1,413,335	2,416	75	29,610
Orgnizational Support	2	478,530	478,530	18,881	21	6,580
Agriculture	19	2,315,030	2,315,030	26,141	56	98,670
Roads	5	1,266,900	1,266,900	9,209	85	45,227
Micro Enterprises Development	5	886,236	886,236	415	97	1,380
Cultural Heritage	1	70,000	70,000	800	100	3,192
Water	15	2,443,774	2,443,774	25,831	6	99,234
Cash for Work	13	1,821,909	1,821,909	12,769	80	131,693
<b>Total</b>	<b>72</b>	<b>11,142,739</b>	<b>11,142,739</b>	<b>100,045</b>	<b>20%</b>	<b>436,420</b>

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

Governorate	No. of Projects	Estimated Cost (%)	Est. SFD Contribution (\$)	Contractual Cost (USD)
IBB	117	19,575,619	19,570,119	18,500,971
Abyan	63	8,962,642	8,962,642	7,515,254
Socatra	25	2,129,542	2,129,542	1,688,291
Capital City	49	12,821,374	12,438,163	10,517,281
Al- Baidha	65	6,457,759	6,457,759	5,317,584
Al-jawf	30	4,489,909	4,489,909	3,994,655
Al- Hudaidah	152	43,657,996	43,641,096	39,428,971
Al- Dhale	41	7,894,941	7,894,941	7,192,395
Al- Mahweet	54	4,503,611	4,503,611	3,920,538
Al-mahrah	29	2,904,376	2,904,376	2,467,887
Taiz	174	29,412,009	29,354,009	26,496,764
Hajjah	230	27,185,398	27,035,398	21,232,400
Hadrmout	72	8,449,577	8,449,577	7,069,410
Dhamar	121	20,989,488	20,989,488	19,284,992
Raimah	48	5,524,431	5,524,431	5,026,232
Shabwah	96	9,930,303	9,927,678	8,306,205
Sa'adah	93	12,986,072	12,986,072	11,186,068
Sana'a	81	10,248,295	10,248,295	8,889,532
Aden	61	9,787,087	9,787,087	8,900,091
Amran	96	13,984,548	13,900,547	12,398,690
Lahjj	103	19,733,847	19,733,847	17,063,914
Mareb	26	5,775,499	5,275,499	3,786,414
Several Governorates	89	62,007,690	62,007,690	56,492,239
<b>Total</b>	<b>1,915</b>	<b>349,412,013</b>	<b>348,211,776</b>	<b>306,676,775</b>

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

Sector	No. of Projects	Contractual Cost (USD)
Environment	41	4,036,758
Integrated Intervention	1	5,926
Training	17	854,515
Education	89	5,942,315
Orgnizational Support	31	4,507,394
Agriculture	48	4,900,909
Health	61	12,034,440
Roads	68	9,968,760
Special Needs Groups	2	107,553
Micro Enterprise Development	16	11,768,458
Small Enterprise Developmen	12	4,346,960
Cultural Heitage	24	1,847,167
Water	272	25,441,160
Cash for Work	406	51,312,090
Business Development Survices	8	17,700,169
<b>Total</b>	<b>1,096</b>	<b>154,774,575</b>

**Completed, under implementation, approved projects, estimated and contractual cost, SFD contribution, estimated beneficiaries, temporary employment for the period ( 2015 - second 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	14,762,494	14,262,494	10,695,782	332,220	50	13,060	13,312	831,282
Integrated Intervention	2	151,000	151,000	112,718	5,475	53	200	0	2,523
Training	32	2,361,019	2,361,019	1,723,614	4,670	46	3,395	3,393	41,066
Education	139	18,034,036	18,034,036	10,268,144	108,938	56	38,381	42,162	884,534
Organizational Support	73	14,375,088	14,087,088	12,544,256	681,807	50	217,042	211,605	381,976
Agriculture	173	22,068,607	22,068,607	19,474,796	183,842	44	5,219	3,485	1,273,736
Health	158	63,679,384	63,296,173	58,664,849	643,626	60	300,242	3,480,452	1,689,546
Roads	129	21,946,066	21,946,066	19,487,440	429,355	51	0	0	889,408
Special Needs Groups	2	111,018	111,018	107,553	0	0	0	0	560
Micro Enterprise Development	36	24,012,887	24,012,887	22,595,763	73,555	47	213,564	194,868	94,084
Small Enterprise Development	18	6,636,370	6,636,370	6,136,396	7,792	45	25,530	21,216	22,512
Cultural Heiritage	42	6,299,742	6,299,742	5,783,256	30,668	52	53,685	36,916	230,843
Water	449	51,451,619	51,422,594	42,471,750	660,690	50	682	738	2,835,937
Cash for Work	546	80,122,870	80,122,869	74,310,733	631,371	50	207,088	216,821	5,637,715
Business Development Services	12	23,399,812	23,399,812	22,299,725	24,696	36	50,330	403,680	683,428
<b>Total</b>	<b>1,915</b>	<b>349,412,013</b>	<b>348,211,776</b>	<b>306,676,775</b>	<b>3,818,705</b>	<b>52 %</b>	<b>1,128,418</b>	<b>4,628,648</b>	<b>15,499,150</b>

### Improving health and environmental conditions in Al-Ghewayreg (Al-Hudaidah)

Since March 2015, conflict in Yemen has brought about many humanitarian disasters, with malnutrition being one of the severest ones with high rate, where famine indicators clearly surge in a number of governorates, threatening 6 million people out of 23 million due to lack of basic food supplies (according to the United Nations Indicators). Al-Tehaita District in Al-Hudaidah Governorate is one of the areas suffering from grave malnutrition accompanied with outbreaks of epidemic and skin diseases among the inhabitants of the district's villages—and specifically in Al-Ghewayreg Village and its neighborhoods.

Based on this situation, the Social Fund for Development (SFD) has carried out an urgent intervention in the village, not only to provide emergency-relief food baskets, but also to provide cash for work through the constructing and rehabilitating shelters and cottages as well as appropriate sanitation such as latrines. The project has contributed to protecting the villagers from deadly diseases and provided job opportunities.

Project total cost: 161\$ thousand; beneficiary families: 210; job opportunities: 16,481 workdays (3,617 for women); constructed latrines: 210; rehabilitated cottages: 210; trees planted: 2,730.

Hasna'—member of the Project Committee

The story of the widow Hasna' Ali Salem Galab is a clear example of the tragic situation experienced by the Al-Ghewayreg villagers. This widow and her three children comprise a family suffering from extreme poverty and malnutrition due to losing their main source of income from fishing caused by the current conflict in the country, as well as their inability to get out working in the cities because of the poor security situation. She started making ropes from doum tree and sold them at low prices that cannot cover the essential needs for her family.

"We had been hungry before, and we could do nothing at that time and my son was a fisher, but it was all over since the war started", she explained her status.

The Hasna' lives with her children in a dilapidated cottage that fail to offer them protection from heat of the sun or cold of the winter and lack the basic elements of life such as restrooms. "We have nothing... no home, no food, no bathroom; we respond to the call of nature in the open", she said.

Therefore, Hasna' was so happy with SFD-supported cash-for-work project and became one of the most active women in the project, as she registered herself as a member in the project committee. She motivated women to participate in the project, contributed to solving the problems raised during the implementation of the project and continued to build her cottage and latrine.

She received an amount of 125 thousand Yemeni Riyals (equal to USD200) as a work wage and disbursed it in buying the basic needs for her family. She said, "I work in the project and contribute to raising awareness of women participating in its implementation... we have been forgotten for years and no one has come to us. Praise be to Allah that SFD has engaged us in working in the project, and we have built our cottages and latrines and received money that enabled us to buy flour and sugar. Praise be to Allah and thanks for the SFD", she concluded.

