

EDITORIAL

Following a brief suspension of SFD's operations between April and May, SFD has resumed its work and activities—albeit cautiously—taking advantage of the few available resources and of original funding sources, which continued in spite of the recent developments in the country.

SFD has resumed operating through the implementation of the mostly needed projects at this difficult time focusing on Cash-for-Work and water projects, which are also characterized by simple techniques and reliance on local resources of the targeted regions. And due to the scarcity of fuel and the high risks of movement and travel, the projects' supervisors stayed close to the project area.

SFD also continued to provide technical support and care for small- and microfinance programs and institutions, implement the Vocational Literacy Program and encourage local communities—with which SFD had been associated through the Empowerment for Local Development Program—to continue in the implementation of community self-initiatives, thus contributing to lessening the suffering of the population, especially the displaced. SFD's ability to resume its operations and activities under the current difficult circumstances is an additional evidence of the flexibility of its regulations, and the insistence of SFD's management and staff to effectively contribute to alleviating the suffering of the targeted people—irrespective of the challenges faced.

The 2015 conflict affects microfinance industry, SFD study says

The SFD has published a field survey on the Impact of the 2015 Conflict in Yemen on the Local Microfinance Industry which has received most of support from SFD since 1997. The report sheds light on the microfinance institutions' (MFIs) reactions and challenges they have faced to manage their crisis. It also underlines the MFIs' expected roles in the post-conflict and what role SFD will play to facilitate their recovery.

According to the study, the conflict has largely affected microfinance sector, and the emergency plans of the MFIs were unable to cope with the fast deteriorating events as they were too sudden and disproportionate to deal with effectively. Many MFIs have closed down some of their branches, laid staff, cut on costs as their revenues shrank rapidly and portfolios at risk rose. While lending to individuals declined in safer areas, MFIs and branches in conflict areas like Aden, Taiz, Al Dhale, Lahj, Shabwah and Abyan had to close down all their operations for most of the time during the conflict as ground clashes have continued and the military sites and arms depots it have been prone to heavy bombings.

The main concern for MFIs is to manage their loan portfolios as efficient as possible considering the conflict-ensued social and economic challenges that prevent borrowers to repay their loans. Unfortunately, the situation is mostly out of control of clients, IMF's and SFD and striking balances is mostly unworkable as the conflict has affected everyone.

During the microfinance sector's recovery period (2012-2014), SFD made significant loan disbursements to the MFIs: Its lending to MFIs increased from equivalent of \$5.7 million in 2012 to \$9.8 million in 2014.

**The relevant survey is available at the SFD website.*

SFD-supported VCCs help address needs of conflict-affected communities with 1,998 initiatives

Conflict has been at the highest scale during this reporting period covering 20 out of Yemen's 22 governorates. This has affected all communities in economic, social, and health aspects, with displacement being a major humanitarian challenge. Despite the huge need gap, SFD-formed and supported local structures have helped address impacts of the associated sharp deterioration of most basic services such as lack of fuel, electricity, water and sanitation, restriction of imports, destruction of roads, insecure access of relief aid, as well as rise in prices, layout of 60% of labor force and decline of activities by local and international INGOs including government development institutions due to funding shortfall.

The SFD Training and Institutional Support Unit produced a report highlighting the positive roles played by the SFD-supported village cooperative councils "VCCs" to help address ensued humanitarian impacts and help reduce the needs gaps during the first half of 2015.

Scores of those VCCs conducted a total number of 1,998 rapid initiatives in 34 affected districts within 11 governorates, despite continuation of conflict, worth YER155 million (\$721,000) excluding labor cost. The initiatives focused on using local resources and developed infrastructure interventions like roads maintenance, sewage, water, and capacity building and collection and distribution of relief aid. The activities included motivating communities and local authorities and started self-help initiatives, coordination and partnerships.

The staff in SFD branch offices have followed up, monitored and documented accomplishments of those structures. The results of monitoring clearly showed that those initiatives achieved during the reporting period have been still positive and almost sustained, clearly reflecting impact of the SFD efforts to build capacities of local structures.

SECTOR ACTIVITIES

Education

The total cumulative number of projects of this sector reached 5,272 at an estimated cost of USD762.6 million serving more than 2.81 million people (46% female), and generated nearly 25 million jobs. Of these, 4,753 projects have been completed at a contractual cost exceeding \$569 million.

During the quarter, the Professional and Literacy Knowledge Program has implemented 4 training courses for eight groups of unemployed young women and female workers totaling 478 trainees from six slums in the city of Al Mukalla in Hadramout governorate, which began on 27 June 2015. The activities included four training areas: tailoring and

design, beautification, making incense and henna, and making sweets, cake and pastry.

On 27 June 2015 also, SFD began a training project for four groups of 70 unemployed youth men and women in the British Institute of Science and Technology in Al Hudaydah governorate. The targeted groups belong to six districts of Al Hudaydah. They were trained on the use of computers and internet, and the training included session on information technology, Windows, Word, Excel, Internet, PowerPoint, and typing in Arabic.

Education Indicators

Result Indicators		Phase IV Target (2011-15)	Cumulative (as of 30 June 2015)
Number of classrooms	Constructed		6057
	Rehabilitated		2795
	Total classrooms	9000	8852
Number of pupils benefiting from space created by newly construct SFD classes disaggregated by	Boys	201,600	133,790
	Girls	158,400	108,490
Number of formal education teachers trained	Male	100	200
	Female	100	226
Number of female informal-education teachers trained by SFD			28
	Female	1,000	2,334
Number of female informal-education teachers qualified by SFD			
	Female	200	311
Number of educational professionals trained	Male	782	643
	Female	600	467



Training of literacy teachers - Lahj

Health

The total number of health projects has amounted to 1,218 worth over USD 108.6 million, directly benefiting more than 7.8 million people (64% female). These projects have generated nearly 2.32 million job opportunities. Of these, 1,107 projects have been completed at a contractual cost of over 71.5 million dollars.

Promotion of Reproductive Health Services Program

In this quarter, SFD has completed training 20 midwives on community-based care for the health of the mother and the newborn from the districts of Al Makhadir and Al Saddah (Ibb governorate) in order to enhance the knowledge and skills of the trainees in the maternal and neonatal healthcare, obstetric emergency and principals of community-based maternal and neonatal healthcare. These skills and knowledge are prime requirements to improve and strengthen the maternal and neonatal health services that the midwives provide whether in health facilities or directly inside the local community.

Mental Health Services Enhancement Program

SFD completed the training medical staff on mental healthcare in the governorate of Ibb. The project aimed to train 20 public medical practitioners working in the primary healthcare in several centers and hospitals of this governorate. The aim of the project is to integrate the psychological health services within the primary healthcare services framework, which is one of the most important goals of the National Strategy for Mental Health. The training included providing the trainees with skills and knowledge to control the mental patient and ways to prepare the appropriate treatment plans in terms of guidance, treatment or referral according to the psychiatry guide.

Health Indicators

Result Indicators	Phase IV Target (2011–15)	Cumulative (as of 31 March 2015)
Number of health facilities constructed or renovated and equipped	100	98
Number of health facilities furnished and equipped	50	69
Number Community midwives trained	2,000	2,038
Number of Community midwives qualified	240	255
Number of Primary Health Care personnel trained	Male	231
	Female	203
Number of Primary Health Care personnel qualified	Male	1,429
	Female	865



Social Protection

The total number of projects under this sector amounted to 718 projects at an estimated cost of about \$38 million, serving about 185 thousand people (39% female). These projects have generated about 0.9 million job opportunities. Of that total number, 682 projects have been completed at a cost of nearly \$29.6 million.

Community-based Rehabilitation

During the second quarter, a project has been completed and aimed to enhance the establishment of community-based rehabilitation program in Bilad Atta'am district of Raymah Governorate. The objective is attained by educating the population, forming a community-based rehabilitation committee made up of representatives of the Education Office, Health Office, local council, school teachers and people with disabilities from the district. Those representative will be responsible

for managing the project and following up on implementation, selecting the workers of rehabilitation who will train and educate the children with disabilities, train the members of the community-based rehabilitation committee on administrative issues and accounting and build capacities of the workers in the rehabilitation on disability and community-based rehabilitation concepts, mechanisms of planning and implementing rapid field surveys of persons with disabilities, ways to carry out the survey and analyze its data, the principles of early intervention and early education (Portage program), early detection and growth delay and physiotherapy. This project also aimed to equip the Community-based Rehabilitation Center with furniture, equipment, tools and devices of physiotherapy including equipment that provides medical examinations and diagnosis for all the surveyed children within the district in order to identify the type of treatment or the appropriate rehabilitation.



Teaching the dumb - Amran

Groups with Special Needs Indicators

Result Indicators		Phase IV Target (2011–15)	Cumulative (as of 31 March 2015)
Number of Children with special needs	Male	2,500	3,159
	Female	2,500	3,591

Water & Sanitation

Water Sector

The total cumulative number of the sector's projects (since 1997 until end of June 2015) reached 2,295 projects at an estimated cost of more than \$430.4 million (including beneficiaries' contribution amounting to about \$212 million). These projects are expected to directly benefit approximately 4.14 million people (half of whom female) and to generate temporary jobs of about 9 million workdays. Some 1,861 projects have been completed at a cost of \$150.14 million (contributed only by SFD).

This sector includes the following sub-sectors

Rainwater harvesting (covered general tanks): during this quarter, two projects were completed containing three tanks, with a

capacity of 5,600 m³, two public wells, 3 sedimentation basins, and 1,260 meters long pipe network to provide access of the service. (SFD contribution amounted to \$443 thousand serving 2,127 people).

Roof-top rainwater harvesting (household cisterns): During the quarter, 10 projects have been completed including 1,992 tanks with a total capacity of 99,189 m³, supported fully by the SFD with \$2.3 million. The projects served 19,003 people. The local community contribution is estimated at \$6.2 million.

Surface water: these projects depend on springs' water, which is collected in covered tanks, and then be transported through the pipeline (often natural flow) to the beneficiaries.

During the quarter, one project containing two cisterns has been

completed and a pipeline of 9,534 long meters. The project has been supported fully by SFD at a cost of \$157,544 serving 1,362 beneficiaries.

Groundwater: During the quarter, two projects have been completed containing two project management rooms, pumping unit, 3 valve control rooms, 20,210 meter-long pipelines, two tower reservoirs to distribute 150m³ of water and 613 household connections at a total cost of \$341 thousand, serving 4,904 beneficiaries.

Water Scarcity Response Program

The total completed projects in this program reached 144 with a total cost of nearly \$18.2 million (totally supported by SFD) to serve 154 thousand people.

Communication with partners

The SFD continues to participate in meetings of the Water, Sanitation and Hygiene “WASH” Cluster (held on a monthly basis). The SFD provides the cluster with regular reports about its relevant achievements. SFD also continues its coordination meetings with all partners working in Yemen’s water sector.

Sanitation Sector

The total cumulative number of the sector’s projects amounts to 412

projects at an estimated cost of \$46 million. The projects are expected to serve 3.6 million people (half of whom female) and create 1.4 million workdays. Of these, SFD has completed 351 projects at a cost of about \$24.5 million.

This sector includes the sub-sectors of Wastewater Management, Solid Waste Management and Community-led Total Sanitation approach (CLTS)/ health awareness campaigns.

Water and Sanitation Program in Abyan

All projects under this program are being funded by the German Development Bank (KfW) grant (Euro12 million, equivalent to \$15.6 million). The grant covers 38 water projects and 5 sanitation projects. As 10 water projects have been completed, the remaining 33 water and sanitation project are still under implementation. Disbursements under this grant has reached \$7.7 million by the end of this quarter.

Infrastructure Project (Shibam/ Hadhramaut)

The cumulative achievement of the project as of the end of June 2015 amounted to 96.3%.



Public rainwater harvesting tanks - Taiz

Water Indicators

Result Indicators	Phase IV Target (2011–15)	Cumulative (as of 30 June 2015)
Water access: Number of people provided with access to improved water sources	516,000	712,864
Storage capacity for improved water (m ³)	1,790,000	2,616,100
Storage capacity for unimproved water (m ³)	1,510,000	1,838,602

Sanitation Indicators

Result Indicators	Phase IV Target (2011–15)	Cumulative (as of 30 June 2015)
Sanitation access: Number of people with access to improved sanitation facilities	200,000	224,594
Number of open defecation free communities	170	656

Agriculture and Rural Development

The cumulative number of projects amounts to 440 at an estimated cost approximately \$58.1 million, expected to benefit directly 461 thousand people (46% female) and generate employment opportunities amounting to about 1.44 million workdays. Of these, 308 projects have been completed at a contractual cost approaching \$22 million.

Rainfed Agriculture and Livestock Project (RALP)

The project has been implemented in Lahj, Al-Mahweet, Al-Hudaidah, Hajjah and Sana'a Governorates (Govs), with 23 districts selected in these Govs based on poverty index and reliance of the population on rain-fed agriculture. Targeting 100 thousand households, the project aims to contribute to reducing poverty and improving natural resources management through helping poor rural producers in improving their products and protecting their assets as well as by enabling farmers to strengthen and improve agricultural and livestock production and traditional marketing systems and conserve soil and water.

The project has been completed and closed in 30 September 2014 following the completion of all its activities, with SFD continuing funding the remaining works from its own resources.

Small dams/Barriers

Twenty small dams are still under implementation (and could not be completed because of the current circumstances) at a cost of about \$3.33 million, with a storage capacity of about 3.7 million cubic meters. The small dams, the water of which irrigates an area of 1,042 hectares, benefit 38,183 farmers. The dams include 3 barriers providing drinking water with a storage capacity of 260 thousand cubic meters.

Six other small-dam projects (at an estimated cost of more than \$2.1 million) have been approved; however, SFD still awaits funding to begin implementation of these dams. The total storage capacity of the barriers exceeds 575 thousand cubic meters, with the agricultural area benefiting from the water they provide amounting to 289 hectares and the number of potential beneficiaries estimated to be 11,856 people.

Watersheds (within RALP)

In Hajjah Governorate, the quarter witnessed the final delivery of 3 animal-watering tank projects in Al-Soofah Community (Mastaba District), Al-Ma'alaqah area (in the district) and Al-Serbah Community

(Khairan Al-Muharraq District). Also, the project to improve the infrastructure of Galagel Market in Al-Maghrebah District was delivered.

In Al-Mahweet Governorate, 18 rainwater-harvesting tanks within Wadi Magber watershed rehabilitation project (Phase II) were delivered, with the total storage capacity amounting to 1,450 cubic meters.

Moreover, SFD has erected retaining walls for the protection of agricultural lands in the areas of Theeb and Al-Seeh (Harib, Mareb), with the total protected agricultural areas reaching 128 hectares. Similar retaining walls have also been established to protect 50-hectare-area agricultural land in Wadi Ma'ashery in Al-Salebah (Al-Qahaitah, Harib, Mareb).

The Pilot Savings and Credit Program

The program aims to contribute to empowering local communities, targeting poor families (women and men) through realizing sub-goals such as encouraging savings, promoting rural communities toward savings and self-reliance. The program also seeks to encourage new behaviours among low-income people and poor households, enhance women participation in the production process and the implementation of small income-generating projects.

The quarter witnessed the formation of 202 savings and lending groups, the members of whom reached about 6,000 (of both sexes).

During the quarter, desk and field follow-up of groups was conducted, as the majority of groups still operate despite the current circumstances. Savings of 161 groups has reached about 10.8 million riyals. SFD also provided groups in Hajjah and Al-Mahweet Governorates with 100 savings boxes, and prepared 50 others to be distributed later to groups in Sana'a and Al-Hudaidah Governorates.

It is worth mentioning that the members of many groups have self-initiated the participation in the program management and financing small projects from their own savings, including trading honey (Al-Salam Group, Hujub Village, Al-Khabt District) and issuing bulletins to raise awareness on savings and lending among communities (Development Group in Al-Mahweet).

Rain-fed Agriculture Indicators

Result Indicators	Phase IV Target (2011–15)	Cumulative (as of 30 June 2015)
Storage capacity of water for agriculture and livestock use (m ³)	3,000,000	3,674,718
Total area of land irrigated by water sources provided (Hectares)	2000	998
Total area of rehabilitated agricultural land and terraces (Hectares)	600	140

Training & Organizational Support

The objectives of the operations in the fourth phase concerning Training & Organizational Support focus on building the capacities of SFD partners. These partners include consultants, local communities, small contractors, technicians, local authorities, government organizations, and civil society organizations whose activities are closely linked to poverty mitigation and local development. This will be achieved by continuing to enhance accumulated experience and reciprocal learning, sharing and exchanging skills, especially in the fields of poverty alleviation, supporting efforts of good governance, reinforcing decentralization, and encouraging local development.

The cumulative total number of Training Sector projects reached 1,046 at an estimated cost exceeding \$27.6 million, with direct beneficiaries expected to amount to nearly 164 thousand persons (38% female), and more than 405.2 thousand workdays generated. Of these, SFD completed 935 projects have been achieved costing \$15.6 million.

In the Organizational Support sector, SFD has cumulatively developed a total of 658 projects worth nearly \$40.7 million. The projects are expected to directly benefit about 756 thousand persons (47% female) and generate 920 thousand workdays approximately. The completed projects reached 585 costing \$21.14 million.

Empowerment for Local Development (ELD) Program

First: At the Community Level

Within the stimulation of self-help initiatives (SIs), SFD has encouraged local communities to carry out such initiatives. During the quarter, 102 SIs have been implemented in Hadhramaut and Dhamar Governorates at a cost of \$120 thousand. They included roads construction and improvement, cleaning villages' squares and literacy classes.

In Taiz, SFD supported these initiatives through providing cement, which benefitted some 10.5 thousand people. Support was also provided

for the formation of a Village Cooperative Council (VCC) comprising 20 members (half of them are females).

At the Local Authority Level

Activities at the district level included training in mechanism and methodology of ELD, as well as methodology of developmental planning for local authority, developmental community frames, and civil society organizations, leading them to advanced phases of community and institutional empowerment embodying the objectives of financial and administrative decentralization. This is in addition to building capacities in managerial skills, monitoring mechanisms, and training the local authority in districts on the Law of Tendering.

Other activities

Activities also included training of trainers in Abs District (Hajjah) on managerial skills and conflict-sensitive development, targeting 16 persons (50% female). Also, an experience exchange workshop was held for 45 sub-districts' coordinators (55% female) in Same', Al-Mocha and Heifan Districts (Taiz).

RAWFD Program

Activities included:

Implementation of a Training for Trainers project concerning RAWFD program targeting 28 trainees (18 females & 10 males). Also, training was provided for new advocates from Marib Governorate targeting 23 persons (8 females & 15 males) as well as for university graduates (development advocates) from Marib governorate in addition to Mr. Abdulla Alhasani. Finally, 7 self-help youth initiatives were implemented by a number of RAWFD outputs in Al-Mahweet, Al-Dhale' and Hajjah Governorates.

Integrated Interventions Program (IIP)

The total number of the IIP projects cumulatively developed reached 340 at an estimated cost exceeding \$32 million. The projects are expected to directly benefit 313 thousand people (51% female) and to generate temporary job opportunities amounting to 792 thousand

Training and Org. Support Indicators

Result Indicators	Phase IV Target (2011–15)	Cumulative (as of 30 June 2015)
Number of village councils in pilot areas, which are functioning effectively	1,500	3,983
Number of young volunteers trained in different areas, disaggregated by:	Male	2,500
	Female	1,500
Number of Local Authority members trained within the Empowerment and Local Development Program	1,500	4,868
Number of individuals consultants trained in community participation skills (engineers, contractors)	3,000	6,242
Number of NGOs supported	90	55
Number of Local authorities supported	90	50
Number of Community-Based Organizations formed	2,500	1,832

workdays. Of these projects, 234 have been completed at a contractual cost of more than \$14.7 million

The quarter witnessed the implementation of the following activities:

- Construction and equipment of 24 classrooms in a number of the areas covered by the program.
- Opening 23 community classrooms in Wadi'ah (Amran), Almuteina (Al-Hodeida) and Maifa'a (Al-Mukalla, Hadhramaut).
- Implementation of the Community-Led Total Sanitation approach in 45 villages within the program areas.
- Formation and training of 35 parents' councils, and activation of their community role in the improvement of the educational process.
- Completion of preparation and printing of the social workers guide in IIP.
- Training of 120 beekeepers on knowhow and basic skills in bee-keeping and honey production , as well as providing them with necessary tools for bee-keeping and some modern bee hives in different areas.
- Launching the implementation of 203 rooftop water reservoirs (siqayat) in Alathlouth Sub-district, Wousab Ala'ali, Dhamar
- Rehabilitation of 10 surface wells for drinking water.
- Construction and furnishing of a health unit- Almadaber, Beni Beshr, Kue'idinah, Hajjah.
- Completion of the construction of 2 water harvesting tanks benefiting 1,550 families.
- Construction (manual), rehabilitation and improvement of six-km-long Khamis Alqaw'a road, Mu'inah, Alzurm locality/Alathlouth/Wousab Ala'ali, Dhamar,
- Training 180 persons (50% female) on animal health in Karesh (Al-Qabbaita).
- Implementation of a pilot school-health program through formation and training of school teams, implementation of a number of health and environmental activities and health education campaigns in the targeted schools, and reinforcing the role of community participation as well as activating the schools' health and environmental role (inside and outside schools). After a preliminary evaluation has been made, the practical guide for the program will be prepared in accordance with the results of the field piloting.
- Implementing of three introductory workshops for the program of local development in urban areas, with local authority members in the districts of Alsabe'ein, Ma'in, Beni Alhareth participating.

Community Participation

Activities included the following:

SFD prepared 6 manuals and training materials in community participation and carried out communication with SFD's branch offices (BOs) for data collection about the displaced and areas of displacement, acquaintance with solutions made by competent authorities and displacement data in the targeted areas. Moreover, SFD sought to improve the field assessment form for gathering data related to the IDPs in the Capital City and submit proposals and ideas about interventions related to recovery and reconstruction plan. SFD also started to set participatory mechanisms for establishing an effective and sustainable community mechanism during crises focusing on reinforcement of communication and coordination among various parties concerned and the local community to improve the deteriorating environmental situation in the Capital City.

Other activities included completing the implementation of water projects in the districts of Beni Alawwam , Kuhlun Afar, Kufi Yeshmer, and Aljumeima, as well as completing work in roads' projects and their maintenance in the district of Khairan Almuharraq. Two training courses were implemented for 43 contractors in contracting and implementation methods (Hajjah BO) as well as a training course in community participation was carried out for 30 consultants from 3 governorates (Hadhramaut, Shabwah, Al-Mahara). Similarly, SFD held a workshop to identify the needs of the IDPs, which was attended by volunteer teams in Al-Mukalla, in addition to cleaning their shelter centers.

Assessment of the IDPs' needs has been conducted in cooperation with Al-Amal Female Social and Cultural Foundation and community structures, with assistance provided to the IDPs' shelter center management to form committees to manage and run such centers. In the same context, psychological support programs have been implemented for the IDPs, as well as temporary work opportunities provided for some of the displaced families.

SFD also carried out data collection and inventory about poor families and those affected by the crisis, and people working on daily wages in a number of Al-Mukalla areas and distributed food baskets for 300 families.

Moreover, SFD participated in survey and field studies about the IDPs in Ibb Governorate, and designed a referential database about them, in addition to supporting the Engineers Syndicate in the governorate in preparing and carrying out 2 training courses for 60 engineers in PRA.



An activity under the ELD Program

Cultural Heritage

The total cumulative number of the sector's projects to 284 at an estimated cost of \$66 million, with direct beneficiaries expected to amount to nearly 393 thousand persons (47% female) and job opportunities to more than 2.51 million workdays. Of these projects, SFD completed 235 costing \$39.9 million.

Restoration of the Great Mosque, Sana'a

Due to the deterioration of the security situation and lack of funding, the entire project's works have been suspended for a certain period to adopt an emergency action plan and restrict resuming action to priority projects' activities. This has been done through three approaches:

The first approach deals with the works which cannot be left open and should be closed, as these works have the highest priority in this difficult time. In this regard, SFD has completed archiving and saving all the project's documentations and made backup copies of each hardware contents of images, reports and information. The quarter also witnessed the completion of the works, which have been opened from the rooftop, and of the restoration of cracks on the arch loaded on the western minaret. Similarly, SFD has strengthened and covered the parts the motifs and inscribed text in the eastern minaret, strengthened and secured the floor and walls of the western library as well as prepared the piping for the temporary rainwater drainage and secured the electricity and acoustics network. Moreover, checking and securing the main mihrab and securing open excavations have been carried out.

The second approach aims to create a larger space for worshippers

the action plan. These include studies and overall documentation, the motif ribbon documentation (which coincided with the restoration works), excavation and study on 3 soundings inside the mosque and categorizing, documentation, archiving and entering the data collected from the site. SFD has also carried out cleaning of archaeological findings and drawing & documenting columns and crowns of the western corridors.

Regarding the restoration of the ornate wooden ceilings, focus was given to the ongoing work in the corridors of the western and southern wings, repairing and implementing the Qadad layers of the areas that had been closed in the surfaces above the intervention areas as well as cleaning and preparing the secondary steel beams in the western library. Additionally, in murals works, the consolidation and restoration as well as the gypsum plastering have been completed, while electrical works included completion of the electrical wiring. Finally, training was provided to 8 staff members of the General Organization for Antiquities and Museums (GOAM).

Restoration of the Great Mosque Shibam/Kawkaban (Al-Mahweet)

SFD has completed the detection and restoration of inscriptions and decorations on the columns crowns buried after cleaning them, along with detection, cleaning and restoration of the load-bearing columns of the roof, including detecting and cleaning the gypsum inscriptions on the walls of the east wing, the internal interfaces of which have been washed with the gypsum material. The east wing's floor has also been



Renovation of Al-Ashrafiya Mosque - Taiz

during the Holy Month of Ramadan (by almost 14% of the total area of the corridors of the mosque). To pursue this goal, SFD continued to conduct studies and documentation, construction repairs and restoration of the ceilings, electrical wiring and related accessories and restoration of the old layers of murals and column capitals along with re-plastering. The third approach relates to continuing the ordinary works set within

levelled, maintaining the floor's original ground level after revealing the former by archaeological sensors, with a temporary plaster layer then added for later rehabilitation and furnishing of the wing. The wing also witnessed re-pavement of the space in front of the gate, restoration and rehabilitation of the rainwater-drainage channel sidewalls, supplying and installation of wooden doors and windows, along with continuing

the restoration of the wooden Musndqat (coffers) and then opening the wing temporarily for worshippers.

Restoration of Al-Asha'er Mosque (Zabid, Al-Hudaidah)

The quarter's works included removal of distorting bathrooms, which had been haphazardly built with cement, drilling and removal of excess soil from the mosque yard ground, along with continuation of removing damaged wood flooring of the pillars of the east wing and the yard, replacing them with new ones after treatment against termites.

In the west wing, the dome room and adjacent room floors were fortified with cement cast and a new staircase installed, while in the mosque's backside, SFD has built crown from Yagur (bricks) to strengthen the minaret wall and the new corridor roof and constructed a fender from old Yagur to protect visitors, along with building wooden bridges. SFD

has also built and strengthened walls between the beams overlooking the lately discovered Mihrab in addition to building ground stairs beneath Mihrab. Finally, SFD continued preparing the mosque ceilings' timber-wood, opened the new bathrooms and ablution places and cleaned up the site.

All the remaining culture-heritage preservation projects have been suspended due to lack of funding and armed conflicts.

Cultural Heritage Indicators

Result Indicators	Phase IV Target (2011–15)	Cumulative (as of 30 June 2015)
Number of Master builders trained \gained skills	510	631
Number of Professionals trained & gained skills (Architects\ Archaeologists\ Engineers)	190	253
Number of sites and monuments documented, saved /conserved	50	39

Labor Intensive Works Program

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

CFW Program

The total cumulative number of the program's projects amounts to 803, worth nearly \$167 million, directly benefiting about 1.3 million people (49% female), while the total temporary job-opportunities generated approach 14.4 million workdays. Of these projects, 600 were completed at a total contractual cost exceeding US\$110.3 million.

During the quarter, two awareness campaigns on malnutrition risks and qat-chewing harms were carried out by SFD's Taiz Branch Office (BO) in two projects in Helya (Shara'ab Al-Rawnah, Taiz). The campaigns targeted 4 schools and 1,240 students.

In Al-Hudaida BO, a workshop was held in coordination with the Islamic Relief. LIWP provided the organization with poverty indicators of Al-Hudaida and Raimah Governorates in order to help carry out the needed surveys and target the IDPs there.

Road Sector

The sector's cumulative number of projects reached 845 at an estimated cost of more than US\$193.4 million, directly benefiting around 43.4 million people (50% female) and generating around 9.1 workdays. The projects comprise the construction and rehabilitation of 3,500-km-long rural-access roads as well as the pavement of an area of 3 million m². Of those projects, 729 ones were completed at a contractual cost of nearly US\$152 million.

Roads Indicators

Result Indicators	Phase IV Target (2011–15)	Cumulative (as of 31 March 2015)
Total length of roads improved/built (km)	1,300	1,722



Cash for work Indicators

Result Indicators	Phase IV Target (2011–15)	Cumulative (as of 31 March 2015)
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	630,306
	Urban	322,326
	Total	952,632
Number of working days employment created under workfare assistance program for multi-year activities in rural areas	2.625m	-
Number of working days employment created under workfare assistance program for short-term activities disaggregated by	Rural	8.6m
	Urban	1.7m
	Total	10.3m
Indirect beneficiaries: Number of people benefiting from community livelihood assets	260,000	238,158
Land: Total area of rehabilitated agricultural lands and terraces (Hectares)	4,980	3,528
% of resources paid as wages	60%	73%

Small and Micro Enterprises Development (SMED)

In light of the precarious conditions in Yemen since April, the war has cast its shadow on the economic, security and living conditions on the lives of people in general and on small and microfinance industry in particular. In addition, the flow of supporting basic services has been disrupted for the supply of fuel products and electricity and the shortfall of financial resources. All these factors have affected heavily the performance of the SFD's Small Micro-Enterprises Development Unit (SMED) and affected its plans to develop and implement its 2015 planned projects that aimed to provide financial and non-financial services through the Small and Micro Enterprise Promotion Services (SMEPS), Yemen Microfinance Network (YMN) and its member microfinance institutions and programs.

Progress indicators of the microfinance declined significantly. Therefore, the work of SMED during the second quarter focused on the follow-up of those programs and institutions, and of ways to support them, as well as on reviewing the MFIs' emergency plans and the development of some post-conflict mechanisms and policies to strengthen the MFIs. SFD has, during the quarter, provided support to both SMEPS, YMN and Al-Amal Microfinance Bank, with a total amount exceeding YER253.5 million (equivalent to approximately US\$ 1.2 million), to facilitate their activities.

The volume of portfolio of active loans for MFIs has amounted to nearly YER11 billion (equivalent to \$51.1 million), while the number of borrowers from MFIs amounted to about 114.6 million active borrowers (of both sexes), and the number of active savers is more than 698.4 thousand. The total number of loans the borrowers withdrew from MFIs reached 766.27 thousand at a total amount of YER86,404 million (equivalent to about \$359.8 million).

It is clearly observed that those indicators have declined compared to the first quarter of 2015 as a result of the current situation in Yemen, which triggered freezing of loans. Several clients have totally lost their activities, especially in the governorates of Aden, Abyan and Taiz. And some branches of MFIs have been closed down in the capital Sana'a and Sana'a governorate.

Technical support to develop MFIs' computerize systems

SMED continues to provide technical support to develop the control systems of MFIs, and of SMED itself, update the customer database of clients at the credit information interface, and apply the alternative location application to support the database of Aden Microfinance Foundation in order to avoid negative consequences of possible relocation of the computerized system. Due to the increase of clients Tarim branch office of Hadhramaut Microfinance Program, a new office was opened, and thereby the portfolio of the branch office was separated from the portfolio of the headquarters.

SMED also reviewed the analysis and design of the central archive of Azal Islamic Microfinance Program.

Small and Micro Enterprise Promotion Services (SMEPS) Agency

SFD still provides the main support for SMEPS to enable it continue its work in the head office and two branch offices in the governorates of Aden and Hadramout (Mukalla City). The SMEPS' projects aim to develop youth employment, support component of value chains for

coffee, honey and seasonal crops sectors and continue the expansion of training women entrepreneurs in the field of management. That total cost of the support has reached more than YER246.4 million (\$1.15 million).

Al-Amal Microfinance Bank

SFD has played a major role in the development of microfinance along with its partners such as the Al-Amal Microfinance Bank and the International Finance Corporation (IFC). SFD provided over YER4.83 million (\$22,500) being its second payment of contribution to develop the Bank's microfinance and housing programs.

Nama Microfinance Foundation

SFD has granted over YER1.6 million (\$7,467) to this institution debiting the Decent Life grant to support Nama's advertising.

Al-Awael Microfinance Company

SFD is the company's major supporter; it provided it with about YER 644.600 to cover the company's consultative cost in the administrative aspects, as well as to facilitate its activities.

Yemen Microfinance Network (YMN)

YMN conducted several activities, notably a workshop that brought together a number of network members and SFD staff and discussed the conflicted ensued consequences on microfinance since the end of 2014, in addition to the lack of basic services (electricity, fuel products, the difficulty of cash local transfers, shortcomings in banking services, etc.). All these impacts led to almost total paralysis of the national economy that impacted the various services and the commercial sectors (including microfinance).

The participants touched on the damage which affected the industry (in general) and the MFIs and its clients (in particular), including the closure of MFIs' branches in the violence areas such as Taiz, Aden, Lahij and others, the significant decline in the rate of collection of loan repayments from clients (some repayments of some loans have stopped totally) and the closure of some MFIs' branch offices in the capital city. Accordingly, MFIs' representatives presented the austerity measures taken by their MFIs to address the financial challenge. These measures included reduction of salaries of MFIs' staff, reduction of the official working hours because of the precarious security situation, and reduction of operating costs drastically.

At the end of the workshop, the participants provided recommendations to reduce the conflict ensued damage, including the call of donor organizations to support the sector in these conditions, increase communication and exchange of information between SFD and MFIs, document and collect all data, and conduct inventory of what has been lost for potential compensation in the future, activate the SFD work at the moment, where SFD's current role changes from being a donor to a guarantor. The recommendations also included the MFIs' cooperation with the relief efforts by providing emergency loans, refinancing some loans, rescheduling loans, extending repayment period, exchanging experiences among MFIs on ways MFIs working in conflict-affected areas can pursue to continue their work, in addition to post-conflict recovery planning. The workshop also set up a follow-up team to implement the recommendations.

Microfinance Programs Supported by SFD as of 30 June 2015

S/N	Program	Number of active clients			Outstanding loan portfolio Million YR	PAR (%)	Cumulative numbers		Number of Personnel	Number of Loan Officers	Area of Operation
		Borrowers	Savers				Number of loans	Loan amounts Million YR			
		Total	Women (%)	Total							
1	Al-Amal Microfinance Bank	41,298	40	120,891	2,772	6.11	134,842	13,514	261	124	Capital City, Taiz, Ibb, Hajjah,
2	National MF Foundation	16,122	80	28,428	657	30.72	108,324	7,877	138	68	Capital City, Taiz, Ibb, Thamar, Yarim, Hajjah, Lahj, Al-Hudaidah, Aden, Altawahe, Hadhramaut
3	Aden MF Foundation	14,319	92	11,578	946	100	52,402	5,007	89	44	Dar sad, Al-Buraikah, Al-Mukalla, Altawahe, Khoo Maksar, Kerater, Aden, Lahj, Aldali
4	MF Development Program (Nama')	8,604	50	3,010	537	33.13	79,587	6,957	116	79	Capital City, Taiz, Ibb, Aden, and Al-Hudaidah
5	Altadhamon Bank	6,352	36	0	882	22.08	38,640	8,830	126	91	Capital City, Taiz, Al-Hudaidah, Aden, Ibb, Hajja, Shabwa, Mukalla, Seyun, Amran
6	Alkuraimi Islamic Microfinance Bank	6,066	4	527,552	1,511	29.1	17,630	8,167	95	73	Capital City, Taiz, Ibb, Aden, Thamar, Al-Hudaidah, Almokala, Seyun, Rada'a, Yarim, Alkaeda, Amran, Aldali, Hajja, Lahj, Hadhramaut
7	Hadhramaut Microfinance Program	6,971	39	4,395	814	27.82	42,457	4,958	56	20	Hadhramaut (Seyun - Tarim, Al-Suom), Alkton, Shebam, Almahra, Shabwa
8	Small Enterprise Development Fund (SEDF)	5,206	25	0	2,123	3	22,617	17,055	126	21	Capital City, Taiz, Aden, Hadhramaut, Al-Hudaidah, Ibb
9	Azal Microfinance Program	4,121	62	2,550	329	31.68	46,855	3,771	83	41	Capital City, Almahweet
10	Aletehad Microfinance Program	3,939	100	0	688	98.37	50,330	2,767	77	29	Abyan, Almokala, Alshehr, Aden
11	Al-Awa'el MF Company	1,546	79	0	93	100	81945	4,088	41	21	Taiz (Al-Camb, Hawdh Al-Ashraf, Al-Rahedah, Sainah, Al-Qada'edah)
12	Other Activities & IGPs						85,024	3,413			Several areas
Total		114,544		698,404	11,352		760,653	86,404	1,208	611	



Number of projects approved and estimated costs—Second quarter, 2015 (by governorate)

Governorate	No. of projects	Estimated cost (USD)	Estimated SFD's contribution (USD)	Percentage (%)
Capital City	1	31302	420	909
Total *	1	31302	420	909

Number of projects & estimated costs —Second quarter, 2015 (by sector)

Sector	No. of Projects	Estimated Cost (\$)	Est. SFD Contribution (\$)	Temporary Job Opportunities
Organizational Support	1	31302	420	909
Total	1	31302	420	909



Cumulative number of completed projects and contractual costs as of the end of second quarter 2015 (by sector)

Main sector	No. of projects	Contractual cost (USD)
Environment	349	24,416,183
Integrated Intervention	239	15,459,279
Training	940	15,801,504
Education	4,753	569,437,948
Organizational Support	589	21,258,562
Agriculture	308	21,937,588
Health	1,107	71,536,517
Roads	729	151,966,466
Special Needs Groups	682	29,581,010
Micro Enterprises Development	167	30,926,905
Small Enterprise Development	32	7,717,009
Cultural Heritage	235	39,874,082
Water	1,861	150,140,943
Cash for Work	600	110,324,902
Business Development Services	53	6,950,211
Total	12,644	1,267,329,108

Cumulative number of completed projects and contractual costs as of the end of second quarter 2015 (by governorate)

Governorate	No. of Projects	Estimated Cost (\$)	Est. SFD Contribution (\$)	Contractual cost (\$)
Ibb	1,256	161,235,854	138,629,754	135,311,858
Abyan	238	31,350,041	26,104,136	25,242,647
Socatra	46	5,372,201	5,137,496	5,314,004
Capital City	665	86,645,171	82,753,828	78,476,097
Al-Baidha	262	27,997,441	26,258,941	26,014,192
Al-Jawf	143	14,807,254	14,119,355	13,795,495
Al-Hudaidah	1,077	140,580,480	135,973,321	128,284,358
Al-Dhale	236	32,785,259	30,315,978	27,231,920
Al-Mahweet	350	41,480,289	37,884,038	36,571,446
Al-Maharah	90	5,805,503	5,322,384	5,324,751
Taiz	1,574	204,523,160	154,622,444	152,987,623
Hajjah	988	128,953,899	114,987,142	106,483,200
Hadhramaut	576	52,521,325	50,336,693	47,008,989
Dhamar	815	89,785,282	76,665,704	81,374,472
Raimah	292	42,508,183	27,482,411	29,896,635
Shabwah	266	26,187,331	25,108,263	24,544,024
Sa'adah	309	44,500,748	43,456,444	41,233,100
Sana'a	476	51,531,422	47,939,760	46,638,538
Aden	305	38,319,177	35,772,921	31,927,973
Amran	849	105,710,291	95,637,826	89,376,894
Lahj	582	74,499,983	58,336,025	57,346,810
Mareb	117	9,185,259	8,710,914	8,982,237
Several Governorates	1,132	81,394,852	79,697,549	67,961,842
Total	12,644	1,497,680,406	1,321,253,327	1,267,329,108

Cumulative Number of Projects, Commitment, Beneficiaries and Temporary Employment as of the end of Second Quarter 2015 (by sector)

Sector	No. of Projects	Estimated Cost (\$)	Estimated SFD's contribution (USD)	Contractual cost (USD)	Expected direct beneficiaries		Expected indirect beneficiaries		Total estimated employment (workdays)
					Male	Female	Male	Female	
Environment	411	46,030,319	39,708,086	37,140,420	1,803,839	1,799,363	208,442	205,668	1,387,775
Integrated Intervention	339	32,056,710	26,533,119	21,508,160	152,515	159,634	110,961	114,018	791,792
Training	1,046	27,596,957	27,558,356	19,264,925	101,566	62,089	445,904	477,658	405,245
Education	5,272	762,635,713	737,878,352	640,003,261	1,527,211	1,285,651	1,918,618	1,630,341	24,975,456
Organizational Support	659	40,748,573	38,001,749	24,162,775	400,542	355,229	326,324	290,584	920,636
Agriculture	439	58,086,750	53,399,168	40,399,872	248,595	211,954	418,278	317,960	1,434,869
Health	1,218	108,640,422	105,826,019	89,573,150	2,858,101	4,977,209	864,818	1,504,517	2,319,133
Roads	845	193,412,560	187,268,897	178,470,457	2,225,326	2,202,830	843,899	834,600	9,036,918
Special Needs Groups	718	37,945,828	37,191,932	31,380,727	112,070	72,549	68,482	52,431	864,313
Micro Enterprises Development	197	49,359,185	49,196,083	40,403,236	87,356	370,469	515,911	1,511,056	173,379
Small Enterprise Development	33	8,982,031	8,981,031	7,847,009	18,434	22,101	60,129	44,866	17,828
Cultural Heritage	284	65,996,983	65,257,577	55,563,543	209,365	183,538	109,306	83,393	2,514,029
Water	2,295	430,423,541	211,963,949	210,397,810	2,037,987	2,055,020	157,172	137,762	8,903,470
Cash for Work	803	166,934,244	166,092,162	156,684,079	641,872	624,711	991,111	1,043,679	14,328,585
Business Development Services	80	17,512,419	17,512,419	15,818,049	66,541	26,567	94,317	68,919	3,555
Total*	14,639	2,046,362,237	1,772,368,899	1,568,617,472	12,491,320	14,408,914	7,133,672	8,317,452	68,076,983

Effective role of VCCs and DCs in helping IDPs

In the humanitarian crisis of Taiz, the ELD-established Village Cooperative Councils (VCCs) and Development Committees (DCs) in Alshamaytayn district of the Taiz Governorate contributed in a considerable number of activities. Due to the difficult access to the district in the beginning of the crises, these community structures conducted a field assessment of all people who fled violence to the district villages for the relief agencies for assistance. In order to ensure better coordination and response, they shared the assessment data with the local authority and both brought up with a unified assessment of 50000 internally displaced people (IDPs). They motivate the communities to support IDPs and also worked with some local and international organizations in distributing aid to the IDPs in several villages. VCCs and DCs were also active in motivating communities to implement a number of self-help initiatives which were among the planned projects of the local authorities, i.e. completing building of the roof of the VCC centre of Almasharifa and Almagaze'e sub-district, leveling the foundation of the health unit, cleaning the drinking water wells, and providing some needed aids for IDPs, as as the case in Alkahfa village.

They distributed Ramadan food baskets and cash assistance for some IDP families in Shargab sub-district and Alwaser village.



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