



وكالة تنمية المنشآت
الصغيرة و الأصغر
Small & Micro Enterprise
Promotion Service

Annual Report
2022-2023



**Small and Micro Enterprise
Promotion Services
2022-2023**



Table of Content

Value
Chains **7**

Being
Out There **19**

Numbers in
Supporting MSMEs **32**

Our Partners in
Development **35**



Value Chains

Transforming Sectors through a Continuum of Support: Private Sector Projects

The collapse of the economy played a fundamental role in the spread of poverty, paralyzing most aspects of life and disrupting attempts to sketch or even envision the future in Yemen. This led to a huge reliance on the country's imports specifically on food items and health products, despite the many challenges on importing. Therefore, SMEPS thought differently in supporting local production and adopted a sustainable approach to enhance food security by undertaking a systemic approach to enhancing the performance of key sectors in the economy and bringing in main market players. The approach looked at guaranteeing a continuum of support in engaging key players even after project completion to ensure that there is leverage and the gaps within the sectors are addressed.

Some of these sectors included the agriculture sector, specifically the potatoes sector. The notable revival of the potato product was noticed by seller and buyer, attributed to the introduction of new potato varieties from Kenya - making their debut in Yemen- leading to a new era of potato farming in Yemen, which is a key crop in Yemen. This enabled the provision of a decent livelihood for many of the farmers who were exposed to new varieties of the crop and by connected to local markets and key players including the private and public sectors. This led to better quality crops and opening of new local markets for the new varieties as well as access to foreign markets – gulf markets.



Similar approaches were applied to the dairy sector to support livelihoods of dairy producers, increasing their production, quantity and quality and linking them to local milk producers and encouraging local production of fresh milk. SMEPS support focused on working to enhance and strengthen the value chain by actively working with key market players through both financial and technical support as well as health and quality assurance to ensure milk produced increases and reaches the end production company with good quality. In particular, women dairy producers were supported to increase their production, then formulated to producer groups, linked to existing milk associations and established ones in areas where associations did not exist which were ultimately linked to a milk producing lead firm. Some of the main indicators captured in a year of support was the massive increase in production of fresh milk,

incomes for women producers, jobs created within the value chain and the decrease of use of powdered milk by the lead factory.

"The association had 250 members before the intervention, but their number reached 1400 by mid-2023, a year during the support. Additionally, the number of milk suppliers increased from 40 to 102 suppliers" says Abdullah Al-Kashouba, President of Al-Kashouba Association for Agricultural Development and Livestock Production in the project target area, after the project successfully linked livestock farmers with intermediaries. Furthermore, the association established a partnership with the United Dairy and Food Company (Nana), "Nana factory was receiving (200_300) liters of milk daily,

but that quantity increased to 10,000 liters per day after supporting livestock farmers through this project” as stated by Mohammed Al-Sha’rabi, the Production Manager at Nana factory. This ensures the continuity of support even after the project’s completion.

Given this approach that focuses on connecting key players in the food value chain, the project also emphasized supporting veterinarians for their crucial role in maintaining livestock health and increasing the milk production.

Veterinarian Majid Hajam, who received financial assistance from the project, says, “All of this supported us develop our work in clinics, increase our income, improve our livelihoods, and empowered us to provide high-quality veterinary services for livestock.”

Continuing with the same implementation approaches on market systems development across sectors of work in the agency is starting to have a ripple effect and changing people and behaviors to pushing towards more local production of goods and services.

Another standing example was the support to local farmers of agro-star chillis used to manufacture chilli sauce who were linked to a lead food processing firm in Yemen – Mawadah Factory. The factory used to import large quantities of the agro-star chili peppers in hard currency from abroad as local production did not meet the demand. However, after the chain support, the company is now procuring 100% of its needs from local farmers, with high quality.



Another stand out sector is the date sector that targeted farmers and associations in Tarim – Hadramout, a date growing governorate in Yemen. This approach transformed the date sector into a promising investment sector after linking the players in the chain from the production stage to markets and consumption. The number of actors supported in this program were 48 enhancing the production practices and quality needed in local markets, from planting to harvesting, post harvest and marketing practices. covering the needs of farmers and traders. All of these examples were achieved during the years 2022_2023, and undoubtedly, the impact numbers will increase in the upcoming years,

due to the ripple effect, behavioral changes and quality demand among the key players in the value chains of all targeted sectors. SMEPS continues to adopt the same implementation approach as it brings significant benefits and impact nationally, filling many gaps in key value chains, creating linkages between key players, and focusing on sustainability beyond the glare of numbers.



Fish Value Chains

Taiz & Hadhramaut

2,466
Jobs Created

Business Cooperatives **9**

SMEs **25**

Micro-Producers **346**



Environmental Impact

Pollution Prevention



Less Fuel Used by Fishermen



Less Co2 Emission (Boat engines) (SDG 13)

Decrease in Excess Produced



Micro supply Chain Decrease in Wastes (8 - 3 Kg/Day)



Fishermen Decrease in Wastes (5.2 - 3.9 Kg/Day)

Social Impact



Cooperatives Members Increased **186 - 208**

Services and Social Support



Education



Health



Gasoline Station

Market Systems

Strengthening Markets Local Production

New Production Lines for Boats in Different Sizes.



Linkages between

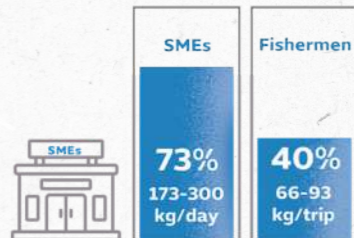
Cooperatives



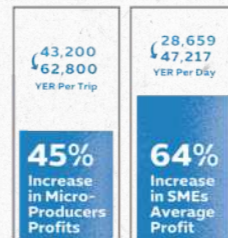
Lead firms

Economic Impact

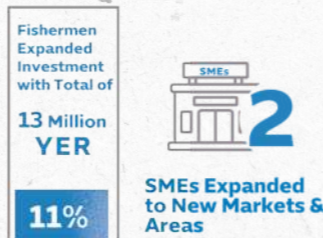
Increased Production



Improved Incomes



Expansion & Growth



Production Increased



4 Agreements

10 Million YER to Provide & Export fish.

Expansion to External Markets (Djibouti, Somalia, Eretria)

Horticulture Value Chains

Hadhramaut, Dhamar, Al-Hodiedah, Sana'a

8,309

Jobs Created

Business Cooperatives **10**

SMEs **40**

Micro-Producers **772**

Environmental Impact

Groundwater Conservation



Irrigation Water Saved (1,925 - 864 / 0.25 Hectare/Season)

Sustainable Agriculture



Areas using modern techs up to 160.07 hectare (SDG 15)

Pollution Prevention



Less Fuel and Oil (Farmers)

Less Co2 Emission from Pumps (SDG 13)

Decrease in Excess Produced



Average Less Wastes for Supply Chain Enablers (34 - 24 Kg/Day)

Economic Impact

Increased Production

SMEs

85%

Farmers

45%
(3.6-5.2 tons/season)

Farmers Increase Production By

SMEs Receiving Crops from Farmers (964 - 1,904 Kg/Day)

Incomes & Sales Increase

703,450
1,060,950
YER /season

51%
Farmers Revenues Increase

2.5 Million
4.4 Million
YER /month

75%
SMEs Average Profit Increase

Expansion & Growth

80%
Increase in Input Providers Expansion

41.4 YER
Land Expansion by 21.57 Hectare

Markets Systems

Strengthening Markets Local Production

Irrigation General Association



3 New Branches + 1 New Pipe Production Line.

Khashamir Association



First local Production of Compost



Contribution to Cover Markets Demand



of Farmers Linked with Mawadah Factory



of Agrostar Chili are Bought Locally

Social Impact

Strengthening Linkages



Cooperatives Members Increased **314 - 426**



Enhanced Services Provided by Cooperatives (Ploughing, Marketing, Input Providers, etc)

Farmers Use Income for



Reduction in Households Negative Coping Strategies (HHs Accessing Food on Loan and Decreasing Meal Portions)

Dairy Value Chains

Al-Marwaha, Al-Hodeida

1,866
Jobs Created

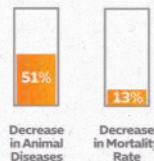
1
Dairy Associations

15
SMEs

457
Micro-Producers

Environmental Impact

Improved Animal Health

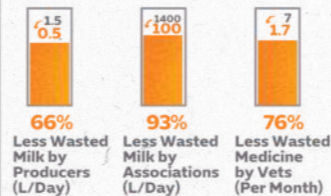


Renewable Energy to Reduce Fuel Consumed



Reduce Fuel
6026 L/Y &
Co2 emission
16.27 T/Y

Decrease in Excess Produced



Economic Impact

Increased Production (L/Day)



Covering Nana Factory Milk Needs Increased from 5% to 10%

Improved Income Per Month

18,000 YR
Small Holders New Source

Diary Associations by 100%
500k-1M month

Expansion & Growth

34% Micro Producer
Expanded 404 Million YER

Supply Chain
Total Leverage \$ 637,327

Markets Systems

Created Markets for Livestock Breeders

Established Collection Center For breeders to sell Dairy Products (Milk).

New services

Inputs Delivery, Mobile Pharmacy

Strengthening Production

1st locally produced concentrated feed.

Macro Impacts

Authorities exempt taxes for breeders, Breeders sell milk for 500YR per liter (previous pricing was 300YR)

Social Impact

Access to:

Markets

7 producers' group & 1 collection center established and linked.

Collection Center New Services

53% of breeders milk sold in markets

115 Breeders Replicated

Basic Services Income Used

45% Food

7% Education

10% Health

13% Savings

Reduce negative coping strategies

29% Households Increase Intake of Diverse Food

12% Households Reduced Food on Loan

26% Households Increase Meal Portion Sizes



Being Out There

SMEPS team is primarily based in its branches, Sana'a, Aden, and Hadhramaut. However, the truth is that wherever there is an opportunity for Yemen's development, you will find SMEPS there.

Starting with the constant presence of our field team deployed throughout Yemen to create impact, and extending to SMEPS international presence at various meetings, exhibitions and spaces for sharing experience and knowledge to achieve a wider reach for its development interventions.

Knowledge-Sharing Mission to Kenya-Improving the Potato Cultivation:

Potatoes hold the top position in Yemen as the largest agricultural crop in terms of production and cultivated areas. It is a vital crop in providing local food and securing income for many families as well as those working in the potato value chain. Consequently, over the past decade, SMEPS has focused on developing this value chain by supporting farmers to improve the quality and production intensity, as well as supporting private sector led laboratories to develop locally produced potato seeds through tissue culture, and organizing linkages workshops between these laboratories and the public entities working to ensure quality and govern production, specifically the general potato seed company. These efforts led to a knowledge-sharing mission that SMEPS coordinated with the International Potato Center in Kenya.

The mission was attended by a delegation composed of SMEPS livelihood program team, representatives from Dhamar University, and a private sector lab - Gharras Company. The delegation conducted numerous field visits to farms, laboratories, and food processing plants to learn about the latest techniques in potato tuber production, cultivation, and technology use in food production and reducing waste.

Furthermore, the delegation, in coordination with the Yemeni government, facilitated 16 new potato varieties and 12 sweet potatoes entry to Yemen. These varieties are characterized by high yield, resistance to diseases, heat and drought.

Moreover, through hybridization and propagation, it is possible to enter foreign markets and be competitive by producing competitive local varieties. Upon their return, SMEPS coordinated with Gharras Company to propagate these varieties using tissue culture technique which at the moment has successfully multiplies the varieties and tested in different agricultural settings. These varieties have proven to be better in withstanding climate and weather conditions and in resisting diseases.. SMEPS continues to oversee experiment results and ensure that its outputs reach the local market, which will bring about a qualitative leap in the potato cultivation sector in Yemen.



Yemen in a Sip of Coffee:

The Small and Micro Enterprises Promotion Services – SMEPS held a «Yemeni Coffee Reception» in November 2022 in the Jordanian capital, Amman, in partnership with the World Bank. The event was attended by a number of international partners and donors who enjoyed meeting with Yemeni coffee experts, certified cuppers, and traders. These experts enriched the discussion on specialty Yemeni coffee, its cultivation conditions, diversity, and unique characteristics that qualify it to compete with global coffee varieties. The strategic importance of focusing on exporting Yemeni coffee and its impact on the local economy was also highlighted. Additionally, a part of the event included cupping sessions of various types of specialty Yemeni coffee from different Yemeni areas.

The event aimed to introduce Yemeni coffee to the foreign market, serving as a first step towards future international exhibitions that contribute to exporting national products and reaching global markets. The event also provided an opportunity for local traders to connect with potential partners and clients regionally and internationally.



Communication for Development... Makes a Difference!:

At the request of the **Center for Applied Research in Partnership with the Orient (CARPO)**, SMEPS communication and advocacy team was invited to participate in the «Scientific Communication on Gender and Development Workshop» as one of the best working models in Yemen in the communication sector. The workshop included sharing SMEPS knowledge and experience in communication to the workshop participants, including Yemeni and German researchers and master's students. This involved discussing awareness-raising and advocacy campaigns for development, and delving deeper into the communication for development messages that SMEPS seeks to achieve through its media productions and communication with the public through various social media platforms.





SMEPS made it to Burkina Faso!

Experiences continue to transfer SMEPS expertise in managing the BRAVEWOMAN businesswomen support project in partnership with the Islamic Corporation for the Private Sector Development and with the funding of the Islamic Bank for Development to African countries, following its great success in Yemen.

This time, Burkina Faso hosted a team of SMEPS delegates who provided technical support to the Maison de l'Entreprise de Burkina Faso (MEBF), through training in management aspects, Customer Relationship Management (CRM), monitoring and evaluation, communication and advocacy, protection, and gender.

Additionally, the workshop discussed the challenges faced by the project and the lessons learned to achieve better results with businesswomen in Africa.

It is worth noting that the BRAVEWOMAN project, which was first implemented in Yemen, was previously transferred to Nigeria in 2021 and SMEPS team supported with a knowledge exchange online.



Yemen Through the Eyes of Youth – Art and Heritage:

Heritage, creativity, and youth voice were present in SMEPS memory through “Cash for Work: Promoting livelihood opportunities for Urban Youth in Yemen», which SMEPS implemented in partnership with the UNESCO and under the funding of the European Union. The project supported, over two phases, 13 cultural society organizations, including documentation, chanting, filmmaking, visual arts, and crafts. SMEPS celebrated the project’s outcomes by organizing the «Yemen Through the Eyes of Youth» public event in Aden in July 2022, with the participation of 8 CSOs from Sana’a, Aden, and Hadramout. Moreover, more than 200 local and international partners attended the event. The event included artistic and theatrical performances,

a screening of short videos and films, as well as an exceptional art exhibition featuring sculptures and paintings produced by the youth during the project. In supporting creative economy, SMEPS doubled the opportunities for youth to access the market by organizing a three-day bazaar at its headquarters in Sana’a. The bazaar allowed artisans and artists to display and sell their artwork and heritage-inspired products, which ranged from handmade crafts and musical instruments (Qanbus) to paintings. In addition, more than 670 people attended the bazaar, local and international NGOs, artists, and influencers as well.



The participants in the bazaar achieved sales of 987,800 Y.R, were able to secure new requests for future orders, and promote their creative projects to a wider audience. Notably, one of the locally made Qanbus instruments was booked and sold to a resident of Canada, thanks to the significant impact the bazaar had on social media.



Wider Echo of Yemeni Businesswomen s Success:

In July 2022, Safiya Al-Jabry, the Executive Director of the Small and Micro Enterprises Promotion Services - SMEPS, participated in the 27th International Conference for Women in Business (ICWB), one of the largest specialized conferences in Japan that is ongoing since 1996. The conference showcases diverse experiences and perspectives from around the world to share expertise and knowledge in business development.

In her participation, Al-Jabry highlighted the Yemeni women role in the business world, especially during times of conflict and war.

She cited examples of adaptation and resilience among pioneering women who took the initiative and became breadwinners for their families during the war by establishing and developing their own projects to provide alternative income sources.

She also reviewed the experience of the BRAVE and BRAVEWOMAN projects implemented by SMEPS between 2018 and 2022, which played a significant role in the sustainability of such projects and enhancing their access to banks, financing services, and expand in the market. She explained how this was reflected in creating job opportunities and supplying the local market with high quality products and new lines of services.

On the Environment and Development Flourishing Factors:

SMEPS ED, Safiya Al-Jabry, was also part of a discussion on environmental tracks for reconciliation in Yemen, within a session hosted by the Stockholm International Peace Research Institute in May 2022 on the environmental dimensions of the ongoing conflict in Yemen. In this session, Al-Jabry discussed SMEPS role in its projects within the agricultural and fisheries sectors, which focus on reducing the negative environmental impacts of small producers. This is reflected in providing water, reducing fuel consumption through modern agricultural land cultivation techniques use, and in the livestock sector by reducing animal mortality and all forms of pollution resulting through educating breeders on how to treat and improve their animals health,

as well as feeding livestock with concentrated feed as an alternative to consuming natural fodder and overgrazing, and raising awareness about collecting waste for use in producing biogas to reduce the burning of wood or charcoal and thus reduce air pollution. In the fisheries sector, interventions contribute to reducing fuel consumption by achieving more efficient fishing trips using fish location technologies i.e GPS finder, and educating fishermen on the proper handling of fish and methods of protecting the marine and aquatic environment.



**Numbers in
Supporting
MSMEs**

Renewable Energy

72

Supported MSMEs within the SEIRY Project.

36

Facilities in the Textile Sector Received Solar Energy

25

MSMEs within the Health Sector Shifted to Solar Power.

11

Dates, Henna & Honey Started Using Solar Energy.

91

Farms Have been Supported with Solar Energy in Hadhramout Aiming to Reduce Operational Expenses & Generate Electrical Energy.

69

Youth (9 females) were Supported in Solar Energy Maintenance to Enter the Work Market

Technology and Innovation

98

MSMEs were Supported within the Information Technology & Solar Energy Sectors

5

Facilities were supported with Computer-aided Laser Machines for Carving.

Healthcare

73

Supported Health Facilities in Aden

196

Medical Devices

73

SMEs

250

Midwives

Economic Growth

16,135
Job Opportunities Created
24% female

1016
Supported Farmers

600
Livestock Breeders

3293
Private Sector Workers

Community Assets Development

4306
Worker
36% female

31
Asset in Road Rehabilitation and Improvement

278037
Number of Workdays Resulting from Activity Implementation

1
Asset in Rehabilitating & Improving Agricultural Lands.

122
Assets

48
Asset in Enhancing Water Sources (Ponds and Wells)

4306
Number of Registered and Approved Workers in Cash for Work Approach

Encouraging Small Contractors to Participate in Tenders

19
Contractors

Contractors' Component

3
Females

8
Governorates

28
The Average of Projects Executed by Contractors

93
Long-term Employment Created

11
Female

390
Temporary Job Opportunities

Supported Technically & Financially to Complete Official Documents Enabling them to Prepare for Tenders.



The Small and Micro Enterprise Promotion Services 2022-2023





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