



SMEPS Annual Report

2017-2018





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**WE ARE PROUD TO BE UNDER THE
SOCIAL FUND FOR DEVELOPMENT
(SFD) UMBRELLA WHICH CONTINUES
TO SUPPORT US BE MORE CREATIVE
AND DIVERSE THROUGH OUR
PROJECTS.
THANK YOU SFD.**

”

WOW!
Delicious

Best
Coffee
EVER!

Yemeni
Famous
Coffee

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Feel free to contact us with questions, partnership proposals, media inquiries, or just to say “hi.” on

Communication, Partnership & Knowledge Team

communication@smeps.org.ye

Faizah Al-Sulimani

Communication, Partnership & Knowledge Manager

fsulimani@smeps.org.ye

**IF
GREED & GRIEVANCE
CAUSE CIVIL WARS
CAN EQUITY DRIVEN
DEVELOPMENT END THEM?**

?

CAPTAIN LETTER

“

The Sheikh received support, but the givers of aid did not see me and my people suffering in the village.

Abdo Ali

”

If ever a moment refocused me on SMEPS work in Yemen it was the calls of those surrendering on life itself. “The Sheikh received support, but the givers of aid did not see me and my people suffering in the village” Abdo Ali from a village in Ibb continues “the war exhausted us and living was no longer possible, you came at a time when hope had vanished, but you brought it back to us”. The greed I have seen is one of the causes of a spectrum of unimaginable inequalities that cannot be repaired without intervention. The communities neglected unable to feed their own, or cure their sick over generations will not see an inclusive society without support.

That is why in 2017/2018 we stayed true to our vision of bridging the humanitarian-development nexus. Our vision and our actions give hope. Abdo Ali had stopped farming because he could not afford the diesel to irrigate his land. Now he uses solar technology to pump water to his farm and the lands of his neighbors. He says “water is life, now I can live with dignity, I will toil the land and with my hands I will feed my own”. His experience has to resonate with thousands of farmers, which was one of our challenges for 2017.

That is why SMEPS grew in size from 40 employees to 78. We had an ambitious plan to serve thousands of producers and hundreds of health clinics aiming to create 26,000 jobs. Serving over 2000 farmers we reached more than 57,000 short and long term jobs. Many of these opportunities were taken up by combatants who had seen their share of death and wanted a chance at life.

In the coming period of time, we aim to learn why some combatants stopped fighting to join our projects whilst others did not. Our learning will help inform on post conflict strategies to reintegrate tens of thousands of fighters, so they too can have a chance of life.

Life though requires care, and when a country's health care is on the verge of collapse again an intervention is required to bring back hope. Our focus on the health care sector was more defined. We worked with more than 400 hospitals, clinics, laboratories, pharmaceutical manufactures and medicine importers to revitalize the private health sector. We helped these vital businesses seize the opportunity to protect the health care sector from complete collapse. Our health sector consultants

over a ten-month period guided health care providers in implementing their growth plans. In the city of Aden, I learnt how hospitals during the 2015 conflict could not access oxygen cylinders. SMEPS investment with a local health provider is now realizing a new reality where hospitals in the city of Aden will be supplied by a local producer of oxygen cylinders helping to make the health care system more resilient.

In 2018, I learnt more about grievance. I saw first-hand how city dwellers of Aden, Dhamar, Ibb, Hodeidah and Mukalla and many of our regional cities would have travelled to Sana'a or abroad to receive basic health care. SMEPS interventions in the health sector is supporting hospitals and clinics to expand bringing services to more than 3,000,000 people across Yemen. Our challenge in 2019 is to go beyond 400 health providers to a further 300 offering improved care to an additional 1,000,000 patients.

We have always known that one hand does not clap alone, however what we have learnt in 2017/2018 is that our most powerful partner are the poor people we serve. That is why we have shaped our commu

nications around them. We have provided them a platform to air their voices, they call us out on our mistakes on social media in a public fashion and we see this as strength. Their strength in making us better. In 2018, we trained beneficiaries on using social media. Their credible voices will help communications work for development in facilitating social and economic change. Farmers and doctors are more likely to respond to their peers.

We have a long way to achieve the progress we set out to achieve when we established SMEPS in 2005. Yet in the past year, I have witnessed more change in health care and agriculture than I have since I took up my role at SMEPS thirteen years ago. What is honorable about the change we are witnessing today and led by SMEPS is it feels more equitable. Farmers not supported by SMEPS are replicating the farmers we have supported because our approach crowds-in communities, businesses and finance. The many health providers not supported by SMEPS have access to the learning tools we provided to those assisted. Growth is occurring in agriculture and health and this time it appears the chances of it being a more equitable growth are quite realistic. I look forward to the coming period of

time not because I feel we are closer to peace, unfortunately it will be a while yet before we no longer hear the sounds of death. I look forward to 2019 because I know we will have a bigger impact. We will help more than 4000 producers do what they do best which is produce food for millions of people. We will help 500 health providers expand care to over 1,000,000 people. In the process, we will create 30,000 jobs, and we will accomplish these remarkable achievements through efficient investments.

Thank you to those who support our work. I am indebted to those that implement our work. While I remain humbled by those we serve, knowing that we have to do more.

WESAM QAID
EXECUTIVE DIRECTOR



**2017/2018
SMEPS CONTINUED
IMPROVING LIVELIHOODS
REACHING OVER
75,000 INDIVIDUALS.**

ABOUT SMEPS

“

SMEPS shows a steady step towards achieving development in YEMEN

”

Even within conflict, SMEPS still believes in development, brining it with the ongoing humanitarian efforts. SMEPS created innovative ways for the humanitarian assistance to ensure sustainability and to protect Yemenis to live with dignity.

Throughout 2017/2018, SMEPS continued in improving livelihoods reaching over 75,000 individuals helping them sustain incomes and live with dignity. This report summarized these achievements in an unconventional way, where we hope our readers will enjoy reading it and hopefully, interact with us through sharing their feedback on our networking platforms. Our slogan is creativity and diversification, and that is how this report has been written.

The report will highlight the positive strides and changes SMEPS implemented to achieve some of our main indicators including jobs created, livelihoods improved, and the hundreds of businesses that continued working despite conflict.

2017 was a year where we looked for sustainable solutions to better serve affected Yemenis to restore their hopes and help them live with dignity.

SMEPS used the matching grant schemes as well as technical support in its interventions to strengthen community resilience. These provided support to different groups of people including businesses to continue growing hence improving livelihoods and positively impacting local economies.



**DO YOU KNOW
WHAT IS THE PROPORTION OF
AGRICULTURE WORKERS
TO THE TOTAL YEMENI
WORKFORCE?**



**AGRICULTURE
LIVELIHOODS**



74%

of the whole Yemeni population are related to agriculture sector.

54%

of the Yemeni workforce work in agriculture.



11,172

Beneficiaries were trained by SMEPS in the agriculture livelihoods (Horticulture, Fish, Honey, Coffee, Livestock)

189,345

job opportunities created to more than 75,000 individuals (including IDP's) from SMEPS agriculture livelihood support.

7190

Beneficiaries received grants of modern technologies. (drip irrigations, solar, fish finder, GPS, beehives...etc.)



Was the majority of agricultural land irrigated by the traditional flood system?

Agriculture workers form 54% out of the whole Yemeni workforce and around 74% out of the whole Yemeni population are related to agricultural sector. During conflicts, farmers struggled to meet their needs from high fuel prices, insecurity and lack of information and knowledge on modern farming technologies. Most of the farmers took the decision to stop farming, therefore their only source of income stopped!

SMEPS creatively linked its projects to SDG's indicators, working on the goal 2, specifically 2.3 and 2.4 to achieve food security. SMEPS was able to target more than 11,172 beneficiaries in the agricultural sector (Horticulture, Fish, Honey, Coffee, livestock). A total of 7,190 beneficiaries received modern technologies (drip irrigation, solar systems, fish finders, GPS devices, beehives...etc.) which enhanced their knowledge and developed their outcomes and work.

SMEPS agriculture support created 189,345 jobs to more than 75,000 which includes internally displaced persons (IDP's). In addition, SMEPS opened the door for internships for agriculture graduates. It is commonly thought that agriculture is a major with less opportunities, but we were able to change that assumption!

Can you just
imagine how
much water is
wasted?!?

The fresh graduates of Sanaa university were trained and supported to enter the labor market and provided with employment opportunities connecting them with companies and entities operating in the same field. SMEPS contributed a little in making agriculture sector better in Yemen, and there is still a long way to go with thousands of farmers waiting to be supported.

A photograph of two men sitting outdoors, facing each other and drinking from small glass cups. The man on the left is wearing a blue patterned shirt and a white shawl. The man on the right is wearing a blue and white checkered shirt and a white headscarf with a red band. They are both smiling and appear to be enjoying their coffee. The background is a blurred, hilly landscape.

A SUGGESTION

The part you are about to read, requires a cup of Yemeni rich coffee without any sugar!



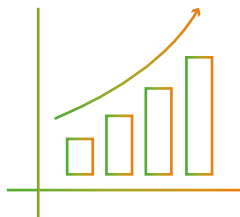
1274

Beneficiaries targeted in coffee sector



76%

of the targeted beneficiaries are WOMEN



90%

Increase in the productivity of coffee trees in Burra

38

(31 females + 7 males)

Women from Burra were trained to introduce modern coffee practices to hundreds of coffee farmers



Now, more than ever, Yemeni people must have the chance to draw the future they want. This is an opportunity to enable them truly to start their own businesses generating income. Living with dignity is a main goal to all Yemenis. SMEPS is saying this from many years of experience living next to Yemenis, hearing their thoughts and listening to their needs.

We are proud to have been in the mind set of many people that we are an organization that supports Yemeni coffee. We believe coffee is the future for Yemen, and therefore SMEPS decided to improve the coffee sector. SMEPS targeted more than 1200 beneficiaries in coffee sector and provided them with different kinds of support and knowledge. In Talok for example, SMEPS have supported women farmers enhance the quality of coffee, which was an opportunity for Talok coffee to reach markets in Dubai through Mocha1450 coffee company. How was that done? Through SMEPS brilliant consultants and the technical support this success happened, we at SMEPS thank them for all the efforts.

Our coffee support was not only to farmers, we also organized cupping training courses that included people interested in coffee that might open their own coffee businesses soon. Through this SMEPS spread awareness of the importance of the Yemeni coffee and its magic.

Women had a big share out of this intervention, as they formed around 76% of the targeted beneficiaries. During our baselines in Burra, we realized women are the ones who is responsible for the process of cultivating coffee there. SMEPS trained more than 30 women from Burra who have introduced modern coffee practices to hundreds of coffee farmers to meet the standards of coffee globally. This actually contributed in making a social change. Coffee trees productivity in Burra has increased by 90%, which makes it grow towards a better quality and higher export prices.



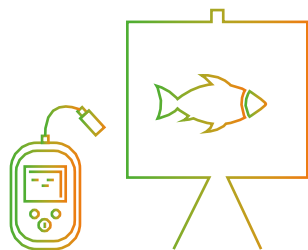


After the cup of rich Yemeni coffee, we will take you on a fishing trip, are you ready?

What does it take to have a good fishing trip?

A knowledgeable fisherman of course, a boat, fishing nets, diesel, and a hat from the sun. Is that right? Well, what if we added to that list modern fishing technologies which include GPS device and fish finder. A better deal, right?

SMEPS supports more than 2,206 fishermen sustain a better life and improve their livelihoods through financial and technical support. The technical support includes different types of trainings which include technical training, practical training on modern fishing technologies and engine maintenance. Raising knowledge for these fishermen is just a first step that will improve their fishing skills and eventually income.



83%

increase in the fish selling price as a result of the grants and the technical training.



2,206

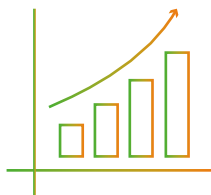
fishermen and more were supported by SMEPS to sustain a better life.



250%

(180200 to 698800)YER

increase in fishermen's profit

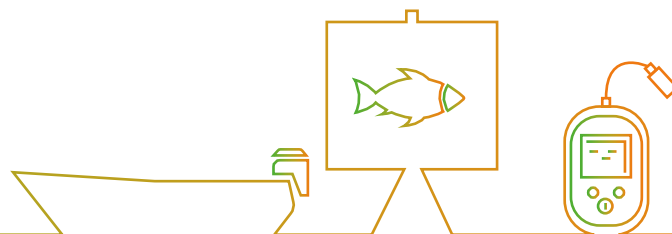


90%

increase in productivity

As for the financial support, SMEPS introduced the knowledge of starting to use modern fishing technologies like the GPS and fish finder devices. The support of the grants and the technical training increased their selling price by 83% due to the improved quality of the fish and the productivity increased by 90%. These 2 indicators increased a single's fishermen profit by 250% (Average: from 180200YER to 698800YER) which is a great achievement in improving livelihoods!

After SMEPS introduced the use of modern fishing technologies to the fishermen, we are proud and happy to see businesses now training fishers on using GPS and fish finder technologies. Less work for SMEPS, more work for the community!



“

SMEPS
supported
700 beekeepers
in Doan and
Sayoun.

”

In addition, SMEPS supported the enhancement of the Yemeni honey quality by building the capacity of honey associations in Sayoun and Doan, which motivated both associations to selffund an export center. Hadhramout export centers specialized in supervising the quality of honey in labeling, packaging and preparing it for exports. SMEPS has so far supported 700 beekeepers in Doan and Sayoun with beehives helping to raise the bees' production and and provides a safe storage.

SMEPS believes that even amidst conflict, development and livelihoods are a priority.



A photograph showing several people, likely farmers, working in a tomato field. They are filling large black plastic crates with ripe, red and yellow tomatoes. The scene is outdoors, with green foliage visible in the background. The text is overlaid on the center of the image, enclosed in a green and orange border.

Thanks to
our donors & partners USAID
& UNDP for believing in the
same goal too and supporting
the fish, agriculture, coffee and
health sector.

Zero Hunger

Diginty

POVERTY

Security

You can make it



“

Yemeni women help men in agriculture, and even bear the greatest responsibility, including those who work in livestock breeding.

”

Yemeni women living in rural areas in Yemen are used to working everyday of their lives. They refuse to receive money they didn't earn. Some of them help men in agriculture, and even bear the greatest responsibility, including those who work in livestock breeding.

SMEPS decided to support livestock breeders to improve their livelihoods and help them maintain their income despite the current crisis.

The ongoing conflict has resulted to deteriorating situation in all sectors. In livestock, there have been high incidence of diseases and death due to malnutrition, lack of health knowledge and the need for money.

This, coupled with poverty, led to many livestock breeders to sell their assets of sheep and goats to cover the needs and requirements.

SMEPS trained livestock breeders on how to preserve their assets, protecting them from falling behind due to circumstances forcing them to sell their asset. SMEPS empowered these women by providing them with cash to rehabilitate the barns and procure necessary equipment and stock. Besides the grants, SMEPS trained livestock breeders on vaccination skills to keep their sheep healthy (vaccinations, treatments, veterinary package). After the training, each livestock breeder was supported with 6 sheep/goats (that the women picked by themselves) 3-4 pregnant females, and 2-3 fattening males.

Each livestock breeder also received other items such as feeders, roughage cutters, water trays and weighing scales which helped them identify the best selling time based on the weight.

SMEPS supported livestock breeders to restore their assets that they lost because of conflict. 599 livestock breeder from Hodeidah and Hajjah are now empowered to manage their own barns, keeping an eye on all their sheep and actually generating more income. 284 extra livestock breeders from Sanaa and Dhamar are about to be supported the same way.

Indicators (%)	Past	Now	The difference	Value %
Raise in the twins rate	10.00	19.66	9.66	96.57
Reduction of abortion rate	3.00	1.31	1.69	56.30
Reducing the mortality rate	5.00	1.39	3.61	72.14



Thanks to our donors & partners World Bank & UNDP for supporting farmers, fishermen and women livestock breeders to improve their livelihoods.

What is a business
continuity plan?



NONE-AGRICULTURE
L I V E L I H O O D S

“

It is a plan that helps and supports small, medium & leading enterprises to identify and discover current and future risks and prepare a plan to address them.

”



FIRM LEVEL SUPPORT:

We have long worked to support markets work well through supporting the functions of market players specifically the private sector. We understand the importance of an operational private sector even within conflict to better serve the vulnerable and poor populations as well as provide jobs to many. In addition, the success of our projects would not have been achieved without the hand of the private sector in ensuring our beneficiaries obtain their needed tools and inputs locally.

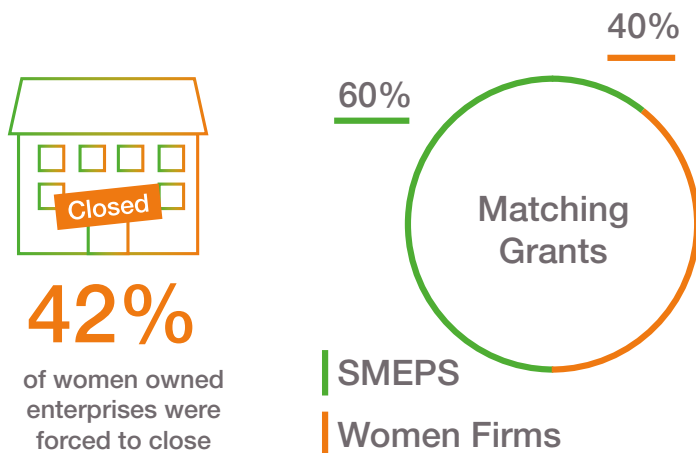
BRAVE project, short for (Business Resilience for Value-Added Enterprises) is one of SMEPS successful private sector development projects. It was designed to be at the heart of bridging the humanitarian-development work. It aims at helping businesses in the vital sectors such as health and food to remain resilient and grow hence providing job opportunities as well as services to an inclusive society; this is to also ensure the 66% of the total labor force in Yemen working in the private sector remain employed.

BRAVE started as a small project which has expanded to two phases focusing on two other im-

portant sectors; lead firms & business associations and women. The first phase operated to support the firms at three-levels 1) business development 2) Consultation and training and 3) matching grants. By supporting vital sectors such as health, we have found that more people have access to improved and quality health care services.

BRAVE has so far supported a total of 528 small and medium enterprises and is growing to support lead firms and women owned businesses.





In 2019 BRAVE Women project will support:

500

business women



In addition, linking consultancy services to businesses has significantly helped firms access better information and understand the needs for growth and resilience aspects.

BRAVE matching grants are based on the principle of cost sharing with private sector enterprises and companies, to have the sense of ownership and not just a handout, it's getting them to invest in volatile times. Here the project is giving a reasons for business owners to invest in Yemen at a time when capital flight was a huge problem.

The female business sector suffered a near collapse due to the crisis, and where 42% of women owned enterprises were forced to close (SMEPS - UNDP 2015). SMEPS encouraged women to apply for BRAVE project where their contribution in the matchable grants is just 40% while SMEPS pays the remaining 60%. To reach more women, SMEPS is also introducing in 2019 BRAVE Women which will support 500 business women.



“

BIOMOVE is a health company specializing in artificial limbs & physiotherapy. BRAVE project supported them become resilient, grow and open a new branch.

”

“

Why support lead firms?

”

One pharmaceutical factory can serve more than 3,000 pharmacies all over Yemen.

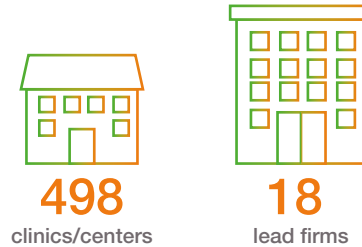
It achieves double the value in the value chain of the product and service, thus contributes to the circulation of money in a way that restores the balance of small enterprises and value chains.

As a result of hard work and efforts, BRAVE 1 achieved great success and led to the introducing of BRAVE 2 that will continue the support of the private sector at this stage and will directly support lead firms and associations to expand the number of beneficiaries in vital sectors.

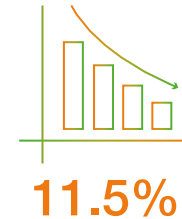


Imagine an asthmatic pregnant woman in a rural area trying to deliver her baby without appropriate life-saving equipment from the nearest operational midwife!

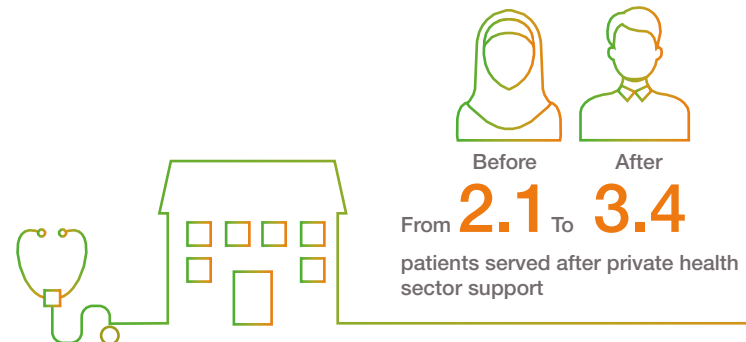
The above is an example of a case that was faced by one of our supported midwives who was supported with an oxygen cylinder and was able to save a LIFE!



Increase in the number of patients for health facilities who got supported.



Decrease in the number of patients of health facilities who did NOT receive a grant nor a training.



In the health sector, for example, our control group found that health facilities that did not have the opportunity to be trained or receive a grant reduced the number of their operations by 11.5%, unlike those who benefited from the project whose operations grew by 20%. Hospitals, and clinics that received training and a grant helped to grow their patient service from 2.1 million to 3.4 million people.

Health was a new journey SMEPS decided to take in supporting health private sector in Yemen. In BRAVE 1 almost 60% of the beneficiaries were from the private health sector which reflected positively in the whole sector serving thousands of patients with better health services quality.


This health sector support was designed to ensure the ability of health facilities to withstand and continue generating jobs and providing high quality health services to the local community in light of the current situation in rural and urban areas in 6 different governorates (Sana'a, Aden, Abyan, Ibb, Hadhramout, and Dhamar).

SMEPS through the emergency project to support business continuity in private health sector aimed

to support midwives, micro-health providers and lead firms. The total number of 336 supported clinics/centers in addition to 12 lead firms. Most midwives supported live in rural areas, and supporting them to continue is crucial as they are the "911" to most of the patients living there. SMEPS health intervention proved that supporting health private sector can be the reason behind saving lives, especially newly born children.

The total number of 498 beneficiaries prepared a business development plan to study their priority needs of equipment's and tools to help them in giving a better health services. During the process, many clinics introduced modern devices which helped in improving their service and created at least 1 job opportunity in each clinic.

An important point that needs to be highlighted is the number of patients served after the intervention. Before SMEPS private health sector support, an average of 2.1 patients were served, but now the number has increased to 3.4 patients due to improved health services quality and expanding the working hours.

A photograph of a warehouse or factory setting where several workers in blue uniforms and hairnets are handling large stacks of bottled water. The workers are positioned around wooden pallets loaded with cases of water bottles. The scene is brightly lit, and the background shows more stacks of water and industrial equipment.

Thanks to the IsDB & ICD for supporting the private sector to be resilient & grow through BRAVE project. Also for supporting beekeepers & farmers sustain an income.



♀
+
Flourish

You are
STRONG

♂
+
**Gender
Equality**





Statement of Sources and Uses of Funds



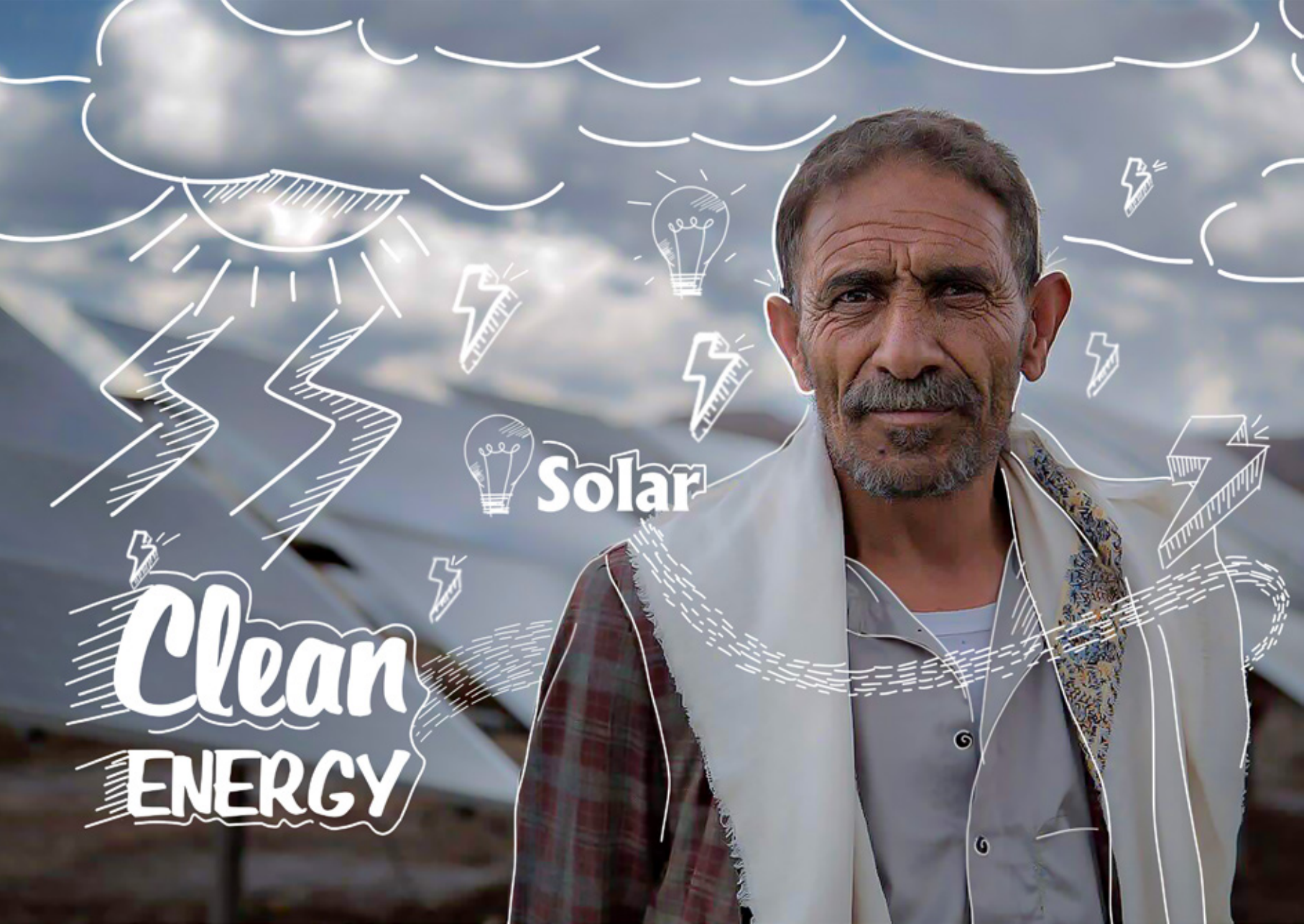
2017 - 2018

Audited statement of sources and uses of funds for the year ended December 31, 2017

	2017	2016	Total Cumulative up to December 31, 2017
	USD	USD	USD
Sources of Funds	(5,833,614.24)	(2,674,450.75)	(25,933,376.80)
Funds Returned to Donor	64,160.08	574,808.27	1,238,090.32
	(5,769,454.16)	(2,099,642.48)	(24,695,286.48)
Refunded Expenses			(62,919.70)
Other Funds	(23,885.71)	(32,240.90)	(282,983.32)
Total Sources of Funds	(5,793,339.87)	(2,131,883.38)	(25,041,189.50)
Uses of Funds	4,237,316.81	1,713,936.18	21,577,241.72
Total Uses of Funds	4,237,316.81	1,713,936.18	21,577,241.72

Un-audited statement of sources and uses of funds for the year ended December 31, 2018

	2018	2017	Total Cumulative up to December 31, 2018
	USD	USD	USD
Sources of Funds	(11,452,286.75)	(5,833,614.24)	(37,385,663.55)
Funds Returned to Donor	356,500.73	64,160.08	1,594,591.05
	(11,095,786.02)	(5,769,454.16)	(35,791,072.50)
Refunded Expenses			
Other Funds	(212.48)	(23,885.71)	(283,195.80)
Total Sources of Funds	(11,095,998.50)	(5,793,339.87)	(36,074,268.30)
Uses of Funds	11,416,876.03	4,237,316.81	32,994,117.75
Total Uses of Funds	11,416,876.03	4,237,316.81	32,994,117.75



Solar

Clean
ENERGY

You can
make it

Zero
Hunger

You are
STRONG

Clean
ENERGY

Security

POVERTY

Yemeni
Famous
Coffee

WOW!
Delicious

Diginty

Best
Coffee
EVER!

Solar

Gender
Equality

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