Funded by the European Union

Annual Progress Report

Period: 1 September 2022 – 31 August 2023

Contents

ACRONYMS 3
I. EXECUTIVE SUMMARY 5
II. BACKGROUND 7
III. PROGRESS TOWARD PROJECT IMPACT, OUTCOMES AND OUTPUTS 9
3.1 Progress toward project impact 10
3.2 Progress toward project outcomes 10
3.3 Progress toward project outputs 12
3.4 Progress toward Activity Results 13
3.5 Factors affecting the attainment of results and mitigation measures 29
3.6 Communication and Visibility 31
IV.CROSS-CUTTING ISSUES 36
4.1 Gender results 36
4.2 Partnership 37
4.3 Environmental Consideration 38
V. LESSONS LEARNED 38
VI. Way forward 39
VII. List of Annexes 40

ACRONYMS

BARC	Business Advisory Resource Centres
CoC	Chambers of Commerce
CSOs	Civil Society Organizations
DCDP	District Capacity Development Plan
DCT	District Core Team
DR2P	District Resilience & Recovery Plan
DFT	District Facilitation Team
ERRY	Enhanced Rural Resilience in Yemen
IRGY	International Recognize Government of Yemen
LA	Local Authority
LER	Local Economic Revitalization
L2RF	Local Resilience and Recovery Fund
MoPIC	Minister of Planning and International Cooperation
MoLA	Ministry of Local Administration
SMEs	Small & Medium Enterprises
MFIs	Microfinance Institutions
NMO	Nahda Makers Organization
NFDHR	National Foundation for Development and Humanitarian Response
OSESGY	Office of the Special Envoy of the Secretary-General for Yemen
OHS	Occupational Health Safety
UNDP	United Nations Development Programme
PEM	Public Expenditure Management
PWP	Public Works Project
RLGD	Rapid Local Governance Diagnostic
SCMCHA	Supreme Council for the Management and Coordination of Humanitarian Affairs
SDG	Sustainable Development Goal
SMEs	Small & Medium Enterprises
SMEPS	The Small and Micro Enterprise Promotion Service
VCA	Value Chain Approach
YMN	Yemen Microfinance Network

PROJECT INFORMATION

Country	Yemen
Donor	European Union
Project title:	Strengthening Institutional and Economic Resilience in Yemen (SIERY)
EU Contribution Agreement:	MIDEAST/2020/416-174
UNDP Project ID	**00122248**
Impact	To ensure economic and social wellbeing for Yemeni, in particular for the poorest and most vulnerable
Outcomes	OUTCOME 1 -Increased institutional and socio-economic resilience in targeted districts in Yemen OUTCOME 2 -Improved business environment for economic recovery and employment opportunities
Outputs	**Output 1.1:** Strengthened Local authorities' capacities to respond to community needs for services in an inclusive and accountable manner. **Output 1.2**: Improved capacities of public services providers for scaling up the reach out to the most vulnerable. **Output 1.3:** Strengthened central-local and horizontal relations between local governance stakeholders. **Output 2.1**: Strengthened linkages/cooperation opportunities between SMEs, private sector and MFIs involved in the value chains. **Output 2.2.:** Increased and de-risked access to financial services for economic agents in promising value chains.
Target governorates	Aden, Hodeidah, Hadramout, Hajjah, Ibb, Lahj, Marib, Sana'a, Taiz
Project Start Date	19 August 2020
Project End Date	18 August 2025
Total Budget	EUR 69,800,000.00 estimated at US$ 81,966,140.00[1]
Total delivery (expenditures & commitments)	**US$ 32,377,897.09**
UNDP Contacts Person	Zena Ali Ahmad Resident Representative UNDP Yemen zena.ali-ahmad@undp.org Petrus van de Pol Chief Technical Advisor – SIERY Project petrus.vandepol@undp.org
Responsible Parties (RPs)	1)Abs Development Organization for Women and Child (ADO), 2) Benevolence Coalition for Humanitarian Relief (BCHR), 3) Generation without Qat (GWQ), 4) Life Makers Meeting Place Organization (LMMPO), 5) Nahda Makers Organization (NMO), 6) National Foundation for Development and Humanitarian Response (NFDHR), 7) Public Works Project (PWP), 8) The Small and Micro Enterprise Promotion Service (SMEPS), 9) SOUL for Development, 10) Tamdeen Youth Foundation (TYF), 11) Yemen Aid, 12) Building Foundation for Development (BFD).

[1] As per EU's Info Euro rate of August 2020.

I. EXECUTIVE SUMMARY

With the support of European Union (EU), UNDP Yemen is executing the *Strengthening Institutional and Economic Resilience in Yemen* (SIERY) Project. For the last 12 months, UNDP Yemen has successfully implemented many activities as planned and approved in the Description of Action, satisfactorily contributing to the project's Outputs. This report presents a summary of project achievements, challenges faced, lessons learned for the period of **1 September 2022 to 31 August 2023** and financial status as of 31 August 2023.

During the reporting period, the Project submitted a request for a 'no cost extension' (NCE) of the implementation period along with the revision of the Description and Budget of the Action. The EU has granted the Project a-two-year of NCE, until 18August 2025.

Regarding the **Institutional Resilience component,** the Project has continued to strengthen local authorities' institutional and individual capacities to respond to citizens' public service needs in an inclusive and accountable manner. The localization of human resource development has been further anchored and expanded in a local capacity development infrastructure, consisting of a network of local training providers, local authorities, and local stakeholders. The collaboration infrastructure (between local authorities and communities) has been further bolstered by the near completion of the Community Networks: **45 districts** across nine (9) governorates in Yemen have now selected its members (composed of community committees, civil society organizations (CSOs), local stakeholders and local influencers). All members of the Community Networks have received training on community participatory planning and other related topics. In 2023, the Project has expanded its curriculum and trained the **110 members** of the District Facilitation Teams (DFTs) on *Gender and Youth Sensitive Approaches*, thereby making it a core element of a more inclusive planning process. At the request of several Governorates, the ad-hoc infrastructure of DFTs and District Core Teams (DCTs) is being institutionalized (to different degrees).

The Project further strengthened the capacity of the DFTs and DCTs to feed into the Local Resilience & Recovery Planning (L2RP) processes. As a result of an intensive participatory process, **45 District Resilience & Recovery Plans (D2RP)** across nine governorates in Yemen for 2023 have been developed. The D2RPs have been approved by the local authorities, distributed to districts, governorates, and the Ministry of Local Administration. From the 2022 districts development plans, the local authorities managed to propose and prioritize over **200** local priorities. Among them, over **67** local priorities (or 30%) are selected for funding in 2023. These local public service priorities are ranging from road rehabilitation, extension or rehabilitation of water infrastructure to educational and health facilities, among others. During the reporting period, **861,412** Yemeni (50.5% women) benefited from the rehabilitation of public service priorities. **Internally Displaced Peopl**e (IDPs) have participated in the planning and priority setting process and are significant beneficiaries of the L2RF.[2]
The Project has paid a lot of attention to tailoring the broad outlines of its infrastructure (DFTs, DCTs, DRPs etc.), method (capacity development, participatory recovery and development planning, and prioritisation) and approach (strong emphasis on collaboration between local authorities, communities and businesses) to the specific regional circumstances, diverse governance 'traditions', and relationships between the local authorities and communities. This flexibility has paid off: the locally adapted project 'tools' have been adopted by the local authorities in Hadramout, Hajjah, Marib and Ta'iz (IRG part) for use in Districts outside the Project's scope.

In the **education sub-component**, an integral – and crucial - part of local public services, the rehabilitation of 36 schools have been completed, as reported on in the previous year. Local education service providers have been and will continue to be trained until the end of 2023 on: Safety and Risk Mitigation & Management targeted for schools'; vocational guidance; education of livelihood initiative,

[2] Although exact data are lacking, it is estimated that 70% of the L2RF interventions, directly or indirectly benefit local IDPs.

and others. The Project provided **six** (6) governorate education offices, **23** district education offices, and **230** Schools in IRG area with equipment and furniture. The Project also supported the education offices at central, governorate, and districts with data management systems (including information & communication technology ICT).

Recognizing the importance of the participation of Civil Society Organizations (CSO) in responsive public service provision, the Project also provided CSOs with Social Accountability Workshops in **five** (5) governorates in the IRG area. These Social Accountability workshop have resulted in community-led (micro) initiatives to improve public service. Some of these initiatives receive micrograntsfrom the Project.

The **Economic Resilience Component** has shown significant progress during this reporting period. Value chain studies have been completed for **four** (4) **sectors** (dates, fish, henna, wheat). A workshop was organized in Amman to present these studies to relevant stakeholders (EU, World Bank, UN Agencies, donor organizations, private sectors and others). **Seven** (7) **feasibility studies** for various sub-sectors (fish farming, hydroponics, livestock, poultry eggs and meat, animal waste & leather recycle) were finalized and will be published. The Project expanded business and technical skills to **1,892** beneficiaries (smallholders, SMEs, enterprises) for income generation and employment prospects. Over **24,000** people are benefiting from jobs and employment prospects across the targeted governorates.

Public infrastructure ('central markets') were identified in Aden, Hadramout, and Sana'a. Technical assessments for the four (4) targeted central markets have been completed (fish market in Aden, honey market in Hadramout, fish market in Mukalla, and central market of Hadramout valley), which have been extensively discussed with all parties concerned, including local authorities. The disbursement of small grants has reached over **1,406** smallholders and **260 SMEs** (accumulative). A solution for the Microfinance sub-component has been co-designed with microfinance banks and other financial institutions. The recent issuance of Law No.4 of 1444 AH[3] in the DFA area, however, has forced the Project to reconsider its options and redesign the intervention exclusively for the IRG area.

The Project continued to strengthen collaboration between the local authorities and the private sector, with specific roles and responsibilities for each partner along the value chain. Local collaboration between local authorities, private sector, and CSOs has been operationalized in Collaboration Platforms for Local Economy Recovery (CP4LER) which have been established in Aden, Lajh, Hadramaut (valley and coastal), Marib and Taiz governorates. The collaboration platform comprises of 10-12 members per governorate, representing local authority, private sector, and CSOs.

Gender has featured strongly in both components in 2023. During a five-day workshop with the Ministry of Local Administration (MoLA) in Aden, in which – for the first time ever – representatives of Women's Development units from the central, governorate, and district participated, a draft strategic and policy document was developed. A similar activity has been initiated with the central Ministry of Planning and International Cooperation (MoPIC) in Aden. **23%** of the recent female graduate participants of the Marib Women Fellowship Initiative are now employed in various government offices in Marib as full-time staff. **13** women-specific priorities (women's training centre, health, water and sanitation) have been selected for 2022 L2RF funding. Local authorities have been trained in gender specific local development issues. In the Economic Resilience component, the selection of the livestock and agriculture sector has enabled the Project to significantly target participation and engagement of women in economy recovery activities. This sector alone accounts for **33%** women beneficiaries from the economy recovery activity. A specific intervention to engage **60** women (or 13 producer groups) from Hadramout in value chains was successfully implemented.

The report concludes with a financial analysis of the reporting period - by **31 August 2023**, the project delivered **US $ 32,377,897.09** from a multi-year budget of **US $ 81,966,140**, (40% delivery rate).

[3] Law No. 4 of 1444 AH dated March 22, 2023 AD, prohibits usury transactions including receiving interests.

II. BACKGROUND

The project, "Strengthening Institutional and Economic Resilience in Yemen" (SIERY) is a multi-year initiative that aims to improve economic and social wellbeing for Yemen, in particular for the poorest and most vulnerable civilians (**overall objective**). SIERY responds to crucial development challenges and is fully aligned with the European Union's (EU's) Global Strategy, specifically building resilience by supporting good governance, strengthening the Humanitarian-Development Nexus and supporting the country's Private Sector Development. The strategy pursued by SIERY rests upon two components:

The first focuses upon **institutional resilience**, which caters for service delivery needs of local populations and considers the role that responsive and legitimate local governance can play in rebuilding peace and stability from below (**specific objective 1**). SIERY provides district authorities with technical support and discretionary funding to devise and implement, in partnership with communities, the private sector and local influential actors, *recovery plans*, including (basic) service delivery, and to fulfil their missions in a more *participatory*, *inclusive*, and *accountable* manner. SIERY continues to foster the emergence of a nationwide compact for sustaining the Yemeni local governance system in such a way that can support peace- and state-building. In line with Agenda 2030, the imperative of *leaving-no-one-behind*, in particular women, children and youth, by supporting innovative and effective approaches to address vulnerabilities in all aspects of local governance is inherent to the SIERY approach.

The second component focuses on **economic resilience** and aims to improve the business environment for economic recovery and employment opportunities (**specific objective 2**). This component empowers private sector players (SMEs, smallholders and microfinance service providers), working on selected value chains, for skills development, capital support, job creation, and employment. SIERY is rehabilitating or reconstructing community-prioritised infrastructure, supporting small and medium enterprises for the expansion and scale-up of businesses. It is enabling and engaging microfinance service providers and networks, and private sector or business associations to support producers, private sectors, and local authorities to de-risk unstable market environment.

THE AMENDMENT: DELAYS AND ADAPTATIONS IN THE IMPLEMENTATION

The Project has experienced significant delays in the implementation of the activities. Some of the reasons for the delays have merely pushed implementation further up (and beyond) the project's timeline, while others necessitated an adjustment of the project's approach and adaptation of project activities. The need for adjustment and adaptation was first raised in the Interim Narrative Progress Report 2021 (in lieu of an Inception Report) and then in the recommendations of the EU's Results Oriented Monitoring (ROM) Review 2021. This was followed by the request of the EU Delegation to Yemen for an Action Plan to speed up implementation and, after discussing the Action Plan, with the decision to submit a request for a No Cost Extension (NCE) of the implementation period along with an Amendment of the Description and Budget of the Action by February 2023. As a result, the original agreement has been amended with a slightly revised Description and Budget of the Action and the Project has been extended with an additional two (2) years/24 months, until 18 August 2025.

The reasons for the delay have been discussed extensively in the documents mentioned above and in the Progress Report for the previous period and need not be repeated here. The below highlights the adaptations proposed in the Amendment and approved by

Adaptations

The compounded delays, the programmatic lessons learned, and the project's experiences in the DFA area demanded a modification of the strategy, approach, activities (not all) and period of the Description of Action. These adaptations are based on three principles:

1. **A commitment to deliver** – the Amendment described what the Project commits to deliver in the extended project time, subject to present and projected operational context and capacities (at the activity level; outputs and results remain the same).
2. **A focus on what works** –the Amendment emphasised what has worked well in the preceding two and half years – in addition to some of the activities that still need to be implemented - and promised to work and scale back or cancel those activities (or activities in certain areas) that proves problematic or unfeasible.
3. **An emphasis on sustainability and strategy** – the Amendment request concluded with a new paragraph on an 'Exit Strategy' that highlighted the inherent sustainability of the project and possible entry points or threshold conditions from which to plan future interventions.

The core issue the Project responded to in the Amendment is the intense *diversity* on the ground. This diversity manifests itself in terms of local governance traditions (incl. modes of community representation), political allegiances, existing and emerging needs (presence of IDPs, susceptibility to natural disaster, opportunities for economic growth, etc.), existing levels of capacity at local authorities, available resources/resource base, levels of collaboration between local authorities and private sector/communities, etcetera. The adaptations, as relevant to this reporting period, have been reflected in this report and can be summarized as follows:

- **Local authorities, local capacities & local partners**: With a virtually absent (IRG area) or an essentially extractive (DFA area) central state, sub-national authorities' performance is, more than ever, determined by the local ecosystem they operate in. Therefore, the Project has reoriented project activities and resources to strengthen the capacity of actors in the 'local ecosystem' to support local authorities and build a denser network of productive relationships between local authorities and local partners.
- **Two-track approach for IRG and DFA area**: The current status quo of separate authorities for the area under control of the IRG and the area under control of the DFA, requires a two-track approach, that is, a divergent set of activities, implemented at different speeds, to achieve either the stated results as per DoA or a scaled back set of outputs and results in certain regions. The two-track approach will result in the scaling-down of some activities in some regions of the DFA area and the scaling-up of others in the IRG area. Some activities might be skipped altogether in the DFA areas.
- **Local Economic Development**: The Project has fully integrated the Institutional and Economic Resilience components. The Project recalibrated the activities at the intersection between the two sector to strengthen the institutional capacities, spaces, and platforms to collaborate along value chains of jointly agreed sectors.
- **District Resilience & Recovery Plans**: The Project has consciously opted for a phased approach to district development planning, moving from annual D2RPs to the three-year D2RPs mentioned in the original project document.
- **Strengthening the relationship between central and local authorities**: The window of opportunity has passed to formalize the (broken or otherwise damaged) functional relationships between the central and sub-national authorities through regulatory and institutional measures. The ambition of the relevant activities has therefore been scaled down. Freed up resources have been reallocated to scaling up those activities that strengthen the different relationships between the local authorities and communities (from capacity to collaborate on development planning to the delivery of responsive services).
- **Peer to Peer Learning for Urban Governance**: The Project has adopted an adaptive approach to the Resilient Urbanisation sub-component to achieve the promised results. It proved very difficult to apply a generalized 'urban approach' to the main cities in Yemen. Conventional urban planning tools add limited value in the current circumstances. The Project, therefore, adopted a more flexible approach and put the emphasis on peer-to-peer, South-South learning mechanisms and tailor-made capacity development and development pathways follow from these experiences.

- **Adaptive approach to integrate Gender activities**: SIERY has learned that it needs to adopt an adaptive, opportunistic approach to achieve its (ambitious) Gender objectives, given the lack of interest (IRG areas) or resistance (DFA areas) to anything gender related. The overall approach has been tweaked to follow local experience and to make use of emerging opportunities.
- **Entrenching (organisational and individual) capacities imparted by the project**: the project infrastructure of District Core Teams, District Facilitation Teams and District Resilience Platforms has proven to be very locally relevant and useful. Important additional capacity needs have emerged, mainly to data and data management.

At the request of the EU Delegation to Yemen, the Amendment also included a new, explicit, and detailed Exit Strategy (in the Description of Action). Parts of this Exit Strategy were initiated in the reporting period. These include:

1. **Focus on capacity development and capacity development infrastructure**: the transfer of knowledge and skills forms the cornerstone of the Project. Local Governance training capacity is increasingly either anchored in the local institutions itself (through Training of Trainers) or embedded in an ecosystem of local training providers.
2. **Leverage of Project's activities to strengthen local capacity to support local authorities**: to sustainably deal with the many existing and emerging public (service) needs and challenges, local authorities in Yemen needs intensive and extensive collaboration with the local non-for-profit and for-profit private sector. The Project therefore leverages every opportunity to deepen the collaboration between local actors for better public service delivery and local economic development.
3. **L2RF as a future funding Model for Local Authorities**: the Project will develop the outlines of a Next Generation L2RF for the post-SIERY period, which could function as a future local development fund to support area-based development in the years to come. The Project will also explore, in collaboration with local authorities, 'financial models for local public service delivery' and innovative options for local revenue generation and management in order to diversify income sources.
4. **Dialogues between Local Authorities and Humanitarian Actors/Development Partners** – the Project has started to provide local authorities with capacity development and platforms to resume leadership in local (economic) development vis-à-vis the international community.
5. **'Local Economic Development Councils'** – where feasible and desirable, the Project will establish and formalise "Local Economic Development Councils), to institutionalize collaboration on local economic development in the years to come.
6. **Templates of the 'SIERY Approach' for future geographical expansion** – the Project will codify the curriculum and training courses on the PEM Cycle and other relevant training for local authorities in a Manual. SIERY will also codify its overall approach as successful pathway for local government resilience in conflicts setting. The experiences from assessments to capacity development to financing of priorities will be mapped and documented for replication and expansion. Multi-annual plans will be shared with other agencies and donors.

Elements of both the adaptations and parts of the exit strategy are interwoven in the description of the progress towards activity results.

III. PROGRESS TOWARD PROJECT IMPACT, OUTCOMES AND OUTPUTS

This section presents the project's result chain as outlined in the logical framework – impact, outcomes, and outputs with relevant activities.

Several discussions have been undertaken between UNDP and the EU to work together on an Amendment to the original Description of Action, taking these constraints into account and apply for a no cost extension (NCE). The process included a (slightly) revising Theory of Change, an adapted LogFrame and Result Framework and a simplified budget.

3.1 Progress toward project impact

Impact: To ensure economic and social wellbeing for Yemeni, in particular for the poorest and most vulnerable		
Indicators (incl. baseline)	**Year 3 targets**	**Summary of achievements**
Indicator 1: Proportion of population below the international poverty (SDG 1.1.1.) **Baseline:** 18.3[4]	18.3	The latest data available is from 2014 and updated data is not expected to be available during the project's lifespan
Indicator 2: Average annual household income **Baseline:** $1,035[5]	$1,035	No further updated or disaggregated data available. Latest GNI per capita data available for Yemen is 2020 – 1,045$

3.2 Progress toward project outcomes[6]

SIERY contributed to the two outcomes as shown below:

Outcome (specific objective) 1: Increased institutional and socio-economic resilience in targeted districts in Yemen			
Indicators	**Year 3 targets**	**Summary of achievements**	**Status**
Indicator 1.1: Proportion of population living in households with access to essential public services (SDG 1.4.1) **Baseline:** 61% (2019)	62%	No survey has been done to ascertain status. SIERY can only alternatively report on number of direct and indirect beneficiaries in the areas of intervention which totalling of 2,060,980 Yemeni. Education (district sub-project): 121,264 (61,927 female, 59,337 male). Energy (solar system): 712,167 (352,726 female, 359,441 male). Environment: 335,778 (162,820 female, 172, 958 male). Health: 431,415 (250,253 female, 181,162 male).	Partially achieved

[4] International poverty line for Yemen: 18.3 (data 2014). This is the latest data available from the World Bank
[5] World Bank data shows that Low Income (LM) country like Yemen, the average annual GNI per capita) is $ 1,035.
[6] As per amended logframe, targets are cumulative and therefore the summary of achievements in the tables is also cumulative. Figures for the reporting period are in the narrative following the tables

		Local government facilities: 268,326 (123,583 female, 144,743 male). Market infrastructure: 20,462 (8,070 female, 12,392 male) Public roads: 4,792 (2,444 female, 65,927 male). Water: 166,776 (83,143 female, 83,663 male).	
Indicator 1.2: Primary school attendance rate **Baseline:** 63% (2019)	64%	99.39% (school year 2022/2023). The data presented here is derived from schools supported by SIERY in the IRG areas based on district education office data. In cases where data was fully available the DEO used data on school capacities.	Achieved

Outcome (specific objective) 2: Improved business environment for economy recovery and employment opportunities			
Indicators	**Year 3 targets**	**Summary of achievements**	**Status**
Indicator 2.1: Number of people benefiting from jobs and improved livelihoods in crisis or post-crisis settings. **Baseline**: 4,930 (2019)	10,000	A total of **24,018** people benefiting from jobs and improved livelihoods[7].	Surpassed
Indicator 2.2: Proportion of women among beneficiaries of recovery programmes (Governorates) **Baseline:** 30%[8] (2019)	31%	**33%** of women beneficiaries participated and/or benefited from economy recovery programmes.	Surpassed
Indicator 2.3: Number of producers/retailers/buyers etc benefitted from the market infrastructure rehabilitation. **Baseline:** 0 (2019)	5,000	Zero (0) producers/retailed/buyers, etc benefiting from the market infrastructure. The construction has not been started yet. As agreements with LAs on location and design of markets as well as quality assurance processes of the proposed designs and BoQs delayed the start of the construction, no markets are yet finalised	Delayed
Indicator 2.4: Number existing business associations with improved financial capacity	0	This year, the project focused on re-activating four (4) business	On-track

[7] Cumulative: 24,018 people: Smallholders: 15,028 people; SMEs: 3,060 people; Farmers benefitted from construction of irrigation canals: 2,045 people. Partners: staff, contractors, workers, consultants: 3,885 people.
[8] Reference point for the baseline is UNDP Yemen Integrated Results and Resource Framework updated on 1 January 2021. This indicator is reported on an annual basis, not cumulative.

at district level including funding for business advisory services through SIERY. **Baseline:** 0 (2019)		associations in Aden and Hadramout governorates in collaboration with Chamber of Commerce (CoCs).	

3.3 Progress toward project outputs[9]

Output 1.1: Strengthened local authorities' capacities to respond to community needs for services in an inclusive and accountable manner.			
Indicators	**Year 3 targets**	**Summary of achievements**	**Status**
Indicator 1.1.1: Number of gender-responsive District Capacity Development Plans [developed/implemented] with support of District Facilitation Teams with support of the EU-funded intervention. **Baseline:** 0 (2019)	35 districts	**35** gender-responsive District Capacity Development Plans developed.	Achieved
Indicator 1.1.2: Number of Community Structures in target areas that are connected to district authorities through arrangements for managing service delivery and conflict resolution. **Baseline:** 0 (2019)	30	**45** districts have completed the nomination of community structures (one community structure per district). Training and capacity-building for members of community structure also completed in **30** districts. Linkage to district authorities for managing service delivery and conflict resolution is underway.	Partially achieved
Indicator 1.1.3: Percentage of (i) women and (ii) youth [18-35] among participants of training activities of the project with increased knowledge/skills **Baseline:** 0 (2019)	Women: 30% Youth: 10%	Women: **29**% Youth: **10**% The types of training activities are detailing below: **110** members of District Facilitation Team (33 women, 77 men) (all governorates), and **224** members District Core Teams (70 women, 154 men) (Aden, Lajh, Marib, Hadramaut, Taiz-IRG area) capacitated on the gender-sensitive and youth-sensitive approaches enabling them as facilitators to identify and assess the local priorities and needs of the women and youth for the development of district plans.	Achieved

[9] As per amended logframe, targets are cumulative and therefore the summary of achievements in the tables is also cumulative. Figures for the reporting period are in the narrative following the tables

		240 members of community structures (CSOs' representatives) trained in Local Governance System: from Knowledge to Practice (women: 85; men: 155; youth: 24) (Hajjah, Hodeidah, Taiz). **259** members community structures (community committee's representatives) trained in Community Participatory Planning (women: 76; men: 183; youth: 26) (Hodeidah, Ibb, Taiz) **99** Local actors/Local influencer participated in a-six-day training with the theme: "Contribution of Local Actors with the Local Authorities in Resolving Dispute over Development Projects" (women: 14; men: 85; youth: 10) (Hajjah).	
Indicator 1.1.4: Percentage of District Authorities with functional Women's Affairs Units **Baseline**:7% (2019)	40%	The assessment of women's affairs units has been completed. The findings of assessments show current capacities of the general administrations for Women's Development Unit are at **24%,** comprising the following main criteria[10]: - Office infrastructure (the simplest equipment and tools for performing work): 30% - Employees' cognitive and skill capabilities: 25% - Administrative work systems: 18% The preparatory works to allow the Women's Affairs Unit to function in the targeted districts have been initiated to address the gaps. It will include capacity-building and provision of equipment to the Women's Affairs unit.	Partially achieved

3.4 Progress toward Activity Results

Activity 1.1.1 Governorate authorities have the capacities, tools, and incentives to provide better technical guidance and capacity development to district authorities.

During the reporting period, the Project continued to provide tools and technical guidance to the governorate authorities. It included the development of specialized training resources on promoting participation of women and youth in decision-making. Upon finalization of the training materials, the training modules were tested and rolled out to the **110** members of the DFTs from all governorates.

[10] With regard to organizational structure, policies and legislation, as well as organizational culture, the Women Affair's Units are in a good position. The legislation and regulations related to the functions and competences of the departments are described by appropriateness and accuracy at a rate of 65%. Reference: UNDP Assessment Report: **Assessment of the functional and institutional capacity development needs of the Women's Development Department, the Ministry of Local Administration, governorates, and the Directorate**, February 2023.

Training on gender-sensitive and youth-sensitive approaches for members of DFTs in Aden, Hadhramaut, Lahj, Marib and Taiz governorates, November 2022. Photo credit: UNDP Yemen/NMO/2022.

In the DFA area, the Project adapted the content of the training material to the local context (incl. stipulations of the DFA authorities), especially with regards to topics like gender and youth-sensitive approaches.

A similar – but less restricted - training course on gender and youth sensitive approaches was also delivered to **224** members (70 women, 154 men) of District Core Teams from Aden, Lahj, Hadramout, Marib and Taiz.

The training manual for the District Recovery Platforms has been finalized and is ready for roll-out in September 2023.

Activity 1.1.2 Linkages between district authorities and communities are strengthened through the activation of representative community structures[11].

In the IRG area, training materials for the 'Community Networks'[12] (*Yemeni local governance system*, *community participation methods*, *vulnerability analysis*, and *the roles of civil society roles in local governance - advocacy, watchdog, policy initiatives)* have been developed and are being rolled out. A total of **375** CSO representatives (138 women, 237 men) and **432** community committee members (104 women, 328 men) from Aden, Hadramout, Lahj, Marib, and Taiz governorates have been trained on *local management system*, *local governance*, and *conflict sensitivity*.

In the DFA area, the training of the members of the 'Community Networks' in similar topics is partly on-going and partly waiting for SCMCHA approval. The status of this trainings per Governorate is as follows:

Governorate	Community committees	CSOs	Local Actors
Hajjah	Completed	Completed	Completed
Hodeidah	Completed	Completed	Pending by SCMCHA
Ibb	Completed	Completed	Pending by SCMCHA
Sana'a	Pending by SCMCHA	Pending by SCMCHA	Pending by SCMCHA
Taiz	Completed	Completed	Completed

[11] The wording had been changed throughout the amendment document but it was overlooked in the activity title. This is corrected hereby.
[12] The 'Community Networks' consist of community committees, CSOs and local actors.

Training of the “Local Actors” in Nagrah District, Hajjah Governorate.
Photo credit: UNDP Yemen/NFHDR/2023

The Project will continue to implement trainings for members of community structures when SCMCHA approval is received. It has to be noted that the community training materials have undergone a process of heavy scrutinization by SCMCHA, causing some delays in the implementation. The DFA authorities do not consider all topics – or the specific treatment of certain topics – appropriate for the communities under their control.

Activity 1.1.3 District authorities are more capable of assessing needs, planning, implementing, and reporting on their achievements in a participatory and inclusive manner.

A package for *Building Capacities of Local Authorities to Design & Implement Effective Capacity Assessments and Capacity Development Plans* has been developed. The package includes the development of assessment tools; a short training on how to use of the tools; field training; data collection, initial capacity assessment and capacity development planning actions.

District-level capacity assessments, including for the PEM cycle, and production of **District Capacity Development Plans (DCDPs)** have been finalized for all **45** districts in Yemen targeted by the Project. Mentoring and training on DCDPs have been finalized with the support of District Facilitation Teams and District Core Teams.

Strengthening of data management systems (incl. ICT) at district authorities: Lack of reliable or up-to-date data has been identified as a major stumbling block in producing evidence based D2RPs with accurate budgets. The Project aims to **strengthen data management systems at district authorities** through the provision of advisory support. The functional and institutional needs and capabilities of the *Departments of Information, Statistics, and Documentation* in the targeted governorates and districts have been assessed and potential needs and requirements have been identified.

Distribute micro-grant and coaching to local CSOs to pilot social accountability initiatives methods on service delivery and revenue management: Prior of providing financial support to local CSOs to pilot social accountability initiatives, **44** members of **11** CSOs were trained on *Local Development and Social Accountability*. A-five-day training aimed at equipping the members of CSOs on local government system, powers and roles of the local authority, local development, governance, community participation, social accountability, social accountability tools, efficiency measurement tool, listening sessions tool, facilitation skills, simulation and application of the efficiency measurement tool, simulation and application of the listening sessions tool, project concept, project period, project elements/components), and the formulation of theories of change.

Institutional and capacity-building support to Women’s Affairs Units and women staff in district Diwans and Support to women's affairs units in key ministries: Women's Affairs Units have been assessed to determine their institutional and individual needs. Based on the assessment results, a strategic planning workshop was then held within the IRG areas to support selected women staff of women's development departments in MoLA, governorates, and targeted districts within the IRG areas in preparing and developing a strategic plan for the entire women department using a bottom-up approach (district to governorate to ministry).

Activity 1.1.4 District authorities manage their human and financial resources more efficiently and accountably.

The implementation of the activities aimed to improve District financial resource management in a transparent and accountable manner ran into serious problems in the reporting period. Circumstances have necessitated a restart of this activity. As per Description of Action, this activity focused on strengthening the capacity of local branches of the Central Organisation for Control and Audit (COCA) to audit local financial management, with some additional activities to support the Supreme National Authority for Combating Corruption (SNACC). There was significant resistance from the Ministry of Local Administration (MoLA) in Aden against both the involvement of COCA as well as the activity itself. Discussions on what type of activities will be acceptable are on-going (focus on COCA remains non-negotiable for the Project).

An additional obstacle was the Responsible Party (RP) selected for implementation. Recognizing the importance of a ***uniform*** audit, transparency and accountability approach for both parts of the country, the Project had initially selected one RP. Notwithstanding the good track record of this RP, it soon transpired that collaboration between its headquarter in Sana'a and its local branches in the IRG area was increasingly fraught – mirroring the political divisions in the country – and eventually led to a total breakdown. The Project cancelled the contract with the RP (after initial resistance from individuals within the DFA) and is in the process of recruiting new ones.

With regards to human resource management, and specifically with regards to strengthening the capacity of local authorities to hire more women in Marib governorate, the Project, together with the Marib Girls' Foundation, piloted the **Marib Women Fellowship Initiative**. The Initiative included intensive training on personal and technical skills (e.g., computer, communication, leadership, reporting, local government structure, participatory planning, public budgeting, public procurement, project management, and other skills) for 70 women (35 female employees of local authority offices and 35 recent female graduates). After the training, the 70graduates completed a 3-month internship at the local authorities' offices. Eight (8) of 35 (previously not employed) graduates now serve as full-time staff in various units and departments. In addition, five (5) graduates will be considered for the upcoming recruitment of staffs.

Marib governorate was selected for this pilot due to the relative – that is, in the context of Yemen, even greater – underrepresentation of women working at the local authorities and the personal support of the Governor for the initiative.

Output 1.2: Improved capacities of public services providers for scaling up the outreach to the most vulnerable.			
Indicators	**Year 3 targets**	**Summary of achievements**	**Status**
Indicator 1.2.1 Percentage of women in representative structure as part of SIERY intervention (Community Structures, District Recovery Platforms). **Baseline:** 0% (2019)	10%	**28**% women in Community Structures in across nine governorates. District Recovery Platforms still under establishment process and the percentage of women in District Recovery platforms will be presented in the next reporting.	Surpassed
Indicator 1.2.2 Number of gender-responsive recovery plans (a) for service delivery (district), (b) for local economy	a) 70 b) 6	a) **89** gender gender-responsive recovery plans for district service delivery implemented across nine governorates.	Partially achieved

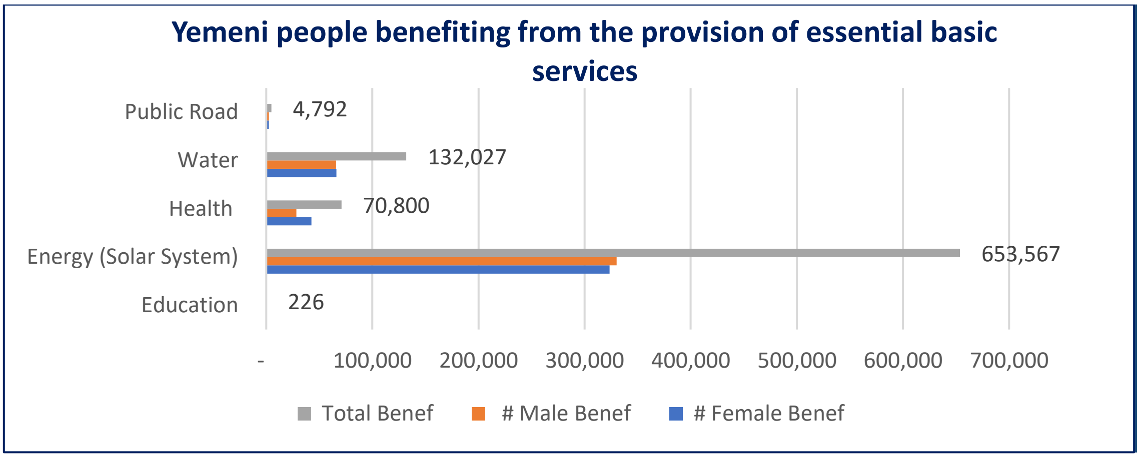
(governorate) [developed/implemented] with support of the EU-funded intervention. **Baseline:** a) 0: b) 0 (2019)		b) Gender-responsive recovery plans for governorate local economy are currently under process.	
Indicator 1.2.3 Number of local authorities' representatives trained locally relevant topics with support of the EU-funded intervention (disaggregated by sex). **Baseline:** 0 (2019)	Total: 400 local authorities Women: 120 (30%) Men: 170 (70%)	Total: **654** Women: **198** (or 30%) Men: **456** (or 70%) During the reporting period: Total: **451** (or 113%) Women: 157 (or 35%) Men: 294 (or 65%) **70** representatives (women: 7, men: 63) from education offices (central, governorate, district) in DFA area trained on educational planning. **260** representatives (women: 104, men: 156) from education offices (district, governorate, and central levels) in IRG area trained in Safety and Risk Mitigation & Management. **121** personnel (women: 46, men: 75) from education offices (district, governorate, and central levels) in IRG area trained in Vocational Guidance.	Surpassed
Indicator 1.2.4 Number of district- and governorate-level projects funded via the LR2F. **Baseline:** 0 (2019)	100 district- and governorate -level projects	**106** district-and-governorate level projects funded via the L2RF. Breakdown: **46** district- and governorate-level projects (2021 L2RF) completed[13] **60** district- and governorate-level projects funded via the L2RF 2022.	Achieved
Indicator 1.2.5 Number of students benefiting from schools' rehabilitations disaggregated by sex. **Baseline:** 0 (2019)	Total: 200,000 Girls: 100,000 Boys: 100,000	Total: **50,436** Girls: **38,196** Boys: **12,240** The ongoing sub-projects of 2022 L2RF (schools' rehabilitations/education sector) will benefiting over 55,000 girls and boys. [14]	Delayed
Indicator 1.2.6 Number of districts with increase of	40 districts	With the ongoing 2022 L2RF, it is anticipated that 44 districts will	Delayed

[13] **L2RF 2021**: the previous year reported **33** community-, district- and governorate-level projects funded and completed.

[14] The SIERY principle is for the priorities under the L2RF to be selected by the Local Authorities through the participatory process. When setting the targets for the indicator the team had envisaged a similar prioritisation of education projects as previously. This proved not to be the case with many districts prioritising non-education projects. There might be need to revise the target

investment budget (actual) through funding of priority projects through L2RF **Baseline:** 0 (2019)		increase their investment budget (actual) through funding of priority projects through L2RF.	

During the reporting period the project enabled additional **861,412** Yemenis (females: 434,686 or **50.5%**; males: 426,726 or **49.5%** men) to have access to essential basic services ranging from education, renewable energy, health, water and sanitation among others.



Activity 1.2.1. Pathways for resilience and recovery of basic and social services are identified by inclusive local platforms and reflected in annual plans.

The Project has completed the review and validation of the 2023 District Resilience & Recovery Plan (D2RP) for **45** districts across **9** governorates. Through this participatory process local authorities and stakeholders identified and prioritized activities and projects (see also under 1.2.3 L2RF).

Participation of women and youth in development planning and decision-making processes was ensured by their representation in the District Facility teams (DFT) and District Core teams (DCT). In turn, the DFTAs and DCTs were trained in gender and youth sensitive approaches. These processes ensured that the D2RPs reflect women and youth's needs and that their priorities were considered (and in many cases selected for L2RF funding).

Inclusive local platforms such as **District Recovery Platforms** (DRPs) have been initiated. The Platform brings together various elements of the society such as District Facilitation Teams, District Core Teams, and key sectors of society (civil society, private sector, influential figures, women, youth). The objective of the District Recovery Platforms is to support local authorities in leading the recovery and development process within their districts, while enhancing participatory and comprehensive planning approaches that contribute to achieving sustainable development and stability. UNDP and it partners are in regular coordination and communication on the best approaches in realizing the Platforms. The manual and guidance to establishing and implementing DRPs have been finalized. The manual will serve as a framework to establish an effective work mechanism for recovery platforms/committees in the targeted districts.

Following the establishment of the DRPs, the Project will support the development of multi-year District Resilience & Recovery Plans (D2RPs) – the original objective of the Project -, detailing investment and capacity-building requirements for key sectors in 2023. It was originally the intention that this would take place in the first half of 2023, but it transpired that NMO and NFDHR, the two main RPs for these activities, needed more coaching and mentoring from the Project (limited technical capacity with RPs to follow SIERY's development approach is a recurrent factor; see **Lessons Learned**). Substantial resources (technical expertise) both from UNDP and its RPs will be mobilised from September 2023 onwards to ensure implementation by end of 2023.

The Project has paid a lot of attention to tailoring the broad outlines of its infrastructure (DFTs, DCTs, DRPs etc.), method (capacity development, participatory recovery and development planning, and prioritisation) and approach (strong emphasis on collaboration between local authorities, communities and businesses) to the specific regional circumstances, diverse governance 'traditions', and relationships between the local authorities and communities. This flexibility has paid off: the locally adapted project 'tools' have been adopted by the local authorities in Hadramout, Hajjah, Marib and Ta'iz (IRG part) for use in Districts outside the Project's scope.

Activity 1.2.2. Key sustainable development dimensions (local economy, resilient urbanization) are considered by local authorities and initial actions taken in line with the SDGs.

Building upon the success of the informal collaboration platforms between the local authorities and business community piloted by the project in previous years, **six** (6) Collaboration Platforms for Local Economy Recovery (CP4LER) have been established in Aden, Lajh, Hadramout (valley and coastal), Marib and Taiz governorates. The collaboration platform per Governorate comprises of **10-12** members per governorate (4-5 representatives of the local authority, 4-5 representatives of the private sector, and 2 representatives of local CSOs), totalling 68 members.

The 68 members (25 women, 43 men) of the CP4LER were trained in: local economic development (LED); understanding the local economy (conducting local economic assessment); how to develop, implement, and review LED strategies; Public Private Partnership (PPP); and revenue generation. An online platform has been developed to enhance sharing of information and lessons learned between the members of the CP4LER in the targeted regions.

Activity 1.2.3: Multi-purpose local recovery funding supports the implementation of local priorities.

27% of the 2021 priorities list funded by the L2RF were carried over into 2022 and finalized by Q4 2022, the main reason being excessive delay in the procurement and delivery of goods from outside the country (partly because of the stress on the global supply chain, partly because of the reluctance of some international traders to do business with a high-risk country such as Yemen).

The second round of L2RF (2022 priorities) resulted in over **100** districts' priorities identified and proposed by the local authorities in the IRGY area. **32** priorities were identified for funding by the L2RF. For the DFA area, also over **100** district priorities were identified, and **35** selected to be funded by the L2RF, totalling **60** local priorities public sector investment projects for the whole country. The Project is currently engaging with eight (8) national and local NGOs with expertise in rehabilitation works to realize these projects:

No	Name of Responsible Party (RP)	Targeted governorate
1	Abs Development Organization for Women and Child (ADO)	Hajjah
2	Benevolence Coalition for Humanitarian Relief (BCHR)	Marib
3	Generation without Qat (GWQ)	Taiz
4	Life Makers Meeting Place Organization (LMMPO)	Hodeidah
5	The SOUL for Development	Hadramaut
6	Yemen Aid	Aden & Lajh
7	Tamdeen Youth Foundation (TYF)	Taiz (DFA) and Ibb
8	Building Foundation for Development (BFD)	Sana'a

The RPs have gone through different stages: needs verification, technical assessment, social and environmental assessment, the development of technical specification and bill of quantities (BoQs), tendering of goods and services. Here, as with other RPs, a fair amount of capacity development, coaching and mentoring by the Project Team was required.

As similar process has been conducted for the third round of L2RF (2023 priorities). Approximately **70** local priorities have been selected for funding. Procurement of RPs has run into delays due to the NCE process (the Project was not able to put out requests for proposals etc. before the Amendment plus the additional two years were granted).

The Project’s approach (capacity development for development planning, followed by participatory D2RP development and priority setting, topped off by L2RF) has attracted the attention and interest of other development partners. Several priorities or other elements from the D2RP have been selected for funding by these partners (or, better still, been told by the local authorities to do so). For example, in Hodeida, these include:

(a) Rehabilitation of rural hospital in Al-Munira district, supported by the International Rescue Committee (IRC) and the Solidarity Foundation (SF), and provision of a solar energy system for the schools in Al-Hawk district with the support of the Fund Electricity in the city of Hodeida.
(b) Rehabilitation of Al-Hawk health center, Bayt Al-Faqih district supported by Save the Children organization.
(c) Implementation of water projects in Al-Kinida Al-Gharbia, Al-Karatiya, Al-Muhasaha, Bani Said, Al-Mahamara and Al-Dahah districts, supported by Save the Children organization and the International Rescue Committee.

In Taiz, based on the example and collaboration with the Project, the authorities established a *Community Initiatives Department* in the Governor Office. This Department supported the local authorities to develop professional and participatory development plans, which in turn either provided focus to scarce local resource allocation or attracted the support of donor organizations for several priority investments.[15] Similarly, in Hajjah governorate, one local priority of 2022 Abs district (i.e., establish a dialysis unit) was selected for funding by Save the Children organization and other organizations.

In the reporting period, the Project has been actively supporting – through technical advice, training, and mentoring - the local authorities to use both the process (capacity development in the PEM cycle, participatory planning, and priority setting) and the product (the D2RP) to present itself as an equal discussion partner with international development organisations and, preferably, take the lead in setting local development priorities. These efforts will be increased in the coming year.

Activity 1.2.4. Integrated support to restoring education services in affected communities helps restore livelihoods, stability and social cohesion.

A lot of activities under this heading have been finalized in the previous reporting periods, especially with regards to the school rehabilitation (in both areas) and some of the ‘soft’ component (curriculum development, teachers’ training, back to school campaigns, etc.) in the IRGY area. The remaining elements and have been implemented in the current reporting period. With the exception of some administrative tasks, this activity is now finalized and has achieved its results.

DFA area: After intensive communication (and significant delay), the Project obtained the endorsement from the Ministry of Education (MoE) and SCMCHA to roll-out activities in the DFA region. It started with an introductory workshop inviting the local authorities and other stakeholders from central and

[15] The examples highlight in this report: (i) Opening and clearing the ferries of Al-Steen Street, Al-Haymah, and Wadi Areeq in Al-Ta'iziyah district funded by the General Roads Authority; (ii) Rehabilitation of Suwayda Road in Mawiyah district with the support of the local authority; (iii) Support and Financing of the Mobile Medical Team in Maqbanah district was selected to be funded by the UNICEF.

governorate offices. This was followed with a four-day Training of Trainers (ToT) workshop on education planning for the representatives of MoE and Education offices at governorate level (20 participants: 1 woman, 19 men). The **20** trained officers were able to train **50** (6 women, 44 men) members of the Governorate Protection Core Teams (GPCTs) in educational planning, incl. need assessment and monitoring of activities. Regrettably, the Project has been unable to progress said activities due to irreconcilable differences of opinion, substance, approach etc. with the MoE. The Project does not intend to finalize these activities in the DFA and is in discussion with the EU Delegation to Yemen to move the remaining funds to additional activities in the IRG Area.

IRG area:

- Establishment of **Education for Livelihood Initiatives** in Aden, Lajh, Hadramout, Marib, and Taiz with the participation of 150 District representatives (38 women, 112 men).
- A workshop in Aden, Lahj, Hadramout, Marib and Taiz for **114** representatives from **11** educational civil society organizations (40 women, 74 men).
- Support with **data management systems** (including information & communication technology ICT) to education offices at central, governorate (laptops and solar systems) and districts level.
- Support to the establishment of a database of students with disabilities, in collaboration with the MoE, the Systems and Information Department, and the Education Management Information System (EMIS) Committee in Aden. The system is ready for activation.
- **Vocational Guidance. 482** key educational personnel (183 women, 299 men) were trained to provide guidance to students to in choosing field of study and professionality development.
- Safety and risk mitigation & management training for targeted for **943** participants (44% women) - 79% school manager, 21% representatives from educational offices from the central, Governorate and District level.
- **Provision of equipment and furniture**: the MoE, six (6) Governorate Education Offices, 23 district Education Offices, and 230 schools with office table, chairs, meeting tables, printers, stationery and/or others.
- **Enhancement of existing education strategic plans**: under the supervision and leadership of the Governorate Protection Core Teams (GPCTs), the district education planning teams were able to review and monitor the progress made since last year. After completion of this process, education offices at governorate and district levels received training on financial and project management (e.g., planning, monitoring and evaluation; administrative and financial; framework of reference for educational supervision; educational leadership skills; improving performance skills).

Remaining rehabilitation tasks: Up until the previous reporting period, the rehabilitation of 34 schools was finalized. In the current reporting period, the remaining two (2) girls' schools in DFA region (**Fatimah Alzahraa basic school** for girls in Hajjah city, Hajjah (899 girls) and **22 May Basic school**, Bayt Al Faqiah, Hodeidah (185 girls, 635 boys) were also finalized.

Output 1.3: Strengthened central-local and horizontal relations between local governance stakeholders.			
Indicators	**Year 3 targets**	**Summary of achievements**	**Status**
Indicator 1.3.1: Number of dialogue events between local and central authorities with support of the EU-funded intervention. Baseline: 0 (2019)	0 dialogue event	The dialogue event is planned in the coming year.	On-track
Indicator 1.3.2: # of women's affairs units in targeted central administrations producing gender mainstreaming strategy notes, guidelines facilitation/support or	2 women's affairs units	One Women's affairs unit has produced a strategic plan under the leadership of MoLA in IRG area.	Partially achieved

tools with support of the EU-funded intervention. Baseline: 0 (2019)			
Indicator 1.3.3: % of Yemeni women among local governance representatives at international peer exchange events organised with support of the EU-funded intervention. Baseline: 0 (2019)	10%	Cumulative**:** 9% There was no international peer exchange event conducted during the reporting period. For the DFA area, the Mahram issue has made participation in international events for women *de facto* impossible.	Partially achieved

Activity 1.3.1. Regulatory and institutional measures needed to restore functional central-local relations are taken.

As per the Amendment to the original Agreement, "*the window of opportunity has passed to formalize the (broken or otherwise damaged) functional relationships between the central and sub-national authorities through regulatory and institutional measures. The ambition of the relevant activities has therefore been scaled down… Freed up resources have been reallocated to scaling up those activities that strengthen the different relationships between the local authorities and communities (from capacity to collaborate on development planning to the delivery of responsive services) …Crucially, all references in project activities and indicators which commit the Project to supporting the development of new formal 'structures', 'policies', 'regulations', etcetera, which depend on a non-existing (meaningful) functional and functioning relationship between the three legal tiers of government, have been removed from the relevant parts of the Description and Budget of Action. Instead, the emphasis has shifted to ad-hoc and informal platforms, procedures, etcetera, which potentially – when useful and successful - can be formalized at a later stage, when the different legal parts of the government have been put back together.*"

The Project has therefore, in the reporting period, focused more, whenever the opportunity arose, on establishing informal relationships and ways of collaborating. For example, the Project held an **Experiences Exchange Event** between **Marib and Hadramout** on **16-18 May 2023**. The dialogue event invited local authorities from various functions and areas: administrative, financial, and investment sectors. The event was part of the initiative from Marib's local authorities, where the General Administration for Administrative Development Research and Training unit of Marib hosted a-three-days event. Furthermore, the District Facilitation Teams (DFTs) and the participants of the Rwanda Exchange Program were also a driving force for this initiative. A dialogue and exchange experiences at various administrative levels will allow to reflect positively the performance of different offices. "Meeting the needs of citizens, overcome challenges, and improve the level of services, with the best use of available resources" are key messages stressed by the Deputy Governor of Marib, Ali Muhammad Al-Fatima.

Activity 1.3.2: Capacities of key central authorities to support the resilience of local governance system strengthened.

Both MoLAs in the IRGY and DFA areas have been approached and several discussions have been held on types of project support to the Women's Affairs Units in these ministries. MoLA in Aden, as a 'new ministry'[16], is lacking a Women's Affair Unit. The discussions in Aden led to the idea of establishing a unit and assigning a woman to manage this unit. The Project has finalised a rapid needs assessment and based on the outcomes of this assessment, specific support will be provided. In addition, after

[16] With the temporary establishment of the IRGY in Aden, a new machinery of government needed to be established as well, given the fact that this institutional infrastructure remained in Sana'a. The practical implications of that fact are hard to underestimate.

several discussions with DFA authorities represented by MoLA in Sana'a, who initially declined any direct support to the Women's Affairs Unit, an agreement has been struck to conduct an assessment and follow the same steps at the IRG areas. The outcome in the DFA areas of this activity is uncertain, especially given the DFA's hardening attitude towards women in general, and gender related activities of development partners specifically.

Regular coordination and engagement with central authorities continued to take place since the start of the project. The emphasis in the DFA areas is more on securing permission for activities to take place and in gaining access to project implementation sites. The DFA, in line with their drive towards increased centralization and resource extraction from the localities, prefer to speak on behalf of the local authorities – an approach that does not qualitatively contribute to the resilience of local authorities in their area of control. The IRG authorities, on the other hand, continue to facilitate implementation, providing access, leveraging its authority when challenges arise, and contributing to the further development of the Project. There are positive signs that the strength, capacity and relative autonomy of local authorities are increasingly considered by the IRGY as necessary building blocks for stability. The Project will continue to support the IRGY in these efforts, whenever the opportunity arises.

Activity 1.3.3: Platforms of local governance actors, including local authorities, are fostered, strengthened and connected to international peer support networks.

The platforms established for local governance actors aim to strengthen inter-district coordination and cooperation for service delivery and local economic development have been established and elaborated in **Activity 1.2.2.** The Project established six (6) Collaboration Platform for Local Economy Recovery (CP4LER) in Aden, Lajh, Hadramout (valley and coastal), Marib, Taiz governorates. The platforms provide links of collaboration and coordination between local authorities, private sectors, and civil society organizations.

It is worth mentioning the positive outcomes resulting from the Rwanda Exchange Visit (reported on previously) for local authorities and the community in Marib governorate. The **Cleaning and Improvement Fund** for instance came up with an action to make Marib city more beautiful. Under the slogan, "My City is More Beautiful", the office is continuing to mobilise the community in cleaning the city and improving garbage collection. The last Mondays of each month have been announced as a "Community Cleaning Day" in Marib, where citizens (universities, schools, youth initiatives, scouts, hospitals, and others have committed to participating in cleaning their neighbourhoods.

Furthermore, the Exchange Visit to Rwanda has opened an idea for another organization[17] focusing on peacebuilding activities to conduct a similar type of learning exchange programme.

Output 2.1: Strengthened linkages/cooperation opportunities between smallholders, SMEs, private sector and MFIs involved in the value chains.			
Indicators	**Year 3 targets**	**Summary of achievements**	**Status**
Indicator 2.1.1: Number of persons with developed capacities on business and technical skills or applied skills for income generation or employment prospects (disaggregated by sex, age) with support of the EU-funded intervention.	Total: 2,200 Women: 660 Men: 1,540 Youth: 220 Adult: 1,980	A total of **2,798** have developed capacities on business and technical skills. Women: 1,344 Men: 1,454 Youth: 761 Adult: 2,037	Partially achieved

[17] Deeproots, an NGO/research center carried out an exchange visit to Rwanda aimed to learn about peacebuilding activities from organization called **Interpeace**: International Organization for Peacebuilding**.**

Baseline: 0 (2019)			
Indicator 2.1.2: Number of local SMEs and producer groups in priority sectors supported by the EU-funded intervention disaggregated by gender of owner. **Baseline:** 0 (2019)	Total: 800 Women: 200 Men: 600	**505** SMEs and **33** producer groups received support[18] through the EU-funded intervention (total: **538**) Total SMEs: 505 Women-led SMEs: 67 Men-led SMEs: 438 Total producer groups: 33 Women-led producer groups: 33 Men-led producer groups: 0	Delayed
Indicator 2.1.3: Number of long-term jobs and employment supported/sustained by the EU (EU RF 2.12) **Baseline:** 0 (2019)	Total: 5,000 jobs Women: 1,500 Men: 3,500 Youth:500 Adult: 4,500	A total of **4,815** jobs supported/sustained through smallholders and SMEs. Women: 1,560; Men: 3,255 Youth: 2,407; Adult: 2,408	Partially achieved
Indicator 2.1.4: Number of (i) smallholders and (ii) SMEs that have access to business services. **Baseline:** 0	Smallholders:500 SMEs: 300	Zero (0) smallholders and SMEs have access to business services. Some preparatory work is underway in collaboration with the Chamber of Commerce (CoC) in Aden and Hadramout to establish business centre serves as a one window system between the chamber of commerce and local authorities. This will happen in the next reporting period	Delayed

Activity 2.1.1: Enhanced business and technical skill development on value chain approach for medium and long terms income generation and employment prospects.

Four (4) value chain studies (sectors: dates, fish, henna, wheat) have been finalized. Three planned value chain studies did not receive permission from the DFA authorities to conduct until now, so it was decided to target two new sectors (fish value chain in two districts in Aden and coffee value chain in Sana'a). Some value chain studies (fish and wheat sector) have been presented to the EU Delegation to Yemen and other interested parties in Amman on 16 March 2023. Over 35 participants joined online and 18 attended in-person.

Linked to the selected sectors, the **need-based business skills capacity building** for targeted individuals and SMEs through certified trainers started in targeted governorates (Aden, Hadramout, Hodeida, Sana'a.) A total of **1,892** smallholders from **Hadramout, Hodeida** and **Sana'a** (sector: vegetables, livestock, coffee) have been trained in (1) technical skills on the use of modern agricultural techniques, (2) smallholders' business skills to manage their businesses efficiently. The technical training provided focused on increasing modern input supplies depending on the sectors and crops need.

[18] Cumulative: 538 (60%); Out of 538, Women: 100 (19%); Men: 438 (81%)

In this reporting period, the Project has developed business and technical skills of over **250** SMEs (accumulative: **505** SMEs[19]/firms). Identifying and mapping of SMEs in the targeted governorates required a significant effort and the Project kept the registration open to include additional SMEs, especially women led.

For the coffee sector**, 45** participants (**6** women, **39** men) from companies (20), coffee association and coffee union, and the national tasting team (**5**) attended a-three-day 'coffee cupping training'. The training covered a wide range of topics, including the physiology of taste and aroma; the types of sensory analysis tests, the operation of a cupping session; the diversity of coffee attributes; and the implementation of a sensory analysis panel and session.

Training participants practice sensory of coffee during the training in Sana'a.
Photo credit: UNDP Yemen/SMEPS/2023

As a result of this training, **eight (8)** participants have passed the evaluation to attend a coffee cupping certification in Amman, Jordan, a Specialized Coffee Foundation (SCA) named Bunni Coffee Roastery and Academy. Ambassador Dr. Jalal Ibrahim Faqira, participated in the closing ceremony of the Yemeni coffee tasters training program at "Bunni Coffee Roastery".

During the reporting period, **86** women from the dates, henna, honey, and fish sectors from Aden and Hadramout were coached in a 12-days entrepreneurship training covering the following topics: (i) entrepreneurship and its importance; (ii) business plans and ideas; (iii) Business Management and financial management; (iv) market study and business needs. Furthermore, of these 86 women, **19** women producers from Al-Buriqa, Aden received an additional training on the standards and specification required to enhance the quality of products produced in collaboration with the General Authority for Standardization, Metrology and Quality Control of Aden.

Activity 2.1.2. Improved networks of producers (smallholders, SMEs), private sectors and microfinance institutions to strengthen the existing value chain association at district level.

As part of improving the network among producers (smallholders and SMEs), SMEs from the **two** districts of Ghail Bawazir and Tarim in Hadramout participated in "field days" aimed to exchange knowledge and build business linkages among two sectors (henna and dates). A total of **seven** henna SMEs (factories) and **10** dates SMEs (factories) attended the event.

[19] The breakdown: 11 Lead Firms, 18 Business Cooperatives, 337 SMEs, 139 supply chain enablers.

A bazaar day in As Shihr district was organized with the participation of **14** female beneficiaries from the fish sector and **6** female beneficiaries from the henna sector aimed to promote and sell their products. Several citizens attended the bazaar, and some sales were generated.

Photo credit: UNDP Yemen/SMEPS/2023

"Thanks God after the technical training, we were able to produce tuna in different flavours. There is a great demand by the market in which we sell, because such value-added products are not being produced in current factories in Hadramout at all". [Ms. Lateefa Swaylem, a woman food producer, 31 years old, Al-Shihr, Hadramout].

In Sana'a, **one** training workshop was organized for livestock breeders on marketing and production skills in livestock sector. Topics included the concept of cooperative groups; marketing and promotion skills; and managing cooperative groups.

The Project has started to enhance and develop the skills and knowledge of smallholder farmers on the modern agricultural techniques by providing them with mentoring and technical assistance. From February to August 2023, a total **24,848 field visits** to **820** smallholders in Hodeida and Sana'a were conducted. This brings an average of 3 visits for each beneficiary per month. Furthermore, the Project contracted with **6** veterinarians for Hodeida (**3** in Bayt Al Faqih, **2** in Al Sukhnah, and **1** in Al Munirah) to provide vets supervision and support to the targeted women livestock breeders.

The training for the smallholders resulted in issuance of grants to **1,406** and a breakdown is provided in below list:

Governorate	District	Beneficiary Category	No Of Beneficiaries	Female beneficiaries	Male beneficiaries
Hadramout	GhaylBaWazir	Farmers (Henna)	100	-	100
Hadramout	Tarim	Farmers (Dates)	101	-	101
Hadramout	Tarim	Farmers (Vegetables)	150	-	150
Hadramout	Al-Qatn	Farmers (Vegetables)	150	-	150
Hadramout	Ghayl Ba-Wazir	Women beneficiaries (Henna)	13	13	-
Hadramout	Tarim	Women beneficiaries (Dates)	19	19	-
Hadramout	Al-Qatn	Women beneficiaries (Honey)	12	12	-
Hadramout	Ash Shihr	Women beneficiaries (Fish)	16	16	-
Aden	Al-Buraiqeh	Women beneficiaries (Fish)	21	21	-

AlHudaydah	Bayt Al-Faqiah	Farmers (Vegetables)	100	-	100
AlHudaydah	BaytAlFaqiah	Women livestock breeders (Sheep - Goats)	88	88	-
AlHudaydah	BaytAlFaqiah	Women livestock breeders (Cows)	212	212	-
AlHudaydah	AsSukhnah	Women livestock breeders (Cows)	200	200	-
AlHudaydah	AlMunirah	Women livestock breeders (Cows)	100	100	-
Sanaa	BaniHushaysh	Farmers (Grape)	124	-	124
			1,406	**681**	**725**

In addition, **260** SMEs have also been provided with grants for their successfully designed business plans as a result of the training.

Activity 2.1.3. Enhanced business advisory support and assistance to smallholders and SMEs to improve business continuity, risk management, marketing and expansion of business.

The Project continued to provide technical support to smallholders and SMEs in various sectors. The Project deployed close to **100** field consultants (**49** agriculture consultants and **43** livestock consultants and veterinarians) for Hodeida and Sana'a. The field consultants provided support in the development of business plans and helped to identify business needs and priorities. Before deployment to the field, the consultants were trained in various up to date technical skills to provide the smallholders and SMEs with targeted support.

In addition, the Project has invested substantially in allocating business advisors per target district to review business proposals or business plans developed by SMEs and Business Cooperative Association (BCAs). To date, **371** business plans were submitted, of which **330** were discussed/reviewed, and **311** have been approved. As part of providing technical support on the development of business plans, the Business Advisors also conducted several field visits to the SMES and BAs.

The Project has started exploring the possibility to establish Business Advisory Support Centers (BARC) in Aden and Hadramout[20]. These BARC will serve as a *one window system* ('one-stop-shops') combining the business services of the Chambers of Commerce (CoCs) and local authorities (LAs). The Project strengthens the capacity of the relevant Chambers of Commerce to provide business advice to SMEs and smallholders, through the provision of technical skills, coaching skills, information and database systems, and some basic equipment and furniture. Preparations are being made to connect rural CoCs' offices to the main urban CoCs' offices in Hadramout in both the valley and the coast through an online system.

Output 2.2: Increased and de-risked access to financial services for economic agents in promising value chains.

Indicators	Year 3 targets	Summary of achievements	Status
Indicator 2.2.1: Number of (a) gender sensitive market facilities and (b) related shops/stalls established with support	(a)Market facilities: 0 (b) related shops/stalls (0)	Draft designs and BoQs are available for 3 markets Due to delays in discussions with Local Authorities on location and design of the markets, as well as	Delayed

[20] CoCs in the IRG area (Aden and Hadramaut): 4 CoCs in Hadramout (Al Qatn, As Shihr, Ghayl Ba Wazir, and Tarim) and one in Aden. Totalling: 5 CoCs.

of the EU-funded intervention. Baseline: (a) 0; (b) 0 (2019).		the quality assurance process for the design and the BoQs, the construction of the markets is going to start in the next reporting period	
Indicator 2.2.2: Number of beneficiaries of beneficiaries (a) individuals and (b) SMEs/business associations receiving loans with support of the EU-funded interventions. **Baseline:** (a) 0; (b) 0 (2019).	(a)Individuals: 150 (b) SMEs: 50	Zero (0) loans have been paid Due to the change in law the approach to the microfinance component has to be revised and the work will start in the next reporting period	Delayed

Activity 2.2.1. Construction of market facilities and infrastructures have improved access and services for smallholders, SMEs and private sectors to improve productivity.

The Project has completed identifying public infrastructures (**markets**) in Aden, Hadramout, and Sana'a. In March 2023, SIERY started work on the design of the markets, preparing bills of quantities, and social and environmental assessments for **four** (**4**) markets (fish market in Aden, honey market in Hadramout valley, fish export center in Mukalla, and central market of Hadramout valley (dates and onions)).

The social and environmental assessments have been completed. Detailed assessments have been completed for the three (3) markets in Hadramout. For the Aden fish Market, additional works need to be done (in some cases, restarted). There has been significant delay due to the underperformance of the RP (PWP) and the need for extensive quality assurance processes at every step of the process in all cases. Collaboration with PWP will therefore be terminated as soon as possible and direct collaboration with construction companies will be sought.

The Project is in the process of developing operations manuals and designing training courses for key market stakeholders (such as market management, shop owners, buyers, suppliers) on topics such as market management, sustainability, and Occupational Health and Safety (OHS). Based on the market sector, function, laws and regulations and trade context in each area a comprehensive operating manual will be designed by professional experts who will also select the management team of the markets and deliver an advance training. The training topics will include management, trade operations, logistics, finance, etc.

Activity 2.2.2. Improved access to microfinance services (capital and grant) for the recovery of smallholders, small and medium enterprises with good potential for job creation and income generation.

The issuance of Law No. 4 of 1444 AH dated March 22, 2023, in the DFA area prohibits usury transactions including receiving interests has interrupted the design and roll out of the Microfinance activities. The Project was forced, once again, to redesign this component. It was agreed that this law would make implementation of the Microfinance activities very difficult, if not impossible, to implement in the DFA area and that the Project, in the draft Amendment to the Agreement, would propose to implement this activity fully in the IRG area. This required a new round of discussion with potential new partners.

3.4 Changes introduced during the reporting period.

Over the past three years, the Project has faced substantial challenges, which, when combined, have led to significant delays in implementation. These challenges and compounded delay have been described in more detail in previous Project reports, and do not need to be repeated here. The Amended Description of Action (DoA) of the Amendment to the Agreement, the basis of the No Cost Extension, discusses the broad programmatic changes these challenges and delays necessitate. This has been quoted in full in **Chapter 2: Background** of this report.

The below focuses on specific factors that affected implementation in the reporting period, including those which have been there before but became more prominent or remained resistant to mitigation measures. It will also highlight some specific instances of the broad programmatic adaptations as outlined in Chapter 2. Lastly, it will add a more prominent and explicit dimension of sustainability, as outlined in the *Exit Strategy* of the DoA (also quoted in Chapter 2 of this report).

3.5 Factors affecting the attainment of results and mitigation measures.

Many activities have been implemented relatively smoothly during this reporting period. The Project is at the stage of wrapping up a substantial number of its activities, and much of the progress discussed above is at the final stages. 'Big tickets' items – certainly in terms of financial delivery -, such as the 2022 and 2023 L2RF funded public service investment priorities (130+ projects) and the construction of market infrastructure in Hadramout, Aden and Sana'a, will dominate the remainder of the project. Implementation speed in general is uneven: things move faster in the IRG areas and continue to experience (expected and unexpected) delays in the DFA region; the Institutional Resilience component is ahead of the Economic Resilience component, although the latter has been catching up, except for the access to microfinance. It is important to stress, however, that these are generalizations: for example, implementation is relatively straightforward in Hajjah and Ibb, but strenuous in Lahj.

Some of the main factors that affected implementation and the attainment of results in the reporting period are:

1. **Ambivalent attitude of the DFA**:

    (a) **Access**: Permission to access to project sites – a major selection criteria for targeted Districts- by the Project team, relevant Responsible Parties, and the Third-Party Monitoring agents has been patchy and erratic. These visits are important to prepare, assess, implement, and monitor activities on the ground. For example, the Project has submitted a request to visit Ibb twice in July-August 2023, but it has not materialized yet. SCMCHA only granted a visit to Hajjah in early July 2023. As indicated in the previous section, some districts in Hodeida, Ibb, and Sana'a could not implement training activities for members of community structures as the permits have not been granted yet. Permission for RPs to access certain areas are granted late, only to be withdrawn at the last moment. Third-Party Monitoring agents are refused access in Hodeida.

    (b) **Interference**: Responsible Parties are facing many obstacles in the implementation of their activities.[21] Although registered, licensed and signatories to the required MoU with SCMCHA, they are regularly prevented to implement the activities agreed on, are forced to make programmatic change contrary to the agreement with UNDP, or are sometimes 'persuaded' to employ sub-contractors or individuals selected by MoLA or SCMCHA. In more extreme cases,

[21] SCMCHA has a standardised process where all local organisations contracted/subcontracted by the United Nations or international humanitarian agencies, need to sign a Memorandum of Understanding (MoU) and be registered with SCMCHA. Some of the conditions of some of these MoU appear to be in breach with the Direct Implementation Modality all UN organisations follow. A special case is SMEPS, one of SIERY's Responsible Parties for the Economic Resilience Component. SMEPS (as part of SFD) is a semi-governmental agency and there is disagreement in the DFA whether they are subject to the same rules.

as with the Educational sub-component, the authorities demand full control over activities, funds, and implementation. All of this is unacceptable to UNDP.

(c) **Multiple interlocutors**: It is often difficult to know exactly who to engage with. Although SCMCHA is the officially designated organization each development partner and project must engage with (as the Project, the Portfolio and senior management of the Country Office regularly do), it seems that there are other groups and individuals which also have a say over permissions (National Security – local and central -keeps a close eye on the Project, being about Governance and state-citizens relationships). It is worth noting that all this not only occurs in Sana's with the central authorities; it is replicated at the Governorate level and sometimes below.

2. **Transition to new global financial administrative IT system at UNDP**: UNDP switched to a new financial administrative system at the beginning of the year. After some initial glitches, which made some processes temporarily more protracted and let to some payment delays, these issues have been solved.

3. **Limited technical, administrative and/or implementation capacity of Responsible Parties**: Due to security and access issues, the Project depends, to a significant degree, upon Responsible Parties for on-the-ground implementation. The Project has, from the beginning, assumed an active approach to technical leadership and coordination, and has committed itself to leveraging the project activities to strengthen the capacities of local actors to support local authorities. However, the technical, administrative and/or implementation capacities of many RPs are limited, even at more established RPs such as PWP and SMEPS. Eight years of heavy emphasis on humanitarian interventions has led to a domination of fund administration roles (for example NMO), with technical capacity outsourced to individual consultants. Even in these cases, administrative capacity is low. In the case where there is still technical capacity, such as with SMEPS and SOUL, this has shrunk to very similar types of interventions. PWP, on the other hand, cannot live up to its claim to cover the whole country effectively and efficiently and is dependent on a network of local consultants of mixed quality. The Project has invested substantial amounts of resources in technical, administrative and implementation capacity development in RPs (from activity design to planning to costing to quality assurance), but it has become obvious that this approach takes more time then is usually available in a project cycle. The active involvement of National Coordinators, Field Coordinators, Senior Project Management Specialist, the M&E and the finance officers in weekly 'coaching' sessions put significant strains on the limited human resources available. Going forward, the Project will work more directly with private sector actors (construction companies) and acquire additional engineering capacity.

Overview

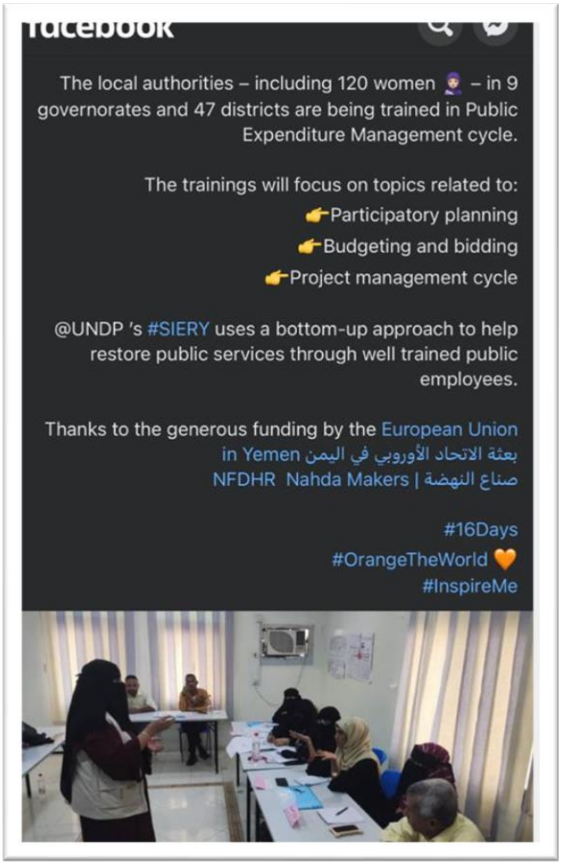
No	Challenges	Responses
1	Incessant political and personnel changes at government counterparts in both regions of the country.	– Regular meetings at central level and field level to ensure that the project is abreast of any new developments that might come with new authorities as well as informing them about the project and its approach.
2	Context instability and fluidity which remains unpredictable	- Adaptive workplan within the tolerances of the agreement. Adjustments within workplans of the RPs are made in a quick and unbureaucratic manner. Adjust and updates of risk logs done if needed. Regular discussions with the donor.

3	Delay in approval of permits for RPs to work in the DFA and obstacles for certain activities despite permit	- Regular meetings with SCMCHA, UNDP and RPs. - Exploring alternative activities and approaches.
4	The implementation of the Accountability Package has been on hold due to internal issues. The implementation of the Education Component in DFA area has been put on due to "irreconcilable" approaches and interference.	- Mapping out of new potential partner, combination of national and international organizations to implement Accountability package. - A number of meetings have been conducted with Ministry of Education and SCMCHA. The partner has spent a large amount of time and energy on coordination and obtaining 'green light' from both MoE and SCMCHA to no avail. Alternative options are being considered and discussed with EU Delegation.
5	Extensive exchanges with Local Authorities (LAs) location selection and provision of official document of these land, design and related BoQ of planned markets by Local Authorities delayed the finalization of the market decision.	- The Field Coordinators have been working hard to coordinate and communicate with the local authorities to ascertain relevant documents (e.g. land-use permit, technical and architectural designs, and others). The overall process of liaising with local authorities takes between 3-6 months.
6	The issuance of Law No.4 of 1444 AH that hindering the implementation of microfinance component.	- The introduction of Law No. 4 makes implementation of the microfinance activities impossible in the DFA region. With the permission of the donor, this has now been moved to the IRG area, necessitating a redesign of the activity.

3.6 Communication and Visibility

The SIERY Project has been using various types of media platforms to communicate the progress of the project and promote the visibility of results achieved with the support of the EU.

In the reporting period, the Project increased substantially the use of social media platforms. Tweets and Facebook posts were published regularly in both English and Arabic to highlight the EU-SIERY interventions, achievements and impacts in Yemen. This including **53** Facebook posts, **56** Twitter posts, and **58** Instagram posts.



In addition, given Yemen's complex political environment and the potential sensitivity of work such as local level strengthening of institutional resilience, the Project has been tailoring messages to suitable target audience. The Country Office Communication and Advocacy Team continued to provide support in conducting national and local media monitoring.

The Project team makes use of this information to track and monitor the SIERY related messages circulated in Yemen. In the reporting period, **45** articles by national and local media outlets have been published highlighting SIERY activities.

2023 International Days: With the support of the Communication Unit the Project contributed to messaging on selected International Days that match the project's thematic areas.

International Day of Education Day (24 January 2023)

International Water Day (22 May 2023)

All SIERY communication materials were used by UNDP and the responsible parties to extensively promote the contribution of the EU to the project throughout the project implementation. Promotional and visibility items were produced and used at meeting and events such as banners, notepads, mugs, caps, T-shirts, pens, and other items. SIERY also developed "project's identity or branding" including logo, QR code, roll-up-banner, and other items. In addition, each infrastructure site has a signpost during the implementation clearly indicating the EU and a "marble plate" is installed when the sites are handed over.

SIERY online visibility was enhanced through a dedicated project page on UNDP's website. The Project Page was used to provide updated project information, such as project summary, objectives, and achievements. The project page continues to serve as an online reference for all SIERY communication products.

Following are communication and visibilities materials (e.g., videos, printed media, etc.) developed and made available for public.

Project Factsheets	Strengthening Institutional and Economic Resilience in Yemen (SIERY) Factsheet: December 2022 | United Nations Development Programme (undp.org)
A video of solar street lighting in Al-Buraiqa district, Aden	https://www.facebook.com/UNDPYEMEN/videos/solar-street-lights-in-al-buraiqa-aden/1445600329183244/
A video on restoring health center in Khor Maksar, Aden	https://www.youtube.com/watch?v=Tvic7ca3XxI
A success story video on the role of youth in local economic development (featuring during International Youth Day)	https://www.youtube.com/watch?app=desktop&v=v3ZOWY9tuPg
A success story video on Al-Bahr school in Mawiya, Taiz	https://www.dropbox.com/scl/fi/x5oa39qpn4p3uu798aane/SIERY-Al-Bahr-School-Final.mp4?rlkey=4uw1ktxgszj4bownv3xbg0wpx&dl=0
A success story video on Marib Women Fellowship Initiative	Supporting women in Marib | تمكين المرأة لبكون لها دور رئيسي في الحكم المحلي في #اليمن: بدأ مشروع تعزيز المرونة المؤسسية والإقتصادية في اليمن التابع لبرنامج الأمم المتحدة الإنمائي... | By UNDP Yemen | Facebook https://www.linkedin.com/posts/undp-yemen_yemen-siery-activity-7125919503141482496-yruw?utm_source=share&utm_medium=member_ios https://www.instagram.com/reel/CzIgVdPsHRZ/?igshid=MzRlODBiNWFlZA== https://x.com/undpyemen/status/1719959019589107737?s=46&t=gcguhpe_GDL54GUDuRoucw

Human Interest Story

Rescuing the Henna Sector in Hadramout

https://undpyemen.exposure.co/henna

https://yemen.un.org/en/224271-rescuing-henna-sector-hadramout

The local authorities in the Ghail Bawazir district in Hadramout governorate, and its executive offices, have played an instrumental role in rescuing the henna sector – one of the district's most famous legacies. Henna, an evergreen tree from which many traditional Yemeni beauty secrets have been derived, holds an important part of Yemeni culture.

Seeing the need for, and importance of, the henna sector, to the local economy and culture, the local Hadramout authorities hosted a workshop to discuss its future. Speaking with representatives from the community's private sector, farmers, women, and youth, they worked together to select the most pressing issues associated with saving the collapsing henna sector. The team quickly set off to conduct a full assessment that looked at the challenges of the sector and they returned with proposed solutions to help it thrive once again.

The Ghail Bawazir district is 2,410 square kilometres (about 1,498 miles) and is distinguishable by the fertility of its land – due in large part to the existence of many wells and water springs. For generations, Ghail – which translates to "water running on the surface of the earth" – has been primarily agricultural land where "Ghaili Henna" has been a primary source of income for the communities.

But since the conflict erupted eight years ago, and with a significant influx of internally displaced persons (IDPs), the water supply in Ghail Bawazir has been used to supplement the scarce resources of Mukalla city. This is adversely affecting the fertility of the land and the Ghaili Henna trees that were once so abundant in the area.

Participatory and Inclusive Planning

The authorities and the United Nations Development Programme's (UNDP) project – *Strengthening Institutional and Economic Resilience in Yemen (SIERY)* – knew something had to be done to save not only the trees, but also the livelihoods of so many from the community.

Generously funded by the European Union, SIERY works across Yemen with local authorities to engage the local community, the private sector, and civil society to ensure comprehensive decision making and planning to reflect the needs of the community. Additionally, to help achieve and maintain results, SIERY also helps develop the local authorities' capacities to maintain, enhance, and expand its good performance.

This is precisely what happened in the Ghail Bawazir district, where the community selected to save the Henna trees and farming by working to rehabilitate several old agricultural irrigation canals, locally known as Al-Ma'ayen – the only source of agricultural water in the district.

The canals that provided the water to the tree farms were made of dirt where 60 per cent was absorbed into the ground as it travelled for 2.5 hours to reach the Henna trees. Because of traditional farming practices, the farms needed up to 9 hours to be fully irrigated so the water pumps were working overtime to compensate to push it along the porous route. This long cycle repeated itself every 20 days with the water irrigation cycle.

In addition to tremendous time and water resources loss, the amount of fuel needed to run the pumps for hours on end was also unsustainable. The cost of the fuel was prohibitive and the Community Committee who was responsible for maintaining the canals had no additional time or money to spend to renovate them.

"Agriculture has been an instrumental sector for generations, and the particular interest in Henna encouraged us to work closely with this important project," explains Salem Al-Ataishi Bawazir, the District Manager of Ghail Bawazir. "For a number of reasons, the henna sector has tremendous potential to expand and provide a number of job opportunities for various sectors across the district."

Supporting Various Links in the Value Chain

Translating ideas into action, SIERY worked to help ensure long-term positive impact within the community. Together, we worked to fix four irrigation canals in three areas (Al-Harth, Al-Naqa'a, and Leshwal) by using cement-coated stones laid for 2,866 meters (approximately 1.8 miles). Additionally, we provided:

- 100 farmers with quality farming materials like leaf dryers and fertilizers.
- 9 Henna mills with in-kind assets like grinding and packaging machines.
- Capacity development training in Business Continuity Management.

Furthermore, 13 women received vocational, administrative, and financial training to produce innovative and transformative henna products. They also received seed grants to start their micro-businesses.

Immediate Impact

In a short time, this multi-sectorial intervention had immediate impact and showed extraordinary results. Remarkably, the rehabilitated irrigational canals recovered the 60 per cent of the water loss and were able to pump water to the fields in 25 minutes instead of 2.5 hours. And because of the efficiency of the canals, the farms were able to access the water irrigation cycle every 13 days instead of 20 and full irrigation was achieved in three hours instead of nine. The reduced pumping time also significantly cut the cost of fuel for the farmers as the pumps were not pumping as long.

Now over 2,040 farmers are benefiting and seeing the value in the rehabilitated canals the Community Committees are looking to invest in maintaining the canals.

As for the Henna trees, the leaves turned a vivid green with the extra water and quality fertilizers. They are remarkably soft with a strong aroma and the long, full branches are plentiful. The quality of the produce has driven the price of 12 kilograms of henna from YER 8,000 (about US$ 6.5) to YER 15,000 (about US$ 12.20). The improved crops meant double the profit for the farmers and additional money for the rest of the players in the value chain as well.

The henna mills also witnessed increased operations with some notably increasing their male and women labourers to meet the increasing demands of the market. Additionally, the 13 women entrepreneurs kicked-off their micro-businesses producing henna-based products in cosmetics and skin care.

All of this will lead to increased district revenues that will enable the authorities to invest in other service projects for the community. The benefit of this project is two-fold as it will help increase local revenues as well as reinforce community trust in the local authorities to improve the service delivery levels and business environment.

Many of the farmers who received the leaf dryers and fertilizers from the SIERY project are ecstatic about their newfound skills and the modern equipment. Uncle Mubarak Ba Anqoud is one of them.

At 71-years-old, Uncle Mubarak has worked in henna farming for over 15 years and cultivates and dries the leaves before selling them. He received both the leaf dyers and fertilizer for his henna trees and remarks that "The fertilizer softened the soil and enhanced the smell of the henna trees." He noted that after so many years, it was incredible to see how the trees had sprung back to life. Uncle Mubarak also enjoys the cleanliness and efficiency of the dryers, commenting that "they protect the leaves from sunlight, dust, and impurities." This ultimately helps increase the amount that he can sell the leaves for in the market.

Seeing the successes of the SIERY project, some of the other local farmers even indicated that they may be willing to forego their crops in tobacco – another famous Ghail Bawazir crop – to begin to grow henna trees. Additionally, some farmers who did not participate in the SIERY project are beginning to adopt and implement the same work modalities to develop their farms and corps and to increase their income and profit.

IV.CROSS-CUTTING ISSUES

4.1 Gender results

The project has come up with several new initiatives to be embedded within the existing DoA and budget, such as a fellowship programme, women in value chains, support for women's affair units. The results of these initiatives are highlighted below:

Through the **Marib Women Fellowship Initiative** for increased representation of female staff in Marib local authorities a total of 70 Marib women (35 women representing the staff of governorate and district diwans and 35 Marib's recent female graduates) have improved their personal and technical skills. The recent graduates have joined an internship for a period of three (3) months with the local authority institutions. Thanks to the fellowship initiative, eight (8) trainees are employed as a full-time contract with various government offices in Marib. In addition, five of them will also be considered in coming recruitment opportunities for a-full-time contract with the executive offices.

A strategic plan for Women's Affairs at central and governorate levels have been developed and presented to the Ministry of Local Administration (MoLA) thanks to the five-day of strategic planning workshop organized. A total of **38** participants (35 women, 3 men) from the Directorate of Women's Development, departments in the Ministry of Local Administration, governorates, and targeted districts in IRG area participated actively participated throughout the training workshop sessions.
Throughout the local authority capacity development component and especially the district development planning process, Yemeni women have been actively participating as members of District Facilitation and District Core teams, which allowed them to influence the priorities reflected in the district development plans and ensure that they take the needs of women and youth into consideration. Thanks to the specialized curricula and the training on gender-sensitive and youth-sensitive approaches enabling them as facilitators to identify and assess the local priorities and needs of the women and youth for the development of district development plans.

The Project reached out more than **50** per cent of Yemeni women and girls on responsive basic service delivery. The Project continued to promote the prioritisation of gender responsive sub-projects in the local government plans, as reflected in the recent selection of the priorities such as rehabilitating of additional girls' schools, maternity and childhood Hospitals, vocational centres for women, rehabilitation of the technical institutes for youth and sanitation/water improvements.

Regarding women in economic development, the Project benefited **45** per cent of women, especially in Hodeida governorate. The establishment of women producer groups of milk diary product also in Hodeida showcases that the selection economic sector fits to the need of women, allowing them to improve their livelihoods and expanding employment prospects to the surrounding areas/communities. On **women in value chains**, **81** women were able to start their own business thanks to capacity development in value chain activities (henna, date, fish processing, and honey sectors), start-up grants and partnership with leading firms to market their products.

4.2 Partnership

The partnership with the EU continues to be fruitful and productive. Regular (informal) meetings - monthly or bi-monthly - are held virtually, and sometimes in person, with the EU Delegation to Yemen in Amman.

The Project maintains its good partnerships with the local authorities and chambers of commerce in the IRG governorates/districts as well as with the MoLA. The presence of the Field Coordinators is especially important for this relationship. It has enabled the project to not only quickly pick up on changes within the governorates and potential implications for the project, but also ensured that any issues arising, were addressed in a timely and direct manner.

The partnership with the central authorities in the North remains more challenging especially related to decision making and approvals. Regular meetings with SCMCHA are held to address recurring and new issues seeking for support for UNDP as well as the Responsible Parties.

Within the UNDP Yemen, SIERY continues to coordinate with projects such as ERRY III and the Sustainable Fish project to ensure that there is complementarity in the initiatives.

The Project continues with its monthly coordination meetings between all RPs and UNDP (also at field level through focal point system). These meetings have proven very beneficial for all involved to not only understand the overall picture of the project and its approach, but also to exchange lessons learned, discuss issues faced and come up with joint solutions and identification of synergies.

In the respective targeted areas, UNDP and its partners maintain to organize coordination meetings inviting key stakeholders and organizations (NGOs and INGOs) working on various sectors: education, WASH, shelter, and others for synergies and complementarity.

4.3 Environmental Consideration

Environmental sustainability is very relevant to the projects' outputs and outcomes. The rehabilitation of basic service infrastructures such as market facilities, schools, health facilities is taking into consideration the provision and use of alternative and sustainable energy such as solar systems.

In addition, UNDP ensures that the partners implementing rehabilitation work put into practice Environmental & Social Safeguards including Occupational Health Safety (OHS), conduct Social & Environmental Screening (SES), conduct public consultation/ stakeholder engagement and ensure Environmental and Social Management Plan (ESMP) mitigation measures and OHS are taken into consideration in the preparation of BoQ and technical specifications.

The Project also explored options to reduce its carbon footprint through improved efficiency in the use of resources to minimise wastage (i.e., using electronic signature and electronic documents, re-use of paper, replacement of paper cups and cutlery) and is also promoting with the Responsible Parties the production of generic and multipurpose banners that can be used throughout the project cycle.

V. LESSONS LEARNED

The importance of 'boots on the ground': the relative success and speed of implementation in the IRGY areas is partly due to the Project's intensive interaction and growing network with local authorities, communities, private sectors, and other stakeholders at the governorate level, and its ability to coordinate the different Responsible Parties *in situ*. In those areas of the region under control of the DFA where the Project has made (tentative) progress, in Hajjah, Ibb and to a certain degree Sana'a, this has been mainly due to the establishment of direct contact with local authorities at the Governorate level. The Project's Field Coordinators play a crucial role in these contacts. In the coming period, the Project will further strengthen and deepen these interactions.

Realistic Planning: local authorities require intensive coaching to be more realistic in their planning. In many cases, the district authorities come up with a long 'wish list' of everything they would ideally like to have. It usually does not match with the reality of the existing capacity, resources, and context. Unrealistic plans typically lead to loss of confidence in ability to deliver and succeed. The Project continuously providing advisory and technical support the local authorities to identify a small, realistic plans and work through to achieve them, generating a sense of success then moving to the next ones.

Bringing 'an elephant' in the room. The participation of high-level officials from Ministry of Education offices in some workshops have enriched the discussions and exchange of experiences among the education offices. Furthermore, their presence and leadership during the development of education plans has proven an effective approach to expedite and speed up the process.

Adaptive approach to integrate gender activities: SIERY has learned that it needs to adopt an adaptive, opportunistic approach to achieve its gender objectives, given the resistance of local authorities especially in DFA area. In Marib, the Project has capitalized on the excellent personal relations between the head of Marib Girls Foundation and the governor's office to promote women's participation. This approach has yield great success, leading employment opportunities at executive offices in Marib. The engagement of women-in value chain activities in Aden and Hadramout is one of the innovative approaches undertaken by the Project to increase women participation in local economic development. Similarly, in Hodeida, women producer groups for dairy products were established to increase the production capacity, enhance networking and access to market.

VI. Way forward

As the no-cost extension has been approved by EU until 18 August 2025, the Project will continue to implement the Description of the Action (DoA) and its Results Framework accordingly.

On Institutional Resilience Component, it will start to implement the eligible and selected priorities for 2023 and some 'outstanding' of 2022 L2RF. It will start working on the Accountability Standards with bringing a combination of national and international experts. The coming year will focus on capacity-building of key central authorities including MoLA, MoPIC & Ministry of Finance. Support to women's affairs units in key ministries will also be included. A substantial timeline will be dedicated to support and training sub-regional platforms as well as rolling out of resilient urbanization and SDG localization.

The Economic Resilience Component will dedicate on the construction of the markets in Aden and Hadramout and other identified area. Capacity building for key market stakeholders (such as market management, shop owners, buyers, suppliers) on market operational guidelines and Occupational Health and Safety (OHS) to ensure mitigation of any potential hazard incidence will be invested in the coming year. In addition, rolling out of the new microfinance product for SMEs in collaboration with local microfinance banks. The Project will continue to reach out SMEs and private sectors in Marib for generating jobs and employment prospects.

In terms of communication, visibility and advocacy, the Project will continue to increase the production of communication and knowledge products. Several value chain studies have been completed and ready to disseminate widely through different media platforms (UNDP Webpage and others).

VII. List of Annexes

Annex I: Financial Report and Indicative Budget Forecast (separate document)
Annex II: Implementation Plan

Annex II: Implementation Plan

Yemen Strengthening Institutional and Economic Resilience in Yemen (SIERY) Project					
01.09.2023 – 31.08.2024					
Output 1.1: Strengthened Local authorities' capacities to respond to community needs for services in an inclusive and accountable manner					
PLANNED ACTIVITIY RESULTS	**ACTIVITY**	**Sept – Dec. 2023**	**Jan-March 2024**	**April - June 2024**	**July – Aug 2024**
Activity Result 1.1.1: Governorate authorities have the capacities, tools and incentives to provide better technical guidance and capacity development to district authorities.	**Activity Action 1.1.1.1**: Update and customize training and coaching materials on public expenditure management used in previous UNDP/MoLA Projects				
	Activity Action 1.1.1.2: Establish and train District Facilitation Teams				
	Activity Action 1.1.1.3: Train DFTs on gender-sensitive and youth-sensitive approaches	X			
	Activity Action 1.1.1.4: Develop specialized curricula resources on promoting women and youth roles in decision-making	X			
Activity Result 1.1.2: Linkages between district authorities and communities are strengthened through the activation of representative community structures	**Activity Action 1.1.2.1**: Train community structures on participatory planning and service delivery monitoring	X			
	Activity Action 1.1.2.2: Train local CSOs on Yemeni local governance system	X			
	Activity Action 1.1.2.3: Train local actors on conflict-sensitive local governance	X			
Activity Result 1.1.3 District authorities are more capable of performing regular public expenditure management functions in a participatory and transparent manner	**Activity Action 1.1.3.1**: Conduct district-level capacity assessments by DFTs and produce District Capacity Development Plans (CDPs)	X			
	Activity Action 1.1.3.2: Establish and train District Core Teams	X			
	Activity Action 1.1.3.3: Implement DCDPs (training, mentoring) by DFTs and DCTs	X			
	Activity Action 1.1.3.4: Strengthening data management systems (incl. ICT) in district authorities	X			
	Activity Action 1.1.3.5: Support (technical, financial) CSOs to pilot social accountability initiatives in selected districts on service delivery and revenue management	X			

	Activity Action 1.1.3.6: Provide institutional and capacity-building support to Women's Affairs Units and women staff in district Diwans	X			
Activity Result 1.1.4 District authorities manage their human and financial resources more efficiently and accountably	**Activity Action 1.1.4.1**: Conduct diagnostics on public financial management and human resource management in district authorities.		X		
	Activity Action 1.1.4.2: Implement District Accountability Improvement Plans (DAIPs) (coaching)			X	
	Activity Action 1.1.4.3: Assess local revenue potential			X	X
	Activity Action 1.4.4: Provide training and mentoring for higher collection rate, transparency and acceptance of revenue collection, by DFTs & DCTs				
	Activity Action 1.1.4.5: Support (Technically / logistically) Project Units @ governorate level to enhance project technical design and costing.				
	Activity Action 1.1.4.6: Support governorate-based COCA branches to conduct regular audits of district accounts				
	Activity Action 1.1.4.7 Train local authorities on the identification of suitable funding mechanisms in the framework of local development				
Output 1.2: Improved capacities of public services providers for scaling up the outreach to the most vulnerable					
Activity Result 1.2.1: Pathways for resilience and recovery of basic and social services are identified by inclusive local platforms and reflected in annual plans	**Activity Action 1.2.1.1**: Establish and train District Recovery Platforms (DRPs)	X			
	Activity Action 1.2.1.2: Conduct district service delivery audits for key sector areas with the participation of DRPs	X			
	Activity Action 1.2.1.3: Support planning for multi-year District Resilience & Recovery Plans (D2RPs)	X			
	Activity Action 1.2.1.4: Provide technical support to regular district annual planning and budgeting aligned with D2RPs.	X			
	Activity Action 1.2.1.5. Provide leadership and communications training for women & youth, incl. members of DRPs	X			
	Activity Action 1.2.1.6 Coach local MoPIC units to semi-formalise and sustain the project implementation infrastructure of District Core Teams, District Facilitation Teams and District Resilience Platforms			X	
	Activity Action 1.2.1.7 Coach local authorities and local communities to develop annual workplans derived from the multi-year District Resilience & Recovery Plans		X	X	

Activity Result 1.2.2.: Key sustainable development dimensions (local economic recovery, resilient urbanization) are considered by local authorities and initial actions taken in line with the SDGs	**Activity Action 1.2.2.1**: Raise awareness on SDG localization in 4 governorates				X
	Activity Action 1.2.2.2 LER: Establish & mentor Collaboration Platform for Local Economic Recovery (CP4LER) between Governorate Office and Private Sector				
	Activity Action 1.2.2.3: LER: Conduct diagnostics on local economy, business environment and productive sectors, including needs of MSMEs and producer groups				
	Activity Action 1.2.2.4 LER: Support CP4LER to identify and formulate LER strategy and select and propose priority projects for funding by L2RF				
	Activity Action 1.2.2.5: RU: Establish & mentor Urban Planning & Management Teams (UPMTs)			X	X
	Activity Action 1.2.2.6: RU Conduct urbanization diagnostic in 3 cities			X	X
	Activity Action 1.2.2.7 RU: Support UPMTs to prepare Resilient Urbanization Strategy and select and propose priority projects for funding by L2RF			X	X
	Activity Action 1.2.2.8: RU: Technical support to middle-term urban planning			X	X
Activity Result 1.2.3: Multi-purpose local recovery supports the implementation of local priorities.	**Activity Action 1.2.3.1:** Establish L2RF and finalize SOPs & allocation criteria				
	Activity Action 1.2.3.2: Release funds under L2RF funding window	X	X	X	X
	Activity Action 1.2.3.3 Strengthen the capacities of local authorities to coordinate donor interventions and support the authorities in pitching projet ideas to potnetial funding entities			X	X
Activity Result 1.2.4: Integrated support to restoring education services in affected communities helps restore livelihoods, stability and social cohesion	**Activity Action 1.2.4.1**: Develop capacities on educational planning for local authorities				
	Activity Action 1.2.4.2: Provide integrated support to restoring education services in affected communities				
	Activity Action 1.2.4.3.1: Distribution of school supplies, training of school personnel on safety and risk management, and back-to-school campaigns for enrolment	X			
	Activity Action 1.2.4.3.2: Rehabilitate classrooms, WASH facilities, school furniture				

	Activity Action 1.2.4.4: Support school children well-being through teacher training, child protection activities, psycho-social and rehabilitative support to children with special needs				
	Activity Action 1.2.4.5: Support the education system: capacity building for local and national education stakeholders including local authorities, school management, parents' associations and the ministry of education (MoEDU).	X			
Output 1.3: Strengthened central-local and horizontal relations between local governance stakeholder					
Activity Result 1.3.1: Regulatory and administrative measures needed to restore functional central-local relations are taken	**Activity Action 1.3.1.1**: Prepare in-depth diagnostic on inter-governmental relations				
	Activity Action: **1.3.1.2** Support central - local dialogue				
	Activity Action 1.3.1.3: Increase connectivity between local authorities and central government through e-solutions	X	X		
Activity Result 1.3.2: Capacities of key central authorities to support the resilience of local governance system strengthened.	**Activity Action 1.3.2.1**: Provide capacity development of MoLA, MoPIC & MoF + COCA				X
	Activity Action 1.3.2.2: Support to women's affairs units in key ministries	X			
	Activity Action 1.3.2.4[22]: Coordination and engagement with central authorities	X			
Activity Result 1.3.3: **Platforms of local governance actors, including local authorities, are fostered, strengthened and connected to international peer support networks**	**Activity Action 1.3.3.1**: Support and train sub-regional platforms			X	
	Activity Action 1.3.3.3[23]: Support South-South exchanges (2 study visits)			X	
Output 2.1: Strengthened linkages/cooperation opportunities between smallholders, SMEs, private sector and MFIs involved in the value chain					

[22] Activity 1.3.2.3 was deleted in the amendment as these events are politically not feasible and budget has been used to include the coordination activity (1.3.2.4). In UNDP's ERP system numbering cannot be changed as it is reported against already. Therefore, the activity number is kept as 1.3.2.4 to ensure consistency with the reporting system.

[23] Activity 1.3.3.2 was deleted as due to travel restrictions during the COVID pandemic international conference were not happening and now the project is too far advanced to make participation meaningful

Activity Result 2.1.1: Enhanced business and life skill development on value chain approach for medium and long terms income generation and employment prospects	**Activity Action 2.1.1.1**: Review and update value chain analysis of promising sectors	X			
	Activity Action 2.1.1.2: Identification of promising sectors for interventions	X			
	Activity Action 2.1.1.3: Need based business skills capacity building for targeted individuals and SME through certified trainers, with specific promotion of women and youth, including networking	X	X	X	
	Activity Action 2.1.1.4 Coach women on processing/producing added value products, specifically branding, packaging, promotion, sales, outreach, marketing, networking, business links, etc.		X	X	
Activity Result 2.1.2: Improved networks of producers (smallholders, SMEs), private sectors and microfinance institutions to strengthen the existing value chain association at district level.	**Activity Action 2.1.2.1**: Select existing business associations	X	X		
	Activity Action 2.1.2.3: Provide financial and technical support (incl. networking) to smallholders, SMEs, incl. to business associations	X	X	X	
	Activity Action 2.1.2.4: Organise networking events for smallholders, SMEs and business associations for the income generation activities.			X	X
	Activity Action 2.1.2.5: Organize exposure visits for cross exchange and learning for SMEs, MFIs and private sectors			X	X
Activity 2.1.3 Enhanced business advisory support and assistance to smallholders and SMEs to improve business continuity, risk management, marketing and expansion of business	**Activity Action 2.1.3.1** Selection of technical consultants/ business advisors in each targeted district.				
	Activity Action 2.1.3.2: Develop group of SMEs and smallholders and allocation of business advisors as per the value chain sector for mentoring, coaching and technical assistance.	X	X	X	
	Activity Action 2.1.3.3: Explore the possibility to establish Business Advisory Resource Center (BARC)	X	X	X	
	Activity Action 2.1.3.4 Coach local Chambers of Commerce to further strengthen the physical and online business services/advisory centers			X	X
Output 2.2: Increased and de-risked access to financial services for economic agents in promising value chains					
	Activity Action 2.2.1.2:[24] Provide capacity building for key market stakeholders (such as market management, shop owners, buyers,			X	X

24

Budget will be used for actual construction of markets under 2.2.1.3

	suppliers) on Occupational Health and Safety (OHS) to ensure mitigation of any potential hazard incidence.				
Activity Result 2.2.1 Reconstruction of market facilities and infrastructures have improved access and services for smallholders, SMEs and private sectors to improve productivity	**Activity Action 2.2.1.3**: Construction of identified markets through local contractors	X	X	X	X
	Activity Action 2.2.1.4 Develop sector specific market operational guidelines and train/coach respective stakeholders	X	X		
Activity Result 2.2.2 Improved access to microfinance services (loans) for the recovery of smallholders, small and medium enterprises with good potential for job creation and income generation	**Activity Action 2.2.2.1**: Identify microfinance institutions (MFIs) in the targeted location		X		
	A**ct**iv**ity Action 2.2.2.2**: Establish loan facility approach for participating MFIs	X	X		
	Activity Action 2.2.2.3: Select business proposals and provide loans through existing system to targeted individuals and SMEs			X	X
Project Management, Monitoring and Evaluations, etc.		X	X	X	X

The engagement with local authorities regarding the market infrastructure component is done during the regular visits and meetings between the project team (national coordinator and Field coordinators) and governorate/district representatives.
In UNDP's ERP system numbering cannot be changed as it is reported against already. Therefore, the subsequent activity numbers are kept to ensure consistency with the reporting system.