Ministry of Foreign Affairs

Activity: SAA Expanding Albaidha City and Suburbs (10-0000729)

Id	10-0000729
Date	05-10-2026
SAP application number	4000003151

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Key data

Activity basics

Type	Standard
Short name	SAA Expanding Albaidha City and Suburbs
Contract party	SFDYE Social Fund For Development (30015777)
ODA	Yes
Amount EUR	6253440.8
Start date	01-11-2019
End date	31-12-2026
Full name	Expanding Albaidha City and its Suburbs Water Supply System
Summary	The proposal is based on optimizing the use of the existing shallow aquifer recharged by Albaidha dam and adding a new shallow aquifer to the service. The new shallow aquifer is re-charged by Alhalg dam about 13 km north of Albaidha city. The dam has a storage capacity about 700 ,000 m3 and was built in 2012 by the Ministry of Agriculture. The proposal is to dig shallow wells near the dam and pump water to the city. Part A: optimizing the use of the existing aquifer of Albaidha by implementing the following activities: Digging 2 shallow wells one upstream the dam lake and the other downstream the dam and equip them with two solar water pumps. Part B: Adding the shallow aquifer of Alhalg dam .

Activity details

Date of receipt of proposal	01-01-2023
Proposal’s reference number	
Budget holder	Ambassade Sana'a (8251SAA)
Limit access	No
Related activity	

Accounting data

SAP application number	4000003151
Main funds center	Water deleg: drinking w & sanitation (1702U0202)

Policy data

Cooperation modality	Other program-based aid
Technical assistance	Between 10% (inclusive.) and 25% (exclusive) of the activity budget
CRS code	14031 Basic drinking water supply
Policy Keywords	
Refugees & host communities	No
Team Europe Initiative	No
Policy Markers	
Climate change: mitigation	Significant
Equality between men & women	Significant
Disaster Risk Reduction	Significant
Drinking water and sanitation	Principal
Environmental protection	Significant
Good Governance / participation	Principal
Malaria, TBC and other	Significant
Physical infrastructure	Significant
Explain your choices	Aanpassing Policy marker ivm CRS++ DAC

Beneficiary location

Beneficiary location	Country
Country	Yemen
Location type	
Specific location	

Policy Appraisal

This is a migrated activity.

Amendment and NCE request April 2026

The project has been amended. The Hybrid Electric Power Source has been taken out because of the following reasons:

o Limited implementation capacity in the short term. Given past and current circumstances, we do not consider it likely that SFD will be able to implement this component before the end of the year.

o Insecurity regarding institutional stability. There are currently significant uncertainties regarding the stability as functioning entity in North Yemen. After the recent pause in activities (prompted by an institutional leadership crisis) the EU has decided to continue some of its activities, but the decision by the largest donor (World Bank) is not known yet. FCDO has postponed the decision about further collaboration and made it dependent on a new assessment of the organization. Without this funding it will be very difficult for SFD to remain viable, which also jeopardises the implementation of the 'hybrid system' component.

o Responsible risk management. Although it is in Dutch interests that the project will be completed, it can not be done against any price. Given the current insecurities it is deemed irresponsible to continue after 2026 without a new organization assessment (ORIA) and an independent assessment of the financial systems of SFD.

SFD requested in a letter dated 29 March 2026 for a **no-cost extension.**

The request has been approved based on the following arguments:

1. The necessity for this adjustment stems from the cumulative impact of SFD's operational pause and the request of SAA to suspend the tender for the Hybrid Electric Power Source.

2. Not granting the NCE would cause an even bigger loss of investments from the part of the Netherlands as well as more reputational damage with the population who have been strongly supporting this project.

NCE request November 2024

SFD requested in a letter dated 12 November 2024 for a (1) no-cost-extension till 30 April 2026 and (2) for utilization surplus of interested generated funds with a total of USD 290k. This is the 4th contract amendment since the start. The project has know considerable delays and challenges since the start which were well explained and broadly discussed with SFD. EKN has a very pro-active relation with SFD which we consider as the leading local organization in the field of humanitarian and developmental programming. EKN is together with the WorldBank an active member of the donor-led SFD support forum.

The request has been approved on the basis of several valid arguments after a thorough process of discussions with SFD as well as current financial analysis. The arguments are the following:

1. The delay caused in procuring phase #2 and phase #3 contracts given their sensitive procurement procedure and tnerequirements needed to announce the tender of phase #3 as an international tender. This caused a delay in completing the announcement.
2. EKN introduced a pause-phase for all programmes in the North of Yemen which started for SFD on 13 August 2024 and ended on 23 October 2024 with an approval from DGIS (reference BZ2406175) indicating that the project is under the categorie of life saving activities.
3. The support of EKN for providing water to the city of Albaidha where large parts of the city have been uprooted to construct a water distribution system. Albaidha water situation has been a very complicated one and stopping this now would cause a loss of investment from the part of the Netherlands as well as reputational damage with the population who have been strongly supporting this project.
4. Not continuing this project would harm the independent position of SFD with both authorities in North and South. EKN is supporting (togeher with WB and Germany) the SFD as a reliable partner in developmental and humanitarian programming in Yemen.

For the use of the surplus interest generated funds, EKN approvs the budget modification for the following subactivities which were discussed with SFD Aghmed Ghamdhan during a visit to Amman on 2nd Setember 2024. The funds will be used for:

1. Improving the Albaidha Water Basin management through generating a plan according to holistic hydrological and hydrogeological assessment of Albaidha basin. This fits in the IWRM approach ofthe Netherlands.
2. Augmenting Albaidha water supply through increasing its storage capacity by implementing a water dam as well as digging to shallow wells that contribute to improve the Albaidha water balance.
3. Covering the financial impact caused by the pause-phase on the consultancy services and SFD's operational expenses.

Results

Water

1.1. Drinking Water

Indicators

1.1.E. Number of people who gained access to safely managed drinking water, as a result of Dutch support

Measurements: Baseline: 0 Target: 47260

- Individual result: 3220
  Comment:
- Individual result: 37688
  Comment:
- Individual result: 37688
  Comment:

Monitoring and evaluation

This is a migrated activity.
NCE request April 2026
The existing reporting rithm will be extended during the NCE period. This has been added under Commitment/Reporting obligations. Now that activities will be implemented again after a period of inactivity, TPM will be restart.

NCE request November 2024
The existing reporting rithm will be extended during the NCE period. This has been added under Commitment/Reporting obligations.

Finance

Due to increased risk, this activity has been ended earlier than the planned end date.
Memo on decision: MINBUZA-2026.370851
Letter to partner with new end date program on 31 October 2026 and remaining reporting obligations: MINBUZA-2026.368055
Newly approved budget (scenario 1): MINBUZA-2026.405329

Based on this revised budget (scenario 1), the new total value of the activity is as follows (in yellow highlight below):

AlBaidha Water Supply Project - Activity #10-0000729 (#4000003151)
Financed by EKN

Safe Closure and Completion Plan - Sep 2026

Item No.	Work Item	Budget according to 6th Amendment	Disbursement As to (18 Aug 2026)	Remaining for Disbursement	Essential Closure Operational Costs	Technical Scenarios Costs + Ess. Op. Cost: Scenario I	Committed for Completed Works in (Scenario I) until 18Aug2026	Scenario I needs Until 31 Oct 2026	Scenario II	Committed for Completed Works in (Scenario II) until 18Aug2026	Scenario II Needs Until 31 Oct 2026	Comment
1	Rehabilitating 9 shallow wells, 2 existing tanks and 9 pumps' rooms.	**181.518,36**	181.518,36	-	-	4.553,96	4.553,96	-	4.553,96	4.553,96	-	Negative Amount is recovered expenses form sub-accounts after closure of the implementation of the additional components to be rehabilitated. Number is subject to exchange rate variances since the amount is going to be exchanged form YER to USD
2	Civil works for implementing 2.3 KM pumping lines, 1000 m3 tank, 257.5 km water distribution network of diameters 0.75 " - 6" , 20 bulk water meters and 7,200 house connections with water meters.	**4.429.264,68**	3.818.536,88	610.727,80	-	241.000,00	241.000,00	-	405.013,30	241.000,00	164.013,30	-
3	Hybrid Electricity Power Source: Supply, install and operate 12 solar pumping units with 385 KW solar panels, cables and accessories+ tow 350 KW Stand-by Electricity generator sets.	**209.552,78**	100.240,81	109.311,97	-	-	-	-	-	-	-	-
4	Digging and testing one new borehole	**19.460,00**	19.460,00	-	-	-	-	-	-	-	-	-
5	Augmenting AlBaidha Water Supply System: Constructing a dam and drilling two new shallow wells.	**444.290,87**	-	444.290,87	-	14.209,37	11.367,50	2.841,87	14.209,37	11.367,50	2.841,87	-
5	Capacity building to AWSBO, elected committees and local authorities	**350.000,00**	**237.864,95**	**112.135,05**	-	14.629,77	14.629,77	-	71.620,23	14.629,77	86.250,00	Negative Amount is recovered expenses form sub-accounts after closure of the implementation of the item's components and suspension of the remaining trainings and capacity building seminars. Number is subject to exchange rate variances since the amount is going to be exchanged form YER to USD
6	Consultancy Services Fees for studies and supervision	**808.409,54**	**717.608,53**	**90.801,01**	74.611,20	74.611,20	63.438,40	11.172,80	87.611,20	63.438,40	24.172,80	-
7	Shared cost between subprojects (PO salaries and related costs)	**129.439,65**	113.853,37	15.586,28	13.406,49	13.406,49	4.468,83	8.937,66	13.406,49	4.468,83	8.937,66	-
8	External Auditor	**39.500,00**	27.500,00	12.000,00	8.000,00	8.000,00	4.000,00	4.000,00	8.000,00	4.000,00	4.000,00	-
9	Operation Cost	**849.017,29**	659.483,22	189.532,07	-	66.494,53	66.494,53	-	98.066,13	66.494,53	31.591,60	-
10	Third Party Monitoring Fee	**130.150,59**	65.217,00	64.933,59	23.324,20	23.324,2000	-	23.324,2000	23.324,2000	-	23.324,20	-
	Total Disbursment	**7.590.603,76**	**5.941.285,12**	**1.649.318,64**	**186.036,42**	**422.062,06**	**371.585,53**	**50.476,54**	**716.916,06**	**371.585,53**	**345.331,43**	-
	Remaining Balance		**81.598,85**									

SFD Albaida, contract value	USD	7.590.603,76	Interest			New activity value		
transferred to SFD		5.904.676,76	Transferred by EKN	$	5.704.073,00	Disbursed till 18 a	$	5.941.285,12
max to transfer	**USD**	**1.595.927,00**	Reported as transferred	$	5.994.676,76	Scenario 1	$	422.062,06
			Interest	$	290.603,79	Interest	$	319.110,97
		28.507,21	Newly reported interest	$	28.507,21	Total:	$	**6.044.236,31**
			Total interest	$	**319.110,97**			
total income	**USD**	**6.023.183,97**				Original commitm	$	7.271.442,79
						Commitment lowere	$	**1.227.206,58**

Please note that the previously reported expenditure is (290k) is now included in the 'transferred to SFD' number of 5,9 mln.

New reporting obligations:

Type of report	Period covered	Submission date
Final narrative report	01-11-2019 to 31-10-2026	01-03-2027
Final financial report	01-11-2019 to 31-10-2026	01-03-2027
Audit	01-01-2025 to 31-12-2025	31-08-2026
	01-01-2026 to 31-10-2026	01-03-2027

NCE request April 2026
Because of the challenges the project faced when implementing the activities, SFD has requested another NCE till 31 December 2026. Due to the long procurement process required to complete the hybrid electric system, this component will no longer be part of the project scope. SFD has been informed of this decision in letter MINBUZA-2026.109686. The decision-making process has been detailed in internal memo MINBUZA-2026.112919.
The new budget is saved in MINBUZA-2026.137273. Justifications are provided in MINBUZA-2026.137275. Please find a snip of the revised budget below:

AlBaidha Water Supply Project - Activity # 4000003151

Updated Disbursement Plan- March 2026

Item No.	Work Item	Budget according to 6th Amendment	Disbursement As to (Mar 3rd 2025)	Remaining to be Disbursed	Deviation To Previous Disbursement plan	2026 Q2	2026 Q3	2026 Q4	Proposed Modification	Variance Amount	Total Planned Grant Disbursment 2026	Modification Justification
1	Rehabilitating 9 shallow wells, 2 existing tanks and 9 pumps' rooms.	**180.594,70**	181.518,36	923,66	13,09%	-	-		181.518,36	923,66	-	-
2	Civil works for implementing 2.3 KM pumping lines, 1000 m3 tank, 257.5 km water distribution network of diameters 0.75 " - 6" , 20 bulk water meters and 7,200 house connections with water meters.	**4.429.264,68**	3.650.625,34	778.639,34	-36,21%	247.831,89	227.411,44	303.396,01	4.429.264,68	-	**778.639,34**	-
3	Hybrid Electricity Power Source: Supply, install and operate 12 solar pumping units with 385 KW solar panels, cables and accessories+ tow 350 KW Stand-by Electricity generator sets.	**1.438.060,00**	100.240,81	1.337.819,19	-100,00%	-	109.311,97	-	209.552,78	1.228.507,22	**109.311,97**	In strict adherence to the Embassy's decision, this item was suspended as it is deemed unrealistic to be completed within the remaining project duration. The item will remain in the budget to document the disbursed amount of 100.240,81 USD paid against the completion of the constructed fence for the station. The remaining 109311,97 is for the pavement of the road leading to the station location as part of the site preparations for future completion of the component.
4	Digging and testing one new borehole	**19.460,00**	19.460,00	0,00	100,00%	-	-	-	19.460,00	-	-	-
5	Augmenting AlBaidha Water Supply System: Constructing a dam and drilling two new shallow wells.	**444.290,87**	-	444.290,87	-100,00%	88.858,17	244.359,98	111.072,72	444.290,87	-	**444.290,87**	-
5	Capacity building to AWSBO, elected committees and local authorities	**350.000,00**	86.562,15	263.437,85	-89,38%	137.434,85	64.290,00	61.713,00	350.000,00	-	**263.437,85**	-
6	Consultancy Services Fees for studies and supervision	**782.609,53**	711.701,06	70.848,47	17,11%	47.972,62	23.588,86	25.087,00	808.409,54	25.800,01	**96.648,48**	Required consultancy to cover the additional period for the supervision team
7	Shared cost between subprojects (PO salaries and related costs)	**107.636,10**	107.901,11	- 265,01	68,31%	12.375,64	4.573,60	4.589,30	129.439,65	21.803,55	**21.838,54**	Required cost to cover expenses of SFD project Staff and shared expenditures such as but not limited to field visits and transportation.
8	External Auditor	**70.000,00**	27.500,00	42.500,00	0,00%	6.000,00	-	6.000,00	39.500,00	30.500,00	**12.000,00**	Actual contracted cost with the auditor
9	Operation Cost	**838.537,29**	498.842,22	339.695,07	-56,48%	93.499,15	94.257,70	162.418,21	849.017,29	10.480,00	**350.175,07**	The operations expenses to cover SFD overhead will be recovered by the set surplus in addition to the accumulated bank interest of 2025
10	Third Party Monitoring Fee	**130.150,59**	65.217,00	64.933,59	-0,31%	21.990,5000	20.972,5000	21.990,50	130.150,59	-	**64.933,59**	
	Total Disbursment	**8.790.603,76**	**5.449.628,05**	**3.340.975,71**	**-61,76%**	**655.962,82**	**788.746,14**	**696.266,74**	**7.590.603,76**	**1.200.000,00**	**2.140.975,71**	

Liquidity position of the project:

Remaining Balance		573.555,92
SFD Albaida; contract value	USD	8.500.000,00
transferred to SFD		5.704.023,00
max to transfer	**USD**	**2.795.977,00**
		319.160,97
total income	**USD**	**6.023.183,97**
cumulative expenditures December 31 2025		5.449.628,05
expected expenditures Q2 2026		655.962,82
expected expenditures Q3 2026		788.746,14
expected expenditures Q4 2026		696.266,74
Total expenditures until December 30 2026		**7.590.603,76**
To be transferred to cover expenditures until end Q4 2026		**1.567.419,79**

- The newly revised budget can be found in the column 'Proposed modification'
- The total value of the contribution the Embassy provides is USD 7.271.442,79. This excludes the interest of USD 319.160,97 accrues till now. Adding the contribution and the interest delivers the total project value of USD 7.590.603,76 which is reflected in the revised budget.
- The expenditure under item 3 is used to prepare the site for a possible future intervention to install the hybrid component.
- Despite the fact that a component is removed, the total staff costs do not decrease. This is due to the fact that the tender process had already been completed, so the hours by the SFD team have already been made. Furthermore, SFD indicates that the operational costs cannot be lowered due to 1) the addition costs for extension of the project, and 2) already incurred costs. Part of the operational costs are covered by the interest accrued in recent moths. SFD explains the following:
  - Please note that SFD must continue sustaining operations for the remaining components using the same field team, branch office team, and HQ team. The deletion of a component that was supposed to be implemented in parallel with the other remaining works removes a very tiny fraction from the planned expenditures to complete the activity implementation. Thus, salaries for the field team (excluding just 1 engineer and 2 technicians), Dhamar/AlBaidha Branch Office staff, and HQ supervisors remain tied to this activity. Previously, we were able to offset some costs through shared funding across activities, but the current funding situation makes the shown budget fully dependent on this modification. A proportional reduction would leave us unable to cover staff salaries beyond December 31, 2026.
- SFD confirmed that despite the fact that 2 more TPM cycles will be made, the proposed costs are sufficient to cover this.
- SFD confirmed that despite the fact that an extra audit is required, the proposed costs are sufficient to cover this.

Due to political developments in Yemen and the recent institutional crisis of SFD, the stability of SFD as organization has been reduced. To mitigate this risks, **new installments will cover maximum 1 quarter in advance.**

NCE request November 2024

The NCE request is a budget neutral extension request. However, the budget has been modified to account for the longer timeframe and the accured interest income. Below, the changes in comparison the current budget [MINBUZA-2024.1482326] are explained below:

4. Budget line 1: USD 57k increase (46%) due to unforeseen extra rehabilitation costs. This is based on TPM recommendations. Therefore acceptable.
5. Budget line 2: USD 500k surplus based on actual expenditure (-10%).
6. Budget line 3: USD 162k surplus based on actual expenditure (-10%).
7. Budget line 4: No modifications.
8. Budget line 5: USD +444k for new budgetline. These new results are added based on discussions with ASI. The result framework has been updated accordingly [MINBUZA-2024.1184807]. Acceptable.
9. Budget line 6: No changes. Note that the 'Modification ratio of 49,86%' is incorrect. This should be 0%.

10. Budget line 7: The increase in duration includes higher supervision costs. In addition, surplus of budgetlines 2 and 3 will be used to fund an additional hydrological study. The total increase is USD 174k, and brings the monthly costs of this budgetline from 9k to 10k. This increase on a monthly basis is caused by the additional study. This is acceptable.
11. Budget line 8: The increase in duration includes higher PO salaries of subcontractors. With the USD 11k increase, the total ratio of the total costs becomes 1,2% instead of 1,1%. This is acceptable.
12. Budget line 9: No modifications.
13. Budget line 10: USD 43k additional operating costs. This is based on a calculation of actual disbursement versus planned disbursement during the period when the implementation was paused. It should be noted that the opearting costs per month for the project as a whole decrese from USD 12,8k to USD 10,7k per month. As percentage of the total budget, the operating costs increase slightly from 9,1% to 9,4%. As the increase is entirely funded by interest income, this is acceptable.
14. Budget line 11: USD 70k surplus based on actual expenditure (-35%). Note that this includes the NCE period. Note that the 'Modification ratio of 0%' is incorrect. This should be -35%.

Till now (November 2024), SFD has achieved an expenditure rate of 81% for all transfered funds. This provides sufficient confidence that SFD will deplete the currently requested liquidity. It should be noted that SFD requests USD 3.275.630 to cover for the period till Q3 2025. Of this amount, approcimately USD 2,2 mln. will be paid with the extension request due to internal budgetary constraints. The next installment will be paid in 2025 in the regular budgetary cycle.
The full budget can be found in MINBUZA-2024.1184808.