Ministry of Foreign Affairs

Activity: SAA - Securing water in Aden Governorate (23-0002390)

Id	23-0002390
Date	05-10-2026
SAP application number	4000007125

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Key data

Activity basics

Type	Standard
Short name	SAA - Securing water in Aden Governorate
Contract party	SFDYE Social Fund For Development (30015777)
ODA	Yes
Amount EUR	2655000
Start date	01-11-2023
End date	31-12-2027
Full name	Empowering lives and health through securing water in Aden Governorate
Summary	Empowering lives and health through securing water in Aden Governorate

Activity details

Date of receipt of proposal	13-09-2023
Proposal’s reference number	09/01/2023 00:00:00
Budget holder	Ambassade Sana'a (8251SAA)
Limit access	No
Related activity	Not applicable

Accounting data

SAP application number	4000007125
Main funds center	Water deleg: integrated water management (1702U0203)

Policy data

Cooperation modality	Project support
Technical assistance	Between 10% (inclusive.) and 25% (exclusive) of the activity budget
CRS code	14031 Basic drinking water supply
Policy Keywords	
Refugees & host communities	Yes
Policy Markers	
Climate change: adaptation	Significant
Drinking water and sanitation	Principal
Good Governance / participation	Principal
Integrated water management	Significant
Malaria, TBC and other	Significant
Explain your choices	This urban water/IWRM project is about providing improved drinking water for household and industrial use in Aden. Drinking water is therefore principal. Ever since the water distribution tanks were targeted by missiles, most districts of Aden have been without water access. The sources of water (water data) are taken into account as well as the value of water (cost recovery) and capacity building of local water corporation (LWSC) and Water Users Committees (WUC). These are strong elements of IWRM approach. The tanks are constructed in a way to minimalize the effects of flooding. Gender equality is an important element of this activity (Gender mainstreaming and gender-sensitive stakeholders' analysis). Water Users Committees (WUC), consisting of 60% women and youth, will be elected. Cost recovery, part of the sustainability agenda, will be carried out by strengthened WUC's and LWSC (which contributes to participation and governance).

Beneficiary location

Beneficiary location	Country
Country	Yemen
Location type	
Specific location	

Policy Appraisal

05/06/25: No Cost Extension: A request for a budget-neutral extension has been received and approved. Delays occurred first during the tender process and later with the contractor (UAE) Dome Engineering Consultancy who came with specifications of the designs of the tanks that were not approved by the LWSC LWSC indicated that the capacity of the tanks was smaller than approved and that the design produced some risks. After a lot of to and fro, finally an agreement was reached but this caused the delays.

Policy relevance

- **What policy objectives, as set out in the annual plan, policy notes etc., will this activity contribute to?**

Access to safe drinking water has been an important part of the Dutch development cooperation in the past years. The two BHOS policy papers "Investing in Global Prospects" and "Doen waar Nederland goed in is" (“ Do What we do best”), show the commitment of the Netherlands to achieve access to safe and affordable drinking water (SDG 6.1) between 2016 and 2030 combined with attention for sustainability aspects. These sustainability aspects are included in this project focusing both on the sources of water as well as on the value of water (cost recovery and capacity building of local institutions).

The project aligns with EKN's Multi-Annual Country Strategy 2023 t/m 2026. The specific alignment is with the policy area of water security, with the following objective: Water-relevant institutions are strengthened, including through (Dutch) innovation (e.g. digital water data/ remote sensing). In this project the capacity of the Aden Local Water and Sanitation Corporation (LWSC) is strengthened and local Water Users Committees (WUC) elected. These committees were non existing or dormant before.

The project provides access to improved water service for 480.000 residents in Aden (including IDP’s) by using water resources from 4 fields in the region. This will reduce undernutrition (part of malnutrition) and cholera outbreaks. Beyond that, the project tries to set an example of implementing strategic development projects under conflict by giving local communities a stronger role on the ground (WUC's).

The source of water for the city of Aden is still coming from ground water resources in the region which is not sustainable in the long term if not recharged consequently. For that reason EKN included in the annual plan 2024 a focus on desalination for Aden and other coastal cities for which EKN will organize workshops (enabling environment), in association with the Ministry of Water and Environment and other stakeholders, on the latest developments and options for the application of desalination, making use of expertise of IHE Delft and Dutch start-ups. In the longer term, the rehabilitated water storage facilities in Aden can also be used for drinking water coming from desalination plants.

In the annual plan we mention that sustainable water security is strengthened in Yemen in ways that allow for participation, climate adaptation, and prevent future conflict. This applies to this project which includes focus on ownership with the population itself through elected water committees and capacity building of Aden LWSC, climate adaptation (adapted water infrastructure). The project will also reach out to 4 densely populated districts in Aden (including IDP’s) which helps to prevent local conflicts and strengthen the position of the (Internationally Recognized) Government. The project is in alignment with the policies of the Ministry of Water and Environment (National Water Sector Strategy and Investment Program (NWSSIP).

Triple nexus: The partnership with KfW (Germany) in this project follows the aim of the joint German/ Dutch nexus efforts to advance the Humanitarian-Development-Peace Nexus (HDPN) agenda in Yemen. The water sector is one of the priority areas for implementing a HDPN approach in Yemen. EKN has been one of the drivers of the Water Coordination Group. The nexus strategy includes the following milestones: better information sharing, joint analysis & assessments, collective lessons learning, joint strategies and peer reviews, more partnerships and a regular exchange forum.

Rationale

- **What issue/problem will be addressed by the activity**
- **Why does the activity help to address the issue/problem?**

For ODA activities over EUR 250.000, please explain the Theory of Change

Aden has 4 districts that suffer from an acute need for water services in general and improved water services in particular and is threatened by the total absence of water services for almost 480,000 persons (including IDP's). In 2015, the AlBarzakh facility that stored 44,000 cubic meter of improved drinking water was damaged in the conflict. The Adeni population faces daily challenges to secure their minimal needs of water through unreliable sources (water trucking from unknown and poluted sources) that exposes them to health and socio-economic issues.

Since 2015 the AlBarzakh facility (16% of original capacity remaining) can only supply water once every three days making the per capita water consumption drop to only 12.5 l/c/d instead of the original 80 l/c/d, which is too little, considering in particular the high temperatures of Aden. The low reliability of providing adequate water services made the water users unwilling to pay water bills. The low water storage capacity and water users’ reluctance to pay water bills have declared the current water supply service as an unreliable and this is largely due to the damage of the water infrastructure. This has made it impossible for Aden Local Water and Sanitation Corporation (LWSC) to recover the cost of operations and maintenance through water bills from the households in the four districts in Aden city.

The purpose of this intervention is to improve access to safe and reliable water supply systems for city residents and IDPs in 4 central districts in the city of Aden, namely AlMu'alla, Attawahi, Khor Maksar and Crater, by improving the storage capacity of AlBarzakh facility and restoring the reliability of the water supply system. To further ensure the achievement of the intended improvement, water users' committees will be elected to boost community engagement and raise their awareness for addressing the issue of paying water bills and to build mechanisms for accountability. Furthermore the capacity of the LWSC will be strengthened to incorporate cost recovery through water meters and guaranteeing water quality through water treatment.

Theory of Change (see also uploaded image)

The Change:

Ultimately, the goal is to provide the people of Aden with regular access to improved water delivered by a more efficient LWSC. Communities being served by Aden's LWSC to both value the service and provide valuable feedback to support sustaining service and improvements in delivery resulting in greater wellbeing for the citizens of Aden.

Getting the desired change by:

1. **Rebuilding Damaged Infrastructure:** The deterioration of service in the most part is due to the destruction of one large water tank and severe damage to its sister tank reducing capacity from 44,000 m3 to just 7,000 m3. This results in low reliability of public water supply for households to just four hours, three days a week. The communities' response to this dismal situation is distressing. People are digging boreholes only to reach salty water or pay exorbitant prices for untreated water from trucks severely increasing risks to wellbeing and health. Rebuilding these tanks will contribute to changing a dire situation and solve water access issues for 480,000 people in the city, at the same time improving health outcomes for them. Still, change is required amongst communities to move from individual responses such as digging boreholes to seeking a better working water service.
2. **Social Mobilization and Advocacy:** At one point after 2015, the water revenue collection had collapsed from 70% to a low of 28%. Today, the MoWE and LWSC informed SFD that revenues have gathered impetus reaching 40%. To improve and sustain this momentum, the project will pilot bridging social capital between neighborhoods and the water institution through the establishment of WUCs. This will support in changing the situation of distance between communities and LWSC to bringing them closer together and particularly in addressing Non Revenue Water (non paid water) as service improves. Empowered communities with a sense of ownership of the water system will strive to protect infrastructure from vandalism and damage whilst ensuring operationability including building awareness on bill payment. In the long term, this enhances the capacity and sustainability of the water system and its stakeholders.
3. **Aden LWSC Capacity Building:** Currently LWSC is unable to cover the financial cost of its operations. At the national level, the MoWE is covering the short fall. However, MoWE's contributions have been designed to gradually decrease to motivate LWSC towards cost recovery. In getting to the desired change of sustainable operations, capacity building of the LWSC is critical. An important foundational block is gearing-up the LWSC to work with WUCs who will ultimately aid in improving operationability and bill payments. However, without improved access (infrastructure) and quality outcomes sustainability will be unachievable. Capacity building will therefore drive longer term sustainability and efficiency.

Long-Term Outcomes: These three routes to change culminate in three long-term impacts: A more reliable water system with longer-term sustainability; the served community have improved quality of life, and health; and communities are empowered and feel a sense of ownership and accountability towards the water system. If these long-term impacts are achieved, the project will have made an important contribution to achieving SFD's vision of:

"Reframing the Future, Building Capacity, Sustaining Momentum – empowering individuals, households and communities to prepare for recovery, by increasing economic resilience, strengthening local capacities, and increasing social protection."

Contextual analysis

- **Who is/are the target group(s) and why?**

City residents and IDPs in four central districts in the city of Aden, namely AlMu'alla, Attawahi, Khor Maksar and Crater with a total of around 52.000 households. Aden is the capital of the Internationally Recognized Government and has special significance in this respect. However, the IRG has failed to deliver basic services for the people of Aden, and this has detracted from its attempts to win in legitimacy, and the city suffers from regular protests, particularly in the hot summer months. In turn this strengthens the hand of spoilers and of extremist groups which are still active in (South) Yemen. While Aden city is effectively under the military control of the Southern Transitional Council, the water sector remains under the Ministry of Water and Environment. Aden has not seen active conflict since a bout of fighting with the Houthi's in 2015.

- **Who are the other main stakeholders?**
- **To what extent have stakeholders been involved in formulating the proposal?**

The key stakeholders of the intervention, the Ministry of Water and Environment, Aden Local Water and Sanitation Corporation, and water users, have been involved in designing the intervention through numerous stages; (1) Initial request by Aden LWSC to SFD to intervene urgently to construct a new tank and changing it from 2 small concrete tanks to a large welded carbon steel tank. (2) The letter of support by the Minister of Water and Environment to demonstrate the importance of the intervention for the water service in Aden and (3) The public consultations by LWSC conducted with the people. The aforementioned events have contributed in engaging key stakeholders in the design stage and formulating the intervention. Further measures will ensure that

key stakeholders are engaged in the implementation and operation of the water supply system, such as monthly coordination meetings between WUC and Aden LWSC to discuss the gaps and issues in water service provision and cost recovery activities.

- **Is the intervention aimed at a specific geographical location, and if so, why?**

Four central districts in the city of Aden, namely AlMu'alla, Attawahi, Khor Maksar and Crater. The city of Aden is facing high needs in terms of being without basic services since 2015. Of the 1.15 million persons inhabiting Aden governorate, almost 694,408 persons are in acute need of basic services, including WASH services, including 95,224 IDPs. The lack of basic services could lead to further social unrest in the central districts of Aden as we have seen in 2023 with demonstrations taking place.

Added value

- **What is the added value of the Dutch government being involved in relation to other donors, the EU, NGOs and local authorities?**
- **Are the recipients making an own contribution or co-participating in the activity, and if so, to what extent?**

Yemen's problems and challenges are really too big for any one organization or donor. EKN in this activity brings a unique value-added proposition for coordination and partnership. Joint financing with KfW for these challenging activities is allowing to cover 100% of the need of AlBarzakh facility, elevating the impacts from a few thousand to half a million people. Bringing a sense of legitimacy for local institutions being able to step-up to tackling enormous obstacles to delivering water.
Additionally, while most of Yemen's assistance is directed at short-term humanitarian impact, EKN's investments in infrastructures and communities bring a much-needed long-term perspective to dealing with challenges.
The recipients which are the up to 400.000 residents and IDP's and businesses in Aden will contribute at the end to the maintenance of the system through cost recovery system (water will no longer be a free commodity). At the moment the population pays for unreliable water coming from unknown sources or from water trucking.

Lessons learned

- **What lessons learned (from previous or comparable activities, published evaluations, relevant publications) will be addressed by the activity?**

EKN has a project on urban water with SFD in AlBaydha, and it is from this project that these lessons are drawn.
(1) First lesson learned is (AlBaydha) that urban water and sanitation corporations lack effective communication with their customers. This is evident from their significantly low revenues, which fall far short of covering their operation and maintenance costs. The governance of water services is severely deficient, as customers are not involved in decision-making processes, fairness in service provision is absent, efficiency is notably low, and responsiveness is poor. Furthermore, customers display a lack of willingness to pay for the service, and in many instances, they perceive the utility as corrupt, leading to a reluctance to make payments. This activity will address governance of water services in Aden with the aim of improving the relations between Aden LWSC and water users in the four districts. The reliability of the service and the continuous coordination meeting between Aden LWSC and the elected WUCs will have an impact on involving the users in decision-making, having improved service fairness and equity, and will make an impact on people's commitment to pay.
(2) Another learned lesson from previous and simular constructions in AlBaidha urban water project is the importance of conducting geotechnic tests for the soil under the foundation of the tanks. Conducting geotechnic tests along with a technical study ensures that the design of the construction is based on solid facts regarding soil bearing capacity and consolidation values. This activity will therefore provide the technical studies that include the necessary geotechnical tests to verify the soil specifications to measure the capacity of bearing the construction's load. This will ensure that the design is safe, economic and efficient.
(3) In activities of this scale and strategic importance, having the national entity's support is very valuable as it has an impact on the sustainability. For example, the agreed support to finance the operations of the LWSC is linked to a timeframe towards introducing solid cost recovery. This supports the activity's theory of change on promoting consumer acceptance to pay for water, hence cost recovery.

Durability

- **How will the results of the activity be sustained after its end date? What is the exit-strategy?**

The activity aims to create conditions that will allow the results to be sustained beyond the project completion through strengthening local capacities and systems that ensure durable and sustainable operations and maintenance. A great pillar of durability is the formation of WUCs as they will play a role in advocating water access and cost recovery after the completion of the activity. The WUCs' awareness of the links between payment, reliability and health will likely create lasting changes in water user behavior and commitment to paying water bills. This will provide Aden LWSC with the means to autonomously generate sufficient revenues for operation and maintenance. Additionally, the WUC will liaise continuously with Aden LWSC on issues regarding service provision transparency, accountability, and equity. Through the imparted training for the WUCs and Aden LWSC staff, they will continue collaborating well after the activity's completion for operationality and maintenance delivering long lasting services.

Another durability pillar of the activity is Aden LWSC's improved capacity for water treatment, monitoring non-revenue water using meters and ICT tools which will enable the corporation to independently maintain service standards. Aden LWSC has an operation and maintenance program that is focused on conducting periodic maintenance of the water tanks and rehabilitating the network to be changed from galvanized iron to polyethylene.
Additionally, LWSC capacity to monitor and manage the four water fields in Abyan and Lahej, SFD has looked at the data of the 87 water wells that are supplying the current scheme with water from the four fields. The data show that the wells productivity is stable for the time being and is adequate to supply people in Aden with their needs of daily water; however, the situation is not sustainable in the longer term. Since the whole city depends on these four fields that face the risk of depilation. MoWE and relevant local authorities including water corporations across the water basin will look into water resource management to recharge the water resources (watershed management) linked to these 4 fields. The discussion highlighted the need to investigate alternatives like desalination as a water source that can improve the sustainability of the water supply in Aden.
EKN will organize the first desalination workshop with MoWE in November 2023. With the current intervention that improves the storage capacity of AlBarzakh facility, the solutions accompanying the intervention will contribute to ensuring an urgent solution for sustaining the water services in Aden. Nonetheless, Water Resources Management and desalination are the long-term solution for sustaining the water sources at the four water fields. The rehabilitated tanks can also be used for storage of water coming from desalination plants.
The exit strategy involves intensive participation of Aden LWSC staff during the whole implementation period of 27 months as well as a total handover of responsibilities from project staff to their local counterparts 6-months towards the end of the activity by the end 2025. The aim is to embed sustainability at institutional level, allowing public services to continue with reduced external support over the long term.

Gender

- **Does the proposal include a gender analysis? If yes, what are the main outcomes? If no, why not?**
- **Does the proposal justify the target group's gender-specific interests and needs (and why)? Please explain.**
- **Have women and young people been included in the stakeholder analysis? Please explain.**

The intervention addresses gender mainstreaming to ensure that the water needs of males, females, young, elderly, disabled, marginalized groups and IDPs are included (in terms of the activity's design, implementation, and operation and maintenance). Several segments of the communities in the four districts in Aden are highly affected by the inadequate water services; Boys and girls bear the burden of fetching water for their households depriving them from their right to a safe childhood. Women are responsible for carrying out the house chores that require the use of water. Furthermore, men, and women, must work hard to provide financially for their households including paying for expensive, unsafe water coming from trucking.
The activity includes a gender-sensitive stakeholders analysis conducted along with the environmental and social screening . A total of 2.5% of Aden's population are IDPs who fled conflicts and are seeking shelter in Aden governorate. A sum of these IDPs are living among the host community and will benefit from improving the water service in the four districts in Aden governorate; The other part of IDPs are situated in more than 40 IDP camp sites. These sites are supplied with water trucking activities through humanitarian partners working in Aden governorate. Based on SFD's experience, it is expected that when the water supply system is improved, dependency on water trucking significantly reduces and therefore having a positive effect on the costs for (remaining) water trucking needs to get water to IDPs.
To ensure the active participation of the most vulnerable segments in the 4 districts, a comprehensive social mobilization and advocacy work will be conducted to reach at least 80,000 water users with awareness campaigns with the aim to elect WUCs on district level, as well as sub-committees at neighborhood level. These WUCs will represent the water users. Each WUC will be represented by 7 water users of which 60% will be women and young adults. The WUCs will work closely with Aden LWSC to solve the issues of water in the four districts. SFD's new Gender Procedural Guide outlines a checklist for gender inclusion for every stage of the project cycle.

- **Does the proposal include an analysis of the possible effects of climate change on the activity or its results?**
- **Does the proposal include any interventions to combat these effects (adaptation/mitigation)?**

Yemen's poor live in locations most impacted by extreme weather including flood areas and drought prone regions or built up areas with insufficient infrastructure. This is also very much the case in Aden. Much of the earned livelihoods is exhausted because of the high costs of basic services including health and water. This activity will mitigate the impact of climate change related shocks on livelihoods and significantly reduce dependance on costly water trucks to more affordable city water. In addition, reducing dependancy on water trucks is going to reduce dependency on unsafe water wells (health issue) that are not under Aden LWSC supervision.
The effects of climate change on temperature has led to scorching heat waves. These heat waves result in an increase of the demand of water. This demand is being met in dangerous and non-sustainable ways, such as digging shallow boreholes because the current water system provides only 12.5 l/p/d. This project will increase the reliability of the water supply services by providing 80 l/p/d reducing the impact of heatwaves caused by climate changes.
The technical study will take into account the placement of the tank to ensure that the tank is not in the way of floods or any runoff water courses. Being located on top of Mountain Hadid, the structure is less vulnearble to flooding.

In one of the recent stakeholders coordination meetings, the Minister of Water and Environment recommended benefiting from flood waters to recharge the wells feeding AlBarzakh facility (this has to be further investigated) and using desalination as a new source for city water demand.

Finally, Aden LWSC staff will receive an on the job training that addresses climate-sensitive operation and maintenance of the water infrastructure. Being an area were humidity and heat are increasing due to climate change, there are aspects that needs to be taken into account such as corrosion inspection and prevention (of tanks and pipes) and cleaning and disinfection. The on the job training will help to increase Aden LWSC resilience against climate change and ensure a sustainable operation and maintenance of the water infrastructure.

Cooperation, harmonisation and alignment

- **Does the activity involve cooperation with Dutch organisations, the EU or other donors (including delegated cooperation), local organisations or other parties?**
- **How does the activity contribute to harmonisation and/or multi-donor financing?**
- **What is the degree of (policy and financial) alignment?**

The activity is co-financed by two donors, EKN and KfW (Germany) with one overall budget (no basket funding). Both EKN as Germany are aiming enhancing localisation processes and the experience with elected WUC's can become one of the models of decision making in other sectors (regarding basic services). This local dimension (ownership) will also impact positively on sustainability and durability of both infrastructure and services.

Digitalisation

- **Have proposed digital technologies been developed or chosen in collaboration with end-users?**
- **Does the proposal include an analysis of the local digital ecosystem?**
- **Is data security guaranteed?**
- **Are digital solutions locally sustainable/relevant?**
- **Is duplication avoided?**

In terms of digitalization, the activity will introduce new technologies to control the use of non revenue water (water that is not paid for). Electronic water meters will be introduced in pilot areas to monitor water consumption remotely. Apart from cost recovery it will also give more inside in the consumptiom patterns in the 4 districts of Aden.

The activity will upgrade Aden LWSC's current IT-systems that are outdated in order to make use of electronic water meters (including training for Aden LWSC ICT specialists and operators).

As electronic water meter technology is new in Yemen, the meters will be imported; The needed operational software is available though locally. Duplication is avoided by building a water users database that can be expanded to all the areas in Aden in a later stage.

Additional remarks (if applicable)

05/06/25: No Cost Extension: A request for a budget-neutral extension has been received and approved. Delays occurred first during the tender process and later with the contractor (UAE) Dome Engineering Consultancy who came with specifications of the designs of the tanks that were not approved by the LWSC LWSC indicated that the capacity of the tanks was smaller than approved and that the design produced some risks. After a lot of to and fro, finally an agreement was reached but this caused the delays.

Results

Water

1.1. Drinking Water

Indicators

1.1.A. Number of people who gained access to an upgraded drinking water source, as a result of Dutch support.

Measurements: Target: 480000

- Individual result: 0
  Comment: This report covers the first 3 months of the activity which was a preparation phase. Now households received access to water during that period.

  MINBUZA-2024.288737

Monitoring and evaluation

Monitoring

- **Specify what reporting information is required for this activity, based on the activity analysis decision tree (see Help).**

Include the following elements:

- **Planning versus realisation: tracking progress against predetermined objectives as laid out in the project proposal.**
- **Performance and quality: checking relevance and appropriateness of the implementing organisation's performance based on key assumptions in the proposal and the outcomes of the risk analysis.**

Pay attention to the method and frequency of monitoring and describe the roles and responsibilities. For further information, see Help.

see below

Evaluation

Describe whether a final evaluation and/or a mid-term review has been planned. If yes, state:

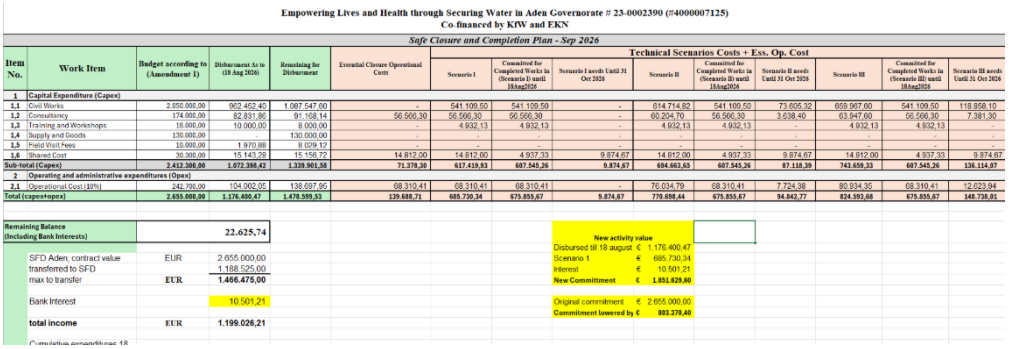
- **who will commission the final evaluation and/or mid-term review (for options, see Help);**
- **whether the procedure and practical arrangements have been agreed on with the implementing organisation (for details, see Help).**

SFD monitoring of current activities takes place at various levels; Internal evaluation of quality of implemented subprojects is conducted by the Water and Environment Unit (WEU) in addition to the Technical and Quality Control Unit (TU). The WEU carry the responsibility of reviewing the targeting, studies, design and tender documents for the proposed projects. The WEU conducts field visits to the branch offices to perform office and field review. The findings and recommendations of the WEU review are submitted to the branch office, the TU, the procurement unit as well as the Human Resources Unit. The TU select projects for technical and safeguards review depending on the size and complicity of the subprojects. The TU conducts field visits to the selected subprojects and perform full technical and safeguards review for the quality of raw materials used and implemented work items. The findings and recommendations of the TU are submitted to the WEU and the branch offices and the follow up of implementing the recommendations are carried out by both the WEU and TU. The TU participates in the preliminary and final takeover of the completed subprojects as a committee member.
To augment monitoring works of the WEU and TU, SFD has introduced an application used in handheld devices, particularly smart phones, and tablets, to systemize the data and pictures collection prior, during and after the implementation of projects in order to make such data and geotagged pictures accessible not only to SFD staff but also to donors when needed. The system has been launched and is being applied on all WASH activities and has proven its capability of providing instant information on the work in the field when needed.
As for the monitoring and evaluation unit, at the early stages of the project, SFD will conduct baseline surveys to collect the data from the people in the community needed to measure the intended outputs and outcomes. This data will then be compared to the data collected from endline surveys at the later stage of the project to successfully measure the change SFD aims for in this project. In addition to that, SFD conducts a utilization assessment that evaluates the achievement of objectives, impact, sustainability aspects, efficiency, effectiveness and community engagement of completed interventions six months to one year of their completion. This utilization assessment will also take place for this project to measure how effective the intervention is in delivering of its outcomes and outputs. Additionally, the activity has a TPM already contracted by KfW. The TPM scope includes the procurement and technical aspects, and the review is done on quarterly basis in addition to one final review at the closure of the activity. Since the implementation for this activity will be co-financed by EKN and KfW, the reporting for this activity will be done semi-annually on terms of its financial and technical progress. Both

EKN and KfW will receive the same technical progress report. As for the financial report, SFD will deliver one aggerate financial report and separate detailed report for each donor. No final evaluation is foreseen and is also not mandatory (< 5 mln). As mentioned, TPM will be used for this project and field visits to Aden are possible.

Finance

Due to increased risk, this activity has been ended earlier than the planned end date.
Memo on decision: MINBUZA-2026.370852
Letter to partner with new end date program on 31 October 2026 and remaining reporting obligations: MINBUZA-2026.368056
Newly approved budget (scenario 1): MINBUZA-2026.405331
Based on this revised budget (scenario 1), the new total value of the activity is as follows (in yellow highlight below):



Empowering Lives and Health through Securing Water in Aden Governorate # 23-0002390 (#4000007125)
Co-financed by KfW and EKN

Safe Closure and Completion Plan - Sep 2026

Item No.	Work Item	Budget according to (Amendment 1)	Disbursement As to (18 Aug 2026)	Remaining for Disbursment	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	Scenario III	Committed for Completed Works in (Scenario III) until 18Aug2026	Scenario III needs Until 31 Oct 2026
1	**Capital Expenditure (Capex)**													
1,1	Civil Works	2.050.000,00	962.452,40	1.087.547,60	-	541.109,50	541.109,50	-	614.714,82	541.109,50	73.605,32	659.967,60	541.109,50	118.858,10
1,2	Consultancy	174.000,00	82.831,86	91.168,14	56.566,30	56.566,30	56.566,30	-	60.204,70	56.566,30	3.638,40	63.947,60	56.566,30	7.381,30
1,3	Training and Workshops	18.000,00	10.000,00	8.000,00	-	4.932,13	4.932,13	-	4.932,13	4.932,13	-	4.932,13	4.932,13	-
1,4	Supply and Goods	130.000,00	-	130.000,00	-	-	-	-	-	-	-	-	-	-
1,5	Field Visit Fees	10.000,00	1.970,88	8.029,12	-	-	-	-	-	-	-	-	-	-
1,6	Shared Cost	30.300,00	15.143,28	15.156,72	14.812,00	14.812,00	4.937,33	9.874,67	14.812,00	4.937,33	9.874,67	14.812,00	4.937,33	9.874,67
Sub-total (Capex)		**2.412.300,00**	**1.072.398,42**	**1.339.901,58**	**71.378,30**	**617.419,93**	**607.545,26**	**9.874,67**	**694.663,65**	**607.545,26**	**87.118,39**	**743.659,33**	**607.545,26**	**136.114,07**
2	**Operating and administrative expenditures (Opex)**													
2,1	Operational Cost (10%)	242.700,00	104.002,05	138.697,95	68.310,41	68.310,41	68.310,41	-	76.034,79	68.310,41	7.724,38	80.934,35	68.310,41	12.623,94
Total (capex+opex)		**2.655.000,00**	**1.176.400,47**	**1.478.599,53**	**139.688,71**	**685.730,34**	**675.855,67**	**9.874,67**	**770.698,44**	**675.855,67**	**94.842,77**	**824.593,68**	**675.855,67**	**148.738,01**

Remaining Balance (including Bank Interests)			**22.625,74**
SFD Aden, contract value	EUR	2.655.000,00	
transferred to SFD		1.188.525,00	
max to transfer	**EUR**	**1.466.475,00**	
Bank Interest		10.501,21	
total income	**EUR**	**1.199.026,21**	

New activity value		
Disbursed till 18 august	€	1.176.400,47
Scenario 1	€	685.730,34
Interest	€	10.501,21
New Committment	**€**	**1.851.629,80**
Original commitment	€	2.655.000,00
Commitment lowered by €		**803.370,40**

NCE request 11-month extension till 31-12-2026
SFD has requested a 11-month extension [MINBUZA-2025.1845843]. The budget has been adjusted accordingly. The totals per budgetline have not changed. The disbursement plan as included below is approved:

Item No.	Work Item	Budget according to Agreement	Disbursement As to (31 March 2025)	Remaining for Disbursment	2025			2026				Total Disbursment 2025	Total Disbursment 2026	Total Grant Disbursment
					Q2	Q3	Q4	Q1	Q2	Q3	Q4			
1	**Capital Expenditure (Capex)**													
1,1	Civil Works	2.050.000,00	549.973,00	1.500.027,00	16.499,19	494.975,70	181.491,09	214.489,47	247.487,85	164.991,90	180.091,80	692.965,98	807.061,02	2.050.000,00
1,2	Consultancy	174.000,00	6.466,41	167.533,59	8.376,68	65.000,00	47.666,67	19.500,00	6.500,00	10.833,33	9.656,91	121.043,35	46.490,25	174.000,00
1,3	Training and Workshops	18.000,00	-	18.000,00	-	7.200,00	3.600,00	7.200,00	-	-	-	10.800,00	7.200,00	18.000,00
1,4	Supply and Goods	130.000,00	-	130.000,00	-	-	45.500,00	71.500,00	13.000,00	-	-	45.500,00	84.500,00	130.000,00
1,5	Field Visit Fees	10.000,00	639,01	9.360,99	2.000,00	1.000,00	3.000,00	-	1.500,00	360,00	1.500,99	6.000,00	3.360,99	10.000,00
1,6	Shared Cost	30.300,00	951,42	29.348,58	4.545,00	6.060,00	6.030,00	4.108,58	3.030,00	2.545,00	3.030,00	16.635,00	12.713,58	30.300,00
Sub-total (Capex)		**2.412.300,00**	558.029,84	1.854.270,16	31.420,87	574.235,70	287.287,76	316.798,05	271.517,85	178.730,23	194.279,70	892.944,33	961.325,84	2.412.300,00
2	**Operating and administrative expenditures (Opex)**													
2,1	Operational Cost (10%)	242.700,00	55.968,78	186.731,22	5.286,34	57.423,57	28.728,78	30.839,76	27.151,79	17.873,02	18.427,97	91.438,68	95.282,53	242.700,00
Total (capex+opex)		**2.655.000,00**	**613.998,62**	**2.041.001,38**	**36.707,21**	**631.659,27**	**316.016,53**	**347.637,81**	**298.669,64**	**196.603,26**	**212.707,67**	**984.383,01**	**1.056.618,37**	**2.655.000,00**

Budget breakdown

- **Include an overview of the activity budget, including overhead costs.**

See below uploaded version below

- **Is the budget arithmetically correct?**

yes

- **Are the amounts/rates in the budget acceptable?**

yes (also approved by German KfW)

- **Briefly explain the structure of the budget.**

The budget is an activity-based budget with the largest componants being infrastructure (84%).
KfW reviewed and provided a No Objection for the tender documents for the water tank. KfW accepted SFD's procurement manual but this Aden tanks project was selected for a full review by KfW procurement team due to its large size.
It will include Third Party Monitoring, which is handled as a separate contract for all KfW's SFD programmes. The current TPM is done by GFA (in a consortium with SiCon).

- **Are overheads proportional to outputs? What is included? What is recharged?**

Yes, 10% operational costs (overhead). The operational costs include running costs of SFD such as HQ staff salaries, rent, utilities, maintenance, security, insurance, etc.

- **Is implementation conditional on the budget being amended in an inception phase? (Specify the requirements that the budget must satisfy and the date by which the budget must be amended)**

n/a

Earmarking

- **Is the Dutch contribution to the programme earmarked (i.e. reserved for a specific purpose)? If so, specify the reasons why.**

The Dutch contribution is not earmarked. Our share is 67% of total (EUR 2.655.000) and the share of KfW 33% (EUR 1.328,800).

Prepayments

- **Based on the prepayment decision tree (see Help), do the payments need to be entered as prepayments and why? In the case of a lump sum, assess this against the applicable criteria and give the reasons for your choice.**

According to the prepayments decision tree, the payments must be accounted for as prepayments

- **What is the maximum percentage that can be paid as prepayment, and why?**

Prepayments, up to maximum 95% of the total contract amount, will be done every 12 months upon receipt of the request of payment including a liquidity forecast and a financial statement over the preceding period. The final maximum 5% of the total contract amount will be settled after the receipt and approval of the final narrative, financial and audit report.

- **Which are the reporting obligations on the basis of which prepayments can be closed?**

Adjustments of outstanding advances will be done on the basis of the approval on the interim and financial and narrative reports as well as audit reports.

Available resources

	Foreign currency	EUR
Implementing organisation's own contribution		0
Firm commitments by other donors (for each donor): KfW Germany		1,328,800
Dutch contribution		2,655,000
Total available resources		3,983,800
Budget needed		3,983,800
Still to be financed		0
Soft commitments by other donors (for each donor)		0
Uncovered balance		0

- **Are there any non-financial contributions relevant to implementation of the activity, such as deployment of volunteers, availability of buildings, materials, etc.?**

N/A

- **If there is an uncovered balance, how will this affect implementation of the activity (e.g. proportional reduction in outputs, omission of regions) and how will this affect the decision whether to fund this activity?**

The activity funding has a coverage of 100% together with German KfW

Grant with a repayment obligation, loans, equity investment or guarantee

- **Does the Dutch contribution take the form of a grant with a repayment obligation, a loan, an equity investment or a guarantee (either in whole or in part)? If yes, briefly set out the consequences for accounting and how correct processing in the financial records will be ensured.**
- **Are there revolving funds? If yes, please explain what will happen to any residual funds, how closure will take place and which agreements should be made.**

n/a

Audit opinions

- **Is an audit opinion required for the activity (see Help)? Briefly explain.**

Yes, audits are required on an annual basis (to be submitted 3 months after the auditing period), and are conducted by Grant Thornton. They will be done jointly for EKN and KfW
TPM reports are submitted on a quarterly basis in general (covering different subprojects each quarter). The current contract with GFA for the TPM is ending in November and SFD is in process of tendering for a new TPM contract (GFA is planning to apply again).

- **Should the audit opinion be accompanied by an additional auditor's report (for example, on the risks set out above, or on monitoring that the organisation carries out on its prepayments to other organisations)?**