

Private Sector and Employment Promotion

New opportunities in the IT and solar sector and in other selected value chains

The challenge

The Republic of Yemen is the poorest nation in the Arab region and one of the world’s 30 least developed countries. Over half of the population lives below the poverty line. The civil war, which has been raging in the country since 2014, has greatly exacerbated the already extremely precarious economic and social situation in the country. Imports have collapsed almost entirely, as have traditional energy supplies, and this has led to the closure of many firms, causing a further rise in unemployment levels.

Small and micro-sized enterprises usually do not have access to innovative financial services. They have very little scope when offering their products to potential buyers. This problem is most acute for women who often lack specific securities and do seldomly receive financial training.

Overall, income opportunities are becoming more and more difficult, especially due to decreased employment opportunities in the wake of COVID-19. Young women and men, owners of start-ups and small businesses are facing obstacles that can not easily be overcome and hinder their chance to grow.

Our Objective

Income opportunities and employability are improved in selected value chains, especially in the solar sector.

Project name	Private sector and employment promotion (PSEP)
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Project region	Governorates of Sana’a, Aden and Hadhramout
Lead executing agency	No political partner.
Duration	07/2019 – 06/2024

Our Approach

The project works with micro, small and medium enterprises, as well as young job seekers. It also supports private sector actors through training and advisory services, particularly in the areas of IT, solar, and microfinance.

The focus of implementation is on urban and peri-urban zones in and around the cities of Sana’a, Aden and Hadhramout. In each region, partner organisations are selected in a careful and conflict sensitive manner following the do-no-harm principles.

Due to the complex political framework and the fragile security situation on the ground, the project is managed by national GIZ personnel based in Yemen, and coordinated with personnel based in Germany, overseeing the day-to-day implementation in the project area. Within Yemen the project personnel maintain close working relationships with partner organisations and beneficiaries.

Throughout the project a gender sensitive approach plays an important role and equally distributed female participation is anchored in all envisioned achievements of the project.

The focus on digitalization is cross-cutting within PSEP. Remote coordination between Yemen and Germany demands a high level of digital literacy of every team member with constant commitment to innovate our means of collaboration and communication. This commitment is also reflected in the transformation from conventional to digital learning formats and workshops providing a safer learning environment to project beneficiaries in times of soaring COVID-19 infections. Digital platforms promoted by PSEP provide young women and men already with vast networks and employment opportunities and will continue to do so in the future.



The left photo:

Building the capacity of MFIs staff

In the middle:

Hotel Services training - Aden

The right photo:

During School uniform sewing training

Our Structure

PSEP has three main fields of activity:

Field of activity 1

Aims to improve the capacities of start-ups and local micro and small enterprises in the IT and solar sector through financial support and workshops. This will enable them to invent innovative products, new services, or tapping new regions and therefore set the companies up for long term success.

Actors of the entrepreneurial ecosystem are supported through workshops with the goal to create a vivid environment for startups to flourish and for established companies to create better income opportunities.

Furthermore, consultations provide start-ups and small business owners with useful know-how on developing their business to be source of income that people can rely on.

Field of activity 2

Aims to improve the financial knowledge of start-ups and small business owners and therefore pave the way for sound financial decisions and easy access to necessary funds.

PSEP is also committed to improve the capacities of microfinance institutions (MFI) with the goal to attract more female customers with an adapted or new financial product tailor made and marketed to the needs of women.

At the same time, PSEP strengthens the position of borrowers, especially women, through financial literacy training providing useful basic knowledge.

Field of activity 3

Aims to develop market-oriented qualification and work placement measures for young people with the goal to provide participants with dependent or self-employed income opportunities.

Local vocational education and training providers train young women and men in the installation and maintenance of photovoltaic solar power systems, heating, ventilation, air conditioning & industrial electricity and other relevant fields. In addition to this, unemployed youth get career advice and other support services.

COVID-19

In March 2020 it became clear that Yemen would be particularly hard-hit by the corona pandemic. An immediate reaction was necessary

- The authorities in Sana'a ordered 280,000 face masks through a local NGO. Young participants of job qualification measures received additional trainings in mask production giving them new income opportunities.
- Ongoing trainings were changed to online formats. The training providers adapted the methodology and the content to the new format, so that most of the current trainings could continue.



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