

Omar Bin Al-Khattab girls' school (Sayeoun)

The school in Sayeoun (Hadhramaut) was first established late in 1974, and was known as Al-Nagah (Success) Boys' and Girls' School. Following the unification of the Yemen Homeland in 1990, the school was re-named after the Caliph Omar Bin Al-Khattab "Al-Farouq". In 1994/95, the SFD financed the construction and equipping of the new school building – now for girls only.



Mrs. Dhia' Ahmed Game' (school headmistress) and Mrs. Afrah Ali Bin Zaimah (assistant) said the school was constructed, using clay from the area itself to cope with the harsh desert climate of Sayeoun. They added that the school is the biggest ever clay-built construction in the district.

Opened in 1994 summer, the school currently comprises 18 classrooms (divided into 21 sub-classrooms) with their annexes. Enrolled girls reach 1,050 students (an average of 60 girls per classroom). In addition, four rooms have been devoted for school activities, computer, library and the lab.

Teaching staff includes (apart from the Headmistress and her Assistant) 28 female and 3 male teachers. By the end of 2004, the school witnessed the formation of the Mothers' Council, which has been active in helping overcome many difficulties faced by the school and its administration...

The National Microfinance Foundation

The National Microfinance Foundation (NMF) was established in October 2003 by an initiative from several social and community affiliates who believe that the availability of financial services to the poor can help them increase their income and improve their lives.

Mission of the NMF comprises of improving the income of micro entrepreneurs in urban and rural areas in Yemen—especially women—

through providing them with sustainable financial services to fulfill their needs.

Objectives of the foundation can be summarized in extending support to owners of micro projects with the aim of empowering them to self-employment and encouraging them to save money and establish income-generating activities. Goals also include promoting solidarity among community members, in addition to providing financial services to the poor.

The foundation applies specific policies and procedures, including the application of group and center methodologies. The NMF provides services primarily to women grouped in 05–25 or 05–40 members in center system.

Members hold weekly meetings in specific place and time. During the group meetings, members pay their savings and their due loan installments. Members also discuss any subjects related to the group, in addition to loan applications.



Beneficiary of Microfinance program

Sanabel's Managing Director visited SFD

Mr. Ahmed Al-Eshmawy, the Managing Director of The Microfinance Network in the Arab Countries, which is based in Cairo, paid a visit to a number of MF institution in Yemen supported by SFD to become acquainted with their progress and the achievements made by the MF industry in Yemen.

He also presented to a number of participants the goals and achievements made by Sanabel in the Arab World, in general, and its training activities for those in the MF industry, in particular.

Social Fund for Development

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Social Fund for Development

Institutional Evaluation launched

Institutional Evaluation (IE) activities were launched on 27 November 2005. Continuing until mid-2006, the IE includes several meetings and workshops and aims to review the strategic role played by the SFD in contributing to basic-service delivery and development. These goals are pursued through capacity building at the central and decentralized levels.

Six workshops were carried out to assess Education, Health, Social Protection, Institutional Support and Decentralization & Contractors' Support.



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Donor team assesses SFD3 progress, and prepares SFD2 ICR

A Joint Progress Monitoring Review team visited SFD on December 01–14, 2005 to monitor the progress made in SFD project implementation.

The joint donors' team comprised of Anush Bezhanian (WB Project Team Leader), Marilou Bradley (World Bank Sr. Operations Officer), Andy Robinson (WB Water and Sanitation Specialist), Mira Hong (WB Operations Analyst), Michele Laloge (European Commission), Cathy Welch (DFID), Roland Siller (KfW), Susanne Berghaus (KfW), Maaïke van Vliet (Dutch Embassy).

The visit aimed to assess the overall progress made under the second phase (SFD2) and—based on results—prepare an Implementation Completion Report (ICR). In addition, the team reviewed progress made under the third phase and followed-up on issues identified during the May 2005 review.

The team conducted field visits to Amran, Hajjah, Al-Hudaidah and Sana'a regions and interviewed project staff in branch offices, local officials, community committees, microfinance institutions (MFIs), NGOs and beneficiaries.

In Sana'a, the team met with Mr. Abdulkarim Al-Arhabi, Minister of Social Affairs and Labor and Managing Director of the SFD, Abdul-Salam M. Al-Joufi, Minister of Education, Mohammed L. Al-Eryani, Minister of Water and Environment, Yahia El Mutawakel, Vice-Minister of Planning and International Cooperation, Mohamed I. Al-Hamdi, Deputy Minister of Water, and Arwa Alrabi'a, Deputy Minister of Health (Population Sector).

Following the visit, the team expressed satisfaction with the results of the visit as well as the "excellent progress" being made by the SFD, and that lessons learned from the second phase are being incorporated into the implementation of the third phase. The team's Aide-Memoire indicated that the preliminary ratings on SFD Phase II achievements, as discussed with Government at the wrap-up meeting, are very positive.

Similarly, the Aide-Memoire confirmed that SFD Phase III project is making satisfactory progress towards its development objectives and agreed results.

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Restoration of historic Al-Ashrafiyah Mosque and School continues

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The SFD participated in the Third "Sanabel" Conference held in Morocco

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Launch of preparations to set up SFD's Agricultural and Rural Development Unit

Institutional Evaluation launched ... (Continued)

Education. Two workshops were held on 27 Nov. and 05 Dec. 2005, and attended by School-Map Directors of the Ministry of Education headquarters and governorates as well as district Education-Office Directors and school headmasters and teachers. The workshops aimed to discuss delivery of education services, equity of opportunities and the role of Parents' Councils. In addition, discussions included the school map, which provides the Ministry of Education with information on all the schools in the country and assists in making decisions and fair distribution of educational resources and services.



Contractors. The workshop on contractors was held on 28 Nov. 2005 and aimed at clarifying SFD contribution to support small entrepreneurs and develop the sector through training, providing equal opportunities, disbursing bills on a timely basis and conducting monitoring & overseeing during implementation.

Health. On 29 November 2005, the health workshop was conducted with the participation of representatives of Higher Institutes of Health Sciences, Beneficiary Committees (of the sector) and female health trainees. The workshop discussed SFD contribution to providing health services, targeting underserved areas and enhancing relationship & communication between the local authority and communities.

NGOs sector. A workshop was conducted on 01 December 2005 with the participation of 15 NGOs. The workshop aimed to assess SFD role in developing services for poor and special-need groups through the provision of support to NGOs. In addition, participants addressed the issue of relations between the relevant ministry/governorate offices and NGOs providing such services. Responsibilities and commitments were also discussed. The workshop also sought to review potential to build a strong, accountable NGO sector that also plays an advocacy role with government to mainstream and give voice to vulnerable and excluded groups.

Supporting decentralization. On 03 December 2005, the decentralization-support workshop was held and attended by more than 25 heads and members of Local Councils (LCs) and executive organs from various governorates and districts. The workshop discussed SFD interventions to support the decentralization process and SFD experience at community level—in particular, in piloting integrated interventions and lessons learnt. In addition, discussed were the community structures, the extent to which they are accepted as legitimate in terms of feeding into government bodies at district and governorate level, and their legitimacy in terms of representativeness. Systemic constraints to the implementation of decentralisation and relations between LCs and community groups & structures (e.g. community committees) were also reviewed.



The workshop reviewed the contribution of SFD's training and organizational support to governorates and all the districts. In addition, it assessed SFD work with UNDP on the pilot phase of the Decentralization and Local Development Support Program (DLDSP) in four governorates, which represents concentrated capacity-building support to districts, the outcome of which will help develop a long-term development plan. The key was the potential to put in place systems of governance that strengthen organs of government to respond to demands of the people, and the effects on such areas as targeting of the poor, transparency and accountability. The role of government organs and the local authority (in the governorates and districts) in the sustainability of infrastructure built by SFD was also examined.

Donor team assesses SFD3 progress, and prepares SFD2 ICR (Continued)

On the other hand, the team pinpointed to the fact that—although the SFD has managed to attract additional donor funding—there is still a large financing gap (US\$118 million) within the

originally planned project cost of US\$400 million. To enable full implementation of the project in the next three years, the team recommended the Yemen Government to look into the

possibilities of quickly mobilizing additional resources from the donor community or form the Government budget to bridge the gap.

Cumulative number of beneficiaries and job opportunities as of 31/12/2005, by sector

Sector	Beneficiaries		Temporary job opportunities
	Direct	Indirect	
Environment	1,649,704	46,923	632,065
Integrated Intervention	35,095	18,649	92,493
Training	25,751	106,599	77,983
Education	1,489,191	280,106	9,046,159
Organizational Support	496,245	399,785	273,792
Health	2,201,806	669,810	955,680
Rural Roads	1,373,596	1,031,167	1,391,869
Special Needs Groups	144,384	85,799	530,035
Micro Enterprises Dev.	89,539	359,021	16,294
Small Enterprise	13,110	66,425	15,821
Cultural Heritage	291,953	112,408	1,046,874
Water	1,974,417	173,955	2,263,027
Total	9,784,791	3,350,647	16,342,092

SFD cumulative commitments and contracted amounts as of 31/12/2005, by governorate

Governorates	No. of projects	Commitments (\$)	Contracted amounts (\$)
Al-Baidha	124	10,482,554	9,476,774
Al-Jawf	80	5,563,830	4,645,917
Al-Hudaidah	462	41,741,183	32,888,320
Al-Dhale'	86	8,096,865	5,130,231
Al-Mahweet	158	14,025,163	11,608,920
Al-Maharah	47	2,850,737	2,314,458
Abyan	114	9,426,953	7,915,274
More than one	372	17,280,482	13,104,937
Sana'a Capital	405	41,700,432	33,432,511
Ibb	434	35,732,083	26,922,960
Taiz	560	44,351,482	37,196,117
Hajjah	310	24,194,132	21,550,600
Hadhramaut	349	23,667,390	17,494,737
Dhamar	380	26,575,642	20,944,074
Shabwah	155	10,752,024	7,656,219
Sa'adah	129	9,922,915	8,856,629
Sana'a	358	23,857,187	19,757,613
Aden	154	14,728,696	12,508,617
Amran	314	23,542,604	21,387,533
Lahej	158	12,450,539	10,389,934
Mareb	75	6,811,315	4,088,912
Total	5,224	407,754,207	329,271,287

SFD cumulative commitments and contracted amounts as of 31/12/2005, by sector

Sector	No. of projects	Commitments (\$)	Contracted amounts (\$)
Environment	127	16,185,395	11,134,439
Integrated Intervention	39	2,230,969	2,405,404
Training	320	5,272,653	4,158,242
Education	2,520	222,557,042	181,400,590
Organizational Support	304	10,182,924	8,443,247
Health	424	31,885,189	25,385,866
Rural Roads	188	20,860,413	18,870,804
Special Needs Groups	284	18,491,242	13,732,852
Micro Enterprises Dev.	88	8,683,830	6,686,350
Small Enterprise	23	2,587,580	2,167,794
Cultural Heritage	135	19,073,167	11,337,990
Water	772	49,743,805	43,547,710
Total	5,224	407,754,207	329,271,287

Cumulative number of beneficiaries as of 31/12/2005, by gender

Beneficiaries		
Gender	Direct	Indirect
Males	4,859,261	1,535,121
Females	4,925,530	1,815,526
Total	9,784,791	3,350,647

Completed projects as of 31/12/2005, by sector

Sector	No. of projects	Investment (\$)
Environment	76	9,320,676
Integrated Intervention	24	1,186,274
Training	276	4,561,739
Education	1,736	129,529,065
Organizational Support	247	6,645,421
Health	295	17,927,013
Rural Roads	101	10,920,575
Special Needs Groups	181	10,394,408
Micro Enterprises Dev.	63	4,953,275
Small Enterprise	6	204,683
Cultural Heritage	33	4,243,898
Water	517	31,493,701
Total	3,555	231,380,726

Erratum

An unintentional erratum occurred in the Newsletter issue No. 31 (July–September 2005). In the tables of "Number of Projects, by Governorate (in the corresponding quarter and cumulatively)", the names of the governorates were misarranged. Consequently, not all the figures matched correctly to the corresponding governorates. Figures would have been correct should they match governorates' names in the same order as they appear in this issue of the Newsletter.

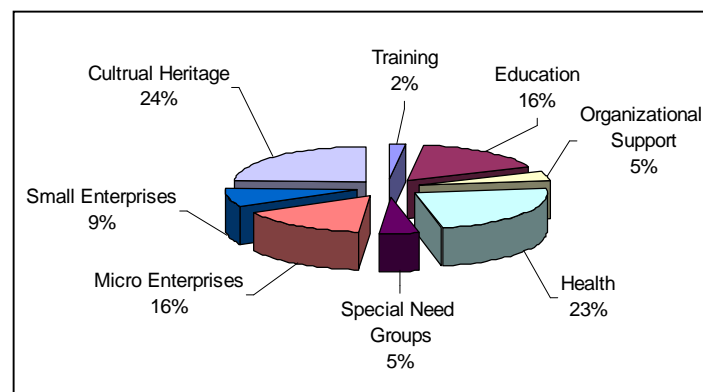
Microfinance Programs Supported by SFD (on 31-12-2005)

No	Program	Active number of clients				Outstanding loan portfolio (Million YR)	PAR (%)	Cumulative numbers		Area of Operation
		Borrowers		Savers				Number of loans	Loan amounts (Million YR)	
		Total	Women (%)	Total	Women (%)					
1	Al-Hudaidah MC	2,490	83	0	0	22	0	14,524	420	Al-Hudaidah city and Bajil - Al-Hodaidah gov.
2	Hais S & C	1,210	92	1,210	92	51	9.8	4,238	176	Hais, Khoukha, Jabal Ras, Zabid Al-Hodaidah gov.
3	Wadi Hadhramaut	752	9	186	100	30	10	1,504	101	Seyun - Hadhramaut gov.
4	Aden MF Foundation	5,710	78	9,274	85	117	16.5	13,788	463	Dar Sa'ad, Al-Bureikah, Al-Mu'alla, Tawahi, Crater, Khor- Maksar, Sheikh Othman - Aden, Lahj
5	Sana'a MF	2,195	85	2,195	100	42	2.6	5,885	235	Sana'a Capital
6	National MF Foundation	7,926	100	10,884	100	159	3	16,835	532	Sana'a Capital, Taiz, Qaedah and Yarim in Ibb and Dhamar
7	Bait Al-Faqeh S & C	1,294	96	1,091	97	14	2.9	2,468	53	Bait Al-Faqih, Mansouriyah - Al-Hodaidah gov.
8	Sana'a Microstart (SOFD)	254	81	0	0	2	0	7,829	125	Sana'a Capital
9	Al-Awa'el MF Company	2,258	100	0	0	25	4.2	11,232	240	Taiz
10	Abyan S & C	1,499	100	0	0	32	0	2,809	85.40	Abyan
11	Other Activities & IGPs	٠.٠٠	NA	NA	NA	NA	NA	6,895	260	Several areas
12	Small Enterprise Development Fund	1,367	2	0	0	555	9.5	3,944	2,423	Sana'a Capital, Taiz, Aden, Al-Mukalla, Al-Hudaidah
Total		26,955	-	24,840	-	1,049	-	92,179	5,125	

NA= Not available/applicable

MC = Micro Credit, S&C = Saving and Credit, MF= Micro finance, IGPs =Income generating projects.

Commitments by sector, fourth quarter 2005



Expected number of beneficiaries and job opportunities, fourth quarter 2005, by sector

Sector	Beneficiaries		Temporary job opportunities
	Direct	Indirect	
Environment	0	0	0
Integrated Intervention	0	0	0
Training	367	120	895
Education	33,742	7,533	15,074
Organizational Support	15	0	5,249
Health	39,198	0	14,985
Rural Roads	0	0	0
Special Needs Groups	310	0	9,594
Micro Enterprises Dev.	10,000	0	260
Small Enterprise	9,650	34,600	504
Cultural Heritage	0	0	59,899
Water	0	0	0
Total	93,282	42,253	106,460

Commitments by governorate, fourth quarter 2005

Governorate	No. of projects	Commitments (\$)	Distribution (%)
Al-Baidha	1	46,500	1
Al-Jawf	1	20,805	0
Al-Hudaidah	5	1,008,338	18
Al-Dhale'	1	338,610	6
Al-Mahweet	1	18,620	0
Al-Maharah	0	0	0
Abyan	0	0	0
More than one	19	2,128,787	38
Sana'a Capital	4	220,500	4
Ibb	0	0	0
Taiz	2	289,548	5
Hajjah	0	0	0
Hadhramaut	0	0	0
Dhamar	2	117,900	2
Shabwah	2	356,000	6
Sa'adah	2	572,620	10
Sana'a	2	26,770	0
Aden	2	222,151	4
Amran	0	0	0
Lahej	0	0	0
Mareb	3	211,554	4
Total	47	5,578,703	100%

Education Unit

Supporting basic education infrastructure

Two projects approved in the quarter for supporting basic education. These projects specified for constructing schools in Al-Duraimhi district - Al-Hudaidah governorate and Al-Qareen village - Shabwah governorate.

Education-Quality Program

The following activities carried out during the quarter.

- Training was provided to 112 fathers & 112 mothers (Parents' Councils), 7 male & 9 female directors, and 7 male & 23 female teachers in education-quality schools. Training was conducted over two separated periods (02-20 October and 05-26 December 2005), and included obligations and duties towards the school.
- Completing training of 104 staff from education-quality schools (19 males and 85 females), including social workers, secretaries, archive personnel. Focus was given to enhancing basic skills in computer.
- On 2 October 2005, a workshop was held for the social workers in education-quality schools. Seventeen participants attended this workshop (2 males and 15 females) from eight schools in the Capital City and one in Sana'a governorate. The workshop focused on plan preparation and follow-up.
- Fourteen teachers (8 males and 6 females) from the Capital City and Sana'a governorate were trained in English language in a specialized institute. Training included listening, speaking, reading and writing skills.
- 24 male and 15 female inspectors from the Ministry of Education were trained on 12-26 November 2005 in improving education environment to prepare them as trainers (national team).
- Fifteen schools were equipped with computers and printers (one each) for secretary, archiving, control and social workers. Equipment was provided according to the program designed for this purpose on 21/10/2005.
- On 2 December 2005, training of 135 teachers (40 males and 95 females) of first grades from education-quality schools was accomplished. Training focused on basic skills in teaching children to read and write. They have been also trained in linguistics, class management and teaching methodology.

Girls' Education Program

Within this pilot program, the following activities have carried out through its capacity-building component and community-structure component.

- Capacity-building component
 - A training workshop was organized on performance evaluation, and lessons drawn from education community-participation mechanism. The workshop was held for two days at SFD headquarters and attended by 20 community-participation consultants. A regional expert facilitated the workshop.
 - Two training courses were held for fifteen days for 23 (male & female) community education facilitators and supervisors. Participants represent three Sa'adah, Al-Hudaidah and Taiz governorates.

Third phase indicators - Education Sector

Indicators	Target	1 st Year (2004)	2 nd Year (2005)	Total
Classrooms built & equipped	7,500	1,868	2,413	4,281
Classrooms rehabilitated	1,100	323	349	672
Children enrolled	300,000	144,150	134,790	278,940
Preschool teachers trained	600	-	542	542
Kindergartens established	34	5	12	17
Workshops in education, planning, programming and evaluation	16	8	12	20



Girls' classroom, Al-Haqqani School - Aden

Sixteen consultants and the Rural Girls' Education Officer participated in a field visit to Egypt on community education and the daily-life skills. The visit, conducted on 16-28 December 2005, aimed to introduce participants to community-education experience in Al-Menia and Al-Fayyoun provinces and involvement of NGOs in implementing a number of educational programs as partners of the Ministry of Education and donors.

- Community-structures component
 - Three classrooms were opened for enhancing daily-life skills of Mothers' Councils and women structures in Al-Hudaidah and Al-Dhale' governorates. In addition, literacy activities and training in tailoring and embroidery were initiated.
 - Three beneficiary committees were formed in the program-relevant schools in Maqbanah district. These are Al-Fawz & Hayel Girls' schools and Mu'adh Bin Gabal School for Basic Education.
 - School-fee exemptions were bestowed by Education Office Directors to girl students in the program-relevant schools of Al-Hudaidah, Taiz, Al-Dhale' and Amran governorates.
 - Some first-aid materials received from the private sector were distributed to the program schools in Amran and Taiz governorates.

Pre-school Program

- In coordination with kindergartens' general directorates in five governorates, training courses were carried out in late 2005 for 450 preschool teachers. The average number of participants per course ranged between 16 and 35, and course duration varied from seven to 16 days—based on needs.

Other activities

- Following the formulation of the "School Lab Manual" draft, proofreading and scientific revision have been initiated. A workshop then took place to harmonize the Manual's scientific concepts and opinions.

Cultural Heritage Unit

Cultural Heritage Sector

The following activities have been followed up during the quarter:

- Kawtaban's ancient cisterns**

Restoration and Rehabilitation of Kawtaban's ancient cisterns started this quarter, with Al-Munsaunriah cistern as a first step. The accumulated soil & waste is being cleaned & the decayed of al-qadbadh layers will be removed & new ones will be applied by traditional master masons, with participation of local skilled & unskilled laborers. Those local laborers who were trained during the restorations will provide future maintenance. Those cisterns, besides collecting rainwater, represent an important part of the city architecture & history.

- Al Basha Megshamah:**

The rehabilitation of this megshamah comes as part of program aims to save and restore the traditional green spaces of old Sana'a. This megshamah was under a threat of becoming a commercial center.

- Database of Ministry of Endowments**

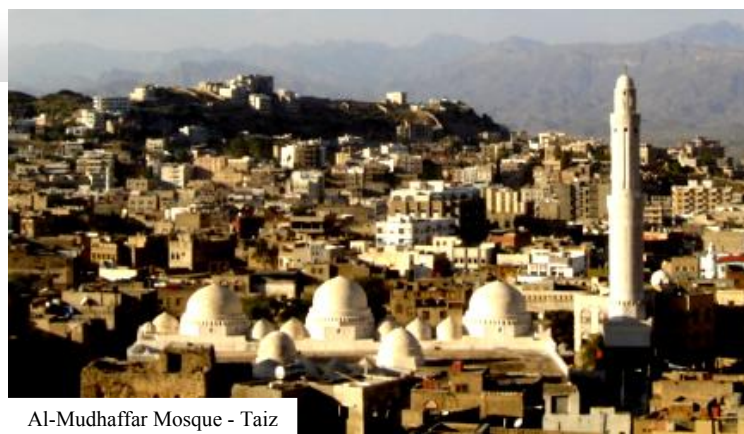
10 staff members of the Ministry are currently receiving training on the use and management of the database of the ministry. This database contains important assets of historic & archaeological values. The training is part of a project prepared & financed by SFD that also includes provision of hardware to expand & upgrade the existing database. It is worth mentioning that SFD benefited from the services of a French voluntary team recruited through the framework of Yemen-French technical cooperation in the field of preserving Yemeni cultural heritage.

- Restoring Al-Ashrafiah Madrasah & safeguarding of Al-Mudhaffar Mosque in Taiz**

The restoration works in Al-Ashrafaiyya mosque & Madrasa has been continued. The original level of the northern and eastern street had been restored down to the level of the original water conduit in order to reveal the two main façade elevations and to allow better ventilation inside the building. Also, replacing of some deteriorated stone works had been completed as well as the restoration of the original al-qadbadh works.

An international expert in restoration of inscriptions and decorative paintings paid a field visit to make an assessment for works completed including restoration experiments in some parts and to prepare a comprehensive restoration plan for the paintings, ornaments and calligraphy. This will be included in a report which will be submitted in mid January 2006. Another international expert in wood restoration visited this prominent monument to investigate the wooden components of monument in order to prepare a plan for restoration works of the wooden components in the near future.

In Al-Modhafar mosque, the basement was ventilated and cleaned from big quantities of derbies that it had been filled with. This coincided with supporting the existing roof of the basement.



Al-Mudhaffar Mosque - Taiz

- Photogrammetry survey documentation**

Applied training on "photogrammetric survey documentation" of monuments using modern techniques of photogrammetry & laser scanning was the subject of applied training that took place during the architectural documentation of the Al-Ashrafyah, Al-Mudhaffar & Asnaf Mosques. Experts & senior post graduates from the French National Institute of Geographic Science led the operation from 12-27th of Nov. 2005 Yemeni trainees from relevant Yemeni institutions such as General Authority for preserving Historic cities (GOPHCY), Sana'a University, Authority of Survey in addition to individual trainees participated & gained skills.

- Grand Mosque of Sana'a.**

The site of the new ablution facility of the Grand Mosque in Sana'a was handed over to the winner contractor, who started the works. Italian experts from "Istituto Veneto Peri Beni Culturali" carried out technical assessment of the roof, wooden decorated ceiling & the structural status of the mosque. The team will develop an elaborated restoration plan to be implemented starting from 2006. Preoperational phase for main restoration works is nearing conclusion after hiring a qualified regional restorer to lead the restoration operations. This is in addition the accomplishment of the major documentation & technical analytical activities of different element in the mosque by French and Italian teams (Centro di Conservazione Archeologica (CCA), Istituto Veneto Peri Beni Culturali, Institut Geographique National). It is worth mentioning that the team is recruited on a voluntarily bases whereby SFD bears only transportation and accommodation expenses.

It is worth mentioning that SFD support to Great Mosque has included the following: i) Preliminary assessment studies of the condition of the mosque. ii) Initiated a plan of action in 2001. iii) Catalyzed and instrumented the establishment of a Board of Trustees to oversee the restoration. ix) Collected and recorded all past studies concerning the mosque. x) Invited prominent international experts to participate in the preparation of restorations. Of those experts Dr. Ronald Lewcock, professor of Islamic Architecture at Georgiatecl Institute. USA) who devoted chapters of his book "Sana'a au Arab Islamic City" by Serjenit & Lewcock for this monument.

- Marana'a Shuker (water well ramp) in the Old City of Sana'a**

The contractor had started the restoration and rehabilitation works in the project and its annexes. Works are due to be completed in the end of the first half of the year 2006.

Third phase indicators – Cultural Heritage Sector

Indicators	Target	1 st Year (2004)	2 nd Year (2005)	Total
Cultural heritage projects financed	90	21	22	43
Cultural heritage consultants trained	95	52	60	112
Cultural heritage laborers trained	880	177	220	397

SFD Achievements in 2005

The SFD's total investments in 2005 reached around \$87 million distributed over the different sectors. Projects completed during the year mount to 695 projects.

Number of projects and commitments in 2005, by sector

Sector	No. of projects	Commitments (\$)
Environment	17	1,368,061
Integrated Intervention	3	422,650
Training	102	1,646,978
Education	449	52,386,923
Organizational Support	48	2,349,234
Health	72	7,802,879
Rural Roads	45	5,013,338
Special Needs Groups	55	2,742,638
Micro Enterprises Dev.	19	2,434,111
Small Enterprise	11	1,113,175
Cultural Heritage	38	3,903,404
Water	89	6,037,247
Total	948	87,220,638

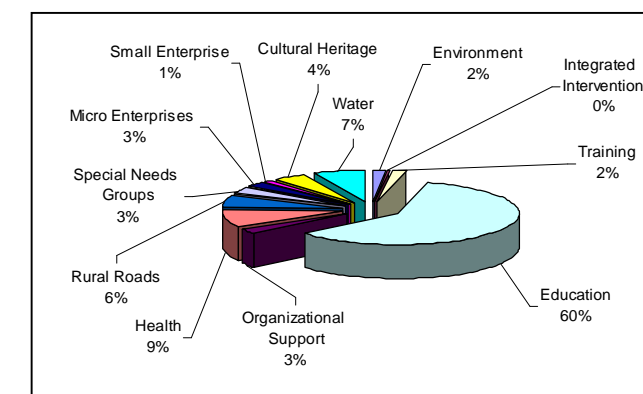
Number of beneficiaries and job opportunities in 2005, by sector

Sector	Beneficiaries		Temporary job opportunities
	Direct	Indirect	
Environment	51,859	0	39,581
Integrated Intervention	800	0	18,800
Training	7,517	5,110	16,774
Education	184,409	81,495	201,790
Organizational Support	5,343	1,787	104,872
Health	312,991	245,496	147,547
Rural Roads	274,640	13,610	305,656
Special Needs Groups	17,167	2,241	73,069
Micro Enterprises Dev.	30,832	58,820	3,305
Small Enterprise	10,580	45,000	1,225
Cultural Heritage	70	350	206,287
Water	192,264	3961	283,610
Total	1,088,472	457,870	3,218,626

Commitments in 2005, by governorate

Governorate	No. of projects	Commitments (\$)	Distribution (%)
Al-Baidha	15	1,079,498	1
Al-Jawf	16	1,189,030	1
Al-Hudaidah	91	10,884,360	12
Al-Dhale'	19	2,754,256	3
Al-Mahweet	24	2,535,840	3
Al-Maharah	6	464,252	1
Abyan	16	2,036,275	2
More than one	114	5,297,247	6
Sana'a Capital	42	2,719,337	3
Ibb	96	9,510,344	11
Taiz	102	1,0676,427	12
Hajjah	54	5,589,091	6
Hadhrmaut	61	4,603,333	5
Dhamar	82	7,203,892	8
Shabwah	27	2,959,026	3
Sa'adah	23	2,075,300	2
Sana'a	49	3,819,793	4
Aden	21	2,657,382	3
Amran	51	5,189,540	6
Lahej	23	2,628,771	3
Mareb	16	1,347,644	2
Total	948	87,220,638	% 100

Percentage distribution of commitments in 2005, by sector



Completed projects in 2005, by sector

Sector	No. of projects	Investment (\$)
Environment	10	926,094
Integrated Intervention	9	666,284
Training	100	1,995,147
Education	313	27,983,348
Organizational Support	67	3,531,859
Health	31	2,200,994
Rural Roads	26	3,321,902
Special Needs Groups	42	1,855,364
Micro Enterprises Dev.	11	1,183,626
Small Enterprise	4	203,402
Cultural Heritage	8	1,339,809
Water	74	4,403,846
Total	695	49,611,676

Agricultural and Rural Development Unit

In late 2005, the SFD has launched the preparation to set up a new implementation unit, Agriculture and Rural Development Unit (A&RD Unit). The SFD has addressed many aspects of development in the rural areas and grown increasingly conscious that rural development without raising agricultural and livestock productivity is neither truly productive, nor sustainable in the long run. The Government—by the Cabinet's decision in January 2005—adopted a national Small and Micro Enterprise Development Strategy and Five-Year Action Plan (SME DS), and mandated SFD as the executing agency. The SME DS included measures to promote urban SMEs. However, it gave the bulk of its attention to the promotion of rural agricultural and livestock SMEs. The Unit will comprise the following sub-sector and/or programs:

- § Integrated Community Development (ICD), and
- § Agricultural and Livestock Promotion (ALP)
- § Feeder Roads
- § Community Contracting

Agriculture and Livestock

The unit is implementing the Rain-fed Agriculture and Livestock Project to reach marginal communities, respond to their needs on a demand basis and empower them to improve their living conditions through various capacity-building channels. The Farmer Capacity Building and Investments component will enable farmers in rain-fed areas in 22 districts of the five governorates to undertake several activities. These include upgrading and diversifying the farmers' agriculture and livestock production, processing and marketing systems, organization of farmers to exchange experience among themselves and access services and input & output markets. In addition, this will help better conserve soil and harvest water in the Uplands.

Integrated Intervention Program

The major activities carried out during the quarter are as follows:

- § Implementation of five projects was completed.
- § Four training courses were carried out for 38 participants from the two villages of "Al-Awlah" and "Al-Nayef" of Al-Luhayyah and Khamer districts, respectively (Al-Hudaidah).

Third phase indicators – Feeder Roads Sector

Indicators	Target	1 st Year (2004)	2 nd Year (2005)	Total
Feeder roads financed	125	19	32	51
Feeder road beneficiaries	800,000	97,093	207,958	305,051

Third phase indicators – Water and Environment Sectors

Indicators	Target	1 st Year (2004)	2 nd Year (2005)	Total
Water-harvesting subprojects	750	57	39	96
Water stored in reservoirs (M3)	3,000,000	897,250	1,113,250	2,010,500
Piped systems	100	24	11	35
Reservoirs	40	12	13	25
Hygiene and environment awareness	225	56	13	69
Wastewater management	15	8	4	12
Solid waste management	7	9	3	12
Soil & water conservation	3	4	2	6



At a literacy workshop – Sana'a

The course aimed to enable the trainees to acquire skills and experiences in caring for the livestock and managing the ailments affecting cattle and jeopardizing production. Vet kits, containing equipment assisting the trainees to perform properly, were distributed.

- § The study related to the identification of preliminary project needs of all the areas targeted by the Program was finalized.
- § Local Development Committees (LDCs) have been formed in the targeted areas, with the total number of members reaching 68 males and 45 females, in addition to 8 councilors.
- § The Program Team has conducted coordination visits to the local councils of the eight areas targeted by the Program (at both the governorate and district levels). Coordination aimed to introduce the councilors to the Program, nature of work and mechanism of selection & participation with regard to the formation of the LDCs as well as mechanism of coordination & follow-up carried out by the local community and linking the Program, Local Councils and LDCs.
- § The 2006 project plan was prepared. Thirty-two projects were included in the system and converted to financing proposals. Costing around 2.4 million Euros, the projects target primarily the infrastructure. They were prioritized from the need identification study.

Feeder Road Sector

The number of projects, as of the quarter end, reached 188, with the estimated cost amounting to \$20.7 million. During the quarter, two improvement and pavement projects were completed: Al-Mitraq Street (Al-Hudaidah) and Ibn Al-Hakam Road (Amran).

Training and Organizational Support Unit

Fourth Quarter Projects (2005)

During the fourth Quarter (eleven projects) became under implementation in both the training & organizational support sectors. Their estimated cost is about 365 thousand USD. They targeted NGOs, Private Sector, Local Authority, and Governmental Organizations.

The Training Sector

This sector – mainly – targets SFD partners. It includes various training fields such as finance and management, strategic planning, preparation of plans and reports, funding techniques and obtaining and increasing financial resources, improving the quality and skills of training services in the income generation activities. This is done through training of trainers, problems' analysis, objectives' identification, monitoring and evaluation, participatory rapid assessment (PRA), voluntary work, agricultural marketing, communications' skills, evaluation of agricultural development projects, book-keeping and raising the capacities of bee-keepers.

Within the training sector, the following agencies and beneficiaries have been targeted:

NGOs (3 projects)

Three associations benefit from training within the framework of three separate projects:

- § The first project targeted the Amalgamated Association for Agricultural Services & Marketing in (Al-Hudaidah). The association is composed of nine agricultural cooperative associations.
- § The second project targeted Sa'awan Agricultural Cooperative in (Sana'a).
- § The third project targeted A'ans Agricultural Cooperative in (Dhamar).

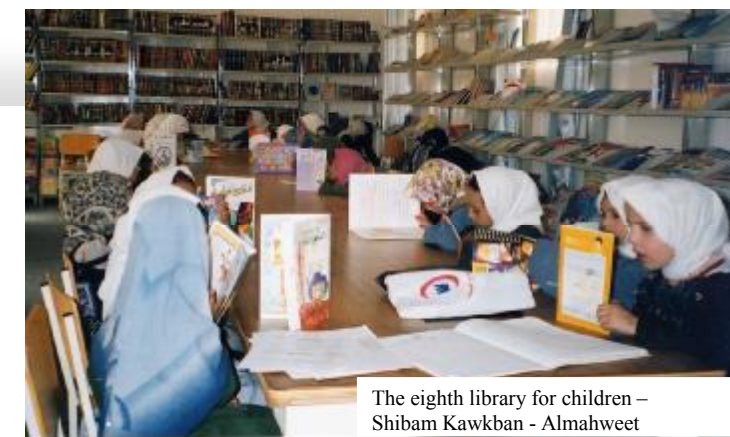
The intervention in each project includes training about 20 rural females in the fields of food processing & training of trainers (ToT). Since all three associations work in the field of agriculture and marketing of agricultural products locally and abroad, a food-processing unit for each of the three associations has also been included in the over-all support.

This is in addition to reinforcing the capacities of A'ans Agricultural Cooperative through training its Steering Committee members in accounts, management, funding techniques and agricultural marketing. The services of this latter association cover three districts in Dhamar governorate (A'ans, Dhamar, Al-Maifa'a). Its activities also include providing agricultural services and facilities to local farmers.

Third phase indicators – Training and Organizational Support Sectors

Indicators	Target	1 st Year (2004)	2 nd Year (2005)	Total
Workshops for NGOs	125	64	64	128
Support to NGOs and cooperatives	200	41	51	92
Support to user groups, communities and CBOs (in various forms)	700	64	238	302
Support to local councils *	50	0	16	16
Councilors and local authority members trained	12,588	1,875	5,845	7,720

* including capacity building through provision of systems, equipment and budget support



The eighth library for children – Shibam Kawkban - Almahweet

2. Local Authority (4 projects)

The four projects involve training members of Local Councils in four governorates: Sana'a, Ma'arib, Al-Jawf & Al-Mahweet within the framework of "Decentralization and Local Development Program". They aim at building the capacities of the local authority, and improving the management on the level of districts. The outputs of the four projects include training about 750 Local Councils' members & Executive Offices cadres in the various districts of the four governorates in the field of "Participatory Developmental Planning". Twenty-five training courses are being conducted in this single topic, as follows:

- § Seven courses targeted 14 districts in Sana'a governorate.
- § Seven courses targeted 13 districts in Ma'arib governorate.
- § Six courses targeted 12 districts in Al-Jawf governorate.
- § Five courses targeted 9 districts in Al-Mahweet governorate.

3. Private Sector (one project)

The project under implementation is a training workshop targeting about 20 local consultants. Its objective is to raise the awareness of the participants in aspects related to contracting procedures and their applications, as well as techniques of preparing Terms of Reference, bids' analysis, and cost estimations. The workshop will also acquaint them with methods of selecting consultants from the SFD database.

The Organizational Support Sector

The sector's objective is to build the capacities of SFD partners participating in the realization of community development and the provision of productive and literacy services. Projects aim at reinforcing the sustainability of these partners by providing some systems, equipment and databases.

NGOs (one project)

The project (2nd phase) continues supporting Al-Takaful Social Care Association in Ta'iz. In addition to sewing, embroidery and training in home economics, the current phase of the project provides support in on-site training, management development and institutional capacity building. This is in addition to providing some necessary equipment to help improve and extend the Association's services targeting female beneficiaries.

Health and Social Protection Unit

Health Sector

Within the framework of SFD's efforts to empower targeted communities to better access health facilities, the following activities were carried out:

- § Different bids were analyzed and awarded as well as some contracting agreements were signed for health centers and hospitals...
- § Al-Salakhannah hospital equipment project (Al-Hudaidah) has been approved.

Improving health institutes education quality

During the quarter, the following projects were approved:

- § A training course for the health institutes' lab teachers, aiming to train them on how to properly use lab equipment financed by the SFD;
- § Expansion of the health institute in Al-Dhale' governorate;
- § Rehabilitation of the library of the Higher Institute for Health Sciences in Sana'a;

In addition, the Al-Mukalla branch office is currently analyzing the bid for the completion of the health institute in Al-Maharah governorate.

Training of community midwives

- Implementation of a training project targeting 20 community midwives (in Maifa'ah and Gahran districts/Dhamar) has started. Moreover, preparations of another training project for midwives in Wesab Al-A'ali district have commenced.
- Training of 20 community midwives has started in Hubaish district (Ibb governorate).
- A training course was carried out at SFD Al-Mukalla branch office. The course focused on raising the awareness of community midwives from various districts of, Shabwah, Hadhramaut and Al-Maharah governorates on the appropriate methods of dealing with pregnant women.

Special-Need Groups Sector

Supporting societies working with vision-impaired children

A project was agreed, aiming to integrate children suffering from vision impairments in regular schools. The project—the first ever of its kind—is being implemented in Taiz in cooperation with "From Child to Child" Association. It aims to extend the experience to other areas (Sana'a, Aden, Hadhramaut, Dhamar and Ibb). For this purpose, training was provided to 25 teachers working with seven government

and non-government institutions to assist in extending the program to the mentioned governorates. The program activities include upgrading these teachers in teaching the vision-impaired through domestic and abroad courses. They also include specifying the needed requirements (assisting tools, compensatory equipment, teaching methods...). Such requirements are currently being supplied by an int'l organization, while the Disabled Care Fund will take over the provision of these tools and means in the future.

Early intervention center

A project was signed to establish an early intervention center for the disabled in Aden. Training was provided for 14 persons who were recruited in the center on a monthly-salary base, paid by the Fund for the Care of the Disabled. In addition, the Fund has approved the center operational costs and provision of the artificial compensatory equipment. The project includes early rehabilitation of 250 children based on Community Rehabilitation approach (physical, articulation and educational rehab). Coordination will take place with public kindergartens and schools to integrate the rehabilitated children.

Supporting the Disabled Fund

A project to upgrade work mechanism of the Fund for the Care of the Disabled (FCD) was signed. In addition, the project's objectives include the preparation of a strategy for the FCD. The strategy aims to ensure the systematic provision of support to the associations working with the disabled, particularly in enhancing their educational integrating programs. It also targets channeling of the Fund's resources to better serve the disabled. A resident regional expert will be recruited for a year to assist the Fund on status analysis and work reorganization.

Targeting the blind and the elderly

A project was signed to provide administrative and accounting support to the Al-Nibras Charity Association that targets the blind and vision-impaired patients. Another project was also signed, aiming to rehabilitate equip the Aden Elderly House. The intervention seeks to improve the service the House provides to some 60 male and female residents.

Third phase indicators – Health and Special Need Groups Sectors

Indicators	Target	1 st Year (2004)	2 nd Year (2005)	Total
Health				
Subprojects to support health facilities providing quality services	250	16	38	54
Number of trained health service providers *	1500	493	125	618
HMIs supported to enhance quality of health education	20	2	6	8
Staff trained from HMI	400	120	-	120
Training courses curriculum upgraded for the HMI	5	-	-	-
Libraries equipped and supplied with books for HMI	8	-	2	2
Teaching laboratories equipped with learning materials	8	1	-	1
Psychiatric hospitals and care centers staff trained	125	20	-	20
Districts which received support in applying the DHS	4	-	3	3
Special need groups				
Public schools supported	300	58	5	63
Disadvantaged children in SFD-supported schools	15,000	3,633	1,216	4,849
Directorates of inclusive education established	8	-	-	-
NGOs supported by technical training	50	25	31	56
Communities made aware of both the importance and accessibility of	380	4	31	35
Faculty of special education	2	-	-	-
Staff members qualified in the field of disability	40	20	49	69
Pre-School rehabilitation and education centers for preschooler with	25	5	1	6
Street children centers	5	2	1	3
Juvenile delinquent centers	5	2	-	2

*Including community midwives, health workers, technicians and other paramedical staff

Water and Environment Unit

Water Sector

The SFD has recently been reviewing and reassessing its intervention policy in water-harvesting projects, which comprise the majority of the water sector. Consequently, the total cumulative of both the number of the water projects and commitments remained as in the third quarter end, i.e. 780 projects and about \$49.9 million, respectively.

The water-harvesting intervention policy was discussed on 27–30 2005, with the participation of SFD branch offices in Al-Hudaidah and Amran as well as a number of unit heads. The revised policy draft was prepared and distributed among all the branch offices to comment on.

The Environment Sector

The total cumulative of both the projects' number and commitments also remained as in the end of the third quarter, being 125 projects and around \$16 million, respectively.

The following activities were carried out during the last quarter of 2005:

- § Bid envelopes of the technical proposals of the international consultative companies competing for the Shibam (Hadhramaut) infrastructure project studies and designs were opened in December 2005. Analysis of the proposals was also completed.
- § In December 2005, five biogas-producing units were implemented in the Bora' sanctuary (Al-Hudaidah governorate). Five houses were selected according to specific technical criteria, including the availability of sufficient numbers of cattle and willingness of house owners to contribute to the project (in the form of digging,



Al-Mawsef and Al-Fares water tanks – Abyan

providing sand, water and unskilled laborers, the biogas produced (by these units) from animal manure is used in cooking and lightning. The objective of this intervention lies in the dissemination of the biogas utilization to replace gradually the firewood. Six local skilled laborers have been trained on implementing such units for the community's members convinced of the advantages of these units.

- § With the assistance of a specialized, regional consultative firm, a training course was conducted on 03–06 December 2005 in the management of hazardous medical wastes in health facilities. The course was attended by 36 participants from different health facilities, in addition to a representative of each of the Ministry of Public Health & Population and Public Works Project (PWP).
- § A workshop was carried out on 28–29 December 2005 to produce practical posters that might assist health workers to manage the hazardous medical wastes in their facilities. Seventeen (female and male) health workers, in addition to PWP representative, participated in the workshop.

Small and Micro Enterprises Unit

During the quarter several activities and events took place including external visits and participations as well as training:

SFD visits BDS Projects in Egypt

A number of small enterprises programs and foundations in Egypt were visited by the head of the SMED unit, the managing director of SMEPPS, and a consultant in order to become acquainted with the business development services provided by such organizations to their clients, and to bring back lessons to similar programs implemented by the SFD in Yemen.

Participation in "Sanabel" Conference

SFD participated in the Third Sanabel Conference that was held in Marrakech, Morocco, from 28–30 November 2005 and was represented by a large delegation that included SFD, as well as Yemeni SME programs and foundations funded by SFD. The delegation presented three work papers, of which the first dealt with the National Strategy for the Development of the Small and Micro Finance Sector, the second with the formation of Aden MF Foundation, and third was concerned with the reality of microfinance in Yemen.

In addition, the National MF Foundation and Azal MF Program were granted the International Information Exchange Certificate (MIX) for their outstanding performance in microfinance industry in Yemen.

Bahia Mohammed, a client of Al-Hudaidah MF Program, was rewarded, and as part of the visit to Morocco, the delegation visited Al-Amana MF Foundation in Marrakech. and Zakkoura

"MF Product Development"

This course, which lasted five days, was held in partnership with the Sanabel Network from 13–17 November 2005, and 22 participants from various MF programs in Yemen took part in the sessions. The course centered on:

- § Description of the product development process.
- § Evaluation of the capability of an institution to develop a product.
- § Application of different techniques in market studies according to customer needs.
- § Analysis of study results to design experimental products.
- § Cost and price setting.
- § Development of new products that lead to increased profits, and customer satisfaction.

"Delinquency and Interest Rates Setting"

The course was held in Sana'a on 16 19 October 2005 and attended by 22 trainees, including branch managers and accountants, representing 12 micro finance programs. The goals of the course were divided into two main parts:

- First Part: The goals of managing delinquent loans, which centered on:
- § Understanding and analysis of the causes of delinquency and their nature.
 - § Getting the participants acquainted with the costs of delinquency on the institution and the effects on sustainability.
 - § Understanding ways and means to control delinquency.

Second Part: The goals of setting interest rates, which centered on:

- § The importance of setting a sustainable interest rate.
- § The various types of interest rates.
- § How to set the interest rate and face the problems of sustainability.