

### Bait Al-Jufra: An End of a Long Suffering

Our journey went over difficult mountainous roots, along which extend beautiful plantation terraces that cover wide parts of the mountainous ridges. It was clear that the terraces were well irrigated as a result of the recent rains that fell during the few past days preceding our journey.

The terraces had been longing for rain—so was the water-pool we were going to visit at the Bait Al-Jufra village at the Bani A'bd sub-district, E'yal Suraih district of Amran governorate, awaiting to be filled for the first time. The capacity of the pool—concluded at the end of 2004—exceeds 2,500 cu. meters. More than 700 village inhabitants benefit from the project (whose estimated costs are \$66,000).

When we reached the village, we found the population clearly delighted, as they looked towards the pool, which when full, rids them of the sufferings that accompany fetching water from faraway locations.



The first inhabitant who approached us was Haj Mohsen Rajeh Al-Jufrah. After thanking God for the end of the village sufferings, he added, "the clean waters in the pool suffice for all our needs, including for drinking, for one year and—God willing—for a longer time. It is all what we hoped for".

Another one was standing close to us, Mr. Yahya Husein Al-Jufra, said, "It is the Social Fund for Development, which—thankfully—solved the problem of the villagers. All of us contributed, as we suffered very much because of lacking water. Now we are OK". Hussein Rashed, inviting us to have tea, added that "water in the pool is cleaner than that of the springs. He said that the location of the pool, the way it was accomplished and the water-runs pouring into it all guarantee clean and clear water supply.

Mohammed Ali Al-Jufra, Head of the Beneficiaries' Committee, said, "This is a very successful project. We had to fetch water from a 7 km. faraway location. It took an hour to reach by vehicles, and an hour and half by animals". He added that the original idea for the pool was one with a capacity of 1,440 cu. meters. However, the villagers—because of their great sufferings—suggested their contribution increase so that the pool shall have the capacity of more than 2,570 cu. meters. The SFD's branch had agreed to the villager's initiative, and implementation soon followed. The pool was built exactly according to the wishes of the villagers.

A survey revealed other benefits gained from the project. Asked how the pool contributes to increasing girls' education enrollment in the village, Haj Mohsen answered, "From now on, nothing can stop our girls from attending their school. Their obligation to fetch water was the only hindrance. All our previous sufferings are now just things to remember ..."

It is worth mentioning that this project is the first to be implemented by Amran SFD branch through community-contracting method, comprising of the mobilization of community potentials and benefiting from every human potential.

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# Social Fund for Development

Newsletter – Edition No. 35, July – December 2006

12 Pages

### Inauguration of SME Promotion Services

Mr. Abdul Karim Ismail Al-Arhabi, Minister of Planning and International Cooperation and the SFD's Managing Director, inaugurated on 19 July 2006 the Small and Micro Enterprises Promotion Services (SMEPS)—the first ever national agency in the ME, which provides data and consultative services to micro-entrepreneurs. SMEPS is also a component of the national Small and Micro Enterprises Development Strategy developed and executed by the Social Fund for Development. In a speech delivered in the opening ceremony, Mr. Al-Arhabi clarified the role of the SFD in developing the strategy, which includes—inter alia—the establishment of a unit specialized in providing non-financial services to the small enterprises.

*Continued on page 2*



### Editorial

The government has recently approved the Third Five-Year Plan for Economic and Social Development and Poverty Reduction (2006–10). Within the plan—which provides the overarching framework for the national policy to combat poverty—the SFD plays a strategic role within the national social policy objectives set in the plan. The SFD contributes to a number of the plan's main goals. These include providing basic (contributing already mentioned) infrastructure in the poor and deprived areas, to facilitate access to basic services and developing the financial and non-financial services to the poor, in addition to capacity building activities.

While preparations are made for the Yemen Consultative Group meeting (London, 15–16 November 2006) the SFD is looked at to contribute to maximizing the absorption capacity to utilize the expected increased sources of foreign support and its optimal use in Yemen's efforts to fight poverty. The systems developed by the SFD and its flexibility shall enable the fund to achieve the mandates it is assigned to accomplish in the Plan—particularly the SFD has endeavored, since its establishment, to develop its absorption capacities. In addition, evaluation reports have confirmed that the SFD projects have contributed to improving the lives of the targeted groups.

The government of Yemen had established the SFD in order to contribute to achieving the state's economic and social plans—as stated in the law of SFD establishment. The SFD works in line with the sector ministries' plans, and in no way overlap with the sectors' policies, essential functions and plans. Rather, the SFD continues to make efforts to improve the relevant sector ministries' capacities to reach the poor and remote rural areas. As the SFD shall continue the role it has always played in developing the organizational and other supports of government institutions (and their local counterparts) through its targeted programs, the Fund is considered an important addition that aims to improve implementation of the development programs in the country.

### To learn from its experience North Sudan Social Fund visits the SFD

A mission from the recently established Social Fund of North Sudan visited the SFD during 28 August–7 September 2006, to be acquainted of the SFD experiences and its procedures and work machineries. The mission met on 30 August with Mr. Abdulkrim Ismail Al-Arhabi, SFD's Managing Director. The mission's program included meetings with SFD Unit Heads and a field visit to some SFD projects.

### An Evaluation Mission for EU-funded SFD projects

A consultative company in evaluation that is commissioned by the European Union (EU) visited the Social Fund for Development during 16–28 July 2006. The visit aimed at evaluating some completed projects and others that are under implementation as a post-evaluation of the closed EU grant to the SFD Project II. The mission aimed also to evaluate the EU support for the SFD Project III. The schedule of the visit included interviews with the SFD senior staff and representatives of the Ministry of Planning and International Cooperation as well as some donors. The mission paid a visit to the recently inaugurated Small and Micro Enterprises Development Agency established by the SFD to support small entrepreneurs. The mission made field visits to some projects in Amran governorate, apart from a visit to a project for the development of traditional skills in the Old City of Sana'a. The mission took part also in the activities of a workshop arranged by the Small and Micro Enterprises Promotion Services.

**3** Conclusion of pilot phase of the reinforcement works in the Great Mosque

**11** SFD cumulative investments reach \$494m.

**Inauguration of SME Promotion Services — (continued)**

He added that the SFD could not make much progress in this regard, as it had relied on commercial banks to fund the sector. He noted that these banks considered funding of small enterprises a risk because of the entrepreneurs' inability to pay back. He added, "The agency was able—within a short period of time—to build a strong relationship with the donors (such as the Dutch government, which provided the support) in addition to providing consultative services to the entrepreneurs and promoting the "Business Edge" training program. Mr. Al-Arhabi also expressed the readiness and willingness of the government to provide further support for the development of the small industry and enterprises sector in Yemen—to enable it to compete and export products to foreign markets.

On the other hand, SMEPS Managing Director briefed, in his speech, the causes behind the establishment of such an agency, its activities and its role in developing the small enterprises through the provision of consultative services, which aim to enhance their profits, maximize competitiveness and achieve additional sustainable growth. In addition, SMEPS officials presented brief summaries on the different services provided by the agency, indicating that project officers implement level-improving training courses, perform exploration visits, manage the small projects (curriculum) in the Society College and technical institutes and run new production lines, in addition to the consultative and technical information centers and the "Business Edge" training program.

**UNIT NEWS**

**Education**

**Supporting the basic education infrastructure**

This program aims at increasing the enrolment of children in basic education and supporting the efforts of the Ministry of Education (MoE) in achieving the goal "education for all". During the quarter, 24 projects have been approved to construct/renovate 24 schools in different governorates, at an estimated cost of US\$3.1 million, with the expected number of beneficiaries reaching about 7,500 students.

**The Girls' Education Program**

This pilot program targets areas with enrolment rates of girls lower than the national level, thus aiming to increase such rates. It has been implemented in certain areas in the governorates of Amran, Sa'adah, Taiz, Al-Dhale' and Al-Hudaidah. During the quarter, the following activities have been carried out:

- Approval of constructing, renovating and completing 3 schools in three of the intervention sub-districts: The Goa'an School was built in Goa'an village/ Weld-Ayyash sub-district /Haidan district (Sa'adah governorate), while the Mo'adh Bin Gabal School has been refurbished and completed in Al'Maga'eshah/ Maqbanah (Taiz) and classrooms & as well as toilets were completed in the Khadeegah Girls' School in Al-Soudah (Amran). In addition, three other schools have been completed in Al-Azareq (Al-Dhale'), Al-Soudah (Amran) and Al-Sukhnah (Al-Hudaidah).
- Approval of the construction of 10 Life Skills Development Centers for rural girls in Three sub-districts targeted by the program: Six centers in Weld-Ayyash sub-district/Haidan district (Sa'adah governorate), Two in Al-Maga'eshah & Okhdou' A'ala/ Maqbanah (Taiz) and 2 in Al-Ramiah Al-Ulia/ Al-Sukhnah (Al-Hudaidah). Moreover, a refreshing training course was held during the period 26 June–02 July 2006. The course, attended by 23 (male and female) community-education facilitators and supervisors, followed a six-month fieldwork in rural girls' life-skills classrooms in the three mentioned sub-districts. In addition, a ToT course was conducted on 17–23 June 2006 for 12 female teachers working in life-skills classrooms for Mothers' Councils (MCs) as well as women structures in the targeted areas. Training focused on

household foodstuff manufacture. Trainees are expected to provide training for MCs and life-skills-classrooms female attendees.

- Conduct awareness campaigns, during August–October 2006, in five of the program's areas. Activities give particular focus to the importance of girls' education, role of the educated community in the protection & preservation of the environment & natural resources and school-building maintenance... On the other hand, a number of program-related awareness materials were prepared & produced to be disseminated in the targeted areas at the beginning of the forthcoming school year (2006/07). Materials include topics introducing the program as well as class schedules.
- A training course was held on 01–07 August 2006 for 17 female and male community-participation consultants supporting girls' education. Training—preceding the awareness campaigns to be executed in the targeted-by-the-program areas—centered on effective communication methods and containing & convincing skills.
- Twenty-three workshops and training courses were held during August–September 2006—each lasting for 05–08 days. Focus was given to transforming household trash to handicrafts, various works related to palm leaves, porcelain & ceramics, handicrafts, jewelry & accessories, first aid, embroidery, lettering (calligraphy) and drawing... activities—benefiting 469 and 321 male and female students, respectively—were carried out in 16 summer clubs within targeted schools in 5 governorates. The program provides the raw materials needed for training and contracts with local male and female trainers.
- An agreement and partnership contract was signed by the program and the Al-Saleh Social Foundation for Development. The latter will participate in supporting the activities and projects implemented by the program in the targeted areas. Within this context, quantities of dates were provided to the relevant schools' students, Parents' Councils, female students attending rural girls' life-skills development centers and literacy classes' female attendees—with 4,500 individuals benefiting from this support so far.

**Cumulative number of beneficiaries and job opportunities as of 30/9/2006, by sector**

Sector	Beneficiaries		Temporary job opportunities
	Direct	Indirect	
Environment	667,119	50,072	2,327,995
Integrated Intervention	237,043	19,116	99,898
Training	89,200	107,137	28,416
Education	10,708,767	808,391	1,726,218
Organizational Support	332,819	405,877	502,451
Agriculture	4,483	100,000	5,360
Health	1,137,824	571,959	2,533,226
Rural Roads	2,553,283	1,623,034	2,316,120
Special Needs Groups	552,270	86,377	153,766
Micro Enterprises Dev.	16,818	406,261	88,600
Small Enterprise	16,023	72,820	35,926
Cultural Heritage	1,174,830	123,862	303,238
Water	2,500,612	177,932	2,140,406
Business development	490	21,950	11,600
<b>Total</b>	<b>19,991,581</b>	<b>4,574,788</b>	<b>12,273,220</b>

**SFD cumulative commitments and contracted amounts as of 30/9/2006, by governorate**

Governorates	No. of projects	Commitments (\$)	Contracted amounts (\$)
Al-Baidha	141	12,043,865	10,976,240
Al-Jawf	89	6,448,520	5,811,238
Al-Hudaidah	531	50,676,684	39,793,740
Al-Dhale'	101	10,058,980	6,907,734
Al-Mahweet	167	15,574,037	13,281,858
Al-Maharah	56	3,312,044	2,722,350
Abyan	127	11,893,697	9,277,339
More than one	489	22,697,406	15,970,365
Sana'a Capital	414	43,482,981	36,900,769
Ibb	510	45,924,224	34,522,138
Taiz	670	60,560,653	47,065,813
Hajjah	354	30,139,631	25,033,645
Hadhrmut	381	25,960,007	20,141,408
Dhamar	425	30,911,608	27,378,560
Shabwah	169	11,716,084	10,550,397
Sa'adah	145	12,872,949	10,443,604
Sana'a	412	31,168,494	24,536,620
Aden	166	17,057,928	13,734,803
Amran	358	27,300,364	23,730,018
Lahej	184	16,411,596	11,840,776
Mareb	82	7,576,440	4,702,623
<b>Total</b>	<b>5971</b>	<b>493,788,192</b>	<b>395,322,039</b>

**SFD cumulative commitments and contracted amounts as of 30/9/2006, by sector**

Sector	No. of projects	Commitments (\$)	Contracted amounts (\$)
Environment	140	16,936,124	12,268,182
Integrated Intervention	69	5,982,562	2,666,917
Training	375	6,036,443	4,755,030
Education	2834	267,590,277	221,308,808
Organizational Support	333	11,105,746	9,273,341
Agriculture	8	394,516	236,616
Health	460	37,027,637	29,597,535
Rural Roads	268	37,309,322	25,784,798
Special Needs Groups	322	19,983,781	15,908,266
Micro Enterprises Dev.	103	9,502,111	6,936,436
Small Enterprise	26	3,179,183	2,940,201
Cultural Heritage	150	22,315,266	14,126,250
Water	874	55,890,016	49,204,406
Business development	9	535,207	315,255
<b>Total</b>	<b>5971</b>	<b>493,788,192</b>	<b>395,322,039</b>

**Cumulative number of beneficiaries as of 30/9/2006, by gender**

	Beneficiaries	
	Direct	Indirect
Male	3,782,464	1,512,684
Female	3,720,059	1,563,609
<b>Total</b>	<b>7,502,523</b>	<b>3,076,293</b>

**Completed projects as of 30/9/2006, by sector**

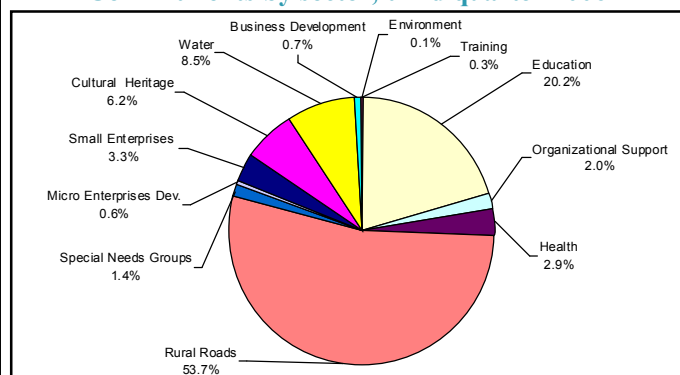
Sector	No. of projects	Investment (\$)
Environment	96	10,830,262
Integrated Intervention	30	1,466,588
Training	303	4,928,934
Education	2,068	161,686,159
Organizational Support	279	8,423,488
Agriculture	5	64,516
Health	328	20,970,701
Rural Roads	128	14,101,780
Special Needs Groups	217	13,268,386
Micro Enterprises Dev.	72	5,813,541
Small Enterprise	12	339,889
Cultural Heritage	37	4,612,305
Water	585	35,608,888
Business development	2	7,106
<b>Total</b>	<b>4,162</b>	<b>282,122,544</b>

Microfinance Programs Supported by SFD (on 30-9-2006)

	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 (%)						
1	National MF Foundation	10,694	96	12874	208,631	NA	26,007	870	Capital City, Taiz, Qa'edah and Yarim in Ibb and Dhamar
2	Aden MF Foundation	4,553	67	9520	110,762	18	16,608	584	Dar Sa'ad, Al-Bureikah, Al-Mu'alla, Al-Tawwahi, Crater, Khormaksar, Sheikh Othman – Aden, Lahj
3	MF Development Program (Nmaa')	2,435	30	588	68,660	3.00	11,127	356	Sana'a, Taiz, Aden
4	Sana'a MF	2638	88	2320	57,340	2.80	8,322	310	Capital City
5	Abyan S & C	1,409	100	0	43,785	0	3,021	136	Abyan
6	Hais S & C	954	95	2466	25,655	NA	4,935	194	Hais, Khoukha, Jabal Ras, Zabid Al-Hudaidah governorate
7	Al-Hudaidah MC	3,261	84	0	33,241	0.60	19,972	481	Al-Hudaidah city and Bajil - Al-Hudaidah governorate
8	Wadi Hadhramaut	976	26	829	28,033	0	2,515	174	Seyun – Hadhramaut governorate
9	Al-Awa'el MF Company	2,503	100	0	28,312	0	16,603	67	Taiz
10	Bait Al-Faqeh S & C	630	92	442	8,071	NA	2,958	67	Bait Al-Faqih, Mansouriyah – Al-Hudaidah governorate
11	Sana'a Microstart (SOFD)	686	69	0	2,371	0.4	8393	147	Capital City
12	Other Activities & IGPs	NA	NA	NA	NA	NA	6,895	260	Several areas
13	Small Enterprise Development Fund	1886	23	0	589,012	NA	4,894	2879	Capital City, Taiz, Aden, Al-Mukalla,
	<b>Total</b>	<b>32,625</b>		<b>29,039</b>	<b>1,203,874</b>		<b>132,136</b>	<b>6,525</b>	

NA= Not available/Not applicable, MC = Micro Credit, S&C = Saving and Credit, MF= Micro-finance, IGPs =Income generating projects.

Commitments by sector, third quarter 2006



Expected number of beneficiaries and job opportunities, third quarter 2006, by sector

Sector	Beneficiaries		Temporary job opportunities
	Direct	Indirect	
Environment	26	2,500	5
Training	235	8	333
Education	9,940	6971	119,632
Organizational Support	1,698	645	18,413
Health	11,966	0	8,798
Rural Roads	671,704	557,004	786,400
Special Needs Groups	332	600	5,103
Micro Enterprises Dev.	4,000	27,000	70
Small Enterprises	963	5,615	165
Cultural Heritage	300	1,004	57,712
Water	46,428	0	62,126
Business Development	1,000	1,650	200
<b>Total</b>	<b>748,592</b>	<b>602,997</b>	<b>1,058,957</b>

Commitments by governorate, third quarter 2006

Governorate	No. of projects	Commitments (\$)	Distribution (%)
Al-Baidha	3	439,378	3
Al-Jawf	1	136,000	1
Al-Hudaidah	18	2,462,105	15
Al-Dhale'	3	380,410	2
Al-Mahweet	2	234,200	1
Abyan	4	722,595	4
More than one	23	922,366	5
Sana'a Capital	14	1,778,150	10
Ibb	9	1,889,963	11
Taiz	17	2,449,813	14
Hajjah	10	1,241,470	7
Hadhramaut	5	625,060	4
Dhamar	10	328,727	2
Shabwah	4	405,523	2
Sa'adah	3	351,050	2
Sana'a	6	649,809	4
Aden	3	514,000	3
Amran	8	683,039	4
Lahej	3	740,000	4
<b>Total</b>	<b>146</b>	<b>16,953,658</b>	<b>%100</b>

The Education Quality Program

This program is implemented in 18 schools distributed in 10 governorates. It aims to promote comprehensive education quality and effectiveness.

This is done through developing and promoting the education teachers' and workers' capacities as well as by documenting the programs and activate the set of laws, systems, rules, regulations and directives.

During this quarter, several activities were executed, including providing training to 17 headmasters and headmistresses as well as 32 female and male school deputies. Training, which was held 11–19 August 2006, focused on leadership skills and the "art" of dealing with others, in addition to discussing the execution plan of the Education Quality Program's schools. Furthermore, the quarter witnessed the discussion and final approval of the library database.

Supporting the gifted and talented students

This program aims at supporting the MoE in setting a system caring for the gifted and accomplishing students in the 7<sup>th</sup> and 10<sup>th</sup> grades throughout the country as well as providing these students with a comprehensive and reasonable educational program that responds to their development needs and corresponds to their capacities.

During the quarter, the formation of the program's technical team was finalized and the team started receiving training. In addition, development of academic exams for students' selection was commenced. The program's Council of Secretaries was formed and relevant schools started receiving the pre-requisite furniture and equipment.

Cultural Heritage

Eleven projects have been approved in the third quarter, at an estimated cost of about \$1 million. Cumulatively, projects reached 150 and the estimated cost \$22.3 million.

- The pilot phase of the reinforcement works for the effected wooden beams had been completed in the Great Mosque (Old City of Sana'a) in cooperation with the specialized Italian institute "Istituto Venetio Peri Culturali" and with the participation of experienced Yemeni cadres.

The program includes the provision of further training to qualify technical staff in restoring and conserving the archeological decorated woods in scientific manner and according to int'l criteria.

- A project for the restoration of a number of wooden Minbars (podiums) was approved—aiming to make an inventory and restore wooden Minbars of archaeological, historical and artistic value in Yemen as well as to train a number of wood restorers in a number of governorates.
- In archaeological inventories and heritage documentation, four projects were approved, including completion of the archaeological inventory for Socotra Island to support its nomination as a World Heritage Site, in addition to the inventory and documentation of traditional handicrafts in the Zabeed City and in the Old City of Sana'a. Moreover, collection and documentation the folklore pertaining to the child in all the governorates of the Republic.
- A project for the maintenance of the Ghail Al-Awar Canal in Shibam City / Kawkaban was approved. This project includes searching of all the features of the canal, cleaning it and then starting the needed restoration works. In addition, a study will be lunched on the possibility of rehabilitating the canal to restore its original functioning and obtruding the features of the canal and—subsequently—conserving it as a prominent archeological and tourist monument.
- Approval had been made on the project to continue excavation and protection works of Al-Soudah archaeological site (Al-Jawf governorate) co-financed with UNESCO.
- Approval had been made on a training program for national cadres in photogrametry in the IGN France, whereby four trainees benefit from continuing the training program that had been done in Yemen with cooperation of the same institute.
- Two projects were approved for the National Museum in Sana'a. The first aims to furnish the basement store in the museum, while the second aims at preparing and equipping the Dar Al-Maliah (House of Finance) located within the premises of the museum.

Third phase indicators - Education Sector\*

Indicators	Target (2004-2008)	1 <sup>st</sup> Year (2004)	2 <sup>nd</sup> Year (2005)	3 <sup>rd</sup> Year (2006)	Total
Classrooms built & equipped	7,500	1,884	2,520	1577	5,981
Classrooms rehabilitated	1,100	293	370	216	879
Children enrolled	300,000	112,182	193,583	226,941	532,706
Preschool teachers trained	600		542		542
Kindergartens established	34	4	10	8	22
Workshops in education, planning, programming and evaluation	16	8	12	11	31

Third phase indicators – Cultural Heritage Sector\*

Indicators	Target (2004-2008)	1 <sup>st</sup> Year (2004)	2 <sup>nd</sup> Year (2005)	3 <sup>rd</sup> Year (2006)	Total
Projects financed	90	24	31	10	65
Consultants trained	95	52	60	56	163
Laborers trained	880	177	220	2	399

\* Includes only under-implementation and completed projects as of 30/9/2006

- Documentation and preservation of Sana'ani song have been launched, aiming to safeguard this type of Yemeni arts. The project also aims to conserve traditional musical instruments. This is to be done through offering scholarships as well as providing advanced training courses to the youth of both genders.

## Training & Organizational Support

During the 3<sup>rd</sup> quarter, the number of projects in the Training & Organizational Support sectors reached 14 projects at an estimated cost of around \$0.4 million. Of these, three projects were approved, 10 are under implementation and one completed project. The projects targeted NGOs, government agencies and the private sector.

### Training sector

This sector aims at providing services through training as well as building the human and institutional capacities of SFD employees and its partners. These include consultants, project officers, local committees (beneficiary committees) as well as small contractors, projects' technical supervisors, local authorities, NGOs, and government agencies.

Within this context, the following stakeholders have been targeted during the quarter:

### Non-Governmental Organizations "NGOs" (3 projects)

The projects targeted the following agencies:

The steering committee of the Al-Mutawakkel Development Charitable Social Association (Taiz) benefited from training in planning, administrative development, fund-raising and bookkeeping.

In addition, the Palm Farmers Association in Al-Taheeta district (Al-Hudaidah) benefited from visits paid by some of its members to Al-Mukalla and Sayeoun to exchange experience with palm farmers in Hadhramaut. Palm farmers in Al-Taheeta, Al-Duraihemi, Bait Al-Faqeeh and Khookhah received also on-site training to enable them to acquire skills assisting in improving and marketing the product.

The steering committees of six associations (three in Dhamar and Al-Baidha', each) collectively benefited from two training courses in handicrafts (transformation of household trash to handicraft products)—supervised by the SFD's Dhamar branch office.



Setting CBOs for Al-Suds & Bani Bugair sub-districts at Al-Haimah Al-Kharejyyah in Sana'a governorate

### Government agencies (2 projects)

The two projects targeted SFD staff and some consultants.

The first project was the organization of training workshop in supplies. The workshop targeted the procurement staff at the HQ and branch offices (BO) levels as well as BO directors & procurement officers and some units' concerned staff. Participants were introduced to the contracting procedures through conducting comparison between those applied by the World Bank and similar national procedures.

The second project was a training course on the Statistical Package for Social Sciences (SPSS), which was attended by some SFD staff and consultants. The course aimed to enhance the participants' skills in the utilization of data-analysis computer software as well as to deal with the consultants working in this field and interpret statistical results.

### Private sector and individuals (3 projects)

The SFD adopts interventions aiming to reinforce the capacities and skills of individuals and groups included in this sub-sector to enable them to function effectively. The 3<sup>rd</sup> quarter's projects targeted SFD project officers, consultants and contractors as follows:

- Two projects targeted SFD projects' officers in the main office and branches, as well as some SFD consultants in the following fields:

## Small and Micro Enterprises Development

### Funding of MFIs.

During the quarter, the following small and micro finance programs were financed:

**Al-Hudaidah MFI:** The first installment of the loan agreement signed on 6/8/2006 totaling 14 million Riyals was disbursed out of a total loan agreement of 41.5 million Riyals.

**Sana'a MF Program –Second phase:** A loan agreement was signed during the quarter to finance the program with 16 million Riyals. The agreement aims at financing the activities of the program to serve the growing needs of its clients in the areas of Shumaila, Al-Safia, and Noqum in the Capital City.

**Nama' MF Program –First phase:** A financing agreement was signed during the quarter to finance the program with 18 million Riyals. The first 10-million-Riyal installment was disbursed. The agreement aims at financing the program's activities to serve the growing needs of its clients in the Capital City, Aden and Taiz.

**The Small Enterprises Development Fund (SEDF):** SEDF is considered the only financing agency that targets small enterprises in Yemen, and it aims at providing financial services to small entrepreneurs and owners of income generating activities. To guarantee the continuation of its activities, SEDF was granted a loan of 95 million Riyals. It is worth mentioning that 1.5 million USD have been allocated to cover the needs of SEDF for the coming period.

### MoU with Rockdale Foundation

Within the framework of cooperation with international organizations to sustain the microfinance industry, a Memorandum of Understanding was signed with Rockdale Foundation (USA) to provide technical assistance to the National Microfinance Foundation (NMF)—one of the foundations established and supported by the SFD. The technical assistance provided includes development of the systems and procedures applied by the NMF to help it expand its activities, increase the number of its clients and achieve greater expansion in the governorates of Yemen to contribute to curbing unemployment and alleviating poverty.

### MFIs capacity building

In its continuing quest to strengthen the institutional capacity building of small and micro finance programs and institutions, the SFD provides technical assistance to improve their capacities and prepare them to become sustainable financial institutions. As part of these efforts, the SFD has conducted—during the quarter—a number of training courses as follows:

**Accounting for non-accountants.** The course was held on 29 July–03 August 2006 and attended by 25 trainees from various microfinance programs and institutions, in addition to some members of local communities. The course targeted those employees in MFIs who have no academic background in accounting and—at the same time—are involved in accounting aspects in their profession such as program managers, branch managers, operations managers, loan officers and micro entrepreneurs. Trainees have become knowledgeable with the nature of accounting and its goals and the accounting procedures in the financial operations related to micro enterprises and MFIs.

**Promotion of MFIs.** The course was held in the period 16–20 July 2006 and attended by 16 trainees representing various microfinance programs and institutions. The course targeted the loan officers, who have now improved their ability to promote their institutions in a systematic and planned manner.

**Delinquency control and setting of interest rates.** The course was held in cooperation with the Microfinance Network in Arab Countries (*Sanabel*) on 04–06 September 2006; it was attended by 25 trainees representing various microfinance programs and institutions in Yemen. The course aimed to analyze the reasons behind delinquency, quantify the losses they cause to MFIs, restrict delinquency and develop an institutional work-plan to deal with delinquency and the goals of sustainable interest rates.

**"Bad" loans management for small enterprises.** The course was held on 09–13 September 2006 in cooperation with the Arab Academy of Banking Sciences and was attended by 25 trainees representing various microfinance programs and institutions in Yemen. The course aimed at clarifying the nature of loans in arrear, identifying the reasons behind arrears, understanding the group of early signals of loans in arrear and using financial prediction for loans in arrears as well as using cash and other different budgets to manage "bad" loans.

**Product development.** Within the framework of providing capacity building for micro finance programs and institutions, a training course was held in the specialty of product development. Trainers from Lebanon and Yemen—in cooperation with the SFD and *Sanabel*—took part in managing the course, which was attended by 15 trainees from different microfinance programs and institutions. The course dealt with many important issues such as market studies, product design & testing and product initiation.

### The KfW discusses investment options

Within the framework of cooperation between the SFD and the KfW and with the aim of expanding the microfinance industry in Yemen to provide its financial services on a sustainable basis to small and micro entrepreneurs in Yemen, a consultant from KfW visited our country to discuss the options of analysis and intervention in micro finance. During the visit, the consultant met with the SFD's Managing Director and concerned staff of the SMED unit; they presented their opinions and proposals regarding the microfinance industry development in Yemen.

### Grameen Foundation visits the SFD and MFIs

Within the framework of SFD's efforts to enhance the institutional building of the micro finance programs and institutions in Yemen by making use of international expertise in the field and at a request from the SMED unit, a visit was paid by a team from the Grameen Foundation USA to the Social Fund for Development. The visit aimed to have a close look at the achievements in the institutional building of the MFIs. The team, comprising of Ms. Heather Henyon (the Foundation Manager for the MENA region) and Mr. Yousef Asa'ad, visited a number of MFIs, as well. At the end of the visit, an initial agreement was reached, by which Grameen Foundation would provide technical assistance to three of microfinance programs established by the SFD.

### Third phase indicators – Training and Organizational Support Sectors\*

Indicators	Target (2004-2008)	1 <sup>st</sup> Year (2004)	2 <sup>nd</sup> Year (2005)	3 <sup>rd</sup> Year (2006)	Total
Workshops for NGOs	125	9	24	27	60
Support to NGOs and cooperatives	200	41	51	28	120
Support to user groups, communities and CBOs (in various forms)	700	63	253	261	577
Organizational support to local councils and authority	50	0	16	15	31
Councilors and local authority members trained **	-	1,875	5,845	260	7,980

\* Includes only under-implementation and completed projects as of 30/9/2006

\*\* Includes almost all local councils (330) in the country

## Agriculture and Rural Development

The unit's activities include Agriculture, community contracting, integrated intervention and rural roads.

### Integrated Intervention Program

The program continued its activities in the eight areas included in the interventions of the program's second phase. These areas are located in the governorates of Raimah, Dhamar, Taiz, Al-Hudaidah, Amran, Ibb, Hajjah and Lahj. Activities included 8 workshops aiming to coordinate work amongst local development committees (LDCs) in the targeted areas. The workshops, attended by 122 female and male members, aimed to introduce SFD's mechanism of action to the Local Councils (LCs), identify the requirements that might contribute in setting and implementing the LC's annual plan for 4 years. The local development plan (LDP) for the areas under the program was concluded, being prepared by the LDCs with the participation of the SFD and the local authority. In addition, identified were also resources and capacities needed for the local authority to be able to implement the LDP and include it in its general plan.

Also, eight similar workshops were organized for three days in a number of intervention sub-districts. The workshops, attended by 122 female and male participants, aimed to harmonize work between the three main players in the targeted areas: The local community (represented by the LC), the local authority and the SFD as well as to identify roles and partnership aspects.

Moreover, eight training courses took place for the LDCs in participatory management of development projects. The courses were attended by 105 members (including 35 women) of LDCs. The training was concluded with eight developmental plans for the targeted areas prepared by the LDCs. The courses focused on providing the LDCs with basic knowledge about management and some fundamental skills for community organization.

Another five-day training course was also organized in Al-Autnah /Haradh (Hajjah) in community contracting. Participants included 14 members of development projects management committees formed by the LDCs in the targeted area as well as 2 LDCs' members.

### Agriculture Sector

This sector aims (through rain-fed agriculture project) to contribute to developing remote local communities, meeting their needs & requirements and enabling them to improve their living conditions. The SFD has embarked on implementing the pilot project of the rural production development component. The project's objective is to enable the farmers in rain-fed agricultural regions to develop and diversify their agricultural and livestock productivity, improve marketing and exchange experience. These regions are located in 23 districts of five governorates—namely, Sana'a, Al-Mahweet, Hajjah, Al-Hudaidah and Lahj.

In the quarter, the sustainable agriculture project, benefiting 50 farmers, was completed. In addition, 52 producers' work groups completed the implementation of certain livestock-related



projects—such as beekeeping, honey production and cattle marketing & fattening (plumping). A number of agriculture products—e.g. corn and beans—were also cultivated and yielded.

In addition, the sustainable agriculture project's 2nd phase has been completed. Activities under the project include field-training courses in participatory rural appraisal (PLA) in Ibb, Taiz and Dhamar as well as field workshops for the relevant farmers and extensionists' groups. The project aims to grasp and evaluate the agriculture experiences acquired by farmers regarding resources and their sustainability.

### Community Contracting

The SFD continues to expand applying the community-contracting approach in the implementation of rural-road and water projects as well as to focus on building the capacity of the community committees (CCs) and consultants. Within this context, eight training courses were held on July–September 2006, with the participation of 76 members of CCs and 66 consultants.

### Rural Roads Sector

Projects under this sector aim to improve rural roads with tough topography & difficult terrains and to train the project officers in setting & developing appropriate designs for rural-access roads. In addition, objectives of these projects are to develop maintenance mechanisms in cooperation with local councils and community members.

During the quarter, 35 projects were approved at an estimated cost of \$9 million. The majority of these projects (34 in number) targeted the pavement and improvement of some streets and blocks in a number of governorates, in addition to a project for the construction of rainwater draining channels in Suhiah Aqabat (mountain climbing pass) in Hadhramaut governorate. Cumulatively, the number of the sector's projects reached 268, at an estimated cost of \$37.3 million.

### Third phase indicators – Feeder Roads Sector\*

Indicators	Target (2004-2008)	1 <sup>st</sup> Year (2004)	2 <sup>nd</sup> Year (2005)	3 <sup>rd</sup> Year (2006)	Total
Projects financed	125	18	33	39	90
Beneficiaries	800,000	88,569	219,342	240,927	548,838

\*Includes only under-implementation and completed projects as of 30/9/2006

- A training course in "Training needs' assessment & analysis and implementation of institutional building studies": The course aimed at raising the capacities of the trainees as concerns assessing the needs of governorates' offices (*diwan*), thus enabling them to develop projects targeting these offices. The course also includes practical field training, which will be implemented before the end of this year.
- A training course in "Strategic Planning": The training targeted about 30 projects' officers & consultants. It aimed at raising their capacities in order to qualify them for training community-based organizations, and empowering these organizations to improve their services and become self-sustained. The training has been followed by a practical part consisting of field visits by the trainees to organizations within the areas covered by each SFD branch. After the field visits, strategic plans were prepared by the trainees from each SFD branch and submitted to the Training & Organizational Support Unit for analysis and evaluation. The Unit is currently analyzing these plans to specify the weak and strong points concerning these officers and consultants. In accordance with the results of the analysis, a plan will be drawn by the Unit for redressing any weak points and improving the capacities of the officers and consultants concerned.
- One project consisting of two training courses. It targeted some small contractors working with the SFD branch in Ibb governorate. The training is to provide the contractors with information related to the SFD's work mechanism and acquaint them with technical and contracting matters, community participation, ways of controlling projects' quality, quick achievement and avoiding common errors during the implementation of civil works.

### 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 in this sector aim at reinforcing the sustainability of these partners by providing training for them in some or all the fields mentioned in the "Training Sector" above (according to the specific needs of each organization). This is in addition to providing some necessary equipment, databases and management systems.

### Non-governmental organizations (5 projects):

- Three projects targeting associations in three governorates. The intervention in each association includes on site training for the Steering Committee members, in subjects such as community participation, preparation and development of plans, and bookkeeping. This is beside providing them with the necessary equipment, according to need. On the other hand, specialized training is also provided for the trainers of these associations in handicrafts, illiteracy eradication and food processing. The targeted associations are Akhrakh association / Ta'iz, Kharef association / Amran, Nisab association / Shabwa.
- One project "Monitoring & Evaluation for the Accomplished Projects" concerning some associations in Hadhramaut & Shabwah governorates. The intervention includes review and evaluation of former training, for measuring the extent of benefit achieved in this respect.
- One project in the "General Libraries" program, comprising the establishment and equipping of a general library in Al-Baidha' Youth Club, Al-Baidha' governorate as well as providing training for the library management staff in indexing and documentation.

### Governmental organizations (1 project):

The project comprises the construction and equipping of a general library for women, with annexed cultural, sports, and recreation facilities, in Al-Zubairy garden, Sana'a.

## Health and Social Protection

### Health Sector

#### Improving access to basic health services

This sector aims at making quality health services—especially basic health care—available to beneficiaries in the targeted areas through health centers and units supported by the SFD.

During the quarter, the health unit was completed and delivered in Rasen/ Al-Shamayteen district as well as the work has started on repairing the health center in "Al-Tawila" (Al-Mahawet) and the construction of the mother and child section has been completed in Al-Makha hospital. Moreover, two health centers were built in Rasin /Al-Shamayateen and Al-Masla Ahkom /Haifan districts as well as a contract has been signed with a supplier for equipping the health center in "Al-Dees Al-Sharqiyyah" (Hadhramaut) Four projects were approved in Raima; three of them have stipulated establishing and equipping a health unit in three areas: "Bani Shumakh", "Bani Abdulaziz/ Kismah", "Bakal/ Mazhar"; the fourth project was about furnishing and equipping a health center in "Al-Hadia/ Al-Jafaria". In addition, approval was granted to furnish and equip the mother and child center in "Radaa" and to a project involving building and equipping a health unit in "Al-Saaed/Sabah" (Abyan).

#### Improving education quality in health institutes

This program aims at supporting the health institutes (HIs): The two Higher Institutes for Health Sciences in Sana'a and Aden and their branches in the other governorates. Support is provided through training the institutes' staff and teachers, developing the curriculum of several training sessions and supplying libraries with book, in addition to equipping laboratories with learning resources.

During this quarter, the following activities have been implemented:

- Work is ongoing on the project aiming at providing the health institute office in Al-Mukalla (Hadhramaut) with necessary supplies, while repair works have been carried out to the institute's laboratory; the institute's library has been rehabilitated and provided with furniture and required equipment.
- Work is also ongoing to expand the health institute in Ataq (Shabwah), including repairing female and male dormitories. In addition, a training session was concluded for laboratory section's instructors of the health institutes on how to operate and maintain the laboratory equipments in the institutes being supplied by the SFD. Field visits were conducted to ten health institutes to be targeted in supplying their libraries with books and modern scientific references, and to evaluate the condition of the skills workshops in the sections of doctor assistants, midwife and nurses in order to supply them with modern training methods.
- A discussion took place regarding a project that trains 40 health institutes' instructors in all governorates of the republic in order to achieve complementary bachelor degree in nursery.

Also, a discussion was held on a project aiming at establishing an academic information system in the high institute for health sciences in Sana'a in order to strengthen its educational and administrative processes. In addition, a meeting was held with the dean of the health institute of Sana'a in the presence of the SFD (health) unit's head and other donors to discuss a string of possible projects and interventions from the donors.

- A project on establishing an automated cataloguing and classification system at the libraries of the two high health institutes in Sana'a and Aden has been done.
- The SFD has developed a project to train 80 health institutes' personnel on teaching methodologies and technology of modern health education/second phase (this was after completing the training of a similar number during the first phase of the project). This phase is characterized by targeting a number of graduates in the two phases to further train them thus becoming trainers to ensure the continuity of training in this manner. A project concerning methods of reviewing and developing the curricula of health institutes has been developed (second phase). This phase is characterized, in turn, by using local expertise from medicine and health sciences colleges, in addition to specialists from WHO.

#### Health staff training

This program aims at training and developing the capacities of health service providers and supporting medical staff especially women staff.

During the quarter, a project was discussed that aims to supply trained female staff in midwifery in the governorates of Al-Mahara, Hadramawt (Soqatra), Al-Baidha', Sa'adah, Ibb, Raimah, Al-Mahweet and Hajjah.

While the project of training (female) health workers at Numaan and Natea districts in Al-Baiadah was approved, five projects undergo implementation, aiming at training community midwives in Bani Saad, Hafaash, Malhan, Al-Husen, Khab, and Al-Shaghaf, and also six sessions to make qualified 109 community midwives in the governorates of Amran, Hajjah, and Sa'adah. 53 community midwives have graduated in Taiz governorate at the districts of Jabal Habshi,

Khadeer, Haifan, Samea, as well as midwives (trained) in Qadas. In addition, an exam was held to select midwives trainees for Shara'ab Al-Salam district (Taiz); practical training was held for community midwives at Shibam district (Hadramaut).

#### Health care, reproduction health and postnatal care services

This program seeks for making health care, reproduction health and postnatal care services accessible for women and newborn infants and delivering these services to a number of local communities at the governorate and district levels.

#### Enhancing psychiatric care

The SFD has continued and followed up the construction, expansion, rehabilitation and equipping of some psychiatric-care institutions in the Capital City, Aden and Taiz governorates. Moreover, the SFD oversees training courses in the field provided to 20 male and female nurses by the Medical Specialties Higher Council.

#### Implementing the District Health System

During this quarter, a new project was approved to finance the third phase of supporting the District Health System (DHS) project, which is implemented with the support of International Corporation for Development (ICD/ "Progressio"). This project, supporting DHS in three of Al-Hudaidah governorate's districts, is supported by the British Department for Int'l Development (DFID). Objectives include improvement of health services and involving communities and the local authority in the management of health services at the district level.

#### Special Needs Groups

##### Integration of targeted children with special needs in mainstream education

A project was approved for the education of 30 handicapped children and, after their rehabilitation in the classrooms of the Aden Handicapped Society, integrating them in mainstream education. The project shall also train and qualify 25 trainees from the Society, integration schools and families on integration issues and early home intervention. Several workshops were held with the societies concerned with special needs children in order to reach an executive work mechanism for social and educational integration of the handicapped. The project is comes pursuant to a

survey conducted by the Society, with support provided by the SFD, the Swedish organization "Save the Children" and the Inclusive Education Dept. of the MoE's Education Sector.

#### Orphans, street children and juveniles get safe environment and health & education services

A project was approved to support the separation of execution and liaison issues pertinent to delinquencies and misdemeanors. The project comprises of a workshop to discuss these issues, and then intervene.

On the other hand, another approved project aimed at the establishment and equipment of a quarantine section for TB and psychiatric patients in the Central Prison of the Al-Hudaidah governorate.

#### Training and capacity building

A project that aims to build the capacity of ten executive and monitoring members of Shawdhab Childhood and Development Institution was approved. Training will be provided on administration and accounting, in addition to providing the institution with furniture and office equipment.

Moreover, 9 capacity-building projects targeting 192 members of 71 government and non-governmental organizations working with the handicapped in the Capital City and Taiz, Aden, Hadramaut, Al-Maharah, Shabwah, Al-Hudaidah, Ibb, Dhamar, Lahej, Abyan, Al-Dhale', Al-Baidha, Sana'a and Al-Mahweet governorates. Training focuses on the preparation plans and strategic planning, with focus given to clarifying concepts of disability and development programs targeting different categories of the handicapped; each organization will be able to prepare a three-year plan and submit it to the SFD—or other donors—to receive support.

## Water and Environment

### Water Sector

Thirty-three projects were agreed upon in the quarter, at an estimated cost of \$1.4 million.

The SFD pays particular attention to rain-harvesting, dams, barriers, and irrigation projects, giving priority to gravity water schemes, since water sources in such projects are renewable, hence sustainable. The SFD also focuses on ensuring the sustainability of its water projects through promoting the sense of ownership among local communities as well as building the capacities of these communities and their representatives to enable them to operate and maintain the projects...

During this quarter, the following activities were carried out:

- A workshop was held in SFD's Amran branch office for all the water and environment project officers (WEPOs). During the workshop, carried out on 08–10 July 2006, participants visited a number of projects to exchange experience. In addition, some recommendations were concluded for further improving work quality and lessening the project life-cycle duration. On the other hand, on 14–15 August 2006, a training course was organized in Ibb branch office for the WEPOs and some Technical Unit POs. Participants visited the water harvesting project in "Al-Suhailah /Al-Akhmas" (Al-Odain/Ibb) that is covered with "Ferro-cement" (steel-reinforced cement). A workshop was then held to discuss the Ferro-cement-covering method, and recommendations were concluded to improve, upgrade and expand this experience.
- Implementation of two pilot projects to establish *seqayat* (household rooftop water-harvesting cistern) in Taiz and Hajjah was started.
- An introductory meeting was convened on 16 August 2006 to discuss the potential establishment of a national association/ network that would take over the participatory management of irrigation projects. The objective lies in increasing the irrigated crops through involving the benefiting farmers in managing their own irrigation schemes, decreasing operation and maintenance cost and enhancing the sustainability of such projects. The meeting, attended by 15 participants representing various relevant agencies, was concluded by the formation of a Foundation Committee.

### Environment Sector

One project was agreed upon in the quarter, at an estimated cost of \$17 thousands.

The projects of this sector aim to increase the sanitation covering percentage for poor communities and improve their health & environmental conditions. During the third quarter, the following activities were carried out:

- Printing and issuing the "Awareness on Qat Harms for School Students" book that will be distributed among the students of 150 schools in the Capital City at the beginning of November 2006. Another book, titled "Guideline Manual on Medical Wastes Management in Health Facilities", was also printed and issued, aiming to raise the awareness of the medical staff to help improve the environmental aspect of SFD's interventions in health.
- SFD's branch offices of Al-Mukalla, Dhamar and Al-Hudaidah held three training courses for project officers and consultants on "Evaluation of SFD projects' environmental impact". The courses come within a series of such activities, in which 59 consultants and 9 project officers have been trained on evaluating the environmental impact of the SFD-financed projects.

### Third phase indicators – Health and Special Need Groups Sectors\*

Indicators	Target (2004-2008)	1 <sup>st</sup> Year (2004)	2 <sup>nd</sup> Year (2005)	3 <sup>rd</sup> Year (2006)	Total
<b>Health Sector</b>					
Projects to support health facilities providing quality services	250	16	34	17	67
Number of trained health service providers *	1,500	567	126	170	863
Health institutes (HIs) supported to enhance quality of health education	20	2	7	2	11
Staff trained from HIs	400	120			120
Health education curriculum upgraded for the HIs	5				
Libraries equipped and supplied with books for HIs	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
<b>Special Need Groups</b>					
Public schools supported with inclusive education	300	57	5	0	62
Disadvantaged children in SFD-supported schools	15,000	3,633	1228	120	4,981
Directorates of inclusive education established	8				
NGOs supported by technical training to serve special needs groups	50	25	35	65	125
Communities made aware of inclusive-education importance & accessibility	380	4	35	33	72
Faculty of Special Education	2				
Staff members qualified in the field of disability	40	20	49	8	77
Pre-school rehabilitation and education centers for preschoolers with disability	25	5	1	1	7
Street children centers	5	2	1	1	4
Juvenile delinquent centers	5	2	0	3	5

\*Includes only under-implementation and completed projects as of 30/9/2006

### Third phase indicators – Water and Environment Sectors\*

Indicators	Target (2004-2008)	1 <sup>st</sup> Year (2004)	2 <sup>nd</sup> Year (2005)	3 <sup>rd</sup> Year (2006)	Total
Water-harvesting projects	750	57	47	26	130
Water stored in reservoirs (M3)	3,000,000	897,250	1,113,250	9,934	2,020,434
Piped systems	100	24	13	7	44
Reservoirs	40	14	13	1	28
Hygiene and environment awareness	225	56	15	8	79
Wastewater management	15	8	4	1	13
Solid waste management	7	9	3	3	15
Soil & water conservation	3	4	2	2	8

\*Includes only under-implementation and completed projects as of 30/9/2006