

Ameenah... A story of ambition and determination

Ameenah is an example of the Yemeni ambitious woman who does not only endeavor to improve her income but also strives to improve the economic status of other women in her village. When asked about the way she found out about SFD, she replied, "I heard about SFD and Azal Credit Program through one of the lending officers who suggested that we should go to Azal for support. She was kind enough to answer all our questions and inquiries. My friends and I were excited about the idea and realized that it is the proper way to achieve our goals. We, after that, headed to Azal's location, and noticing an overwhelming cooperation, we received the loan.

Ameenah bought a sewing machine and with her innovative and aesthetic style, she earned many interested agents. Her friends also benefitted from the

loans; one bought some appliances and has worked on trading in them and another received several loans and bought a bus to rent it. Due to her success, she was brought as a role model during the SMED's Days.

Seeing the good reputation she earned, the women in her village (Kawkaban /Al-Mahweet) have nominated her to work on re-opening the Kawkaban Charitable Society in order to train women in sewing, embroidery, coiffeur and computer. Ameenah recognized the benefits of such projects which are not limited to improving her people's income and educating them, but to contributing in enriching tourism in their area through making traditional costumes. The Local Council agreed to the re-opening and now she is in the process of applying to supply the Center with the required equipment and hopes that SFD, with its credibility and commitment, will support the project.



SFD's Gender Mainstreaming Strategy (2008–10) presented and discussed

The SFD held a meeting on 24 September 2007 to present its Gender Mainstreaming Strategy and Framework. The meeting was chaired by H.E. Mr. Abdulkarim Al-Arhabi, Deputy Prime Minister for Economic Affairs and Minister of Planning and International Cooperation (MoPIC) /SFD Managing Director, and attended by H.E. Dr. Abdussalam Al-Gawfi, Minister of Education, H.E. Dr. Amatarazzag Hommad, Minister of Social Affairs and Labor. The meeting was also attended by representatives from the Ministries of Local Administration and MoPIC and the National Women Committee, Sana'a University Women Studies Center and the Yemen Women Union.

In addition, attendees included the UNDP Head Mission and representatives of the German Reconstruction Bank (KfW), the World Bank, the Netherlands Embassy, ILO and Care International.

During the meeting the goal, rational and context of the strategy (2008–10) were presented and discussed. Within the framework of the strategy, an action plan was developed including a capacity-building plan of SFD staff in this area. The strategy focuses on engendering SFD's institutional policies as well as its programs of interventions at all levels.

The strategy, which had been developed in a participatory manner by all SFD staff, was facilitated and documented by both an international well-known expert and a national consultant. The meeting was concluded by questions answered by SFD staff. It is worth mentioning that the international and local experts acknowledged the SFD staff commitments, participation and cooperation during the process of developing the strategy. The strategy was developed with funding provided by the KfW.



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Two SFD-supported projects given the Aga Khan Award



Two cultural-heritage projects supported by the Social Fund for Development (SFD) were presented the Aga Khan Award for Architecture upon the recommendation of the Award's Master Jury. The projects are the Rehabilitation of the City of Shibam/ Hadhramaut and the Restoration of the Al-Amiriyah Mosque and Madrasah "religious school" ("*An outstanding contribution to architecture for Muslims*")—as stated in the Award certificate.

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Meeting of the Al-Amal Bank General Assembly

Under the auspices of H.E. Mr. Abdulkarim Ismail Al-Arhabi, Deputy Prime Minister for Economic Affairs, Minister of Planning and Int'l Cooperation and SFD Managing Director, the General Assembly of the Al-Amal Bank held its first meeting on 7 July 2007 at the SFD main office. The meeting was attended by representatives of the government, the Arab Gulf Programme for United Nations Development Organizations (AGFUND) and of the private sector. *(Continued on p.2)*

Editorial

During 2007, the SFD took over the initiative to prepare a Gender Mainstreaming Strategy, aiming to increase quality and effectiveness of its contribution to sustainable poverty reduction.

The new initiative is an addition to SFD's record of accomplishments to be an example—within its context—in increasing the status of, and respect for, women in communities.

During the last ten years, the SFD has been committed to women's empowerment through its efforts in narrowing the gender gap in education, supporting reproductive health, promoting women's access to economic activities through micro finance, helping build the capacity of women's NGOs (to name but a few). Nevertheless, setting a strategy in this framework will systematically address such issues in SFD's policies and interventions at all levels.

The SFD scale of operations, its track record, the trust that its stakeholders have in, the commitment of its leadership and staff, combined with government emphasis on addressing gender gaps, all well placed SFD to both develop and implement a Gender Mainstreaming Strategy.

British Minister visits SFD projects

H.E. Mr. Shahid Malik, the UK Int'l Development Minister, visited a number of SFD-supported projects: Two water projects (one in Bait Kira, Shibam, Al-Mahweet governorate and the other in Hababa in Amran governorate) and Hababa School in the same area.



The minister was accompanied by Sana'a and Amran Branch Offices' Managers and the M&E Unit Head. It is worth mentioning that Mr. Malik is the first Muslim minister in the British government.

SFD Board of Directors endorses \$113-million-budget for 2008

The Board of Directors (BoD) of the Social Fund for Development held a meeting on 17 September under the chairmanship of H.E. Dr. Ali Mohammad Mojawar, Prime Minister and Chairman of the BoD.

During the meeting, the BoD endorsed SFD's budget for the forthcoming year (2008), amounting to 22.5 billion Yemeni Riyals "YR" (about \$113 million), increasing by 7.1% compared with that of 2007. The amount will be distributed over 1,251 projects, of which 230 projects are for the education sector (approximately \$37 million), 119 projects for the Labor-Intensive Works Program (about \$27 million), 108 projects for special-need groups (about \$5 million) and 151 training-and-organizational-support projects (about \$3 million). The rest of the budget allocations (about \$41 million) are distributed among projects of the remaining sectors, viz. water (290 projects), health (46), environment (40), cultural heritage (44), Small and Micro Enterprise Development (56), rural roads (47), integrated intervention (70) and agriculture (50 projects).

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Capacity building
in M&E

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Documenting 3000
archeological objects

Two SFD-supported projects given the Aga Khan Award *(Continued)*

The Award was presented by His Highness the Aga Khan to SFD's Cultural-Heritage Unit-Head during the ceremony held on 4 September 2007 in Kuala Lumpur (Malaysia) with the presence of Mr. Abdullah Badawi, the Malaysian Prime Minister.

Out of 343 competing projects worldwide, nine were chosen. These include—in addition to the two SFD projects—the following: (1) Samir Kassir Square, Beirut, Lebanon; (2) Central Market, Koudougou, Burkina Faso; (3) University of Technology Petronas, Bandar Seri Iskandar, Malaysia; (4) Moulmein Rise Residential Tower, Singapore; (5) Royal Netherlands Embassy, Addis Ababa, Ethiopia; (6) Rehabilitation of the Walled City, Nicosia, Cyprus; and (7) School in Rudrapur, Dinajpur, Bangladesh.



The Aga Khan Award for Architecture is one of the most prestigious architectural awards in the world. It recognizes projects of architectural excellence, community improvement and development and conservation of heritage in the Islamic world using contemporary technology. The Award identifies and encourages building concepts that successfully address the needs and aspirations of Muslim societies.

It is worth mentioning that this year's ceremony marked the 30th anniversary of the Award, which was founded in 1977 by His Highness the Aga Khan and is presented in three-year cycles.

Capacity building in M&E

Within its efforts in capacity building in monitoring and evaluation (M&E) at the national level, the SFD has adopted a number of training courses and lectures as follows:

- In March 2007, Mr. Saul Morris, an expert in evaluation at the UK Ministry of Development, gave a presentation on the science and art of impact evaluation to a number of researchers and workers in the field of evaluation from Sana'a University, NGOs and governmental agencies. The course focused on acquainting the participants with the types of impact evaluation (for instance, adequacy, plausibility and probability assessment) used in measuring the provision and utilisation of services as well as measuring their impact on the population. The course also highlighted the factors influencing the choice of evaluation design like sector of the programme, timing and timeliness, magnitude of sampling and costs.
- Within the same context, the SFD implemented on 28 May–01 June 2007 a training course in development evaluation conducted by Dr. Ray Rist an international expert from the World Bank's Independent Evaluation Group. The course aimed to acquaint the participants with information on concepts and criteria of evaluation, its importance in the field of development and ways of implementing it.
- Another presentation was given on 27 August 2007 by Mr. Saul Morris on improving the distributional impact of an Indian community-based health insurance scheme, which was conducted in Gujarat. It aimed to acquaint the participants with the way to classify the targeted population into social categories according to the variables relevant to living standard, measure the indicators of distributing the interventions' benefits (programs, projects and policies) to reduce poverty among the social categories included in the interventions as well as analyze and interpret the results. By the end of the presentation, conclusions regarding the justice and objectivity of distribution were highlighted.
- Finally, a training course was conducted on 01–06 September 2007 by Dr. Heba Laithy, Professor of Statistics at Cairo University, in analyzing statistical data for evaluation purposes and measuring living standards using SPSS. The course aimed at building the capacities of participants in using statistical tools for evaluating different criteria of SFD's interventions (impact, targeting and benefit), in addition to acquainting them with the indicators of measuring living and poverty standards. Attendees included a number of SFD's staff, government agencies and researchers.

SFD Board of Directors endorses a \$113-million-budget for 2008 *(Continued)*

The SFD Board of Directors praised the efforts of SFD's management in monitoring and evaluating the interventions and their impacts as well as in preparing the SFD's budget.

The BoD also urged the SFD's management to focus—during the next period—on secondary and vocational education and laying down clear standards that ensure impartiality in project distribution to all the governorates.

It is worth mentioning that SFD's total number of implemented projects as of mid-2007 are more than 6,700, distributed over different SFD's relevant sectors at a total cost of YR105 billion (about \$527.6 million), with total beneficiaries reaching more than 13.5 million from different governorates and 12 millions days of temporary employment.

Meeting of the Al-Amal Bank General Assembly *(Continued)*

The meeting included a speech by Mr. Abdulkarim Ismail Al-Arhabi, who pointed to the role of the SFD as the only national organization in Yemen supporting microfinance with clear vision according to the private sector practices.

The meeting discussed the Establishment Statute and recommended modifications of some articles.

During the meeting, a Board member from the private sector, Mr. Omar Bajarash, was recommended as the Chairman and Mr. Mohamed Saleh Al-Lai as the Deputy Chairman.

Cumulative number of beneficiaries and job opportunities as of 30/9/2007, by sector

Sector	Beneficiaries		Temporary job opportunities
	Direct	Indirect	
Environment	2,029,618	308,263	788,940
Integrated Intervention	118,117	64,971	327,485
Training	36,263	246,895	108,995
Education	1,889,867	1,176,457	11,665,897
Organizational Support	505,375	402,594	493,846
Agriculture	25,041	100,500	14,191
Health	3,531,264	641,850	1,306,813
Rural Roads	3,266,586	1,696,015	3,881,921
Special Needs Groups	164,688	89,355	612,573
Micro Enterprises Dev.	96,568	406,261	27,375
Small Enterprise	35,576	75,243	16,783
Cultural Heritage	306,800	123,512	1,346,890
Water	2,170,566	177,932	2,657,449
Business development	22,310	53,880	681
Total	14,198,639	5,563,728	23,249,839

SFD cumulative commitments and contracted amounts as of 30/9/2007, by governorate

Governorates	No. of projects	Commitments (\$)	Contracted amounts (\$)
Al-Baidha	161	14,687,147	12,957,181
Al-Jawf	98	7,771,265	6,638,145
Al-Hudaidah	590	57,690,398	48,803,505
Al-Dhale'	111	11,316,326	8,365,065
Al-Mahweet	188	18,223,647	15,559,480
Al-Maharah	59	3,405,955	3,168,305
Abyan	141	13,306,804	11,326,302
More than one	595	27,222,197	20,928,096
Sana'a Capital	448	49,629,992	42,136,481
Ibb	592	55,886,039	47,060,864
Taiz	797	73,305,618	57,434,804
Hajjah	420	37,752,269	29,594,853
Hadhramaut	402	28,545,664	23,968,302
Dhamar	467	35,580,999	32,644,198
Shabwah	184	13,061,786	12,539,774
Sa'adah	169	16,209,494	12,186,725
Sana'a	432	34,156,389	29,199,810
Aden	183	20,208,764	16,453,877
Amran	405	32,081,809	27,857,262
Lahj	271	20,563,198	15,904,539
Mareb	85	7,710,396	6,169,937
Total	6,798	578,316,156	480,897,505

SFD cumulative commitments and contracted amounts as of 30/9/2007, by sector

Sector	No. of projects	Commitments (\$)	Contracted amounts (\$)
Environment	165	19,469,547	13,782,113
Integrated Intervention	107	8,126,972	5,522,379
Training	437	7,331,996	5,899,195
Education	3,047	298,691,033	260,258,265
Organizational Support	365	15,766,279	11,525,842
Agriculture	23	1,073,006	338,352
Health	638	44,794,801	34,614,627
Rural Roads	384	60,043,433	42,463,040
Special Needs Groups	365	22,096,574	18,901,866
Micro Enterprises Dev.	110	9,834,359	7,499,088
Small Enterprise	25	3,727,031	2,954,004
Cultural Heritage	169	25,887,156	20,821,022
Water	947	60,363,198	55,141,989
Business development	16	1,110,772	1,175,724
Total	6,798	578,316,156	480,897,505

Cumulative number of beneficiaries as of 30/9/2007, by gender

	Beneficiaries	
	Direct	Indirect
Male	7,033,432	2,668,563
Female	7,165,207	2,895,165
Total	14,198,639	5,563,728

Completed projects as of 30/9/2007, by sector

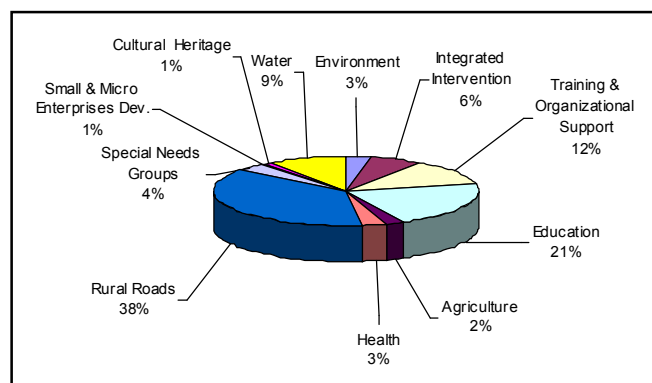
Sector	No. of projects	Investment (\$)
Environment	109	11,762,261
Integrated Intervention	40	1,903,572
Training	384	6,119,221
Education	2,503	213,039,770
Organizational Support	322	10,435,883
Agriculture	6	78,516
Health	380	25,317,839
Rural Roads	173	20,906,227
Special Needs Groups	272	15,885,966
Micro Enterprises Dev.	83	6,711,612
Small Enterprise	21	3,254,962
Cultural Heritage	81	10,892,975
Water	698	42,780,176
Business development	6	438,254
Total	5,078	369,527,233

Microfinance Programs Supported by SFD (on 30-9-2007)

	Program	Active number of clients			Outstanding loan portfolio (Thousand YR)	PAR (%)	Cumulative numbers		Area of Operation
		Borrowers		Savers			Number of loans	Loan amounts (Million YR)	
		Total	Women (%)	Total					
1	National MF Foundation	8,614	98	11,060	172	10	35,867	1,067	Capital City, Taiz, Qa'edah and Yarim in Ibb, Abs, Lahj, Hajjah and Dhamar
2	Aden MF Foundation	2,361	86	4,650	36	NA	18,199	639	Dar Sa'ad, Al-Buraikah, Al-Mu'alla, Al-Tawwahi, Crater, Khomaksar, Sheikh Othman – Aden, Lahej
3	MF Development Program (Nama')	3,255	32	869	88	0	16,195	606	Sana'a, Taiz, Aden
4	Sana'a MF	2,587	89	2,297	54	1.34	13,043	421	Capital City
5	Abyan S & C	2,010	100	0	46	0	6,280	294	Abyan
6	Hais S & C	1,009	93	2,242	11	54	6,791	252	Hais, Khoukha, Jabal Ras, Zabid Al-Hudaidah governorate
7	Al-Hudaidah MC	3,939	78	0	50	7	27,762	638	Al-Hudaidah city and Bajil - Al-Hudaidah governorate
8	Wadi Hadhramaut	1,205	29	1,287	41	8.5	3,974	220	Seyoun – Hadhramaut governorate
9	Al-Awa'el MF Company	2,753	100	0	47	2.19	22,759	437	Taiz
11	Sana'a Microstart (SOFD)	558	61	0	8	10.8	8,878	171	Capital City
12	Other Activities & IGPs	NA	NA	NA	NA	NA	8,909	311	Several areas
13	Small Enterprise Development Fund	1,936	9	0	914	4	6,379	3,965	Capital City, Taiz, Aden, Al-Mukalla,
Total		30,227	---	22,405	1,467	---	175,036	9,021	

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 2007



Expected number of beneficiaries and job opportunities, third quarter 2007, by sector

Sector	Beneficiaries		Temporary job opportunities
	Direct	Indirect	
Environment	47,497	7,491	26,146
Integrated Interventions	12,787	0	58,523
Training	1,474	66,800	9,131
Education	13,707	16,275	202,760
Organizational Support	55	0	111,026
Agriculture	19,227	0	8,517
Health	79,472	0	16,524
Rural Roads	348,475	200	616,251
Special Needs Groups	1,137	652	31,976
Micro Enterprises Dev.	0	0	7
Cultural Heritage	50	0	6,790
Water	35,226	0	103,978
Business Development	410	1,330	47
Total	559,517	92,748	1,191,676

Commitments by governorate, third quarter 2007

Governorate	No. of projects	Commitments (\$)	Distribution (%)
Al-Baidha	9	1,436,526	4
Al-Jawf	4	483,650	1
Al-Hudaidah	28	3,994,760	11
Al-Dhale'	4	579,960	2
Al-Mahweet	8	1,376,200	4
Al-Maharah	1	8,057	0
Abyan	6	407,795	1
More than one	33	1,864,838	5
Sana'a Capital	17	1,490,875	4
Ibb	34	3,429,558	9
Taiz	95	5,980,073	16
Hajjah	31	4,010,983	11
Hadhramaut	12	1,152,034	3
Dhamar	17	1,881,245	5
Shabwah	11	1,296,302	4
Sa'adah	6	671,805	2
Sana'a	12	1,204,098	3
Aden	10	613,174	2
Amran	20	1,938,079	5
Lahej	77	3,047,553	8
Total	435	36,867,565	100

UNIT NEWS

Education

During the quarter, 36 projects were approved at an estimated cost of \$6 million. Cumulatively (1997 through the end of September 2007), projects mount to 3,047 with the estimated cost nearing \$299 million.

Basic Education Infrastructure Support Program

This program aims to increase basic-education enrollment rates and support the Ministry of Education to attain the objective of "Education for All".

During the quarter, 86 projects have been approved in this sub-sector, aiming to construct a number of schools in different governorates, at an estimated cost of \$13.2 million.

Rural Girl Education Program

The program is implemented in Taiz, Al-Hudaidah, Al-Dhale', Amran and Sa'adah governorates.

During the quarter, several activities were carried out within the main components of the program (capacity building, community participation, awareness and mobilization).

Capacity building

Activities in this section targeted rural girl skill-development centers, women and students structures and girls' education & community participation.

Rural-girl skill-development centers

A number of training courses were implemented in the governorates of Al-Hudaidah and Taiz in elementary sewing, handicrafts and coiffeur, each attended by 11 facilitators for 07–30 days.

In addition, a five-day training course was conducted on first aid in Taiz governorate, with eight facilitators participating.

Women and students structures

Several training courses were conducted, including one (held on 14–20 September 2007) focusing on simple accounting for non-profit associations. The course was attended by eight administrative-body members of the Al-Sukhnah (Al-Hudaidah) atelier. Additionally, two courses focusing on first aid, reproduction health and family planning were carried out for mothers' councils and literacy students in the Al-Muga'eshah sub-district (Maqbanah district /Taiz) with 47 women participating.



Training facilitators of girls' development centers

On the other hand, 15 training courses targeting 332 male and 338 female beneficiaries in 10 relevant schools in four governorates (Amran, Taiz, Al-Dhale' and Al-Hudaidah) were conducted. Training included painting, calligraphy, ornamentation, handicraft, first aid and household economics. In addition, some sport games facilities (for football and baseball playgrounds, table tennis, chess, etc) were distributed in 17 schools in the five governorates targeted by the program.

Girls' education sector

A training course was held in administrative skills for 22 directors of Girl-Education and Community-Participation Directorates and education offices in the targeted districts in the relevant governorates.

Community participation

Within this component, a ten-day training-of-trainers course in forming Parents' Councils was held for 36 male and female consultants. Also, the first training course targeting 18 members of the recently formed parents' councils in Al-Nasr School in Al-Muga'eshah was carried out.

Community awareness and mobilization

Five awareness campaigns were conducted in the program's sub-districts in August 2007, with focus given to the importance of girls' education. Male and female students within the intervention schools participated, with the excellent and outstanding students rewarded.

Third phase indicators - Education Sector*

Indicators	Target (2004-2008)	1 st Year (2004)	2 nd Year (2005)	3 rd Year (2006)	4 th Year (2007)	Total
Classrooms built & equipped	7,500	1,890	2,535	1,872	900	7,197
Classrooms rehabilitated	1,100	290	370	268	113	1,041
Completed Classrooms (by approval year)	8,600	2,028	2,210	606		4,844
Children enrolled	300,000	150,385	237,052	225,783	86062	699,282
Preschool teachers trained	600		542			542
Kindergartens established	34	4	10	9	1	24
Workshops in education, planning, programming and evaluation	16	8	12	14	36	70

* Includes only under-implementation and completed projects as of 30/9/2007

Education Quality Program

The activities in this sub-sector are as follows:

- Training was provided in July 2007 to headmasters and their deputies as well as technology coordinators. In addition, male and female teachers in charge of school activities were trained on 03–13 September 2007 on the concept of such activities and their management as well as setting plans, forming groups and defining goals.
- Within the project of using technology in education included Droub program, the fifth training course (held on 05–12 July 2007) was conducted in the "Face-to-Face" course in August 2007, as well as a refreshing one for 70 male and female teachers, specialists and headmasters.
- Holding a workshop on the principles of reading and encouraging students and parents to practice it.
- Participation of five teachers and a specialist in iEarn conference in July in Egypt.

Talented Students' Support and Care Program

The students sat for the intelligent test in order to join the program in the targeted areas and teachers and administrative people who will work in the project were chosen. The enriching materials are being prepared as well as following up the preparation of the nominated schools with the required equipment of labs and others in order to start the program in the middle of this academic year 2007-2008.

Cultural Heritage

Two cultural heritage projects were approved at an estimated cost of \$250,000 bringing the cumulative number of projects to 169, at a total estimated cost of \$25.8 million.

• Rehabilitation of the Sana'a National Museum

Using only traditional building materials, the construction works of traditional stairs that link two buildings within the compound of the National Museum in Sana'a are completed. In another project within the program, a mission was conducted by an international consultant in interior design elaborated during August 2007. The consultant conducted first preliminary ideas and studies for the interior design and exhibition in Dar Al-Malyah building and designed a system for storing the antiquities in the underground storage of the National Museum.

• Protection of the Al-Sawda archeological site

During the third quarter, the documentation and inventory work for 3000 archeological objects, which were brought from the Al-Sawda site to the National Museum was completed. In addition, a number of antiquities were restored including Bronze and wood pieces (Al-Zaboor script). The preparation and composing work of a book on the same antiquities is completed and soon will be published.

• The Regional Museum in Marib

The preliminary studies by the German Archeological Institute have been completed and invitation announcement for engineering firms was published for prequalification phase of carrying out the architectural design of the Marib Regional Museum project.

On the other hand, the German institute provided training for some of the staff of the General Authority for Antiquities and Museums on visitors' research and evaluation methods.

• Restoration of the Grand Mosque in Shibam Kawkaban

The work on Al-Thulth caravansary, located in the eastern corner of the mosque, has started. The caravansary is considered one of the important monuments of Shibam Kawkaban. The work has started to fix and restore the fragile and damaged walls at the north and south sides. It is worth mentioning that after the restoration and rehabilitation work is completed, the caravansary building will be used as a library for the mosques and the town as well.

In other hand, a team of experts from Veneto (Italian) institute is to visit the mosque to conduct some studies and take samples of the decorated wooden ceilings in order to design a comprehensive restoration and repair program.

• Rescuing Al-Mansouriyah Madrasah in Al-Dhale'

Al-Mansouriyah is a traditional school/mosque (Amiryat Juban) built in the 16th century in Juban during the Tahiri era. It represents an early example of the unique style of the Tahiri mosques in the region. Unfortunately, it experiences a very bad structural and conservation conditions with possible collapse of many parts. The preliminary works to support and save this historic school have started. At this stage, focus was given to the elevation of the eastern wall of the building, which suffers large damages caused by the weakening of the foundations and due to the inappropriate previous repairs and restoration works on this particular part of the building.

• Restoration and repair of Dar Al-Izz in Jiblah

The Dar Al-Izz (in the historic city of Jiblah / Ibb) is known to be the residence of Queen Arwa, the queen of Al-Sulaihi's State during the 11th and 12th centuries. Several activities have been carried out during the last few months to restore and repair the Dar Al-Izz, including site cleaning, defining and securing the site, supporting all structurally weak and threatened-to-fall areas, mainly walls and ceilings. In addition, a number of significant hidden and covered parts within the building have been uncovered, especially at the eastern side. In addition, some remaining parts from the building have been restored and repaired.

• Projects in the Old City of Sana'a

The rehabilitation and conservation work of some projects is completed and the sites and buildings were handed over to the relevant authorities. The projects contributed to preserving historic monuments and improving the surrounding environment. These projects include rehabilitation and enhancement of Jumrok Al-Zabib caravansary, rehabilitation of Megshamat AL-Mahdi and Al-Amri and Marne Shker, rehabilitation and enhancement of Al-Jumrok Al-Zabib caravansary and rehabilitation of Megshamat Al-Tabari and Nahshal.

• SFD and GTZ partnership to preserve Zabid

The SFD aimed to benefit from the successful experience of cooperation between SFD and GTZ in Shibam Hadhramaut preservation project for Zabid. In this regard, a cooperation agreement has been reached to support the preservation and development of Zabid and Shibam and technical support for other historic towns. The program will be implemented in several stages with total cost amounting 5.2 million Euros from which the SFD share is 2.5 million Euros.

Small and Micro Enterprises Development

Funding Azal Micro-finance Program and the Small and Micro-enterprises Promotion Services Agency (SMEPS)

The SFD has contributed additional funding to Society for Women and Children (SOUL) to expand the Sana'a Micro-finance Program (Azal). The YR-50-million agreement was signed on 25 July based on Islamic financing (profit sharing). Such funding is expected to enable Azal Program to gain access to a bigger number of beneficiaries in the Capital City, especially women.

During the quarter, SFD also provided SMEPS with \$122,000 to finance projects related to non-financial services provided by the SMEPS to a number of small entrepreneurs.

SMEPS launches branch office in Al-Mukalla

The city of Al-Mukalla witnessed in August the opening of the first branch office of the Small Micro Enterprise Promotion Service ("SMEPS"—a subsidiary of the SFD). SMEPS presence in Al-Mukalla spawns additional dimension to SFD's economic development activities in Hadhramaut. SMEPS branch office will focus on facilitating a wealth of business development services to a dynamic community of Hadrami SMEs.

The office launch brought together over 250 owners of MSMEs from a diverse range of sub-sectors including but not limited to fish, honey, beauty care, training and henna. All those present at the launch demonstrated a keen interest in SMEPS services in particular in management training, short skills development courses, access to consultancy and exposure tours.

At the launch ceremony, the General Manager of the Al-Mukalla Chambers of Commerce welcomed the establishment of a SMEPS branch office and re-iterated the chambers enthusiasm for operating and hosting the SMEPS sponsored Technical Advisory Station (TAS).

Additionally, the dean of the Seyoun Community College highlighted areas of cooperation between SMEPS and the college. The dean welcomed SMEPS assistance to the college on developing short skills training courses targeting MSMEs operating in the AC and refrigeration sector.

Early fruits of the agency branch office are already apparent. Branch project officers were successful in introducing a prototype of locally manufactured plastic pipes for channeling water between fields. To help generate strong local demand for this new business line, rural workshops for farmers and traders on the use of the pipes will be undertaken soon.

Bait Al-Faqeeh program

In the framework of SFD efforts to establish sustainable microfinance services, Bait Al-Faqeeh Saving and Credit Program was merged on 6/8/2007 to be part and branch of Al-Hudaidah Microfinance Program.

Technical support for MF programs and institutions

The micro-finance (MF) programs and institutions reporting system and monthly report formats have been further improved. Such improvement will enable easier and timely manner reporting to keep accurate information up-to-date about the

microfinance industry. Moreover, the unit launched the accounting system for the National Institution and Aden Micro Finance Institution aiming to facilitate the accounting and financial processes and issuing of reports.

An MF workshop

A workshop was held for SFD's partners during 8-9 September 2007 in Sana'a targeting 30 participants including SFD SMED unit staff and microfinance (MF) institutions' managers.

The workshop aimed to review the performance indicators and provide problem-solving support for the second half of 2007. During the workshop, the improved electronic system and the financial statements developed by SFD SMED Unit according to international standard in the micro finance field was also discussed.

BDS workshop

Under the auspices of Mr. Ahmed Al-Kahlani the governor of Aden governorate, the SFD SMED unit carried out a workshop on 1/9/2007 for 25 of SFD's partners in Business Development Services (BDS). The workshop aimed at creating relationships and communication channels between the microfinance institutions and programs supported by SFD.

Translating a number of MF references

Five books in MF were translated from English into Arabic and are about to be issued to enrich the unit's library with books about MF, enhance the ability and knowledge of readers interested in MF industry in Yemen and provide references about MF. It is worth mentioning that the SFD SMED Unit has established a library for small and micro enterprises and is constantly providing it with references and scientific resources.

Training courses

The SMED unit, during the third quarter, conducted a number of training courses for MF programs and institutions with the aim of raising the abilities and skills of staff in these programs. These include:

- A second course in the computerized loan system "Ma'een" (held on 2–6 July 2007) targeting the managers of the programs, financial institutions and operations. Sixteen people participated in the course and were acquainted with the mechanisms and operations of the Ma'een credit system.
- Credit cycle course (6-8/9/2007) targeting 12 consultants. It aimed to qualify them for field verifications for the agents of the MF programs and institutions.
- Communication and promoting course for the MF programs for the Aden MF staff from 29 August until 2 September, and 30 male and female trainees such as the officers of credit, operations' managers and several branch managers. It aimed to acquaint them with the skills of effective communication and how to adopt ways and methods of effective promoting for the Aden MF institution services.
- Islamic credit course in MF with coordination between the SMED unit and "Planet Finance". The training targeted all the SMED staff in addition to a number of MF institutions and programs managers and aimed to know the mechanisms of Islamic credit in MD and way to monitor it.

Third phase indicators – Cultural Heritage Sector*

Indicators	Target (2004-2008)	1 st Year (2004)	2 nd Year (2005)	3 rd Year (2006)	4 th Year (2007)	Total
Projects financed	90	24	31	22	11	88
Consultants trained	95	52	60	41	78	231
Laborers trained	880	177	220	136	120	653

* Includes only under-implementation and completed projects as of 30/9/2007

Agriculture and Rural Development

Agriculture

During the quarter, the sector completed training courses and field follow-ups in various domains.

Training courses

The third training course for each of "Trainers Preparation in Veterinary" and "Preparing Female Trainers in Rural Development" was completed.

Six other courses were implemented; rural women had four of them (67%), with 156 women participating. The courses included on-site training to teach rural women some household skills. Of these, two courses (benefiting 100 rural women) focused on household food processing in 10 chosen places from Bilad-Arouss district in the governorate of Sana'a. Focus was given to benefitting households from the abundant productivity of sweet calabash in making jams and acquainting them with skills relevant to preserving food by dehydration, and making tomato paste. In addition, 39 rural women (chosen from Arrajm and Shibam in the governorate of Al-Mahweet) participated in an applicatory training course on picking and preserving olives. It is worth mentioning that such training is the first of its kind in that governorate. On the other hand, two training courses (attended by 22 female and 14 male participants from five governorates) were implemented on skills and information of training trainees in raising animals.

Other activities

Six field visits were paid to Dhamar, Lahj, Ibb, Hajjah and Al-Hudaidah governorates to follow up the under-implementation projects and discuss the mechanism for implementing upcoming ones.

Moreover, approval was granted to a water-harvesting project for agricultural irrigation in Wadi Ta'ashar, Bakeel Al-Meer district (Hajjah) as well as a project for establishing a modern market in Zingibar (Abyan) for selling various agricultural products, fish and meat.

The Integrated Interventions

A course was held on 11–23 August 2007 for training 27 female teachers, coordinator and 8 supervisors of literacy and adult teaching. Participants are from four areas targeted by the program, viz. Al-Luhaiyyah (Al-Hudaidah governorate), Al-Gabin (Raimah), Wesab Assafel (Dhamar) and Tour Al-Baha (Lahj). The course aimed at acquainting the participants with information, skills and modern methodologies in literacy and adult teaching. The SFD will then benefit from trainees in opening literacy classes for females in their regions.

The same training was also given during 01–12 September 2007 for 24 female teachers, coordinator and 5 supervisors from three targeted areas: Al-Qafr (Ibb), Maweyya (Taiz) and Tour Al-Baha.

In addition, the second workshop was carried out for basic

health-care and reproduction health officials in eight districts to discuss the outcomes of health workers' on-site evaluation and training needs in the relevant areas.

On the other hand, 84 midwives were chosen for training in the sub-districts of Khadhm (Al-Gabin district/Raimah), Al-Atana (Haradh/Hajjah), Bani Mobariz (Al-Qafr), Al-Asaweda (Maweyya), Al-Ba'ajeya and Al-Zualya (Al-Luhaiyyah) and Al-Mashareej (Tour Al-Baha). In addition, training was commenced for 14 midwives in Al-Atana, focusing on acquainting trainees with knowledge and skills on delivery and raising their awareness regarding mother health care during pregnancy and after delivery.

Moreover, approval was given to 4 projects in agricultural and economic fields and 12 projects for school construction and expansion of schools and social-service centers according to the need of the relevant areas. Parents' Councils were activated in all the integrated-intervention schools as well as new councils were formed in other schools and their members were trained. The number of schools involved reached 62, with parents mounting to 1240 (half of each sex).

Community Contracting

A workshop was conducted on 8–9 August 2007 to discuss the Community Contracting Manual. It was attended by the branch-office managers, number of unit heads and other specialists from the SFD main office and branches. The workshop aimed at introducing the mechanism of community contracting, discussing and improving the manual based on the outcomes of the field work carried out during project implementation and accomplishing mechanism's goals on the project and community levels. Based on various discussions, the workshop was concluded with a group of notes and recommendations pertaining performance improvement.

Finally, three training courses were implemented in capacity building; one (held on 1–4 July 2007) targeted rural-road community-committees members in Amran Branch Office and the second (14–19 July 2007) targeted community-contracting consultants in Taiz Branch Office, while the third (26–30 August 2007) was for consultants and project officers in Sana'a Branch Office.

Rural Roads

SFD-supported rural-access roads aim to improve and rehabilitate rural roads and train project officers on designing and developing projects. Objectives also include developing maintenance-related mechanism in cooperation with local councils and communities.

The quarter saw the approval of 52 projects at an estimated cost of US\$10 million, including six projects for training and capacity building, 19 projects for paving and rehabilitating a number of streets in various governorates and 27 for improving and rehabilitating rural roads.

Cumulatively, 384 projects have been developed at a total estimated cost of US\$60 million.

Third phase indicators – Feeder Roads Sector*

Indicators	Target (2004-2008)	1 st Year (2004)	2 nd Year (2005)	3 rd Year (2006)	4 th Year (2007)	Total
Projects financed	125	17	33	46	22	118
Beneficiaries	800,000	86,724	219,342	283,085	90,708	679,859

* Includes only under-implementation and completed projects as of 30/9/2007

Training and Organizational Support

During the third quarter, the number of projects in both the Training & Organizational Support sectors reached 11, with an estimated cost of US\$ 3.5 million. Of these projects, three are approved, and eight are under implementation. They target Governmental Organizations, NGOs, Local Communities, Private Sector, as well as SFD staff & employees.

Training

This sector aims at building the human and institutional capacities of SFD employees and its partners. These include consultants, projects' officers, local committees (beneficiary committees), as well as contractors, projects' technical supervisors, local authorities, NGOs, and governmental agencies. Accordingly, the following six projects have been developed during the quarter.

Governmental Organizations

- A training course in Data Analysis System to develop the capacities of some members of SFD staff in the utilization of analytical applications for the purposes of monitoring and evaluation.
- Training in Administrative and Organizational Fields targeting the Social Welfare Fund branch / Taiz governorate. Components include training on the systems, regulations, and tasks, as well as administrative skills and organizational building.

Local Communities

Elected local committees (beneficiary committees) are considered as a liaison between the local community and the SFD. This is due to the importance of these committees in the local development process and community participation, as well as the development of the voluntary work principle, especially since these committees are responsible for collecting contributions and following up projects' implementation in all their phases, including operation and maintenance.

Projects in this sub-sector included:

Local Authority

- Empowerment of Local Authority in Planning and Participation – Al-Haimah Al-Dakhliyah District / Sana'a governorate through activities including training in the planning process, preparation of self-initiative plans, identification of priorities for the development plan in the district, preparation of organizational regulations and implementing the self-initiative plan. This is in addition to the participation in field teams and community mobilization.
- Pilot program for the empowerment of Local Communities and strengthening the Local Authority in Jiblah district/ Ibb governorate.

Components included initiation and preparation of development committees in the level of population settlements, formation of sub-district committees, and enabling them to integrate the settlements' plans into a development plan at the level of the sub-district with participation from members of the Local Authority in the sub-districts as well as the preparation of the general development report and the sub-district development plan.

Private Sector (Individuals)

The SFD is keen to acquaint consultant-engineers, contractors and on-site technicians with SFD contracting and implementation techniques. In this respect the following projects have been developed:

- Building the capacities of contractors and consultant-engineers (2nd phase) in the governorates of Dhamar and Al-Baidha'.
- Acquainting consultant-engineers with the SFD's implementation and contracting mechanism, as well as on-site common errors / Ibb governorate.

Organizational Support

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. Projects in this sub-sector reached five during the quarter, and targeted the following:

Governmental Organizations

Construction of four commercial courts in the governorates of (Capital City, Taiz, Aden, Hadhramaut). This is for the purpose of contribution in providing support to commercial judiciary, due to its connection with encouraging investment and the creation of a suitable environment for such activity.

Non-Governmental Organizations

Support included the provision of necessary equipment for various activities, as well as training sewing trainers, maintenance of sewing machines, and coiffeur. Al-Manar Women Charity Association in Ibb governorate benefited from such support.

Third phase indicators – Training and Organizational Support Sectors*

Indicators	Target (2004-2008)	1 st Year (2004)	2 nd Year (2005)	3 rd Year (2006)	4 th Year (2007)	Total
Workshops for NGOs	125	36	75	68		179
Support to NGOs and cooperatives	200	41	28	30	20	119
Support to user groups, communities and CBOs (in various forms)	700	64	232	257	340	893
Organizational support to local councils and authority	50	0	10	15	11	36
Councilors and local authority members trained **	-	1,875	5,845	260	250	8,230

* Includes only under-implementation and completed projects as of 30/9/2007

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

Health and Social Protection

Projects approved in health and special-need groups sectors are 31 at an estimated cost of US\$2 million. Thus, the approved, under-implementation and completed projects cumulatively mount to 1,003 by the end of the quarter at a total estimated cost nearing US\$66.9 million.

Health

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 work has started on constructing and furnishing the health units in Ba'alal/Tareem (Hadhramaut), Al-Aman/Najrah, Aslam and Bani Jill Al-A'ala (Amran) and in Bahman/Eyal Siyadh/Nahm district (Sana'a). In addition, tendering was done to prepare, furnish and import equipment for 60 health centers/units and a sanitation facility as well as to build four health units and repair two health units in Lahj governorate. Furniture was provided to Al-Hussain Center /Mikhlaif, Al-Nujaid Center /Samea', Rasin Center /Al-Shamayateen as well as Al-Musalla /Haifan in Taiz governorate.

Improving education quality in health institutes

This program aims at supporting a number of health institutes through training the institutes' staff and teachers, developing the curriculum of several training courses and supplying libraries with books, in addition to equipping laboratories with learning resources.

During the quarter, a project on completing preparing the health center in the east Al-Dais and an initial delivering for projects on expanding the health institute in Al-Ghaidha /Al-Maharah were delivered. The library building of Ameen Nasher Higher Institute for Health Sciences was also delivered in Aden. To continue completing the project on revising and developing the curriculum at Higher Health Institutes (HHIs), revising the five targeted curricula was completed and they will be taught with the beginning of the academic year. Regarding the project of training the HHIs'

staff in methods of teaching and technology of modern health education, the training session of the (HHI) in the Capital City and its branches was completed for 40 schools along with continuing the training in the special units of the training session for 40 health instructors from Ameen Nasher Higher Institute for Health Sciences in Aden and its branches.

Health staff training

Nineteen midwives have graduated in the sub-districts of Maqbanah district in Taiz governorate. In addition, the project of training midwives was implemented in the district of Al-Amer Hawran /Al-Baidha as well as admission tests for the project of training community midwives in Magrib Ans /Dhamar, and signing the contract of the projects on training midwives in Dhee Naem and Al-Malajim /Al-Baidha, and promoting health workers to midwives in the districts of Al-Baidha, Rada', Al-Arsh and Sabah /Al-Baidha.

Preparation and participation in admission tests for female students to train them to be midwives were done in the districts of Al-Makhader and Al-Sayyani /Ibb as well as developing the project proposal on upgrading health workers and nurses to become midwives in the district of Al-Taweelah /Al-Mahweet and in all the districts of Raimah governorate.

Special Needs Groups

Integrating targeted children into public education

The Inclusive Education Program

In order to integrate the special-need children in public education, the SFD has focused on the Ministry of Education's policy. This implies expanding the concept of inclusive education to include additional groups with special needs besides the disabled as well as cover pre-school education (such as kindergarten). This was done through several projects, three of them with the ministry's Inclusive Education Departments at the Capital City and Abyan and Marib governorates. These projects aim to integrate 316 boys and 265 girls in eight schools, train 160 female and male teachers at inclusive education schools, educate 64 communities and expand the pre-school education at two kindergartens in Abyan.

The Integrated Education Program

This program supports the non-governmental organizations in implementing pre-integration rehabilitation programs within the

organizations themselves, then through the actual integration process in the public schools. The SFD encourages these organizations to extend their integration education programs to other districts (beyond the main cities) of the respective governorates. In this respect, The SFD, in cooperation with several organizations, supported 11 projects to train and qualify 287 teachers (137 men and 150 women) from 11 organizations, educate 95 communities, provide pre-integration and integration rehabilitation of 359 and 195 disabled boys and girls respectively. These programs were designed also to the construction rehabilitation of seven schools, setting up of 13 classrooms at the organizations' kindergartens, establishing of two integration kindergartens at two public schools. In addition, programs included building 21 classrooms to teach the deaf at 10 public schools and establishing seven education source units along with providing them with equipment and furniture as well as the appropriate educational and instructional aids.

Qualifying governmental agencies and NGOs

The sector depends for the implementation of its programs on the effective partnership with these organizations; hence, the SFD puts before its eyes the rehabilitation of these organizations, building their technical and institutional capacities in order to ensure their active performance and the endurance of their services. In this respect, the SFD signed an agreement with the Disabled Association in Al-Wadhea' in Abyan governorate to provide institutional and technical support and training to its staff and members, especially on disability and integration.

Helping orphans, street children and juveniles get safe environment, health & education services

In order for orphans, street children and juvenile delinquents to enjoy a safe environment and health and education services, the SFD continues its support to the relevant parties that work with juvenile delinquents and the alternative and subsequent caring policy. The SFD signed with the Al-Hudaidah Labor and Social Affairs Department an agreement on a project that aims to train the staff of its social care center on the psychological and social aspects of dealing with children who are in conflict with law, enhancing the concept of social solidarity. The project comprises also the institutional building of the center.

Water and Environment

The third quarter witnessed the approval of 45 projects in the water and environment sectors at a total estimated cost of US\$3.6 million. This made the overall, cumulated approved water projects mount to 947 at an estimated cost of US\$60 million and environment projects 165 at an estimated cost of US\$19 million.

Water

This sector aims to increase access of poor rural communities to water for both household usage and animal watering focusing on rainwater harvesting. The sector's activities also include increasing the level of health and environmental awareness.

During the quarter, a training course was held on water-projects intervention techniques in different regions of the country based on the status of the groundwater aquifers—using GIS. The training attended by 25 water and environment project officers, in addition to specialists from several relevant agencies including the General Rural Water Authority, Water and Environment Center at University of Sana'a, Public Works Project, and the Ministry of Water and Environment. The course aimed at acquainting the participants with necessary skills for choosing the proper water interventions in rural areas, taking into consideration the current status of aquifers, their replenishment and the level of exploitation.

Another training course was held at SFD –Al-Hudaidah Branch Office for accountants working in the field of community contracting within water harvesting. It was held during 1-4 September 2007, attended by 25 accountants and aimed at acquainting the participants with the basic accounting skills and its applications in the community contracting approach.

On the other hand, a book titled "Drinking Water Systems Designs Guide" was issued aiming to help engineers in laying down the proper designs for providing water in rural and urban areas. The book includes many important chapters, for instance, social and economic studies, environmental impact assessment, water network leakages study, water harvesting, water treatment, distribution networks, protecting water resources as well as common mistakes. It also includes some computer programs for designing the projects' components.

Environment

The environment sector's objectives focus on increasing the sanitation coverage and improving the hygiene and environmental conditions in rural and urban poor communities.

During 11 August–10 September 2007, water and environmental project officers and lab technicians at the SFD branch offices attended a training focused on skills to carry out lab tests for water and wastewater.

The offers for conducting the environmental impact assessment study for Shibam Infrastructure and Al-Hoata sewerage project-Hadhramaut were opened on 25 September 2007. It is expected that the awarded Consultant will start during December 2007.

Third phase indicators – Health and Special Need Groups Sectors*

Indicators	Target (2004-2008)	1 st Year (2004)	2 nd Year (2005)	3 rd Year (2006)	4 th Year (2007)	Total
Health Sector						
Projects to support health facilities providing quality services	250	16	34	22	138	210
Number of trained health service providers *	1,500	480	559	355	190	1,584
Health institutes (HIs) supported to enhance quality of health education	20	2	7	3	12	24
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		10	12
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 with inclusive education	300	57	5	4	0	66
Disadvantaged children in SFD-supported schools	15,000	3633	1228	5744	453	11058
Directorates of inclusive education established	8					
NGOs supported by technical training to serve special needs groups	50	25	35	63	13	136
Communities made aware of inclusive-education importance & accessibility	380	4	35	33	1	73
Faculty of Special Education	2					
Staff members qualified in the field of disability	40	20	49	8	50	127
Pre-school rehabilitation and education centers for preschoolers with disability	25	5	1	1		7
Street children centers	5	2	1	1	0	4
Juvenile delinquent centers	5	2	0	3	0	5

* Includes only under-implementation and completed projects as of 30/9/2007

Third phase indicators – Water and Environment Sectors*

Indicators	Target (2004-2008)	1 st Year (2004)	2 nd Year (2005)	3 rd Year (2006)	4 th Year (2007)	Total
Water-harvesting projects	750	55	48	57	28	188
Water stored in reservoirs (m ³)	3,000,000	897,250	1,113,250	783,759		2,794,259
Piped systems	100	23	13	20	4	60
Reservoirs	40	13	13	10	1	37
Hygiene and environment awareness	225	55	15	21	1	92
Wastewater management	15	8	4	3	7	22
Solid waste management	7	9	3	2	2	16
Soil & water conservation	3	4	2	2	3	11

* Includes only under-implementation and completed projects as of 30/9/2007