At the onset of the first quarter of this year, the SFD inaugurated the second phase of its operations with an ambitious target plan consisting of 700 projects to be implemented during the first year which are expected to cost about US$ 47.5 million.

During the second phase, SFD will emphasize, within its circle of interest, training and capacity building programs, support special needs groups and the continuation and expansion of water harvesting programs. At the same time SFD will stress progress in the development of community capabilities through their active participation in the implementation of the various projects.

The wide areas covered by the SFD operations involving diversity of activities which required a strict monitoring system to be put on place, to control the quality of project implementation in order to achieve the expected results.

Along with the above considerations, which are meant to ensure the continuation and sustainability of projects in providing the required services, it is also important for SFD to put on place, to control the quality of project implementation in order to achieve the expected results.

Social Fund for Development Newsletter – Issue No. 13

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**April-June, 2001**

The SFD Board of Directors held its 2nd meeting for the year 2001 on Wednesday 6/6/ 2001. The meeting was chaired by H.E. Mr. Abdulkarim I. Al Arhabi, Prime Minister, Chairman of the Board. The main issues of the meeting were:

- Discussion of issues relating to SFD targeting policies, financing of the 2nd phase, and the relationship with the Local Authority.

* Mr. Abdulkarim I. Al Arhabi became Minister of Social Affairs and Labour.

Under the auspicious H.E. Abdulkarim Ba Jamal, the Prime Minister, Chairman of the SFD Board of Directors, an agreement was signed between the Ministry of Planning and Social Fund to provide the SFD with 1,474,239,666 Yemeni Rial (equals US$8 million) financed from the selling of the American Food Aid. The Fund will be used to construct 100 schools at various governorates throughout the Republic. The agreement attended by H.E. Ms. Barbara Bodin the US ambassador to Yemen.

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[Social Fund for Development Newsletter]
Unit news

Infrastructure Unit

During the second half of April 2001, the unit organized a field visit to monitor projects. The field visit took place in coordination with Aden branch. Eight completed projects in Aden, La'aj, and Abyan governorates were visited. After the visit, the unit agreed on a working schedule with the Aden branch and the beneficiaries to deal with issues that were resulted from the visit.

During the second quarter of this year, the unit announced eight national tenders for importing 70,000 school desk benches to be distributed to needy schools in different governorates for reducing crowding in urban schools. At the same time, the unit conducted a field visit to verify the needy schools, which were recommended by the Ministry of Education. The Netherlands government funds this project.

The unit has contributed to a group-field visit to the old city of Zabid. The group included different institutes interested in the cultural heritage such as (ministry of culture, Hodedh Governorate office, World Bank, GTZ, KFW and the Urban Cultural Heritage Programme. The purpose was to view the city’s situation which is exposed to a continuous deterioration and the upsetting of the unique traditional building of the city. The group have reached to a preliminary urgent work plan to support the infrastructure and rehabilitate some sights using the financial, the administrative and the technical capacities of the groups according to their specialization.

At the end of June, the unit organized a workshop on: SFD Policy in Constructing Road Feeders: Engineering Criteria. The analysis of the first phase of Integrated Intervention program has been finalized. The four areas to be covered at the pilot phase are identified: Ahwar / Abyan; Rab’e Al-Duss, Luhai’a / Hodedhiah; AlNayef, Ghashim /Amran; and AlIyaj Neighborhood / Sana’a capital.

- The framework for phase two of the Integrated Intervention program is prepared. Consultants to be involved in this phase are identified. Phase Two will involve two main activities: conducting a base-line data survey for all four areas; and working with relevant communities for need assessments, prioritization, problem analysis project identification, and the formation of community-based development committees.
- The Unit has contracted 6 projects in the health sector, and 3 projects in the sector of groups of special needs.

Training Unit

Six projects were contracted during the 1st quarter of the year 2001. These include:
- A training course “three projects” in the following fields:
  - Two training courses to improve the capacities of 42 charitable associations and NGOs. (male and female) from Sana’a and Al-Khokha and Jabal Ras districts. This year, the program will continue providing 700 women with literacy classes and will make more efforts to build the capacity of the groups. The program will also work to develop the savings and credit policies and is expected to disburse 450 loans and provide saving services to about 700 women.
- An Al-Saih Credit Program:
  - The SFD had formerly financed the First Phase through a separate project. The former intervention concentrated on the creation and development of a database for recording and documentation of the antiquities’ collection and historical sites. Such work has been done by means of each difficult to read or analyze Necessary hardware and software had been also provided for the network of antiquities' collection and historical sites. Such work has been done by means of each difficult to read or analyze. Necessary hardware and software had been also provided for the network of antiquities' collection and historical sites. Such work has been done by means of each difficult to read or analyze. Necessary hardware and software had been also provided for the network of antiquities' collection and historical sites. Such work has been done by means of each difficult to read or analyze.
- An Al-Saih Credit Program:
  - SFD signed an agreement with Al-Saih Agricultural Cooperative to extend the agreement signed earlier by the two parties related to Al-Saih Credit Program. The cooperative will concentrate in the coming period on collecting the over-due loans caused by the frost which hit the area in December 2000.
- An Assessment of New Projects:
  - the unit has been working out the design two projects, the first in Taiz city with Tadamon Islamic Bank and the other with Wadi Al-Nakhil Cooperative in Zabid. The unit also continued its research into establishing two programs in Sana’a and Mukalla.

The following table shows the portfolios of SMED programs as of March 31st, 2001:

<table>
<thead>
<tr>
<th>Program</th>
<th>Active No. of Borrowers</th>
<th>Active No. of Savers</th>
<th>Outstanding Loan Portfolio (YR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro Credit – Hodeidah</td>
<td>2,072</td>
<td></td>
<td>78,719,606</td>
</tr>
<tr>
<td>Women Literacy – Hodeidah</td>
<td>31</td>
<td>60</td>
<td>1,470,000</td>
</tr>
<tr>
<td>Al-Saih Credit Program</td>
<td>272</td>
<td></td>
<td>6,070,390</td>
</tr>
<tr>
<td>Income Generating – Maran</td>
<td>838</td>
<td></td>
<td>15,775,370</td>
</tr>
<tr>
<td>Income Generating – Aden</td>
<td>407</td>
<td></td>
<td>8,883,383</td>
</tr>
<tr>
<td>Income Generating – Asir</td>
<td>124</td>
<td></td>
<td>4,967,747</td>
</tr>
<tr>
<td>Income Generating – Wadi Mere</td>
<td>249</td>
<td></td>
<td>4,472,717</td>
</tr>
</tbody>
</table>

Total: 3,993 60 120,982,213

Achievements of the Fourth Quarter as of 2001

The SFD has contracted 127 projects during the fourth quarter of 2000, with a total investment of about 7.5 m US$. The table below shows the percentage of commitments for the quarter.

<table>
<thead>
<tr>
<th>Governorates</th>
<th>No. of Projects</th>
<th>Commitment ($)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sana’a City</td>
<td>5</td>
<td>241,723</td>
<td>5.5</td>
</tr>
<tr>
<td>Taiz</td>
<td>1</td>
<td>4,072</td>
<td>20.7</td>
</tr>
<tr>
<td>Hodeidah</td>
<td>16</td>
<td>1,246,850</td>
<td>18</td>
</tr>
<tr>
<td>La’aj</td>
<td>1</td>
<td>67,000</td>
<td>0.8</td>
</tr>
</tbody>
</table>