

In the Name of Allah, the Most Beneficent the Most Merciful

Social Fund for Development – Yemen
2012 Annual Report
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THE SOCIAL FUND FOR DEVELOPMENT AT A GLANCE

The Social Fund for Development (SFD) was established in 1997 to contribute to reducing poverty and achieving Yemen's development goals. The SFD contributes to increasing access to basic services, enhancing economic opportunities and reducing the vulnerability of Yemen's poor.

The SFD has become an active major State institution with operations implemented throughout the country, prioritizing poorer communities and investing in several sectors and programs. These sectors include: Education, Health, Water, Sanitation, Agriculture and Rural Development, Rural Feeder Roads, Small and Micro Enterprise Development, Social Protection, Labor Intensive Works Program, Cultural Heritage, Integrated Interventions, and Training and Capacity Building of Partner Institutions.

The SFD achieves its goals through four main programs: Community and Local Development, Capacity Building, Small and Micro Enterprises Development and Labor-intensive Works Program (Cash for Work).

By the end of 2012, the SFD had completed its second year of SFD Phase IV (2011–15), which synchronizes with both the government's Fourth Five-Year Plan for Economic and Social Development and Poverty Reduction (2011–15), and the Public Investment Program, in order to mobilize efforts and available resources to meet the country's development needs.

Over the year 2012, the SFD developed 1,466 projects worth approximately \$244.2 million, with direct beneficiaries amounting to approximately 2.4 million people (56% female) and temporary employment exceeding 7.5 million workdays. Of those projects, 673 were completed, worth more than \$92.5 million. Disbursements reached \$149.6 million.

Cumulatively (1997–2012), the total number of projects committed in all sectors has amounted to 13,448 projects worth \$1.68 billion. Of this figure, 9,943 projects were completed, worth more than \$886.2. The overall temporary employment created has exceeded 56.7 million workdays. Total cumulative disbursements amount to \$1,192.9 million.

BOARD OF DIRECTORS

The SFD's Board of Directors (BoD) consists of 13 members as follows: the Prime Minister (Chairman of the Board); the Minister of Social Affairs and Labor (Vice Chairman of the Board); the Ministers of Planning and International Cooperation, Local Administration, Finance, Education, and Technical Education and Vocational Training; two NGO representatives; two private sector representatives; an expert Representative; and a banking sector representative, in addition to SFD's Managing Director (Rapporteur of the Board).

Meetings of the Board of Directors

During 2012, the BoD held three meetings, two of which were under the chairmanship of Mohammed Salem Basendwah, Prime Minister and Chairman of the Board. The first meeting was held on March 11, 2012, with the BoD approving SFD's 2012 Annual Work Plan and draft budget for the fiscal year 2012. At this meeting the BoD also approved the financial statement for the year ending on December 31, 2010, in response to the independent auditor's report.

The BoD held its second meeting on July 4, 2012. During the July 2012 meeting, the BoD approved the Terms of Reference (ToR) and procedures for the appointment of SFD's new Managing Director (MD). The BoD also approved the financial statement for the fiscal year 2011 and the independent auditor's report.

In the third meeting, held on October 13, 2012 under the chairmanship of Dr. Amat Al-Razzaq Ali Hummad, Minister of Social Affairs & Labor and Vice Chairman of the BoD, the BoD approved SFD's draft budget for the fiscal year 2013 and was briefed on the procedures to be carried out for the nomination and selection of SFD's new Managing Director.

EXECUTIVE SUMMARY

In 2012, SFD's operations have restored their usual rhythm and the process of new projects commitment has accelerated. By December, the disbursement hit a record by reaching \$24 million in that month. The flow of funds from donors rebounded to their normal levels after a slowdown in 2011.

During 2012, the SFD developed 1,466 projects worth approximately \$244.2 million. The projects are expected to serve a geographical area resided by approximately 2.4 million direct beneficiaries (of which 56% are female), and to create nearly 7.6 million temporary job opportunities. These projects have been distributed throughout the country, and have included approximately 94% of districts (310 out of a total of 330). A total of 673 projects were completed at a cost of more than \$92.5 million, providing 4.3 million temporary job opportunities.

Education – a principal basis for comprehensive development as well as for creating local job opportunities – continued to account for the largest share (36%) of SFD project investments during the year. In the education sector, focus was given to the provision of equal educational opportunities for males and females, as well as across urban and rural areas. Rehabilitation of schools affected by the 2011 events continued in the targeted governorates in order to bring back the education process into its normal condition.

In the water sector, the SFD continued to emphasize traditional rainwater harvesting projects, with a focus on raising hygienic and environmental awareness. Water and sanitation projects accounted for 27% and 1% of SFD investments respectively. During the year, a project worth of Euro12 million was approved to rehabilitate water and sanitation system of Abyan and to bring them to their status prior to 2011 events.

The SFD also continued its support for the Labor Intensive Works Program (LIWP), designed to target the poorest communities and individuals affected by economic shocks. In 2012, LIWP commenced with operations in areas that will benefit from the program for 3–5 years. These communities are considered among the poorest in the country and the long-term engagement is expected to induce medium- to long-term change in the lives of communities through building more sustainable

livelihoods. SFD's commitments to the LIWP (18% of total investments) are distributed across two programs: the Cash-for-Work Program (8%) and the Roads Sector (10%).

Health projects accounted for 3% of SFD investments. These projects focused on improving access to primary healthcare services, supporting reproductive health, training rural health workers (particularly females) and improving education in health institutes.

The SFD also continued to support groups with special needs, accounting for 1% of investments in 2012. By targeting the groups themselves as well as NGOs working with groups with special needs, these projects have helped to integrate special needs groups into mainstream society.

The SFD continued to support rural development through the Rain-fed Agriculture and Livestock Project and the Integrated Interventions Program, which accounted for 6% and 2% of investments, respectively.

The SFD also continued to support efforts to enhance the human and institutional capacities of NGOs and community-based organizations, through training and organizational support, as well as through other programs aimed at enhancing their participation in development programs and projects. These programs amounted to 2% of SFD investments in 2012. During the year, both Rural Advocates Working for Development (RAWFD) and Empowerment for Local Development (ELD) have expanded, with the latter extended to an additional 23 districts to bring the total number of beneficiary districts to 54 (out of the total 333).

In addition, the SFD continued to support efforts towards the conservation and restoration of historical monuments and archaeological sites of significant cultural value, and to build national and local capabilities in this field. The Cultural Heritage sector received 1% of SFD investments.

The SFD disbursed 3% of its 2012 investments to support small and microfinance programs, and business development services. The investments will enable these programs to expand and improve the financial and non-financial services they provide to promote the creation and continuation of jobs, and to increase employability, particularly among youth.

PROGRAM AND SECTOR INVESTMENTS

The Social Fund for Development (SFD) is a demand-driven organization that has taken an active role in targeting vulnerable groups and poor communities, particularly those located in remote rural areas.

In 2012, SFD programs were executed by seven sectoral implementation units, in addition to the Labor Intensive Works Program (LIWP). The sectors comprise Education, Water and Environment, Health and Social Protection, Agriculture and Rural Development, Training and Organizational Support, Cultural Heritage, and Small and Micro Enterprise Development.

During the year, SFD approved 1,466 projects worth an estimated \$244 million (including beneficiaries' contribution), with direct beneficiaries expected to reach 2.4 million people (55.5% female) and temporary employment amounting to 7.5 million workdays

Targeting and Distribution of Allocations

SFD's targeting policies rely on poverty-related indicators provided by the 2004 Census and 2005-06 Household Budget Survey as well as on qualitative tools that further identify the most impoverished areas and most needy communities. The SFD uses three key strategies for targeting and allocating resources: geographic, program and social.

Geographic Targeting

A portion of the SFD Phase IV (2011–15) resources has been allocated on the basis of need at the governorate and district levels. Needy areas were identified based on the number of poor residents as well as the availability of services and quality of living conditions in the areas. In 2012, roughly 717 projects were committed under this type of targeting, worth approximately \$183 million, or 75% of total investments (Table 1).

Program Targeting

In addition to the resources allocated to districts under geographic targeting, SFD uses program targeting to allocate additional resources to remote and poor communities. The programs that have been developed to achieve this goal include the IIP and LIWP. Other sectoral programs have been developed to bridge gaps in girls' enrollment in basic education in areas with low female enrollment; to introduce technology in schools; or to encourage rainwater harvesting in water scarce areas. Programs and interventions in cultural heritage, small and micro finance, and capacity building are also included in this type of targeting.

In 2012, the SFD developed 701 projects worth about \$59 million, or 24% of total investments.

Social Targeting

The SFD plays a proactive role in targeting vulnerable groups. This includes groups with special needs, such as persons with disabilities and at-risk women and children. This also includes the most underprivileged and socially marginalized groups, including male and female prisoners. The SFD has committed about 48 projects through social targeting, at an estimated cost of \$2 million during 2012.

Targeting	Projects	Percentage (%)	Commitments (millions USD)	Percentage (%)
Geographic	717	49	183	75
Program	701	48	59	24
Social	48	3	2	1
Total	1,466	100	244	100

Table 1

Projects and commitments in 2012, by targeting type

Geographic Targeting as Committed in 2012

Of the \$183 million the SFD invested through geographic targeting, the projects and investments were allocated across the four categories of village poverty as follows (see also figures 1 & 2):

- Group 1 (Poverty index of 0–25%): This group includes the relatively better off (albeit located within rural poor and needy areas), and received 9% (\$16 million) of the total investments.
- Group 2 (Poverty index of 26–50%): This group received 13% (\$24 million) of the total investments.
- Group 3 (Poverty index of 51–75%): This group required more services than Groups 1 and 2, and received 34% (\$62 million) of the total investments.
- Group 4 (Poverty index of 76–100%): Group 4 populations, residing in the poorest and most needy areas, utilized 44% (\$81 million) of the total investments.

As Figures 1 & 2 show, during the year, 78% (\$143 million) of geographically targeted investments went to areas with a poverty index above 50%, while 22% (\$40 million) went to the relatively better-off areas.

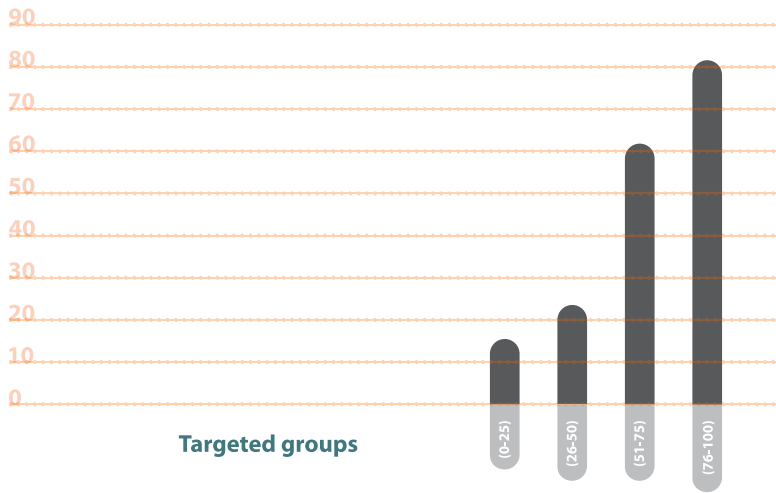


Figure 1

Distribution of geographic-targeting-based investment in 2012, by targeted group (Million USD)

Source
SFD Management Information System

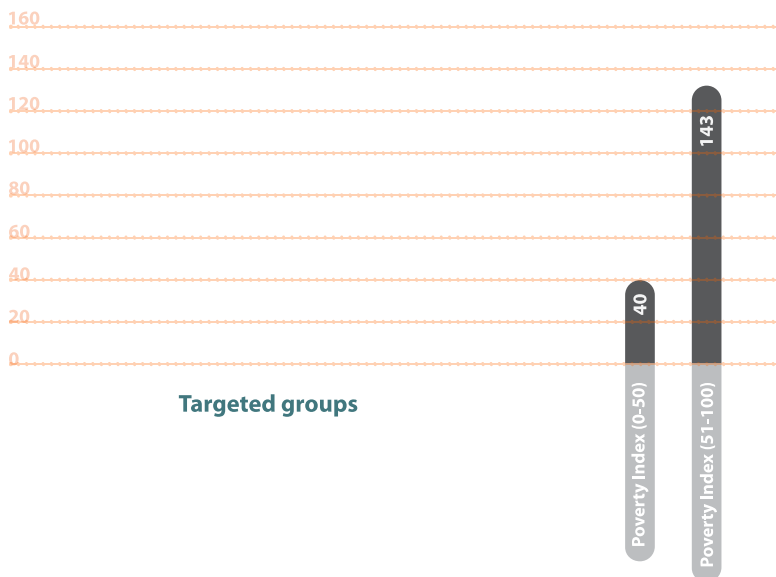


Figure 2

Distribution of geographic-targeting-based investments in 2012, by targeted group (Million USD)

Source
SFD Management Information System

EDUCATION

The SFD's vision for its role in the education sector is to assist the Ministry of Education (MoE) in implementing the national basic and secondary education development strategies and the declared global goals to providing Education for All.



SFD interventions in education seek to pursue objectives based on its vision for the sector and the orientations of SFD Phase IV developed by SFD on the basis of experience gained and lessons learned.

During the year, the SFD developed 373 projects at an estimated cost exceeding \$59 million. The projects are expected to create or rehabilitate 1,465 classrooms benefiting 52,740 students (52% girls).

Cumulatively, the SFD developed 4,920 projects worth about \$672.5 million. The number of classrooms (new, rehabilitated, and completed) in these projects amount to 31,549 classrooms, of which 26,359 have been completed. The projects have directly benefitted approximately 949,000 students (43% female) (Table 2). An additional 748 classroom projects are under implementation, with other approved projects expecting to create or renovate 5,190 classrooms, expected to directly benefit approximately 187,000 students.

Indicator	2012	Cumulative (1997–2012)
Approved projects	373	4,920
Commitments (USD)	59,021,466	672,527,123
Completed projects	186	3,988
Disbursements (USD)	45,259,655	491,943,072
Direct beneficiaries – estimated	191,742	2,756,751
Female beneficiaries (%)	52	45
Temporary employment created (workdays)	1,693,800	23,610,852

Table 2

 Indicators for
 Education Sector

Providing equal opportunities in education (Expansion and improvement of basic and secondary education infrastructure)

This program aims to contribute to providing equal educational opportunities for males and females, both in rural and urban areas, and to narrow the gender enrollment gap in basic and secondary education. This is achieved through the establishment of new school buildings to accommodate new school-age children, as well as through the rehabilitation of educational facilities and improvement of the educational environment. The interventions include furnishing and equipping school buildings to enable them to fulfill their role and promote a stable educational environment for students.

In 2012, the sector developed 267 infrastructure projects, including the establishment of 1,187 new classrooms and the restoration and completion of 203 classrooms. The projects are expected to benefit about 158,339 students (52% female).

Rural girls' education

The Rural Girls' Education Program is an initiative targeting more than 37 villages in 24 sub-districts of seven governorates—Amran, Al-Dhale', Al-Hudaidah, Sa'adah, Taiz, Dhamar and Al-Baidha—where female enrollment rates are very low and could be less than 20% in basic education. The program aims to increase girls' enrollment in the targeted areas and enhance community participation in supporting and advocating girls' rights to education. The program also contributes to Ministry of Education efforts to enhance girls' enrollment.

Cumulatively, the beneficiary communities receive a combination of interventions, which include the development of 139 projects expected to benefit 14,810 male and 16,600 female students, and the formation of 12 development committees, 56 parents' councils and 159 students' councils. Also, 81 classrooms and 11 community classes were built and rehabilitated as well as 30 awareness campaigns conducted.

Improving the quality of education

This component includes preschool and kindergarten education, gifted and talented programs and innovative approaches that introduce new technologies to education as well as providing support to the professional development of educators.

Pre-education and kindergartens: This program support policies (manuals and regulations), construct and furnish kindergartens, provide aims to kindergarten teachers as well as institutional support and capacity building for kindergarten departments of the MoE at the governorate level.

In 2012, seven projects were developed including the construction of a six-classroom kindergarten accommodating 250 children (128 girls and 122 boys). Two other projects provide furniture and equipment to two kindergartens, while the remaining four projects aim at providing training and institutional support. The number of direct beneficiaries from these six projects amount to 738 persons.

Cumulatively, 22 projects have been developed comprising 51 classrooms to accommodate 181 boys and 247 girls in addition to providing training and institutional support benefiting 3,188 teachers (1,669 male and 1,519 female). The training covered different topics such as learning via playing, using educational aids and class management.

Gifted students' education: The program supports the MoE to establish an institutional system to take care of the gifted and talented students, and create a school environment that allows gifted and talented students to highlight their abilities and develop their potentials and talents. The program also encourages such students to further develop their creativity through piloting in classes in four incubator schools in 3 governorates (Sana`a, Taiz and Aden). SFD supports these schools and train their teachers in specific areas such as special needs for

talented students and leadership skills.

So far, 68 male and 97 female teachers had benefited from the raining, and 1,975 male and female students benefited from this program. Currently, the activities of the program are being evaluated.

Education quality in schools: In close coordination with MoE, SFD initiated interventions to improve the quality of education in schools. The first intervention was piloted in 17 schools in 9 governorates (eight schools in the Capital City, two in Hajjah and one in each of Abyan, Aden, Amran, Al-Mahweet, Ibb, Sana'a and Taiz). The interventions include providing a comprehensive package of teacher training and Parents Councils' activation.

The outputs of the pilot phase included the formation of 224 Parents' Councils and providing training to 1,265 teachers, social workers & administrator staff (55.6% female) and to 2,660 students on Parents Councils' role in education, new management skills and using technology in education through Douroub[1].

This project was evaluated in 2008 and the findings were encouraging. Based on this experience, the MoE requested the support of SFD to assist the ministry in how to approach the goal of improving the quality of education in schools—which is a major concern affecting the quality of Yemen education outputs. SFD will also support testing and conceptualization of this approach in some of the MoE-supported 200 schools.

Literacy and Adult Education

The SFD has increased its attention to informal education and literacy programs by supporting infrastructure related activities to expand inclusion; capacity building; and the development and updating of training programs, curricula, and manuals. The SFD carries out these activities in close association with the MoE's Illiteracy Eradication and Adult Education (IEAE) Organization and its governorate offices.

The sector developed 14 projects, which included furnishing and equipping the IEAE Office in Lahj and training 217 relevant workers in gender-based planning, follow-up and evaluation and modern management skills, as well as training 120 supervisors and counselors of literacy classrooms and centers on education overseeing principles. Similarly, 380 female literacy teachers and facilitators were trained in adult education skills, teaching aids preparation, and life skills. Training was also provided in advanced sewing, handicrafts, and housekeeping in Sana'a, Al-Dhale', Lahj and Mareb, in addition to implementing a hygienic and environmental awareness project targeting female literacy teachers and students.

[1] **Douroub** or "empowerment through global education" is a professional development program for teachers with the aim of creating a cadre of educational trainers qualified in providing educational solutions to address the needs of Yemen's education system in serving gifted and talented students and students with special needs and in using information technology and Internet technology. Designed in English and Arabic, it provides the basis needed to grow as a locally owned program capable of supporting all schools in Yemen.

Institutional Support

The SFD continued its efforts to provide institutional support to the Ministry of Education's departments and offices in different districts and governorates through supporting infrastructure and providing organizational support as well as by enhancing the decentralization of educational services.

Nine projects were developed that aimed at building, furnishing, and equipping 3 education offices in the districts of Manbah and Baqem (Sa'adah), Markha (Shabwah), Gabal Eiyal Yazeed, Al-Soud and Thula (Amran), as well as projects to restore and rehabilitate four similar offices in Taiz and Abyan, which were damaged by the events in 2011. Finally, equipment was provided to the General Exams Directorate, as well as to its branches in the governorates of Taiz, Lahj, Sana'a, and Hadhramaut.

Education Immediate Response

The SFD contributes to reconstructing and rehabilitating the educational facilities damaged during the 2011 events as well as to providing shelter to those who were displaced.

During 2012, 95 projects (worth about \$7.3 million) were developed, aiming at the restoration, rehabilitation, furnishing, and equipping the damaged schools, as well as providing shelter to people displaced by the 2011 events. The projects targeted 148 schools in the Capital City, Abyan, Sana'a, Taiz, Hajjah, Sa'adah, Aden, and Lahj governorates.



Al-Qaryah School, Al-Qaryah Sub-district, Tareem District, Hadhramaut Governorate

Box 1

SFD renovates schools affected by conflicts

Over the course of the 2011 events, many schools in the Capital City and other governorates were damaged. Al-Rammah Girls Basic and Secondary School, in Al-Hasabah, Al-Thawrah District of the Capital City, was among those that were damaged. With over 120 teachers (male and female), the school previously operated a morning and evening shift, educating 1,700 female students. The school was vandalized and looted during the 2011 events, disrupting the students' education.

The Social Fund for Development (SFD) compiled a list of affected schools. In October 2012 SFD received a €7 million grant from the German Bank for Development (KfW) to rehabilitate, re-furnish and equip these schools to enable them to resume their normal functioning in the 2012/2013 academic year.

The school administration, teachers, students, and parents praised SFD for its interventions and expressed their happiness and enthusiasm to return to school.

One student, Alia' Kamal, was reunited with her Al-Rammah School colleagues in early December 2012 and able to complete her education there among her life-long school classmates. Alia' spent two months studying at a nearby school that had not suffered damages from the 2011 events, but reports that she feels more safe and reassured back at her original school.

The school principal deems the current condition of the school as "excellent," and concludes: "We are at the end of December [2012], with no other institution in the area fully open and naturally operating – with the exception of some schools, including ours ...".

HEALTH

The SFD's vision for the health sector focuses on supporting the efforts of the Ministry of Public Health and Population (MoPHP) to expand coverage of basic health services, to enhance the performance of the health system, and to improve human resource management—thus contributing to achieving MDGs health indicators by 2015.



SFD's health projects are developed in partnership with the MoPHP and its governorate offices. They pursue their objectives through 5 programs designed to increase access to primary healthcare (PHC) services; improve and expand reproductive health (RH) services; improve mid-level health education; support mental healthcare services; and to contribute to institution building for the MoPHP and its Governorate Health Offices (GHOs).

In 2012, 98 projects were developed at an estimated cost of \$6.4 million. The projects are expected to directly benefit about 513,539 people (73% female). Cumulatively, the number of health projects amounts to 1,143 worth nearly \$93.7 million, which benefit directly a geographic area of nearly 7.6 million people (63% female) (Table 3).

Indicator	2012	Cumulative (1997–2012)
Approved projects	98	1,143
Commitments (USD)	6,401,338	93,658,724
Completed projects	53	915
Disbursements (USD)	4,743,026	66,839,338
Direct beneficiaries – estimated	513,539	7,586,675
Female beneficiaries (%)	73	63
Temporary employment created (workdays)	123,197	2,164,495

Table 3

 Indicators for Health Sector

In addition to infrastructure projects, the SFD continued to build the capacity of health staff and health workers and to provide institutional support to various health facilities. The projects in 2012 included training and certification of 329 health workers in PHC, mid-level health education, and mental healthcare, as well as supporting the construction, rehabilitation, equipping, and furnishing of a number of health facilities.

Cumulatively, certification and training activities have been provided for approximately 4,116 health staff and workers. This includes the training of administrative and technical staff, the certification of female health workers, the training of health committees, the certification of community midwives and the training of consultants. Support has also been provided to conduct studies and to build, rehabilitate, equip, and furnish health facilities.

Primary Healthcare

The Primary Healthcare (PHC) Program aims to expand coverage of basic health services through the reconstruction, rehabilitation, equipping, and furnishing of PHC facilities (health units “HUs” and health centers “HCs”), through increasing the number of PHC services providers (pre-service training), and improving their capacity and skills (in-service training). The program mainly targets poor and disadvantaged areas and groups.

During the year, 30 projects were developed, expected to benefit 75,000 people (50% female), as follows:

Increasing access to PHC facilities: Fifteen projects were developed, aimed at building, equipping and furnishing 10 HUs and 7 HCs in Taiz and Ibb, Raimah, and Sana’a governorates.

Increasing the number of PHC services providers: The sector developed 2 projects to certify 20 female students as medical assistants in Hajjah and 20 others in technician nursing in Shabwah.

Enhancing PHC providers’ capacities: The sector developed 13 projects in this area. Nine projects were aimed at training 237 health workers (118 females) in child health integrated care in Taiz, Al-Maharah, Al-Jawf, Lahj, Raimah, Al-Mahweet, and Mareb governorates. Two other projects implemented health-services quality improvement programs in primary health care facilities in Hadhramaut, Shabwah, and Hajjah by training 100 technical and administrative health workers in the program’s different packages (in coordination with GHOs and GIZ). The remaining two projects provided training on health education to 64 PHC health workers from Amran and Sa’adah districts.

In addition, a project has been developed to certify health workers in physical therapy to work at the Physiotherapy Center of Seyoun Hospital (Hadhramaut).

Reproductive Health

This program aims to increase the number of medically assisted deliveries by skilled health staff and to decrease maternal and neonatal mortality. This is pursued by constructing and equipping both basic and comprehensive EmOC and MCH centers, as well as by certifying midwives (pre- and in-service training) and community midwives (CMWs), and by training reproductive health (RH) staff in premature and neonatal care.

In 2012, 42 projects were developed, which are expected to benefit 438,040 women and children.

Increasing access to RH services: Thirteen projects were approved, expected to benefit 437,430 women and children. These projects include constructing, equipping, and furnishing basic and comprehensive EmOC sections and MCH centers in 7 governorates. In addition, RH mobile clinics were purchased and supplied in Taiz, Lahj, and Al-Hudaidah.

Increasing medically supervised deliveries: Twenty-nine projects have been developed aiming to certify 50 female high school graduates (from Taiz and Al-Dhale’) as technician midwives and to provide training to 560 midwives (from several governorates) in community-based maternal and newborn healthcare.

Mental Health

The program aims to contribute to expanding and improving mental health (MH) services according to the directions of the National Mental Health Strategy. Its activities include integrating mental health into PHC, enhancing MH care services, building MH care centers, capacity building, and raising awareness.

During the year, 11 projects were developed, 6 of which provided MH training to 140 physicians and health workers in PHC facilities of 5 governorates, and 5 of which promoted school mental health by training 200 psychologists in schools in 4 governorates.

Mid-level Health Education

This program aims to strengthen the administrative and institutional capacity of the government health institutes (HIs) by supporting the educational systems, and enhancing administrative and technical capacities of HIs' staff through in-service training within the National Health Institutes Strategy, and in coordination with MoPHP and HIs' administrations.

In 2012, in partnership with MoPHP and health institutes, the SFD provided technical and financial support to review and upgrade CMWs' job description and curriculum.

Institution Building

The institution building program aims at strengthening and expanding the administrative and institutional capacity of the MoPHP and GHOs through supporting health management and planning, and supporting health systems (such as information systems and HR). In addition, the program aims to strengthen the decentralization of health services within the National Health Strategy and in coordination with the MoPHP.

During the year, 14 projects were developed. This included 2 capacity-building health-management projects targeting 50 health administrative staff in health offices of 10 districts in Sa'adah and Amran Governorates, and 12 projects (within RHPP) to support infrastructure institutional aspects of GHOs in Taiz and Lahj.

Strengthening Partnerships

The SFD seeks to strengthen its partnership with the Ministry of Public Health and Population, among other partners, to achieve MDGs in the sector.

During the year, the SFD participated in a number of activities, including discussion of the Safe Motherhood (SM) Law; consultative/planning workshops relating to SM health cards programs; developing the EmOC referral system general framework; discussion of RHPP-2 to be implemented in Al-Mahweet, Al-Baidha, and Hajjah; and integrated nutrition intervention and conditional cash transfers, which will be funded by the World Bank and implemented by the SFD in partnership with the MoPHP.

GROUPS WITH SPECIAL NEEDS

The SFD's engagement with Special Needs Groups (SNGs) focuses on promoting social integration and equal rights and opportunities for children with disabilities and children who are vulnerable to abuse. This is carried out by supporting both governmental and non-governmental efforts, and community-based initiatives, to provide social services for these groups.



Activities during the year focused on supporting inclusive education; expanding low-vision education and birth registration programs; building the capacity of services' providers; early detection and intervention; learning difficulties; and community-based rehabilitation.

In 2012, the sector developed 48 projects at an estimated cost of more than \$1.7 million, directly benefiting approximately 5,541 people (42% female). Cumulatively, the number of projects amounts to 675, worth more than \$35.9 million, and are expected to benefit a geographical area of more than 183,000 people (39% female) (Table 4).

Indicator	2012	Cumulative (1997–2012)
Approved projects	48	675
Commitments (USD)	1,740,214	35,907,102
Completed projects	38	545
Disbursements (USD)	1,754,998	27,771,826
Direct beneficiaries – estimated	5,541	183,015
Female beneficiaries (%)	42	39
	23,974	826,643

Table 4

Indicators for
Groups with
Special needs

Inclusive and Special Education

This program aims to integrate targeted students with special needs into public education. It also aims to support the Ministry of Education in inclusive and special education by rehabilitating, furnishing, and equipping integrating schools and the MoE's relevant departments. In addition, the program seeks to establish learning source units, certify the institutions' staff, and provide educational aids.

During the year, 24 projects were developed to support the program's activities, including 20 projects to support inclusive education and 4 projects to support special education. These projects reflected specific objectives of the activities and projected outputs, and are expected to benefit 5,527 persons (41% female). The activities were distributed over infrastructure, training, and awareness. In the first area, 9 classrooms were constructed and 17 others furnished and equipped. In addition, 27 bathrooms were built and 6 rehabilitated for use by children with disabilities. The projects also included the construction of 16 RAMPs and 5 learning resources rooms, and the furnishing and equipping of 17 other rooms and 4 pre-school classrooms. An additional 13 schools and 2 associations were provided with educational tools in addition to

developing educational measurement and evaluation tests for children with specific learning difficulties. A final project involved furnishing and equipping a gym for autistic children and adolescents in the Capital City.

In capacity building, training was provided to 682 school counselors, teachers, specialists, and administrators in various fields, including education of deaf and visually impaired children, writing in Brail, assessment and diagnosis, individual plans, art of orientation and mobility, speech therapy and sign language, life skills, and integration.

In awareness, 7 campaigns were carried out on concepts and types of disability, concepts of integration, and inclusive education.

Early Childhood Development

Early childhood is considered a very important phase in the development of children and their multidimensional growth as it helps shape their personalities and their future education. This understanding has led the Social Fund for Development to endeavor to be very mindful of early childhood, through a number of related programs that serve childhood development in multiple ways (educationally, hygienic, and psychologically).

Seven projects were approved during the year, expected to benefit 1,785 people of both sexes. The projects aimed to establish early intervention services (curative, preventive, and rehabilitative) in 3 hospitals in Lahj Governorate and to train 15 doctors and nurses in these hospitals in early detection of disability and developmental delay. The projects also included one to establish a Capital City-based kindergarten for children with vision impairments, and one to provide training for 35 teachers in 4 kindergartens located in Al-Maharah and Hadhramaut governorates on how to diagnose physical hyperactivity and methods of changing the behavior of children who are diagnosed with hyperactivity. In addition, 25 doctors and kindergarten teachers in the Capital City and Sana'a, Taiz, Aden, Hadhramaut, Ibb, Dhamar, Amran, and Hajjah were trained to become national trainers in early intervention for disability. Finally, relevant practical manuals were developed and printed.

Community-Based Rehabilitation

The Community-Based Rehabilitation (CBR) program aims to reach more children with disabilities and to empower them to access services and opportunities so that they may become active community members. The program also aims to motivate the local community to assist children with disabilities.

In 2012 the sector continued its support for CBR activities through the implementation of 2 projects targeting 358 people. The first aimed to improve and enhance CBR services in Al-Fiyoush Village (Lahj) through rehabilitating, furnishing, and equipping a physiotherapy room for children in the village's health unit and by providing training for 15 CBR female workers in visual impairment and speech therapy. The second project aimed to educate 32 councilors in Hadhramaut in disability and comprehensive development.

Institutional Support

This component aims to provide institutional support to government institutions and non-governmental organizations to develop their performance and provide better services for people with special needs. It does so by certifying these institutions and expanding their institutional and technical capacities.

During the year, three projects were developed. The first equipped the Blind Association in Amran City (Amran) with talking computer software. The second project, targeting the Yemeni Forum of Persons with Disabilities in the Capital City, aimed at furnishing and equipping the Forum. This project also provided training to the Forum's its monitoring team in evaluating the implementation of the Convention on the Rights of Persons with Disabilities, writing analytical reports, monitoring, and follow-up. The third project established a section for people with visual impairment in Al-Baradouni Public Library (Dhamar).

Similarly, within the context of supporting policies and strategies geared towards people with special needs, the SFD developed a project to provide technical support to the National Disability Strategy's Monitoring and Evaluation Committee, as well as training to its members on how to start up a follow-up system and write evaluation and achievement reports.



Child Protection

This program aims to contribute to improving the quality of life of children exposed to abuse (orphans, juvenile, street children, working children, displaced children in camps and trafficked children) and vulnerable population groups (such as elderly persons and marginalized groups) through improving the infrastructure of the centers that provide services to these groups and supporting the strengthening of these programs.

Twelve projects have been developed, targeting 10,199 people (40% female) to implement interventions in infrastructure, training and awareness. This includes one to support the establishment of an automatic birth registration system and another to conduct 20 studies evaluating several disability institutions and services. The training focused on behavioral problems and guidance, alternative institutional care, tracking children (social reintegration), and development of children's life skills, personal hygiene and self-care. Finally, a number of campaigns have been carried out to raise awareness of children's human rights.



Street children welfare center – Sana'a

Box 2

“SFD has proved to be an outstanding national development institution”

The Youth Cultural Center was established in Al-Aiz Village (Aflah Al-Sham, Hajjah) in 2005 as the sole recreational facility for the children and youth of the district. According to official statistics, the district has the country's highest number of children trafficked to neighboring countries. The Center's management faced many difficulties and challenges, mainly due to the state of its physical facilities.

The Social Fund for Development (SFD) initiated an intervention to build, equip and furnish the center, which has since become a symbol of child and youth development assistance. The Center promotes child and youth development by encouraging and supporting educational, cultural, sport, and awareness activities. The center has also been actively involved in providing training in computers, English language, and other topics, as well as contributing to strengthening the capacities of young people as they enter universities and technical institutes.

The Center has recently provided services to help secondary-school graduates whose difficult living conditions had prevented them from completing their university studies. The Center also helped by raising awareness, providing tuition, and motivating the students to continue with their university studies. Moreover, the Center has assisted female university students (via distance education) with tuition programs, including in computers and English language, thus encouraging them to continue on with college education.

In summary:

“SFD has been a national outstanding development institution spreading its rays to each sub-district and village in the district”.

Ahmed Nasser Al-Tawaf

Youth Cultural Center Director

(Aflah Al-Sham District, Hajjah Governorate)

WATER AND SANITATION

SFD interventions in the water sector contribute to increasing water service coverage in needy communities in accordance with the national definition of water coverage. With regards to water sources, SFD considers renewable water sources such as rainwater, springs and surface water as the first option; if not available, then groundwater is considered as the second option. In the sanitation sector, the SFD's interventions focus on solving acute pollution problems that cause nuisance to the poorer communities. To augment the impact of water interventions, the Sanitation Sector also focuses on conducting hygiene campaigns to deliver three messages: sanitation (appropriate human waste disposal), hand washing, and water treatment at the point of use.



During the year, SFD committed to 349 projects for both sectors at an estimated cost exceeding \$93 million.

Cumulatively, the number of water projects numbered 2,096 at an estimated cost of \$330 million, benefiting about 3.6 million people (59% female). The sanitation sector developed 347 projects worth approximately \$44.6 million, benefiting 3.4 million people (50% female) (Table5).

Indicator	Water		Sanitation	
	2012	Cumulative (1997–2012)	2012	Cumulative (1997–2012)
Approved projects	293	2,096	56	347
Commitments (USD)	87,635,161	330,043,958	5,512,069	44,599,083
Completed projects	87	1,478	21	232
Disbursements (USD)	15,527,945	115,992,226	2,930,528	24,636,339
Direct beneficiaries – estimated	437,231	3,627,909	431,414	3,353,638
Female beneficiaries (%)	50	50	52	50
Temporary employment created (workdays)	1,077,932	7,256,667	122,974	1,396,450

Table 5

Indicators of
Water and
Sanitation Sectors

Water

The water sector focuses on implementing low-cost projects to provide water services to the poor, utilizing the available renewable water sources as first option, and groundwater as second option, while complying with the national water coverage definition that has been agreed upon by all actors in the sector. All components required for insuring sustainability and compliance with the national water coverage are considered. Such requirements include community mobilization and participation in all the stages of the project, sound and tailored design and quality control to insure having improved quality water.

During the year, 293 water projects at an estimated cost of more than \$87.6 million have been developed, with SFD contributing \$31 million. The projects are expected to benefit 437,231. The high contribution of communities to water sector owes to the dominance of the rooftop rainwater harvesting projects, in which community contribution reaches 80%.

The projects are distributed among 6 sub-sectors: Rooftop rainwater harvesting, public covered rainwater harvesting cisterns, public uncovered rainwater harvesting cisterns, groundwater systems, surface water systems, and training and awareness.

It is worth noting that during this phase SFD is implementing a special program to channel more resources to address water scarcity in the neediest communities based on the indicators of 2004 census. SFD has allocated \$100 million for this program that aims at targeting the poorest community categories (Groups 3 and 4 in the poverty index) that do not have sufficient access to water sources and with populations of at least 300 people. More than 52% of the mentioned approved projects are under this program.

During 2012, SFD has increased the storage capacity of improved water to about 0.8 million m³ to provide access to water to 30,263 households. The storage capacity of unimproved water has been expanded by about 1 million cubicmeters.

Covered Public Rainwater Harvesting Cisterns

This sub-sector aims to provide improved water to communities, particularly those living in mountainous areas, where rainwater harvesting is the only option to provide the population with sustainable and affordable water. This is accomplished by installing covered public tanks with enough capacity to collect rainwater pouring from clean catchment areas during rainy seasons and to store it for dry seasons.

In 2012, the SFD developed 62 projects in this sub-sector worth about \$9.9 million. These projects include 88 covered cisterns with a total storage capacity of 114,356m³, to provide access to improved water for 54,718 beneficiaries. Cumulatively, 306 projects have been completed, with a total cost of \$18.9 million. This includes 354 covered cisterns, with a total storage capacity of 568837 m³ and serving 392,551 beneficiaries.

Uncovered Public Rainwater Harvesting Cisterns

This sub-sector aims to collect run-off into uncovered cisterns to be used for household consumption. There is still demand for this type of rainwater harvesting, particularly in the nomadic areas (Hadhramaut, Shabwah, Al-Jawf, and Al-Maharah) where people do not have permanent settlements, but continually move in search of water and pastures.

In 2012, the SFD developed 12 projects in this sub-sector, worth about \$1.1 million. These projects include 18 uncovered cisterns with total storage capacity of 154,600 m³ to provide access to unimproved water for 6,631 beneficiaries. Cumulatively, 379 projects have been completed, costing \$23.9 million. This includes 955 cisterns and karifs (Karif is a natural or man made depression in the ground used for collecting) , with total storage capacity of 2,551,395 m³ to serve 677,529 beneficiaries.

Rooftop Rainwater Harvesting Cisterns

This sub-sector aims to provide improved water, especially for rural populations in the mountainous areas. Private tanks collect rainwater from the roofs of the beneficiaries' houses, and the water is then stored in the tanks for use during dry seasons. The tanks have an average capacity of 45 m³.

During the year, the sector developed 176 projects worth \$69 million to implement about 25,940 rooftop rainwater harvesting tanks (RRHTs) having total capacity of 1,126,104 m³ to serve 230,514 persons. Cumulatively, 363 projects have been completed, with a total cost of \$22.4 million. This includes 31,648 tanks with a total storage capacity of 1,567,904 m³ to serve 339,232 beneficiaries.

Surface Water

This sub-sector aims to utilize surface water from springs and water bodies to provide improved water to targeted beneficiaries. Nineteen projects have been approved worth \$1.6 million to serve 18,142 beneficiaries. Cumulatively, 115 projects have been completed, with a total cost \$6.8 million, and serving 205,508 beneficiaries.

Groundwater

Where rainwater harvesting is impractical and surface water is unavailable, then groundwater (hand dug wells, and deep bore holes) can be utilized to provide targeted communities with improved water. Fourteen projects have been approved worth \$3.9 million and serving 120,686 beneficiaries. Cumulatively 125 projects have been completed, with a total cost \$10.8 million, and serving 853,416 beneficiaries.

Training and Awareness

This sub-sector aims to provide capacity building for SFD's project officers, consultants, government, and NGO staff in SFD's water sector policies, criteria, and procedures. This sub-sector also provides capacity building and training to local communities to manage completed water projects to insure sustainability of service provision.

One project has been approved for developing guidelines for SFD's policies and criteria in the water and sanitation sectors to be used easily by POs as well as a reference for other partners. Cumulative completed projects are 94, with total actual cost \$0.85 million, including training 1,637 consultants, 279 government and NGOs staff on SFD's policies, criteria and procedures.

Abyan Post Emergency Water and Sanitation Interventions: In December 2012, SFD signed an agreement with KfW, by which SFD will receive a grant of €12 million (about \$15.8 million) towards rehabilitating Abyan Governorate's water and sanitation systems, which were damaged during the 2011 armed conflict. The interventions will restore the water and sanitation systems in both Ja'ar and Zinjibar to their prior status. A portion of the grant will also support the implementation of water and sanitation projects in selected rural areas in Abyan. The implementation will proceed with the coordination and full participation of the local authorities. The Grant will also rebuild and furnish the LWSC premises, which were destroyed during the conflict. These grant-supported projects will also create a substantial number of temporary jobs for locals—much needed for their livelihoods at this time.

Box 3

Rooftop harvested water—an effective solution to water poverty on the mountaintops

Yemen is one of the poorest ten countries in the world with respect to water. The amount of renewable fresh water resources available per capita is 120 m³ per year, in contrast to the global figure of 1,385 m³/y per capita (overall, the world uses 9,087 billion cubic meters of water per year). Due to depletion of most of the major water basins in the country, the SFD policy has focused on renewable water sources such as rainwater harvesting and springs to provide communities with water. The SFD has begun installing rooftop rainwater harvesting tanks to collect the largest rainwater quantities possible for the longest period possible. This will also minimize the time residents must spend fetching water.

The highlands are the most water-poor regions of Yemen, due to the geographic and demographic nature, difficulty of rainwater harvesting, and poverty of shallow wells and groundwater basins. The village of Hurubah in Sharis District (Hajjah Governorate) consists of 3 high-elevation mountaintop communities. Currently, water supply truck owners charge YER 9 thousand (\$42) for about 3,200 liters.

Ali Al-Musar (an elderly farmer and builder) is the breadwinner for 15 people and cares for 3 cows and two donkeys. They all consume a truckload of water shipped in each month. The SFD has supported them to build a rooftop rainwater-harvesting tank that is sufficient for three months instead of one, and of higher quality. Mr. Al-Musar recalled, “Three of our women used to travel three times daily to bring in 80 liters of water from the downstream valley in 4 hours trip.” Of the SFD’s performance he adds, “I did not pay anything when [SFD] constructed the tank because all the materials are available in the area, except wages of transport of sand from the valley. During the fuel crisis in 2011, we were afraid that the SFD might fail to meet its obligations, but we received the building materials to our working site and the resident technician worked in the village until the project closed.”

Another villager, Muhammad Al-Husn, started digging for an additional private reservoir near his home in order to cover his family’s consumption (which includes 4 households of 25 people + 35 livestock) throughout the year as the SFD-aided tank stores water only for 5 months. “Villagers have begun digging 10 additional tanks to carry on attention to the education of our girls who missed it in the past. Now there is no single girl out of school,” adds Al-Husn.

Sanitation

Interventions in the sanitation sector focus on solving acute pollution problems that cause nuisance to poorer communities. Solutions to these pollution problems are usually simple, low cost, sustainable, and affordable. For sanitation options suitable to the water scarcity in the country, SFD opts for the traditional dry toilets to deal with the human feces and small diameter gravity sewers for collecting and transporting grey water. With regards to wastewater treatment plants, natural treatments such as stabilization ponds and anaerobic technologies are adopted and machines are kept at the minimum level.

The most cost effective intervention in this sector is the hygiene campaigns, which normally accompany every water project. Community – led total sanitation (CLTS) is used in conducting these campaigns, and as a result, sanitation coverage jumps from 19% to 45% in average with an average cost of \$1,000 per community.

In 2012, 56 sanitation projects worth about \$1.8 million have been developed, and expected to benefit 431,414 people

Wastewater Management

If appropriately collected and treated, wastewater can be recovered and used as a water source. This year, 11 projects have been approved with total cost estimate \$4.6 million. The components of these projects include 538 manholes, 760 inspection chambers, 56,295 m of sewers, 1,530 house connections, 2 wastewater treatment plants, and 4 septic tanks, and all expected to serve 88,422 persons. Cumulatively, 76 projects have been completed, costing \$12.9 million, and consisting of 4,531 manholes, 12,282 inspection chambers, 9,821 house connections, 261,120 m of sewers, and 15 wastewater treatment plants. The projects serve 676,176 beneficiaries.



Sewerage water treatment plant, Al-Khuf & Al-Haikal, Dhi Na'em, Al-Baidha

Solid Waste Management

Cumulatively, 38 projects have been completed, costing \$2.6 million. This includes 4 transition stations, 5 management buildings and hangers, 25 trucks, 7 slaughter houses, 7 landfills, and 18 biogas units.

Training and Awareness

This sub-sector aims to provide capacity building for SFD's project officers, consultants, government and NGOs staff in SFD's sanitation sector policies, criteria, and procedures. This year, 45 projects have been approved, with total estimated cost \$0.94 million, for conducting 1,021 hygiene campaigns using community-led total sanitation approach (CLTS) and training 345 consultants (male and female) in CLTS.

Cumulative completed projects reached 90, with total actual cost \$1.2 million, for conducting 1,012 hygiene campaigns and training 821 consultants, and 190 government and NGOs staff.

The projects are distributed over training and awareness (hygiene and environment awareness campaigns focusing on sanitation, hand washing, and water treatment at households) mainly by using the CLTS approach.

Infrastructure of the Historic City of Shibam (Hadhramaut) Project

The SFD continued the implementation of the infrastructure project in Shibam, Hadhramaut. The project's components include sewerage, water, electricity, telecommunication, and lighting networks, as well as pavement and house connections. The progress in the project as a whole reached 55% by the end of 2012.



Infrastructure project for Shibam Hadhramaut Town

Box 4 **CLTS contributes to improving villagers' health and life**

Many populations in third world countries suffer from diseases caused by harmful environmental practices. In Yemen, as a very poor country, many rural communities employ unsafe habits such as open defecation, refraining from washing hands, and drinking unpurified water. The reasons for this are manifold, and include a lack of health awareness, water scarcity, and overall economic conditions.

In response to these challenges, the SFD has contributed to raising hygienic and environmental awareness through the application of the community-led total sanitation (CLTS) approach in several areas in the country, achieving notable success.

In this regard, the SFD targeted 19 villages in Bani Nesr, Bani Aawf, and Bani Nawf sub-districts of Al-Madan District (Amran Governorate), each of which were negatively affected by open defecation. These villages, with a total population of about 8,067 residing in 769 houses, had previously suffered from the spread of five diseases: diarrhea, schistosomiasis, malaria, intestinal worms and renal (kidney) diseases. The spread of these diseases affected the lives of most of the villagers, especially children.

SFD's teams conducted field visits to the targeted villages to study their environmental, hygienic, health, and social conditions, finding a medium-to-high prevalence of the mentioned diseases. The visits also revealed that 671 houses lacked sanitation facilities: more than 78% do not contain sinks for washing hands, and 87% of the villagers do not access to clean potable water.

The SFD used extensive community persuasive awareness approaches such as motivating and following up with homeowners to build bathrooms, and digging and covering pits. The SFD also reached out to public facilities, including mosques and schools. Problems that arose were solved in meetings and public events, with cleanliness campaigns conducted in the villages.

Following CLTS application, the situation changed dramatically, as the number of houses with sanitation facilities rose from 98 to 406 houses (a growth rate of more than 400%), and general sanitation coverage increased from 13% (pre-intervention) to 53% (post-intervention).

AGRICULTURE AND RURAL DEVELOPMENT

The SFD's Agriculture and Rural Development activities aim at empowering rural communities by building their capacities and providing access to agriculture-related infrastructure. These activities are implemented under two sectors: agriculture and integrated interventions.



In 2012, the SFD developed 86 projects in the Agriculture Sector at an estimated cost of \$8.3 million, and 56 projects (worth approximately \$5.4 million) in the Integrated Intervention Program. Cumulatively, the number of projects in agriculture totaled 414, worth about \$43 million, and benefiting approximately 575,567 people, while in the IIP 293 projects were developed, worth more than \$23.2 million, and benefiting a geographical area of nearly 293,193 people (Table 6).

Indicator	Agriculture		Integrated Interventions	
	2012	Cumulative (1997–2012)	2012	Cumulative (1997–2012)
Number of projects developed	86	414	56	293
Commitments (USD)	8,280,620	42,899,063	5,381,503	23,230,634
Completed projects	37	148	10	171
Disbursements (USD)	7,612,128	14,871,185	1,578,755	12,961,060
Direct beneficiaries – estimated	174,521	575,567	27,842	293,193
Female share of direct beneficiaries (%)	48	49	49	43
Temporary employment created (workdays)	210,272	1,040,330	101,850	602,767

Table 6

Indicators for Agriculture and Rural Development

Agriculture

The SFD's agriculture sector aims at increasing the productivity and income of poor farmers living in target areas through enabling them to upgrade and diversify their agriculture and livestock production. The major activities in this sector are the RALP and water for agriculture development.

The Rain-fed Agriculture and Livestock Project (RALP)

The SFD is implementing the third component of the RALP in 23 districts in 5 governorates (Al-Mahaweet, Lahej, Hajjah, Al-Hudaidah and Sana'a) in addition to its interventions in Water for Agricultural Development.

The program enables farmers in the target areas to develop, diversify, and market their products.

During the year, 1,656 productive sub-projects were funded for rural producer groups (PGs) at the local level. The SFD also completed a large number of training programs and the transfer of modern knowledge and practical skills to target PGs in agricultural production and poultry, as well as institutional, organizational, financial aspects, and project management.

In addition, 94 seeds PGs were formed and trained, and a project was initiated to establish 5 new seeds associations and to build their organizational and institutional capacity.

An additional program was developed to provide adult education and literacy classes among the target communities.

The SFD also carried out joint planning, work, and coordination with the Ministry of Agriculture to train technician veterinarians and provide veterinary services in 119 communities as well as to conduct field visits to a number of PGs and projects in several governorates and to implement jointly immunization campaign against certain ruminants diseases, which have spread recently in some districts of Al-Hudaidah.

Coordination and communication with the local authority also commenced, with the local authority participating in several workshops.

Women in the targeted areas have been increasingly involved in RALP activities, with their contribution reaching 60% and 90% in plant and animal activities, respectively. Women's groups represent 47% of the total PGs formed and 55% of the mixed groups financed. They also received an ample share of training and capacity building activities.

In infrastructure projects, which include water interventions (watersheds, tanks and channels), soil conservation, valleys banks protection, and agricultural terraces rehabilitation, all works were completed in Wadi Adeem (Al-Maqaterah District, Lahj Governorate). Work continues on the supplementary irrigation tanks pilot project in the district, as well as in the pilot project to conserve soil and water in Al-Foaha (Gabal Ras, Al-Hudaidah) and flood irrigation channels reclamation. Three modern irrigation systems were also supplied and implemented. Training courses in irrigation techniques were organized in Al-Rajm (Al-Mahweet) and Mustaba (Hajjah).

Water for Agricultural Development

During the year, the SFD completed 7 small dams worth about \$1.4 million, with capacity of nearly 760,000 m³, and benefiting nearly 8,838 people. The projects are distributed in Hadhramaut, Amran, Al-Jawf, Al-Dhale', Sana'a and Shabwah governorates.

This brings the cumulative total of completed small dams to 95, totaling 7.8-million-m³ in capacity, worth approximately \$12.6 million, and benefiting 24,000 people.

Moreover, 3 new small dams of about 347,000 m³ capacity are under implementation worth nearly \$600,000 and expected to benefit approximately 6,500 people.

Status of projects	Number of projects	Storage capacity (m ³)	Irrigated area (hectare)
Completed in 2012	7	759,632	139.5
Completed cumulatively	95	7,799,060	368.5
Under-implementation	3	346,576	1,394.30
Approved	8	809,875	298

.....
Outputs of Water for Agricultural Development projects (small dams), 2012 and cumulatively

Indicator	2012	Cumulative
Agricultural terraces rehabilitation (m ²)	70,043	79,782
Number of irrigation tanks	114	188
Irrigation tanks storage capacity (m ³)	20,775	24,925
Number of irrigation channels	31	31
Irrigated area (hectare)	160	160
Flood protection walls (m ³)	14,840	24,969
Forestry treeing area (hectare)	6.5	6.5
Lands protection (hectare)	150	185
Coffee seedlings	960	960
Palm seedlings	300	300

.....
RALP projects outputs (infrastructure), 2012 and cumulatively

Pilot projects to replace qat trees in Souda and Maswar Districts (Amran) approached completion. Four hundred coffee and almond seedlings were provided to replace qat trees. Simple irrigation systems were also provided and installed.

Box 5

Story of the first woman contractor in Bor'a

The SFD community contracting mechanism has been successfully implemented in selected SFD interventions. The process of community contracting puts communities in the driving seat. The projects are run by the elected community committee and implemented fully by local contractors and laborers. The construction materials are purchased competitively and transparently from shops located within the target sub-district. This practice creates noticeable economic development and employment movement at the local level.

Community contracting is an innovative approach that builds the capacities to carry out procurement procedures and to supervise project implementation. It promotes equity and transparency in the implementation of projects as well as creating job opportunities. It has been noted that it creates a sense of entrepreneurship among participants, as several of those involved in the process have become contractors.

At the end of 2010, the SFD used this mechanism in the Rain-fed project that targeted the integrated management of Wadi Shuraim Watershed in Rehabat in Bur'a district of Al-Hudaidah governorate. It announced a tender for producing 9,556 agricultural and forestry seedlings to be used in the project. Three contractors applied for the tender. Among these applicants was a young and illiterate woman from the same region. She won the competition, making her the first woman contractor of this kind in the area. This case was controversial and generated criticism from local community. One critique was that the woman, Zakiyah, was focused on producing forest seedlings that they believed to be agriculturally and economically infeasible.

Zakiyah took with her a fresh and novel approach to planning the project. Her first economic project was carried out in 2009, when she sold her jewelry to buy a water spring to irrigate her vegetable fields. Irrigation from that spring was one of the secrets to the success of her new project, in which she employed six persons to look for seedlings and small trees growing on nearby mountains and highlands. Zakiyah supplied all the contracted seedlings and earned twice as much as she had spent. The seedlings were then distributed to the agriculture production groups using the SFD-built rainwater harvesting tanks.

The story does not end here. Zakiyah then applied to a new competition in 2012 to plant 1000 forest seedlings worth 150,000 Riyals. "Women of the village are wondering of my success," said Zakiyah. "They used to criticize me and predicted me to fail because I applied with the least prices and because I am competing with men and in their specialty! My husband supported me strongly and today he is planning to set up a project of his own that partly depends on my projects. He is thinking to plant trees used as bee food which are not available in this area in order to avoid moving with bee cells throughout the year." Zakiyah's husband added, "This is true, but I am also planning to learn agricultural and modern veterinary methods."

Zakiyah concludes that she has also invested in building a private 20x6 meter water barrier at the top of the watershed. The barrier will help to divert the course of floods towards the water tanks of the production groups who pay nominal fees collected from the groups' members whenever the tanks fill up with water. Zakiyah says, "For me, the project is a sustainable development investment that serves the people of that area and saves further efforts for the SFD."

Integrated Interventions Program (IIP)

In 2012, this multi-sector intervention development program continued to target the poorest rural areas, operating – through SFD Branch Offices (BOs) – in 145 villages distributed across 9 sub-districts of the nine targeted governorates (Table 7). Currently, 9 additional sub-districts are being prepared to be targeted by the program.

The program focused during the year on integrated interventions in education and literacy, agricultural and economic activities, water, health and social protection, and roads. It also focused on building the capacity of the Local Authority and target communities – according to each community's priorities and target areas' development plans.

S/N	Governorate	District	Sub-district	Number of villages
1	Al-Hudaidah	Al-Tohaita	Al-Mutainah	9
2	Hadhramaut	Broom Maifa'	Maifa'	17
3	Lahj	Al-Qabbaitah	Karesh	21
4	Ibb	Hazm Al-Odain	Bani Asa'ad	8
5	Hajjah	Ku'aidnah	Bani Nashr	23
6	Al-Mahweet	Melhan	Bani Ali	11
7	Amran	Bani Suraim	Wade'ah Hashid	20
8	Taiz	Maqbanah	Al-Quhaifah	7
9	Dhamar	Wesab Al-A'ali	Al-Athlooth	29
Total of target villages				145

Table 7

IIP targeted areas in 2012

Interventions in education and literacy: In 2012 the program approved the establishment of 48 classrooms and the completion of 18 additional ones. In addition, the program implemented and followed up with more than 120 literacy classrooms, as well as furnished a school in Dhahr Qari Village (Bani Ma'anes, Wesab Al-Safel, Dhamar). Female teachers from different target areas were trained in classroom management techniques and in how to implement the literacy program. Additional training courses and workshops that focused on literacy and adult education, awareness on the importance of literacy and girls' education, and community education were also carried out.

Agricultural and economic activities: Training courses and workshops in beekeeping, honey production and marketing, and animal health and production have been implemented. In addition, the protocol for conducting a study on natural and economic resources was prepared. The year also saw the completion of an economic study identifying existing resources in each target sub-district, with workshops held for sub-district development committees (DCs) and relevant district local authority (LA) to present and discuss the studies conducted in these sub-districts. These works will contribute to enhanced coordination between DCs and LA, as well as enhance the local authority of the relevant districts.

Interventions in water: More than 1,189 rooftop rainwater harvesting (private) tanks storing 47,560 m³ of water are being installed. A 3,500-meter-long household piped water project serving 650 families and a project to rehabilitate 64 potable water wells have also been approved.

Interventions in health and special needs groups: Two projects were approved to certify 40 community midwives. Additional projects have been approved to raise hygiene and environmental awareness, to provide training for traditional birth attendants on appropriate delivery skills, and to run a training course to develop a health-service activation plan in Al-Mashareej (Lahj). Training was also provided for community-based rehabilitation program volunteers and midwives in Al-Outna (Haradh, Hajjah) on development-delay early detection and intervention. Moreover, the Community Led Total Sanitation approach was applied in all 29 villages of Wade'a Hashed Sub-district (Amran) and Al-Mateenah (Al-Tehaita, Al-Hudaidah).

Interventions in roads: Implementation of several rural-road (RR) projects with a total length of 24 km have been followed up with, including 4 RRs in Bani Ma'anes and Al-Athlouth (Wesab Al-Safel, Dhamar), Al-Qabbaitah (Lahj) and Bani Ali (Malhan, Al-Mahweet).

Community mobilization and POs capacity building: The community mobilization plan was implemented in the IIP's areas, starting with Bani Ma'anes, through conducting field visits by the program's team and BOs' POs to review the implemented activities and mobilize target communities. Efforts have also been made to build the capacity of the program's POs, including by carrying out a workshop to assess the implementation of the program activities and exchange experiences.

Local authority, community organization and capacity building: Eighty-two various community structures were formed and trained in different fields. Training on community-contracting mechanisms was also provided to LA members in 6 districts within SFD's efforts to transfer expertise to LA.

Output	Target / Completed	
Target sub-districts	9	
Target villages	145	
Number of community structures formed and trained (development committees, community formations)	82	
Number of trained persons in different fields (health, educational, agricultural, economic)	Male	504
	Female	411
Total of beneficiaries	75,674	

Table 8

IIP outputs as of end of 2012

Box 6 Bani Mu'anes experiencing significant development change

The sub-district of Bani Mu'anes (Wesab Al-Safel District, Dhamar governorate) is one of the poorest areas of the country and lacks many basic services. The youth in this area often abandon their education and migrate to other cities and neighboring countries, working for low wages that barely meet their families' needs.

In response to these challenges, the targeted Intervention Program (IIP) targeted this sub-district two years ago, building a rural road, 2 schools, and 6 rainwater harvesting tanks in the mountain, as well as improving 2 water wells and 2 networks distributing water to 142 scattered houses. In addition, the IIP carried out projects in literacy, health education, and capacity building.

The SFD efforts helped alleviate the suffering of women in their arduous daily trips to fetch water, and also encouraged girls to continue their education, with a four-fold increase in the number of girls reaching Grade 6 (from 4 girls before to 16 today).

When asked, Mansour Ali Al-Adoufi, who supports 15 household members in Mahniyah community, reported that he was sending 6 girls and 4 boys to fetch water daily, each carrying 20 liters in 20 trips to and from the valley. This negatively impacted their education.

Mansour Ali Al-Adoufi says that today his daughters and sons attend their school regularly

Before establishing and equipping the 2 schools, 230 male and female students studied in dilapidated and crowded buildings under the trees, with parents paying teachers' hostel lease expenses.

Today teachers' lives have become more stable, as they now live and teach in an appropriate environment with access to health and safety services. There has been a significant increase in the number of students, especially girls. Previously, in Mahniyah community, only 15 female students attended school, alongside 165 male students. Now, 70 girls and 180 boys attend the area's Al-Fawz School. In A-Gabal community, the number of female students rose from 30 to 80, and male students from 50 to 70.

The IIP also strived to build the capacities in the sub-district, by establishing and training a Community Development Committee. The program has also trained several groups of locals in beekeeping, animal health, and irrigation. In addition, the program has provided training to traditional birth attendants in delivery health practices and financed grants to qualify community midwives to obtain two-year diplomas in midwifery.

TRAINING AND ORGANIZATIONAL SUPPORT

The objectives of the Training & Organizational support sector's interventions focus on building the capabilities of SFD partners, including local communities, local authorities, government organizations, civil society organizations, among others, whose activities are closely linked to poverty mitigation and local development. This will be achieved by continuing to enhance accumulated experiences and reciprocal learning, as well by skills' sharing and exchange especially in the fields of poverty alleviation. This will also be achieved by supporting efforts leading to good governance, reinforcing decentralization, and activating local development within the framework of the national strategy for local government.



In 2012, the SFD approved 180 projects at an estimated cost of \$5.77 million. This sum includes 141 training projects, worth about \$4.82 million, and 39 projects for the organizational support sector, worth nearly \$950,000. Cumulatively, the first sector has developed a total of 960 projects (worth about \$24.5 million) and the second sector has developed 628 projects (worth nearly \$27.9 million) (Table 9).

Indicator	Training		Organizational Support	
	2012	Cumulative (1997–2012)	2012	Cumulative (1997–2012)
Approved projects	141	960	39	628
(Commitments (USD	4,818,010	24,502,863	952,188	27,959,926
Completed projects	44	733	28	523
(Disbursements (USD	2,704,474	14,926,518	1,146,658	22,828,688
Direct beneficiaries – estimated	35,365	173,065	14,583	669,277
(%) Female beneficiaries	41	39.5	44	46.5
Temporary Employment (created (workdays	69,487	363,835	13,315	686,001

Table 9

Indicators for Training & Organizational Support Sectors

The TOS Unit (TOSU) plan for 2012 projects focused on fields related to building human and institutional capacities for different targeted groups and agencies and in accordance with the plan. Targeted sub-sectors include the following:

Empowerment for Local Development Program

The Empowerment for Local Development (ELD) Program aims at assisting communities to achieve sustainable development by facilitating increased cooperation within communities, within sub-districts, within districts, and within governorates.

The ELD has become a key component of the 4th phase of the SFD; understanding the effectiveness of the ELD is thus of significant importance.

This program seeks also to empower the local authority to prepare development plans with community participation, in line with the available local resources, and in harmony with the national trends and indicators, in addition to being based on the needs and priorities of local communities.

The following activities have been carried out (at the Community and Local Authority levels) in various districts and governorates— together with their estimated costs:

ELD Outputs at
community level
2012

	Implemented	Under Implementation
No. of village councils formed and prepared community plans	314	1243
village councils members trained	males 1944 females 1784	7633 7458
No. of Ozlla (sub-district) committees formed	54	175
Ozlla committees members trained (Trained how to participate with LAs in the planning process and preparing Ozlla developmental report)	260 10	725 140
Ozlla developmental reports produced (Describing the developmental situation of the hole ozlla and reflecting the top need priorities)	54	175
Number of self-help initiatives(), 100% funded and implemented by the community (As part of the social capital that activated during ELD activities)	492 =Estimated Cost YR 19,650,000	1243

ELD Outputs at
Local authority
level 2012

No. of districts covered by the program	5	18
Districts developmental reports and participatory plans produced	5	18
institutional analysis studies carried out for LAs at the District level	23	-
Districts received institutional support depending on gap analysis	10	13
No. of LAs staff trained in the targeted governorates and districts	229	817

Government organizations

In this sub-sector 16 projects were developed to support SFD and its partners. These projects included the following:

- Providing organizational support to the National Program for Productive Families, which aims to establish an information infrastructure comprising an information network and a database for all Program's activities;
- Providing institutional support to Labor and Arbitration Committees in the Ministry of Social Affairs & Labor as well as building SFD POs' capacities in Project Management & Strategic Planning;
- Providing organizational support to the Ministry of Public Works & Roads for establishing information systems in the departments of monitoring, follow-up and procurement;
- Conducting institutional assessment studies for the National Women's Committee, General Authority for Social Security & Pensions, Office of Public Works & Roads in the Capital City and holding an institution-assessment-study course for some staff members in the Ministry of Education;
- Implementing organizational support projects for the General Authority for Books and the Productive Families Center in Al-Shamayteen District of Taiz governorate, Office of General Authority Caring for Martyr Families and the two Departments of Working Women & Associations and Unions in the Office of Social Welfare of Ibb governorate.



Empowerment for Local Development, Lahj

NGOs

SFD aims to improve the capacity of non-governmental organizations in Yemen to enable them to provide services efficiently and effectively, and to play an active role as a partner in development in rural and urban areas.

Projects implemented by the Training Unit in this field include financial & managerial training and institutional support activities that contribute to building the capacity of NGOs.

The support provided to NGOs passes through several stages to ensure efficiency and effectiveness. These stages start from the selection of NGOs according to specific criteria and then assessment of the institutional capacity of the selected NGOs, followed by intervention based on the results of the assessments.

Twenty-one training projects and 7 organizational support projects were developed, benefiting about 76 organizations, centers, unions, and institutions across 15 governorates.

In addition to providing necessary equipment in some cases, the interventions also included training in book-keeping, administration, techniques and methods of training, management and preparation of projects, fund raising, administrative regulations, health and environment awareness, training literacy teachers, marketing, advocacy issues, voluntary work, strategic planning, financial system for non-profit organizations, report writing, and feasibility studies. In addition, the training included sewing and embroidery, handicrafts and coiffeur.

A training package was also prepared and published covering the core courses needed by NGOs. The courses covered in the package included Basics of Development, Basics of Management, Project Management, Fund Raising, Financial Management, and Strategic Planning. This package trains 190 trainers across all SFD's branch offices.

Community
Participation
outputs during
2012

Beneficiary committees formed and trained	539
PRA studies (Projects through which SFDs branch offices conduct participatory needs assessment studies for the SFDs 2013 plan)	140
Consultants trained on community participation issues.	M 236 F 90

Rural Advocates Working for Development (RAWFD)

This program qualifies young university graduates from rural areas to become advocates for rural development in their respective areas. It carries out a wide spectrum of activities, with some of them having labor-intensive aspects and providing job opportunities. These activities include:

- Building the capacities of rural youth who have recently graduated from universities and facilitating their attendance in the training program through direct payments to the students.
- After attending in-depth training, many of the rural trainees secure temporary job opportunities, for example signing contracts with SFD to carry out PRA studies and TOT programs.
- SFD continues to market rural advocates and continually updating the database containing all data related to these advocates.
- Following up with the trainees' activities carried out in their areas (including self-help initiatives, which are considered as outputs of their training).
- Supporting advocates' organizations initiated as a result of RAWFD activities.

The outputs resulting from the various activities carried out by RAWFD program include capacity building, job opportunities, and self-help initiatives carried out during and after RAWFD training.



Training under RAWFD Program, Al-Mukalla, Hadhramaut

Private sector (individuals)

Thirty-six projects were developed, aiming at training and certifying 1,404 engineering consultants, trainers, technicians, and small contractors in all SFD branch offices (BOs), according to the need of each BO. Components of training including community research, PRA methodology, development of needs assessment studies for the year 2012, community contracting, quality control, developing the capacities of NGOs, mechanisms of SFD work, simplified accounts system for NGOs, implementation and contracting, formation of community committees, project supervision, institutional development, coordination of training courses, cash for work, and development of training packages.



Data collection and analysis for needs assessment, Sa'afan, Sana'a

Box 7 (The Social Fund Remains a Development Pioneer for Us and for All Organizations)

I graduated from the Faculty of Arts in 2006 with a specialization in Islamic Education. After graduation I had the opportunity to be recruited as one of the trainees targeted by the SFD's RAWFD Program. I had no prior experience at either the personal or the developmental levels, even within my own village, and obtained a number of training courses in development concepts, P.R.A., and formation of development committees. This marked a new direction and a turning point in my life, and I was given the opportunity to work with the SFD in the field of community participation. It increased my knowledge and knowhow, and aided in my personal development, allowing me to convey the experience I gained to my community, as well as to raise awareness among my fellow-villagers.

I should also mention that I was also presented with opportunities to work with different agencies such as Partners' Organization, Project of Improving Community Conditions, and the Yemen Center for Measuring Public Opinion. These opportunities are in addition to the opportunities to participate in training courses abroad (Lebanon) in the field of dispute management and its relation to the development process.

At present, I work as the manager of the Urgent Safety Network in Mareb Governorate. This network is affiliated with the Islamic Relief Organization (The good thing is that during the implementation of projects I have to conduct a feasibility study to determine the extent of success of a certain project and to find out whether the project is likely to be affected by disputes.)

By working with the organizations I can say – without exaggeration – that all organizations continue to extract their expertise from the expertise of the SFD. Hence the SFD continues to be a pioneer in the development field. Last but not least, without the SFD and the courses it offered and from which we benefited, I would not have attained the knowhow, skills and potential for analyzing community situations even at the personal level. I have also overcome the fear hurdle, and ceased to be dependent on others.

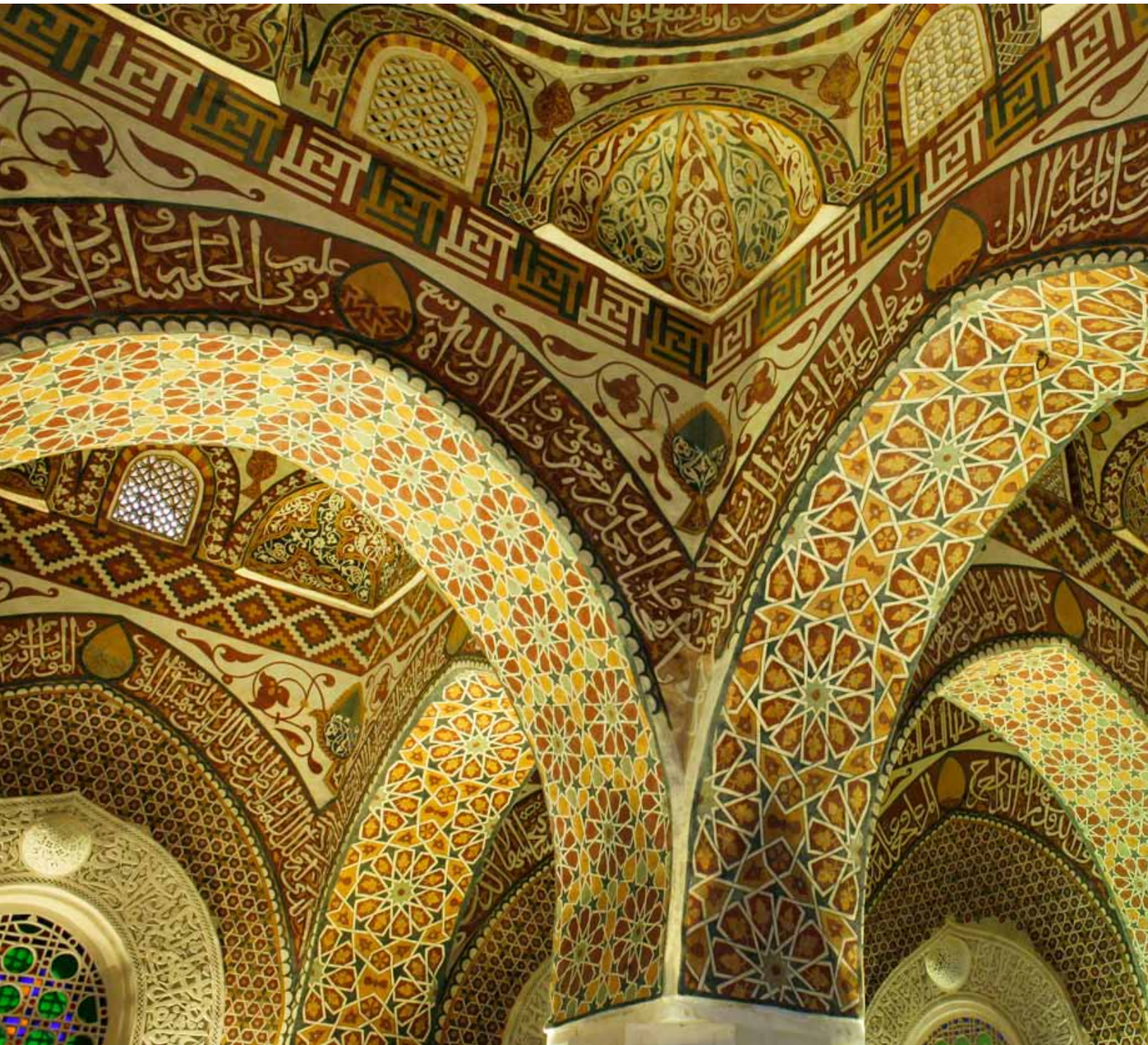
Now I can work anywhere, thanks to God, and thanks to the training provided to me by the SFD. I possess qualifications and coursework that I can show to any organization, and I am proud of that.

So to the SFD and also to its working staff, I express all my respect and gratitude.

Ali Saleh Ali Saeed, born in Al-Jawf Governorate (Barat Rajouzda District) in 1982

CULTURAL HERITAGE

Projects in the cultural heritage sector contribute to rescuing and restoring the country's rich and diverse endangered cultural heritage, preserving both tangible and intangible assets of historic and aesthetic value. Projects in this sector also help build national capacities in this regard.



During the year, 11 projects have been approved worth more than \$4.2 million, bringing the sector's cumulative total (from 1997 to 2012) to 269 projects at an estimated cost exceeding \$58.8 million, with temporary employment approaching 2.3 million workdays (Table 10).

The previous year's experience showed that the implemented projects were characterized by higher "labor content", which is commensurate with the pressing need for job opportunities across the country, with these projects becoming more labor-intensive. In addition, main phases of the work on several of the large projects have been completed during this year. This includes the completion of the first phase of a project to pave the historic city of Zabid, and the opening of the newly restored east wing of the Great Mosque of Sana'a. Also included is the completion of a project to index and document more than 16,000 manuscripts at Dar Al-Makhtootaat (House of Manuscripts) in Sana'a, which required specialized equipment and training in the field of documentation and manuscript restoration. In addition, a new phase of the project to restore Al-Ashrafiya Mosque and Madrasa (Taiz) was initiated in 2012.

Indicator	2012	Cumulative (1997–2012)
Approved projects	11	269
Commitments (USD)	4,204,450	58,806,247
Completed projects	15	200
Disbursements (USD)	4,281,242	44,977,947
Employment created (workdays)	164,720	2,254,915

Table 10

Indicators for the Cultural Heritage

Paving the streets of the historic city of Zabid

Contributing to the efforts to keep this historic city on the UNESCO World Heritage List, SFD funded a project to pave large portions of the historic city. The technical specifications for paving were set under the supervision of UNESCO in commensuration with the value and status of the historic city. The paving projects included installation of underground electrical cables and restoration and strengthening foundations of several walls of houses in the city. It also included a project to pave the Fortress Square, and the construction of an open theater within the arena including outfitted with lighting system appropriate to expose the historic Fortress. All paving works have been completed for the three projects of Al-Mujunbad & Al-Elweya Quarters and the Fortress Square at a total cost of about \$2.9 million.

Restoration Project of the Great Mosque in Sana'a

The Great Mosque in the historic City of Sana'a is one of the oldest mosques in the Muslim world. Its construction dates back to the sixth year of Hijra by an order of Prophet Muhammad, peace be upon him. Restoration works began in 2005 and were funded by a grant from the Arab Fund for Economic Development. Works continued at a high pace this year, with the structural

reinforcement of the arches and the repair of damaged walls and cracks. Restoration of the wooden coffered ceiling has been completed on the eastern wing. Concrete structures and recently built toilets have been removed due to water leakage into the mosque's foundation. Electrical installations were also carried out, along with the continuation of restoration projects in various parts of the mosque. These activities were accompanied by documentation of all projects' activities before, during and after any intervention.

A permanent exhibition about the project has been opened in order to inform and educate the mosque's visitors about restoration activities and to raise awareness of its importance. The exhibition also provides an opportunity to communicate with worshipers and visitors to obtain their views and impressions as a part of community participation in decision-making.

Restoration Project of Al-Ashrafiya Mosque & Madrasa, Taiz

Work continued in all areas of this project. The restoration works of the Qadad were completed at the southern and northern walls, the eastern domes and at the basement. Moreover, more than 50 percent of the mural paintings and gypsum decorations at the shrines and the open courtyard have been chemically cleaned. An effort to mechanically clean and consolidate the central dome and the wall of the prayer hall is nearly two-thirds complete. Installations of all electrical wiring at all parts of the premises have been completed, except for the Prayer Hall. The 13 technicians working on the conservation of the mural painting and gypsum decoration have been trained on documentation and reconstruction of gypsum motifs and inscriptions by a local trainer who with extensive experience in this field. The project has been presented as a case study for rescue and restoration interventions and rehabilitation, with community participation in all different phases of the project, at the Third International Architectural Conservation Conference and Exhibition in Dubai, UAE (17–19 December 2012).

Restoration project of the Grand Mosque of Shibam City/ Kawkaban

Restoration and maintenance of parts of the decorated wooden coffers found in the archaeological soundings and excavations were completed, with documentation of the coffers' current state (architecturally, structurally and photographically) carried out prior to initiating works. Specialized technical staff was selected to take over restoration of the archaeological colored wood. Several archaeological soundings have been completed to gauge the tilt of the mosque's floors and surrounding area. All works on the women's Prayer Hall have been completed. Works are ongoing at Al-Thuluth caravanserai annex, with the structural restoration of the wooden coffers and the wooden elements (previously dismantled and stored) still underway.

Restoration project of Dar Al-Ezz in Jibla City (Ibb)

This monument is being finalized. A proposal for the future use of the building and its premises has been prepared and reviewed. The proposal was approved by the local authorities, and took into account the security of the site and the safety of the visitors. The Dar Al-Ezz Museum has also been established as a tourist destination in the city. The final scientific review has been conducted for the materials (archaeological, engineering, historical and documentary), which were collected during the project's implementation. An analysis and classification is also being

conducted (subject to final approval)—to be compiled for publication in a book. As Qadad works continue at the roofs and the walls of Al-Najmea mosque annexed to the palace, with continuation of restoration the Qadad of the water pool and the old ablution unit.

Restoration Project of Al-Ash'aer Mosque in Zabid (2nd Phase)

Works on archaeological soundings and excavations, and documentation on the northern and southern parts of the mosque, were completed. Also completed was the installation of storm water drainage ducts to the public sewer, away from the excavation site and the foundation of the mosque.

Supporting the Documentation of Manuscripts at Dar Al-Makhtotat

Within the institutional support provided for manuscripts, and following theoretical and practical training of more than 50 technical staff on manuscripts documentation and indexing, training was provided to 16 other persons from Dar Al-Makhtotat (in Sana'a), Al-Ahqaf Library (Tarim, Hadhramaut), Al-Asha'er Library (Zabid, Al-Hudaidah) and the National Documentation Center (Sana'a). The training focused on the restoration of old covers and traditional methods for the paper industry.

Also completed was a large portion of the maintenance of the electrical grid of the house manuscripts, and the installation of alarm and fire fighting networks in order to protect the manuscripts from fire and theft.

The project for the documentation of manuscripts has been completed. A total of 16,087 manuscripts have been documented manually and 14,224 electronically. In addition, 10,116 manuscripts have been documented photographically, 5,000 watermarks have been documented, and initial maintenance was performed on 11,000 documents.

Safeguarding of Palaces in Tarim City (Hadhramaut)

The works project for strengthening and supporting five palaces in the historic city of Tarim has been fully completed. Interventions included repairing cracks, as well as addressing deeper structural problems threatening the soundness of the palaces.



LABOR-INTENSIVE WORKS PROGRAM

The Labor-Intensive Works Program (LIWP) targets poor communities, aiming to provide two sets of benefits: immediate wage income to protect poor families against shocks, and community assets that would generate future benefits.



LIWP comprises the Cash-for-Work Program and Roads Sector.

Cash-for-Work Program

Since 2008 and even earlier, Yemen has been experiencing various shocks such as food price increases and volatility, cycles of drought and floods, and political instability. In 2008, the global food price increase severely impacted Yemen, which imports more than three quarters of its food. The cost of wheat (a staple) rose by 100% between October 2007 and April 2008. This situation has been even further aggravated by the drought and the social and political unrest. The 2011 events were associated with economic paralysis as a result of the increase in fuel prices and deterioration of security, which led to widespread unemployment and increases in the price of food and basic necessities. As such, and since 2008, the LIWP has been playing an important role in providing safety net interventions in the areas targeted by the program.

In 2012, 140 projects were developed worth \$30.7 million, directly benefiting approximately 34,000 families by providing about 2.3 million temporary jobs for families participating in the program. Cumulatively, the number of projects committed reached 416 projects at a total estimated cost exceeding \$85.5 million, directly benefiting about 77,000 families and creating temporary job opportunities exceeding 4.4 million workdays (Table 11).

Year	Number of new projects	Number of laborers working in the program's projects		Number of benefiting households	Temporary jobs (workdays)
		Males	Females		
2009-2010	98	34,248	6,535	16,841	898,711
2011	178	95,172	11,489	26,173	1,255,342
2012	140	55,849	20,654	33,967	2,279,081
Total	416	185,269	38,678	76,981	4,433,134

Table 11

Indicators of Cash-for-Work Program, 2012 and cumulative

In 2012, LIWP underwent a major restructuring at the regional branch-office level to increase its implementation capacities. In addition, LIWP also focused on increasing the capacities and skills of LIWP teams through a series of training courses and workshops as well as exposure visits to other countries.

The program also aimed to establish an implementation model. The model will be further developed and expanded with the participation of local authorities and communities and will strengthen the partnerships between development groups (within and outside of the SFD) working in similar fields. Finally, the SFD aims to strengthen the role of the target communities in identifying beneficiaries, managing projects and raising the capacities of beneficiaries to enable them to engage in the labor market.

During the year the preparation and identification process has begun selecting the areas that would benefit from the 3–5-year interventions to be materialized in 2013.

Output	2012	Cumulative
Number of water tanks	544	
Capacity of water tanks (m ³)	68,935	192,287
Area of protected/reclaimed agricultural lands (hectare)	810	
Area of protected/reclaimed/rehabilitated agricultural terraces (hectare)	505	4,167.40
Irrigated lands (hectare)	48	
Total area of rehabilitated and irrigated agricultural lands and terraces (hectare)	1,363	
Length of rural roads built/rehabilitated by the program (km)	52.5	314.5
Number of wells rehabilitated	457	1,076
Number of toilets built	2,541	2,541
Number of houses protected from floods	277	1,608

Cash-for-Work
Program Outputs,
2012 and
cumulative

Box 8

“We benefited from the service of the project itself and the money we gained from our work in it”

In Gabal Al-Siyadah Village (Al-Aqhoz Sub-district, Maqbanah District, Taiz governorate) the major source of income is agriculture, followed by construction using mud and stones. The SFD has begun implementing a project to rehabilitate and improve the road that links the village to the city and to construct retaining walls.

The beneficiary Ali Abdul-Rakeeb (50 years, illiterate, married) said that the community selected this as its priority project need among several options offered by the Social Fund.

He confirmed that the project “came at the right time”, especially during the 2011 events when there was no work at all. During those events, he said, those who were working in the city returned to their villages, and remained there without work.

“In our village, people have benefited from the project, and worked to implement and complete it – irrespective of the country’s precarious conditions.”

He added that his work on the project made use of his long-time professional experience as a master builder. “I put stone in the road,” he said.

As for the benefits of the project, he confirmed that before working on the project he had to buy wheat from the grocery store on credit. “But, thanks to SFD-supported project, we used the money to buy wheat, cereals, sugar, tea, cooking oil and vegetables such as potatoes, tomatoes, pepper (chili) and clothes – in particular, Eid clothes...”
“Actually, I’m also able to pay off my debts”.

He underscored that all of the villagers benefitted greatly from the project, saying, “First, from the services provided by the project itself, and secondly from the money we earned from our work in it”.

In response to a question about the specific benefits of the project itself, Ali concluded that the rural road is in fact a lifeline and a source of income, crucial to the quality of life in the village.
“The road facilitated a lot of things for us, such as reducing the time it took to drive from the village to the city from 2 hours to just half an hour.”

Roads

The population and geographical dispersion in Yemen is immense, with more than 130,000 settlements and 3,624 urban areas. Roads are a significant factor in linking these settlements – notably the remote ones – with the urban areas in order to facilitate access to basic services and decrease costs of transferring agricultural products and transportation at large.

The SFD's roads sector seeks to link villages to markets and social services while increasing the "labor content" (employment rate) of the projects and create temporary employment by reducing the role of mechanical equipment to the least possible extent, relying instead on human labor. The sector's projects also aim to contribute to improving targeting through focusing on poor and needy rural areas as well as pockets of poverty in urban areas and to raise technical and administrative efficiency in implementation.

During the year, the SFD developed 65 projects worth more than \$19.2 million, benefiting directly 243,192 people (50% female) and generating 730,730 temporary jobs.

The projects include 335-kilometer-long rural roads and 109,177-m² paved areas

Cumulatively, 816 projects have been developed at an estimated cost exceeding \$177 million, directly benefiting about 4.4 million people (49.7% female) and generating more than 8.9 million jobs (Table 12).

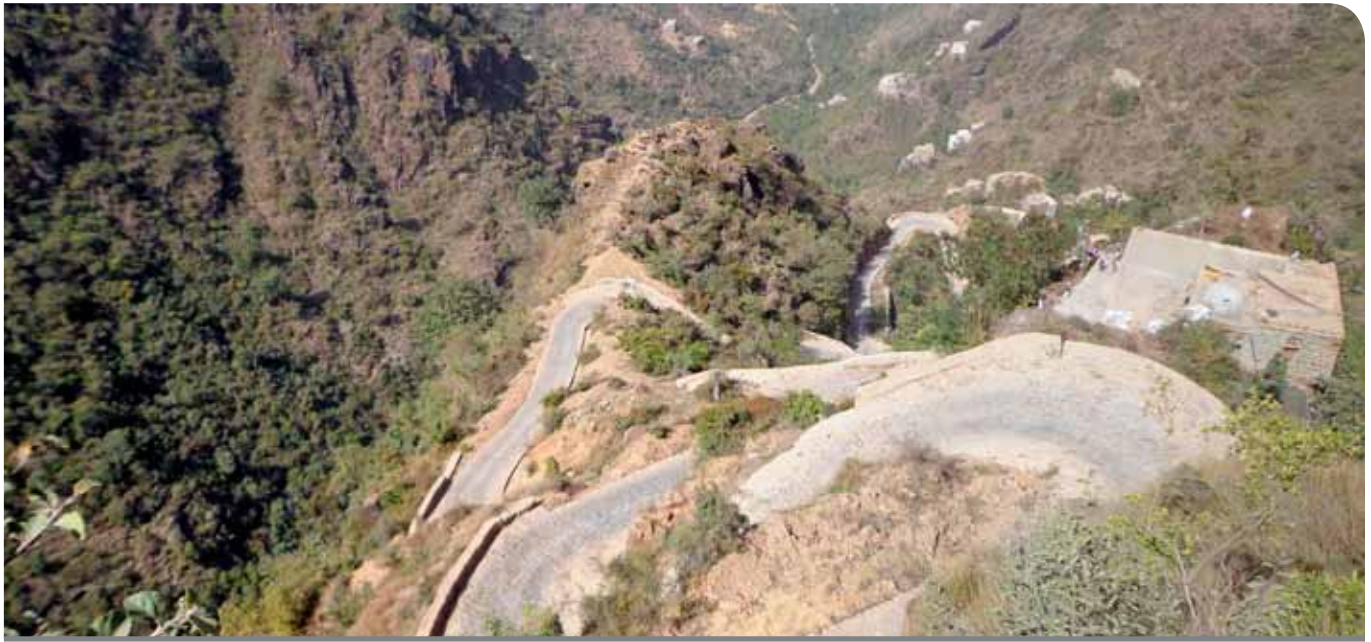
So far, the SFD has built and rehabilitated 3,441-kilometer-long rural roads and paved 2.8 million square meters in the urban and semi-urban areas.

Indicator	2012	Cumulative (1997–2012)
Approved projects	65	816
Commitments (USD)	19,226,907	177,089,477
Completed projects	29	563
Disbursements (USD)	16,310,714	132,953,572
Direct beneficiaries – estimated	243,192	4,361,689
Female share of direct beneficiaries (%)	50	49.7
Temporary employment (workdays)	730,730	8,908,955

Table 12

Indicators for
Roads Sector

Workshops and training courses: A number of SFD's BOs provided training in road projects implementation using community contracting mechanisms; conducting field studies for road projects; and mechanisms of implementation and supervision. The training targeted relevant engineers and technicians. The Road Sector staff was also trained in strategic planning and field follow-up mechanism, so as to improve and raise the performance and efficiency.



BOX 9 **((The benefits of SFD-supported rural road surpassed our hopes and dreams))**

The Badg Sub-district is located in the southwest of Al-Gabeen district (Raimah governorate), with an area of 150 km² and population of about 6,191 people. It is one of the poorest areas in the governorate. Living in this harsh mountainous region, the sub-district's locals suffer from isolation, poverty, and disease as a result of lack of access to basic services—and the absence of a road linking them to markets and nearby cities.

As such, SFD reached out to help this area by initiating and implementing the Al-Khanasah – Sanaba – Badg rural road project, which the locals consider a necessary pathway to real development and a buoy saving the area from sinking in isolation.

More than 16 villages benefit from the eight-km-long rural road, which cost nearly \$255,000. This situation changed considerably in these villages after the construction of the road, which has helped the population access basic services at lower costs, and has also shortened the time it takes to travel to neighboring markets. The road has thus reduced the cost of transportation and the prices of basic commodities and other materials.

A member of the Beneficiary Committee said, “We used to transfer the sacks of wheat or sugar for YR500; today – thanks God – we pay only YR200. We had paid YR700 for transportation; at present, only YR300”.

One of the beneficiaries smiled and added, “All the people had even hoped for was a car to ascend and descend the mountain safely; we didn't think that even motorcycles would do. In fact, the benefits of SFD-supported rural road surpassed our hopes and dreams. All praise and gratitude to Allah and our thankfulness to SFD”.

SMALL AND MICRO ENTERPRISE DEVELOPMENT

This program seeks to develop small and micro-enterprises by establishing and supporting financial institutions, banks and other programs for small and micro financing as well as by facilitating the provision of non-financial services to entrepreneurs to help them increase their incomes and provide new job opportunities.



During 2012 the SFD continued its activities in providing funds for on-lending activities, Business Development Services (BDS), and technical assistance (TA) to its partners to support the SME industry in Yemen.

The number of approved projects totaled 34 projects at an estimated cost of \$12 million.

Total loans disbursed to support the loan portfolios of small and microfinance institutions reached approximately YR680 million by the end of December 2012, or the equivalent of \$3.2 million.

Grants and technical assistance was provided to the Small and Micro Enterprises Promotion Program (SMEPS) for the support of Business Development Services (BDS), amounting to YR306.8 million (about \$1.4 million)..

The Yemen Microfinance Network (YMN) was financed with YR10 million (\$400,000) to provide technical assistance to micro-finance institutions, and organize the Small and Microfinance Days event, and as well as to help run the Poverty Graduation Project.

The number of borrowers in MFIs reached 82,000 active borrowers by December 2012. The number of active savers reached 129,000, and the outstanding loan portfolio reached nearly YR6 billion. The cumulative number of loans distributed amounted to 527,000, amounting to a total of YR39 billion, while the number of job opportunities created by working in those institutions totaled 813, of which 422 were loan officers (Table 13).



	Program	Active number of clients			Outstanding loan portfolio (Million YR)	PAR (%)	Cumulative numbers		Number of Personnel	Number of Loan Officers	Area of Operation
		Borrowers		Savers			Number of loans	Loan amounts (Million YR)			
		Total	Women (%)								
1	Al-Amal Microfinance Bank	26,154	59.8	44,336	956	0.75	58,060	3,057	135	70	Capital City , Taiz, Ibb, Dhamar, Al-Hudaidah, Al-Mu'alla, Aden
2	National MF Foundation	12,791	94	20,239	471	1.4	101,456	4,363	119	58	Capital City, Taiz, Ibb, Al- Qa'edah, Yarim, Hajjah, Lahej, Dhamar, and Al-Hudaidah, Aldali
3	Abyan S & C	7,926	96	8,000	252	76	41,867	1,447	52	23	Zingibar, Ahwar (Abyan), Al-Mukalla, Al-Shihr
4	MF Development Program (Nama')	7,160	40	1,682	363	4	55,110	3,169	95	68	Capital City, Taiz, Aden, Hajjah, Al-Hudaidah
5	Aden MF Foundation	6,666	96	9,577	299	0	45,217	1,923	50	22	Dar Sa'ad, Al-Buraikah, Al-Mu'alla, Al-Tawwahi, Crater, Khormaksar, Sheikh Othman, Aden, Lahej
6	Altadhamon Bank	5,437	44	0	732	1.5	22,235	4,373	54	44	Capital City, Taiz, Al-Hudaidah, Aden, Ibb, Al-Mukalla, Seyun
7	Sana'a MF – Azal	4,927	55	2,718	344	2	36,660	1,266	48	23	Capital City
8	Al-Awa'el MF Company	3,224	85	0	91	10.73	51,534	1,718	47	25	Taiz (Al-Camb, Hawdh Al-Ashraf, Al-Rahedah, Sainah, Al-Qada'edah)
9	Small Enterprise Development Fund (SEDF)	3,002	19	0	1,520	26	15,971	12,784	115	21	Capital City, Taiz, Aden, Al-Mukalla, Al-Hudaidah, bb, Dhamar
10	Alkuraimi Islamic Microfinance Bank	1,829	2	39,794	559	1.2	2,971	1,283	48	40	Capital City, Aden, Taiz, Al-Hudaidah, Dhamar, Ibb, Seyun
11	Wadi Hadhramaut	1,618	36	3,118	93	13.5	11,810	803	25	15	Hadhramaut (Seyun – Tarim, Al-Suom), Alkton, Shebam
12	Social Institution for Sustainable Development (SFSd)	1,472	87	0	166	3.3	16,621	1,597	25	13	Capital City
13	Other Activities & IGPs	0		0	0		67,495	1,690			Several areas
	Total	82,206		129,464	5,846		527,007	39,473	813	422	

S&C = Savings and Credit, MF= Micro-finance, IGPs =Income generating projects.

Table 13

Microfinance programs supported by SFD (as of 31 December 2012)

SFD continued its support for new initiatives and continued to provide institutional capacity building opportunities for the MFIs.

Al-Kuraimi Islamic Microfinance Bank, the second largest Islamic microfinance bank in Yemen, received support in the form of workshops, training courses, and information exchange (customer enquiry).

SFD continued to provide support to the Poverty Graduation Project in partnership with the Social Welfare Fund (SWF) and the Consultative Group for the Advancement of the Poor (CGAP), with the aim of helping the poor establish income generating projects. The Project also continued providing poor people with awareness training courses in health, education, and social issues. In addition, the project continued to focus on training its field staff locally and abroad with the aim of upgrading their skills. The total number of beneficiaries that were trained and provided with assets necessary to establish their activities reached 465, distributed across 3 governorates. SFD's total amount of grants and support amounted to YR104.5 million (\$485,819) by December 2012.

SFD also continued its efforts to introduce mobile phone technology in partnership with the General Post and Postal Saving Authority and CGAP. These efforts included helping the Central Bank of Yemen (CBY) modernize its systems and regulations for the use of mobile phones in financial services due to their great role in overcoming distances and population dispersion.

Moreover, SFD continued its role in providing technical assistance to MFIs in order to improve their performance and effectiveness, with the Loan Tracking System (Ma'een) and the automated human resources management and accounting systems developed and subsequently downloaded in a number of MFIs. Similarly, in cooperation with its partners, SFD updated the Credit Bureau that collects the names and information of all MFIs' clients and guarantors and helps enable MFIs in enquiring on any client.

SFD also evaluated a number of MFIs according to the MF Performance Evaluation Tool developed by SMED in 2011 and updated in 2012 based on the best international practices in microfinance.

SFD also implemented field audits of the loan portfolio for the Sana'a Credit Program (Azal) and the National Microfinance Foundation (NMF) branches in Sana'a as well as the Nama Microfinance Program branches in Taiz. The audits were aimed at verifying MFIs' customers, loans, and financial position.

In addition, a tool for small and microfinance financial projections called K-Fin was designed in the SMED unit to perform the tasks of the well-known industry tool called MicroFin and to improve the ability of SMED and MFIs to make financial projections and plans.

Finally, SFD participated in the Ninth Annual Sanabel Conference held in Sudan on 31 October – 2 November 2012. SFD took advantage of the organized workshops, working papers, and experiences exchanged, addressing MF issues in the Arab countries.

Small and Micro Enterprises Promotion Services

SFD continued its support and funding for the Small and Micro Enterprises Promotion Services (SMEPS) Agency. This includes 10 projects (worth about \$1.4 million) focusing on business development services (BDS), as well as supporting the Agency's capacities to deliver such services..

Training services

During the year, SMEPS provided training to 315 participants in Sana'a and Al-Hudaidah cities to obtain Small Business Administration Diplomas (expansion phase). The training targeted graduates from public and private universities and training and vocational institutes, as well as micro-entrepreneurs and microfinance clients. The aim was to endow the participants with modern skills in running their businesses and to widen their opportunities in the labor market.

The agency also carried out 3 training courses. Two of the courses were offered in coordination with the International Finance Corporation (IFC) and focused on the Business Edge (BE) Program, targeting partner training institutes to improve their skills in evaluating and analyzing correct criteria for BE methodology and adaptation. The third course was held in coordination with the International Labor Organization (ILO) and the Ministry of Education and Vocational Training, and provided training in the Know About Business (KAB) Program, targeting main local coordinators and aiming to achieve self-sufficiency of KAB experts in Yemen. SMEPS also continued developing the 2013 KAB program version.

Furthermore, 2 training courses were held in Aden governorate in hotel, tourism, and mobile phone maintenance, targeting 70 trainees. Among the trainees were Abyan LDPs, with 14 male and female youths recruited for training in relevant jobs. A workshop on the use of alternative energy sources in hotels was also held in the governorate; 25 hoteliers and other relevant individuals participated.

Women Business Owners Training

Similarly, SMEPS provided training to more than 500 female small business entrepreneurs on WBOT methodology in cooperation with training institutes and MFIs in Sana'a, Aden, Al-Hudaidah, Dhamar, and Abyan governorates. SMEPS also collaborated with Seeds, Soul, Bina' and Impact to organize 60 training courses and 20 follow-up workshops for 500 small businesswomen in 6 governorates. The courses educated the participants in the WBOT approach, focusing on helping businesswomen identify and develop solutions to the key challenges faced by their businesses, and in helping the participants improve the profitability of their businesses (in order to improve their income). In addition, 3 training workshops were held to train 68 businesswomen involved in various fields (including services, education, and medical fields) in designing and conducting market feasibility studies. The trainees acquired also acquired skills in strategizing, innovation, and networking.

Supporting LDPs

As part of the relief project for Abyan locally displaced persons (LDPs), and under the agreement signed with the United Nations Development Programme (UNDP), SMEPS also provided training to 400 youths from Aden and Abyan governorates to help improve their quality of life. SMEPS also held a training workshop in communication skills and effective liaising, in order to build a channel between the LDPs and the surrounding society in which they are located. In addition, 20 trained psychologists provided psychological and social post-trauma counseling to 100 LDPs cases.

The agency also set up three workshops for the Youth Ambition Program (Tumoohi), in

collaboration with the Aden Microfinance Foundation and with support of the German Organization for Development (GIZ). The workshops, attended by more than 300 participants, aimed reducing unemployment and poverty by helping young people find alternative employment opportunities. Altogether, 67 young men and women from Aden governorate were offered loans.

Supporting value chain improvement for small fisheries

SMEPS carried out 17 training courses and several workshops in an effort to improve the skills of 145 fishermen in the Hadhramaut, Al-Maharah and Shabwah coastal districts. Participants received instruction in the maintenance and repair of boat engines, and in appropriate ways of handling fish. An additional 32 trainers were qualified to continue this type of training for other fishermen.

The agency has also organized a workshop in Aden City, involving 6 Yemeni companies exporting fish and marine products. The workshop focused on identifying new international markets and establishing commercial communication channels between Yemeni fish exporters and major companies importing fish. The agency also held a training course on the use of geographical positioning system (GPS) technology, targeting 20 young fishermen from Broome Mayfa'a (Hadhramaut) to identify fishing sites and sailing paths.

SMEPS also conducted a training course for 40 fishermen in Al-Hudaidah governorate in using fish-detection technology, with 40 such devices distributed to the participants. A similar workshop targeted an additional 30 fishermen in the governorate.

Supporting the value chain improvement for small farmers

Two additional training courses targeted 42 farmers, agricultural engineers, and merchants in Damon and Al-Qariyah (Tarim, Wadi Hadhramaut) and Al-Dhale'. The courses focused on improving agricultural inputs used for squash and potato crops, with hybrid seeds distributed to the participating farmers. Four modern irrigation networks were also installed. The agency also provided field training for 90 squash farmers from Hadhramaut, Al-Hudaidah and Al-Dhale', as well as for a number of wholesalers, retailers, and agricultural technicians. The training focused on raising farmers' awareness of recent improvements in agricultural inputs and linking farmers with the best companies providing such inputs.

In Tihama (Al-Hudaidah), SMEPS organized a workshop for 70 watermelon farmers, focusing on improved agricultural inputs and raising the efficiency of pesticides and fertilizers use. A similar training course was held in Al-Zaidiyah (Al-Hudaidah), targeting 30 farmers and 5 engineers and agricultural extensionists. A the second field visit was conducted for 20 watermelon farms in four of the governorate's districts to assess the watermelon-growing season and provide farmers with expertise and skills in dealing with modern technologies to expand crop cultivation. In similar vein, the agency has implemented a training course which targets 13 agricultural engineers working in the Tihama Development Authority. It focuses on increasing the efficiency of vegetable nurseries by providing instructing the engineers about modern technology tools to reduce costs and increase production.

The agency also arranged for the installation and operation of Talouq Women's Association Coffee Plant (Al-Misrakh, Taiz), to produce high-quality coffee and serve 165 of the Association's members, in addition to providing permanent jobs for others.

Finally, SMEPS – along with its partners – launched the consultants' site, targeting local consultants, businessmen, small entrepreneurs, donors, and youth.

Yemen Microfinance Network

The Yemen Microfinance Network (YMN) carried out several activities aimed at increasing the efficiency of its MF partners (MFIs) and developing the skills of its staff. The activities focused on training courses and studies, which included 7 courses in communication skills, operational planning, management skills, problem-solving and decision-making, marketing, and the customer protection smart campaign.

An additional 111 participants received training in computer skills, market research, marketing strategies, techniques and methods of customer service, and strategic planning for IMFs. In addition, the participants took part in 6 on-the-job courses and a training workshop in Islamic finance.

YMN also organized the first comprehensive introductory program on microfinance for 19 staff members of the Trade and Industry Ministry. The network also conducted a study on the effects of the 2011 events (which led to the suspension of its activities and the exodus of its employees) on the Abyan Savings and Credit Program. The study was concluded with recommendations to assist the program to resume its activities in the provision of financial services to low-income categories – especially women.

Finally, YMN organized the Small and Micro-finance Days funded by SFD and attended by all MFIs and a number of small entrepreneurs. Various media outlets covered the event.

Box 10

Equal access to MF opportunities makes careers a success

Microfinance (MF) is a powerful tool providing opportunities for individuals and communities to increase their income and improve their living standards through improved education, health, and social services. Microfinance also contributes to the principle of equal opportunity, the essence of social justice. Microfinance accomplishes this by providing adequate and fair opportunities for the SME's clients, which in turn creates job opportunities for a large number of individuals, thereby increasing incomes and living standards for many within the community.

Lawahedh Musleh and Istanbul Salem are neighbors in Al-Mansoura, Aden. Both have benefited from the credit services provided by the Aden Microfinance Foundation (AMF). Lawahedh, married and the mother of 5 kids, has been working at home for the past 5 years, knitting wool garments and selling them to neighbors. As her family responsibilities increased, her husband's salary no longer was adequate to cover their expenses. She began training in knitting techniques. Female credit officers from AMF approached her and Istanbul's houses promoting the AMF's services. Lawahedh was extended a loan of YER 20,000 to buy wool and other supplies to improve her woolen products. She used the fifth and final credit of YER 80,000 towards additional product development her initial product line began selling for higher prices.

Istanbul is the mother of 6 kids. Her husband and elder son's salaries have been insufficient to cover the family's needs. She had been knitting wool and sewing clothes for 10 years and voluntarily trained 16 women from neighboring areas in knitting. Like her friend, Lawahedh, Istanbul used the AMF's services and obtained 5 loans at a total value of YER 290,000.

Both women participated in the 2012 exhibition of small and micro enterprises in Sana'a. They stated that they were spending a portion of their profits to help meet their family's essential needs, and that their sales had improved due to their more diverse product lines and elegant and stylish touches.

"I am thinking seriously about opening a sewing room," says Istanbul, "for knitting woolen products and training girls in this profession, since the demand increases in the winter, offering the highest prices. Lawahedh and I are currently exporting our products out of our houses, and we lately started to ship them to one of the shops in Mukalla city and its branch in Aden city. In some seasons, selling grows and working hours increase. The sewing room will be a new chance to accommodate the demand of the market."

Istanbul and Lawahedh both emphasized the significance of microfinance in reaching the market and the role of market demand to diversity the product offerings and increase the quality. Another significant development that the microfinance opportunities have promoted is their interest in teamwork and exchanging experiences.

Figure A3

Active Borrowers and Savers (1998–2012)

Borrowers —
Savers —

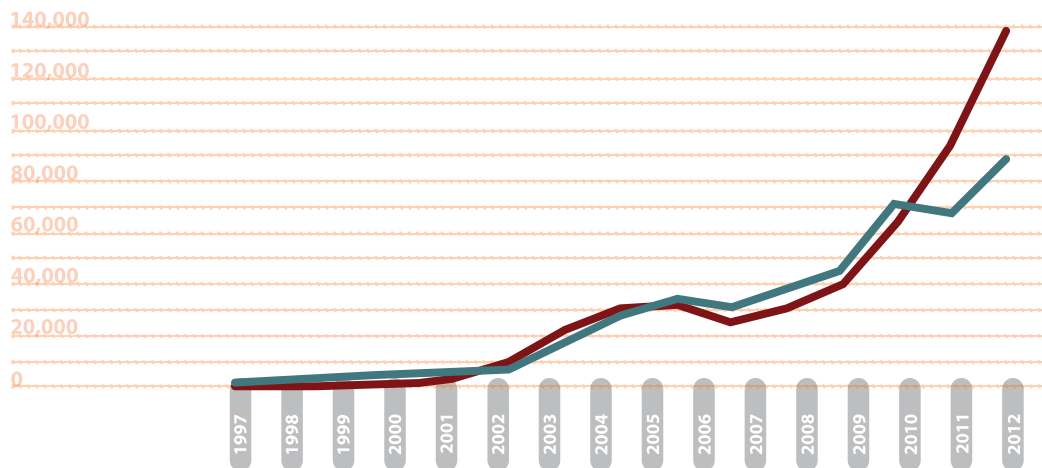
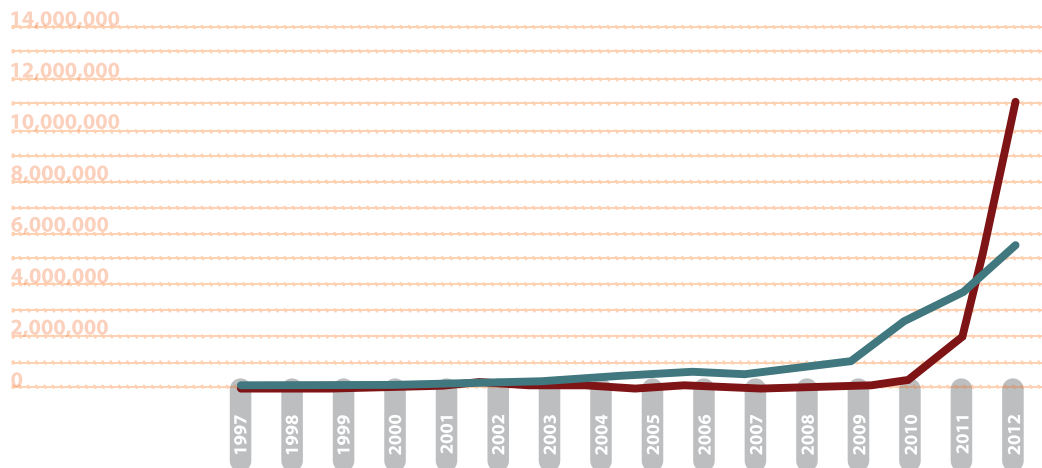


Figure A4

Outstanding Loan Portfolio & Saving Amounts (1998–2012)(Thousand Yemeni Riyals)

Loan Portfolio —
Savers —



SFD INSTITUTIONAL DEVELOPMENT

During the year, the SFD conducted several institutional development activities.

SFD's Strategic Paper to Respond to the Aftermath of the 2011 Events

The SFD, with donors, developed a Strategic Paper to Respond to the Aftermath of the 2011 Events¹ outlining SFD's response to the emerging needs after the calming of those events—with special focus on temporary employment. Indeed, the SFD has responded to a vast array of such needs, taking into account that some are of purely humanitarian nature that would necessitate an immediate and urgent response (such as issues of loss of employment, food insecurity, severe malnutrition, Internally Displaced Persons), while others can be addressed in the short and medium term (such as issues of State Building, Good Governance, Social Harmonization).

In this context, SFD Phase IV (2011–15) programs were originally aimed at the continued improvement of the poor's access to basic services and the provision of their prioritized needs. The SFD Phase IV programs were also aimed at providing income and work opportunities, which were also among the post-crisis priorities. In pursuing these overall objectives, SFD uses its diversified programs, flexibility, operational experience, and outreach capacity to play a role in the national response to several of the new pressing fields of interventions. The strategy articulates SFD's key focuses between 2012 and 2015 as follows:

- (a) Employment generation will become a cross cut indicator for various sectors and programs;
- (b) The LIWP will be diversified and will have much wider geographic coverage, targeting communities affected by crises and shocks;
- (c) The LIWP's implementation will be accelerated (US\$45M and US\$70M will be disbursed in 2012 and 2013, respectively);
- (d) At least 5 million person-days will be added to the temporary employment output of SFD (increased from 20 million to 25 million). This increase will be achieved by simplifying the type of LIWP works undertaken. Nutrition and community-harmony themes will be introduced, fostered and mainstreamed through SFD's relevant operations and training packages.

¹ SFD'S RESPONSE TO THE AFTERMATH OF 2011 IN YEMEN THROUGH TEMPORARY EMPLOYMENT AND OTHER STRATEGIES (March 2012)

Targeting Review

During the year, the SFD's current targeting strategy mechanisms and indicators were reviewed. The review aimed at providing support for further improvement in the way SFD targets its programs to communities and groups as well as monitors and evaluates the effectiveness of its targeting systems.

The review was comprised of the following five basic objectives:

- To conduct a methodological documentation of the targeting methods and mechanisms used to-date across the four SFD programs;
- To clearly identify and articulate the intended target groups and populations of SFD programs;
- To provide recommendations on how targeting of SFD programs may be improved to meet intended objectives and reach intended target populations;
- To provide recommendations on how targeting of SFD programs can be routinely monitored by the SFD; and
- To provide recommendations on how the SFD targeting can be incorporated into the next three-year Impact Evaluation.

The independent review found that "SFD cultivates and exercises a healthy spirit of self-criticism to improve its own performance". "SFD is found to be earnestly grappling with the challenges of targeting its programs to the intended populations and beneficiary groups", with its ultimate target population being the poor and deprived communities—as measured by the national poverty rate and indicators of socio-economic welfare and lack of access to basic services. This mandate seems sensible given SFD's core competencies.

The review concluded that "it is apparent that the SFD is staffed by competent, professional and dedicated people, making in the main pragmatic decisions and developing and deploying sensible tools in the face of significant data gaps. Any improvements to the targeting of SFD interventions that this study is able to propose will only be at the margins" .

Geographic Information System (GIS)

During 2012, a revision was conducted to the Social Welfare Fund survey data (2008/2009) at the sub-district level to extract poverty indicators in order to improve SFD targeting. An approximate poverty indicator was also included at the same level based on social welfare survey data of 2008. These indicators have been reflected on sub-districts map according to their location in the districts and governorates.

Moreover, the Comprehensive Educational Survey 2010/2011 was revised in conformity with the previous periodic educational surveys (2005-2010), and linked to SFD's GIS, with schools' coordinates also reviewed, corrected, and linked to the surveys. The coordinates of 2012 plan projects were entered into the Management Information System (MIS) and GIS. Similarly, the map of SFD rural roads linking the governorates, districts, sub-districts, and villages was updated based on the road type (asphalt / feeder).

Additionally, location indicators and data have been prepared and arranged by SFD's Branch Office and governorates, and placed on the GIS Server to facilitate updating, verification, and first-hand use by Project Officers (POs) and relevant staff. A specialized program (ArcGIS Server) was also downloaded and a map application set-up and linked to the MIS so that data are

updated automatically. Moreover, several field studies of participatory rapid assessment (PRA) were compiled and linked to relevant villages' sites in GIS.

POs were trained in the use of GIS, Geographic Positioning System (GPS), and Google Earth. SFD units supported in the preparation of different maps as needed.

Finally, several agencies (such as Al-Amal Bank, Rural Roads Project, and the Ministry of Technical Education and Vocational Training) were provided with consultations and GIS data and indicators.

Ensuring Cost Effectiveness

SFD places a large emphasis on evaluating and monitoring the quality and costs of its projects. In 2012, the average construction cost per square meter increased from the previous year by 8.16% due to the repercussions of the precarious situation in the country during 2011 and the increase in fuel prices (Tables 14 and 15).

Type of structure	2010	2011	2012
One-story building	317.18	364.32	349.46
Two-story building	267.55	293.18	316.61
Three-story building	254.16	268.00	286.75
Four-story building	—	237.35	—
Average cost	267.98	284.47	307.68

Source: SFD Procurement Unit

Area	Number of projects	Average cost
Urban	18	266.74
Semi-urban	63	305.73
Mid-level remote	71	317.29
Remote and rugged	39	343.06
Extremely remote and rugged	1	351.30
Total/average	192	307.68

Source: SFD Procurement Unit

Table 14

Average construction costs for education projects by type of structure, 1997/98–2012 (U.S. Dollars per square meter)

Table 15

Average construction costs for education projects by area, 2012 (U.S. Dollars per square meter)

MONITORING AND EVALUATION

Monitoring and evaluation activities at the SFD aim at providing the SFD's management, the government, and its donors with information on the status of SFD's effectiveness and efficiency. The SFD's monitoring and evaluation relies on various sources of data including the management information system, field visits, project records, and external data collected by the Central Statistics Organization and other government offices. The SFD's monitoring and evaluation system provides real time data on its operations and allows systematic review for the performance and implementation of projects and programs.

The SFD conducts periodic internal and independent external evaluations of the effectiveness and impact of its projects and programs on the target groups, and publishes the results of the assessments and learn from them—thus, strengthening and improving its interventions. The SFD disseminates evaluation findings and encourages discussion and learning in order to enhance operations.

During 2012, SFD carried out a number of activities in the context of its work plan for the year, including in the continuation of operations monitoring. A number of evaluation studies were also conducted, including the completion of a quantitative and qualitative study of the Labor Intensive Works Program (LIWP), and the quantitative and qualitative analysis of the Rain-fed Agriculture and Livestock Project (RALP). Initial findings of both LIWP and RALP evaluations were reported and disseminated to SFD audiences.

Quarterly reports

During the year SFD collected data for quarterly reports showing performance and measurable indicators from the MIS. The data, linked to SFD Phase III & IV indicators and project documents, have been analyzed to determine the efficiency and effectiveness of SFD-supported projects (based on indicators such as the number of projects, investment, implementation period, number of beneficiaries, etc.). These reports were distributed to SFD's units and Branch Offices (BOs) to learn from and take corrective actions if needed.

Projects annual survey

Field visits were conducted to collect data from a sample of SFD's completed projects (105 projects) in education, water, health, and roads sectors in 13 governorates. The study is carried out by the M&E Unit to identify the projects' operation status and the extent to which various projects provide services in addition to the nature and social context of the areas in which these projects are implemented. The visits focused on identifying the level of beneficiaries' satisfaction, their expectations on benefit, acquainting with the

mechanism of projects' committees election and women participation as well as pinpointing and tackling setbacks (if any). Reports, prepared on these visits including observations and recommendations were distributed to units' heads of BOs to take action.

Projects tracking system

A screen has been designed in the MIS to enable the project officers (POs) to monitor and update the status of the implementation of their projects portfolio in a user friendly manner that suit the high number of projects they implement. The system also enables the M&E Unit to extract updated quarterly reports that reflect projects implementation status. Further development is planned.

LIWP Evaluation

During the year, the analysis of the quantitative survey was completed. The qualitative study was launched and completed as well. The evaluation study assessed the second wave of the LIWP 2010–11. The quantitative study uses a panel of household surveys collected before and after the intervention in randomly selected communities to examine the program's effectiveness in improving economic outcomes. It collected data from 1,004 households and 84 villages including 528 households and 44 villages with LIWP interventions, while the remaining are the control areas.

The evaluation used a difference in difference approach to test for the causal effect of the LIP program on various outcomes at the community level. The total benefit of the program to individual participating households is greater than suggested by this community level analysis, as households in treatment communities that had low or no participation in the program are included in calculating the program effect.

The qualitative study was a complementary to a quantitative study. It visited sub-sample of the quantitative study in 12 locations within eight governorates: Sana'a, Al-Mahweet, Ibb, Dhamar, Hajjah, Lahj, Amran, and Taiz. The qualitative study aims to enrich the quantitative study and to collect data and provide explanations for some of the results. It also aims to collect stories and quotations concerning how the beneficiaries perceived the impact of the project on their lives and to highlight some of the successes and challenges. The qualitative study records how the process of implementation took place based on beneficiaries' perceptions.

Findings

Due to the timing of the evaluation (during the 2010–11 political and economic crises), economic indicators worsened for all communities in the sample, but treatment communities fared better than control communities in several measurable ways.

The project took place during the crisis...the people were staying at home. Whenever someone tried to cross (illegal immigration) they sent him back or shot him. But God has destined this project for us. When people close one door, God opens a thousand doors." FGD – Males – Aslam Al-Sham, Hajjah

The main findings include the following:

Employment Generation: The total number of days worked per household increased by approximately 50 days per year, with significant increases in the incidence of female employment. The qualitative study indicated that the program has been able to employ the largest number possible of families due to the diversity of activities that include “technically simple” projects, with lower skill requirements, as well as other projects of high priority for all the people of the respective areas (such as roads and water tanks).

“[These projects have included] women and men...Women are in the terraces...Men are building the protecting walls...women have filled the area behind the protecting walls”.

Targeting and Participation: The survey reported that 74% of households had at least one member participating in LIWP, with more benefits going to poorer households based on poverty measurement using proxy poverty indicators. The qualitative study reported that the program was offered to communities using transparent procedures, which has allowed the highest number of poor households to participate.

Program Effects on Food and Livelihood Outcomes: In the study, 95% of program participants indicated that funds from the program were used to buy food and pay off debts. The evaluation found statistically significant program effects on food consumption, debt repayment, and durable goods ownership. On average, households in treatment communities had increased per capita calorie consumption of staple foods relative to control of between 320 and 435 per day. Households in treatment communities were also less likely to self-report that adults and children were forced to skip meals due to food shortages. Among indebted households, households in treatment communities were able to pay off more debt, by \$123 on average. Households in treatment communities also saw less depreciation in the value of durable goods owned. These findings suggest that the LIWP program played a role in cushioning targeted communities from the economic shock of 2010-2011, averting possible longer term consequences related to selling off assets and increased debt burdens.

The qualitative study confirmed the impact at the household level. The SFD’s LIW Program provided protection during difficult times in 2011, as it enabled poor families to buy basic foodstuffs and pay for other essential needs such as medical expenses and debts. The program also enabled households to obtain debts to buy basic goods while waiting to receive their wages. LIWP also enabled families to buy livestock that were later sold to meet the households’ basic needs.

“When he receives the wage, he brought for us foodstuff and fodder for the animals... He bought clothes for the bare bodies and buys sugar and cooking oil.”

“More than half of it [wages] goes for the storekeeper as repayment”.

Impact at the community level: When asked directly about their perception of the program’s effect on community assets, 95% of respondents reported that the project was needed by the community. Moreover, 79% of households reported that they benefited directly from the infrastructure built by the project. Only a few projects were officially completed at the time of the ex-post survey. In spite of this small sample size, the evaluation finds significant

improvements in access to water in communities where the LIWP funded project was related to water availability. The qualitative study indicated that participants believed that infrastructure projects implemented in their areas were of high priority, with water projects topping the list of priorities.

RALP Evaluation

The Rain-fed Agriculture and Livestock Program (RALP) targets communities and groups in 23 rural districts across five governorates in rain-fed agricultural regions; the project seeks to improve living standards for these populations through the organization of small farmers' producer groups – composed of either men or women – in order to support productive agricultural economic activities.

The evaluation of rural producing groups included both quantitative and qualitative studies. The quantitative survey has been completed and a preliminary analysis conducted. The final study is expected for completion in 2013. The quantitative study collected data at the household level in the targeted communities of the rain-fed agriculture project areas. The survey visited 2,136 households in 179 villages in both treatment and control areas. This included 1,056 households in 88 villages with RALP activities in two areas: goat and sheep raising and fattening, and beekeeping. There were approximately 349 producing groups in the visited areas, including 270 that were involved in both types of activities. This follow up survey collected data on the situation of the targeted communities to compare it to the 2009 baseline. The goal was to assess changes in their knowledge of handling animal assets, as well as changes in food consumption, community cooperation and targeting.

The qualitative study visited sub-samples of the quantitative study, consisting of 12 communities distributed among Sana'a, Al-Mahweet, Hajjah and Lahj and Al-Hudaidah governorates. The aim of this study was to enrich the quantitative study implemented by the unit in 2011, and provide an explanation of some of the results. The aim was also to put a human face to the study, as well as to gain a better understanding of communities' contributions to the program's success or failure, the challenges faced by the program, and beneficiaries' views on how to overcome these challenges.

Initial findings include:

- The percentage of community members who responded that they could access veterinary care for sick animals increased significantly by 14%;
- The percentage of community members who responded that they cooperated in selling animals increased significantly by 12%;
- The numbers of goats and sheep owned both individually and in shared ownership increased significantly for RALP participants – e.g. the individual ownership of goats doubled;
- An increase in social capital among participants was observed via a significant decrease in the share of respondents who say that no one would help them in financial crises. This effect is concentrated among the very poor;
- Positive significant effects were observed on a range of behaviors, including separating sick animals, storing fodder, and participation in animal fattening.

The qualitative study reported that working collectively in a group is more effective for women than men. It also confirmed that veterinary training is a key program success. The producing groups reported enhanced economic livelihoods.

SFD's activity in gender mainstreaming

The Social Fund for Development (SFD) has realized the importance of Yemeni women in development, the economy, decision-making, and life at large. Therefore, SFD has always sought to achieve justice in targeting at all levels, including gender, and supports the National Women Development Strategy (2006–15).

The SFD has placed considerable importance on gender issues, and has established a gender strategy to ensure fair participation in the planning and implementation of projects. The SFD also aims to ensure that the benefits are spread equitably across gender. The SFD has developed a knowledge database consisting of effective strategies for integrating gender issues into the development process, and has dedicated several procedures, requirements, and indicators to achieve that goal. This has contributed to increasing women's access to basic services such as education, health, and economic opportunities. The SFD has managed to do this despite facing several social constraints, including the low availability of services provided by women, women's limited role in participating in particular works and professions, as well as their restricted participation in decision-making positions and in public life.

The tables for the different sectors in this report also list gender-related indicators. These indicators demonstrate SFD's steadily increased response to meet the developmental needs of women in all sectors.

Indeed, the SFD has devoted much attention to education programs, focusing on girls' education, especially in rural areas. SFD Phase III attained an average increase in enrollment rates of 14% for both boys and girls aged 6-14 years. In 2012, education projects focused on raising girls' enrollment rate in education and strengthening women's capacity in life skills through literacy and adult education. Education infrastructure projects aimed at the construction and rehabilitation of 1,187 classrooms during the year, with females constituting 52% of the total target beneficiaries. Increased girls' enrollment rates in education can also be indirectly attributed to other interventions such as the construction of rainwater harvesting tanks, which facilitated and increased women and girls' access to water resources and reduced the time required for fetching water – thus, enhancing their educational opportunities by easing household burdens.

In the same context, health programs helped decrease maternal mortality rates and enhance prenatal and postnatal care, along with other programs that benefited women (73% of the total beneficiaries during the year).

In economic empowerment of women, the National Ninth Report on the implementation of the Convention on the Elimination of all forms of Discrimination Against Women (CEDAW) issued by the National Women's Committee in late 2012 affirmed that small and microfinance gender indicators show that female participation in this sector amounted to more than 80%. This exceeded the indicators of the other development sectors considerably. It is worth noting that

this national sector is supported by SFD.

During the year, the SFD has also supported 23 women's associations across the country in economic empowerment, providing furniture, office equipment, and administrative and technical training. The SFD has also provided training to 1,448 members of these associations, 869 of whom were female (60%).

In addition, SFD conducted an assessment of the second phase of the Cash-for-Work Program in 2012. The findings of the assessment indicated that women accounted for 18% of the total employment – a relatively high percentage compared to the local and national labor market, and especially since most of the program's projects are concentrated in rural areas and in fields typically restricted to men.

The Social Fund continues to spare no effort in focusing on women's development, and favors augmenting women's role in the development of themselves, their local communities and homeland. It accomplishes these goals in this area while also taking into account their capabilities and geographical locations, and the social traditions recognized in different areas.

FUNDING MANAGEMENT

During the year, the SFD followed up with funding resources and their allocation and use.

Donors Joint Review Missions

During the year, two meetings of SFD joint review mission (JRM) were held. The first was held in Amman (Jordan) during June 17–20, 2012, and reviewed progress and performance indicators of SFD IV operations. The participants at the meeting also approved the strategy paper prepared by SFD, which included several amendments to SFD IV plan in response to the 2011 events. The meeting participants also reviewed the Complaints Handling Mechanism and other SFD relevant proposals to be adopted at different levels of projects implementation. During the meeting, the tentative results of LIWP impact assessment were also reviewed. Finally, SFD targeting and SFD IV Impact Evaluation were discussed.

Based on the comments exchanged between the SFD and partners, the mission endorsed the contents of the strategy prepared by SFD in response to 2011 events.

As agreed to with the donor partners, the strategy articulates SFD's key focus in 2012 and 2013 as follows:

- (a) Employment generation will become a cross-cut indicator for various sectors and programs;
- (b) The LIW Program will be diversified and have much wider geographic coverage targeting communities affected by crises and shocks;
- (c) The LIWP's implementation will be accelerated (\$45 million and \$70 million will be disbursed in 2012 and 2013 respectively);
- (d) At least 5 million person/days will be added to the temporary employment output of SFD (increased from 20 million to 25 million). This increase will be achieved by simplifying the type of LIWP works undertaken. Nutrition and community-harmony themes will be introduced, fostered and mainstreamed through SFD's relevant operations and training packages.

The second meeting was held in Sana'a during November 26–29, 2012. The meeting participants reviewed the progress and achievements of projects implemented in 2012. They also reviewed the difficulties and challenges encountered over the year, discussing measures to further improve performance as well as outcomes of SFD's new interventions. In addition, the meeting participants assessed the progress made in achieving SFD Phase IV objectives, identifying and agreeing on 2013 key action steps, particularly with regard to Phase IV Midterm Review to be conducted in April 2013, the Results Framework, Impact Evaluation, and targeting.

Both missions concluded that SFD has made positive progress towards achieving the Project Development Objectives. Throughout 2011 and early 2012, SFD has scaled up its LIWP to provide immediate income relief to fill the consumption gap during the crisis period, with LIWP has creating 2

million employment days. The Community and Local Development (CLD) Program, with the key objective of improving access to basic social services, has gradually gained speed. Under the CLD program, 2,566 classrooms were built or rehabilitated, 71 health facilities were constructed, renovated, or equipped, and 30,263 households benefited from improved water sources. It is worthwhile to note the substantial impact of CLD's contribution to the labor market. Disbursements have picked up, and SFD has disbursed \$ 21.2 million in December 2012 compared to \$11 million in the same month in 2011.

Sources of Funding Active in 2012

World Bank/International Development Association (IDA)

Phase IV grant for \$60 million, signed on June 28, 2010, finances SFD phase IV (2011–15). By the end of 2012, 546 projects were specified under the grant at an estimated cost of \$54 million.

Credit 4220 for Rain-fed Agriculture and Livestock Project co-financed by the World Bank (WB) and the International Fund for Agricultural Development (IFAD), with the WB providing \$20.8 million, of which \$10.8 million was allocated for the Rural Agriculture and Livestock Development Project (RALP). The project and credit agreements were signed in September 2006. To-date, the credit has been committed to finance 127 projects at an estimated cost of \$11.9 million.

European Community (EC)

The Additional Grant Agreement 212-019 / 2007, signed on July 6, 2011, amounts to €11.2 million (equivalent to \$14.1 million), and was allocated in July 2011 to finance 149 projects at an estimated cost of \$13.4 million (as of December 31, 2012).

Health Grant 2, worth approximately €1.75 million (equivalent to about \$2.5 million), was signed in December 2009, and targeted Lahj and Al-Hudaidah governorates. The grant had financed 30 projects worth \$2.4 million by the end of 2012.

Kingdom of Saudi Arabia Saudi Fund for Development

Grant 1/1429 for 375 million Saudi Riyals (\$100 million) supports 637 community-development projects for SFD Phase III. The grant has been fully committed for the projects, with contractual cost reaching \$95.8 million.

United Kingdom-Department for International Development

Phase IV grant agreement of £100 million (equivalent to \$156 million) supports SFD phase IV. The grant was allocated in January 2011 to finance 791 projects (to date) at an estimated cost of \$89 million.

The Netherlands

MCH Health grant 15849 for \$8.5 million was signed in July 2007 and fully committed to finance 51 projects, with the contractual cost mounting to \$8.9 million.

Labor-intensive Works Program grant – Phase IV for \$6 million was signed in November 2010, and allocated in early 2011 to finance 21 projects worth \$5.6 million.

SMED program grant – Phase IV for \$2.4 million was signed in November 2010 to support microfinance programs and business development services, with allocations from the grant commencing in December 2010 to finance 11 projects worth \$2.2 million (as of the end of 2012).

The Government of the Federal Republic of Germany (German Development Bank "KfW")

Fifth grant 899 65 2008 for €17.5 million (about \$24.3 million) was signed in December 2008 to support 151 projects at an estimated cost of \$27.9 million, with the contractual amount reaching \$21 million – as of the end of 2012.

Sixth grant 038 65 2009 for €8 million (approximately \$11.36 million) was signed in October 2009 to finance 52 projects, with contractual amount reaching \$8.6 million, as of the end of 2012.

Seventh grant 414 67 2009 for €5 million (\$7.1 million) was signed in December 2009. By the end of 2012, twenty-one projects were committed worth \$6.5 million.

Eighth Grant 471 65 2011 for €7 million (\$9.19 million) was signed in May 2012 and allocated for the rehabilitation of damaged schools. By the end of the year, 24 projects had been committed at an estimated cost of \$4 million.

Ninth, tenth and eleventh grants: The SFD participated from July 5-10, 2012 in the Yemen-German annual meetings, with minutes including the approval of financing 3 projects, in addition to the eighth grant for schools affected by 2011 events. These projects include the financing of labor-intensive works program with €7.439 million as well as the financing of SMED Program with €6 million, with negotiation currently being completed regarding the third (tenth) €12-million grant for the Water Sector.

United States of America

US Agency for International Development (USAID) grant for \$1.3 million was signed on January 3, 2012 to finance LIWP projects under Livelihood Improvement Project (LIP). The grant was closed on March 31, 2012.

US Agency for International Development (USAID) grant for \$87,022 was signed on April 25, 2012 to finance LIP Water Sector projects through the construction of 4 rainwater-harvesting tanks in four schools in the Capital City. The grant was closed on October 24, 2012.

Mareb Museum grant for \$1.6 million to contribute to constructing the Regional Museum in Mareb was signed on September 19, 2000. However, the project has not been implemented and it was agreed with the donor to amend the agreement in April 2012 to reallocate the grant for the implementation of water projects in the Capital City and Taiz governorate.

OPEC Fund for International Development

Loan 123P for \$18 million was signed in February 2009, with 94 projects committed worth \$16.6 million (as of end of 2012).

Arab Fund for Economic and Social Development

Phase IV loan for 30 million Kuwaiti Dinars (\$100 million) contributes to the financing of SFD phase IV CLD and SMED programs and business development services. By the end of 2012, 186 projects had been committed worth \$35 million.

The Great Mosque restoration grant for \$1.8 million was signed in March 2011, with contractual amount reaching \$851,000 by the end of the year.

International Fund for Agricultural Development (IFAD)

Loan YE-732 for \$16.4 million was signed in January 2008 to support several components of the SFD's Rain-fed Agriculture and Livestock Project. By the end of 2012, the SFD had developed 98 projects under this loan at an estimated cost of \$6.4 million.

Islamic Development Bank

Phase III loan for \$10 million was signed in May 2007 to finance 80 projects worth \$10 million, with the contractual amount reaching \$10.3 million as of the end of 2012. The SFD has accomplished all the project's components.

Vocational Literacy Program for Poverty Reduction (VOLIP) Loan and Grant:

The 6.8-million Islamic Dinar (about \$10.9 million) loan was signed on May 4, 2010, in addition to a grant of 231,000 Islamic Dinars (equivalent to \$370,000). The SFD, in cooperation with the Islamic Bank, is currently completing the project setup.

United Arab Emirates

Abu Dhabi Fund for Development: In a support agreement signed between the United Arab Emirates and Yemen on December 16, 2009, the Abu Dhabi Fund for Development provides a grant of \$33 million to support the Community and Local Development and Capacity Building programs.

State of Kuwait

Kuwait Fund for Arab Economic Development loan for \$50 million was signed in February 2009, with 343 projects financed at an estimated cost of \$56 million.

Kuwait Decent Life Fund grant for \$6 million was signed in April 2012 to support SMED Program.

Yemen Government

In July 2006, the Yemeni government signed a funding agreement, in which the government committed to provide the SFD with \$100 million to continue to finance the Labor Intensive Works Program (LIWP) in different governorates. An equivalent of \$96 million was offered as of the end of 2012 and was allocated to finance 375 projects at an estimated cost of \$103.5 million.

S/N	Donor	Agreement name	Type	Amount	Equivalent in US Dollar
1	World Bank/ IDA	SFD IV	Grant	SDR 38,700,000	60,000,000
2	United Kingdom	SFD IV	Grant	100,000,000£	155,000,000
3	Arab Fund for Economic and Social Development	SFD IV	Loan	KWD 30,000,000	100,000,000
		Great Mosque Grant	Grant	KWD 500,000	1,800,000
4	The Netherlands Government	LIWP Grant	Grant	6,000,000\$	6,000,000
		SMED Grant	Grant	2,430,000\$	2,430,000
		Water Sector Grant	Grant	\$3,639,484	3,639,484
5	Kuwait Decent Life Fund	SMED Grant	Grant	6,000,000\$	6,000,000
6	Abu Dhabi Fund for Development	SFD IV	Grant	33,000,000\$	33,000,000
7	OPEC Fund	SFD IV	Loan	18,000,000\$	18,000,000
		Damaged schools rehabilitation grant	Grant	€7,000,000	9,190,000
8	German Government (KfW)	LIWP program	Grant	€7,439,496	9,671,345
		SMED program	Grant	€6,000,000	7,200,000
		Water Sector program	Grant	€12,000,000	15,360,000
9	European Union	Additional Support	Grant	€10,802,000	14,100,000
		Health program (2)	Grant	€2,785,000	2,450,000
		USDA-Mareb Museum & water projects (Capital City & Taiz)	Grant	\$1,600,000	1,600,000
10	United States of America	USAID-Livelihood Improvement Project	Grant	\$1,295,983	1,295,983
		USAID-Water-Sector Livelihood Improvement Project	Grant	\$87,022	87,022
11	Yemeni Government	Phase IV government contribution	Grant	\$110,000,000	110,000,000
Total					556,823,834

Table 16a

Available funding for SFD IV, by donor (as of 31 December 2012)

S/N	Donor	Agreement	Type	Amount	Equivalent in US Dollar (\$)
1	German Government (KfW)	Education 899 65 2008	Grant	€17,500,000	24,325,000
		Education 038 65 2009	Grant	€8,000,000	10,672,000
		Education 414 67 2009	Grant	€5,000,000	7,100,000
2	Saudi Fund for Development	Saudi Fund	Grant	\$100,000,000	100,000,000
3	Kuwaiti Fund for Arab Development	SFD III	Loan	KWD 14,000,000	50,000,000
4	Islamic Bank for Development	SFD III	Loan	ISD 7,000,000	10,766,791
5	World Bank	Rain-fed agriculture project	Loan	SDR 7,400,000	10,805,804
6	International Fund for Agriculture Development (IFAD)	Rain-fed agriculture project	Loan	SDR 10,850,000	16,400,000

Table 16b

Active funding sources of SFD previous phases, by donor (as of 31 December 2012)

ANNEXES ADDITIONAL DATA

Table A1

Commitments by Program (Millions of U.S. Dollars)

Program	2012	Cumulative
Community and Local Development	187.4	1,419.4
Labor Intensive Works Program	34.7	85.4
*Capacity Building	21.9	186.8
Small and Micro Enterprises Development	8.3	47.2
Total	252.3	1,738.8

Note: Amounts are estimated based on annually approved projects as well as operating and fixed assets costs. Commitments may fall by 5–7% due to cancellation of some approved projects.

*Includes SFD operating expenses and fixed assets costs

Table A2

Disbursements by Program (Millions of U.S. Dollars)

Program	2012	Cumulative
Community and Local Development	96.2	942.33
Labor Intensive Works Program	30.6	57.46
*Capacity Building	17.3	156.86
Small and Micro Enterprises Development	5.5	36.29
Total	149.6	1,192.9

*Includes operating expenses and fixed assets costs (approximately 5% of the total)

Figure A1

Distribution of Commitments by Sector, 2012

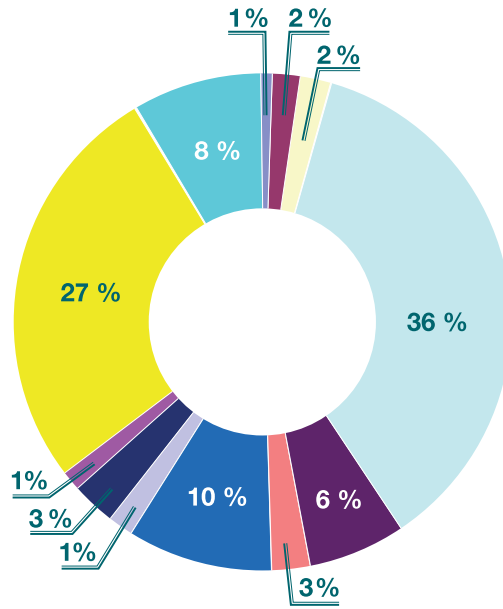
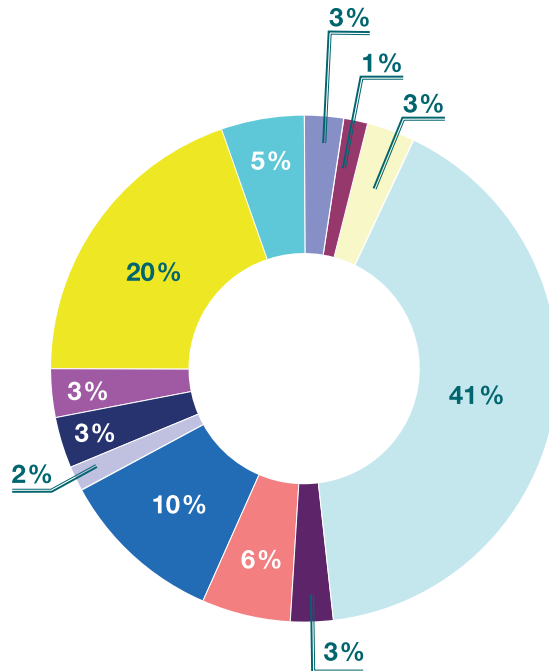


Figure A2

Distribution of Cumulative Commitments by Sector, 1997–2012



- Training & Organizational Support
- Integrated Interventions
- Environment
- Cash for Work
- Water
- Cultural Heritage
- Small & Micro Enterprise Dev.
- Special Needs Groups
- Rural Roads
- Health
- Agriculture
- Education

Figure A3

Distribution of Commitments by Governorate, 2012 (Millions of U.S. Dollars)

Annual
Cumulative

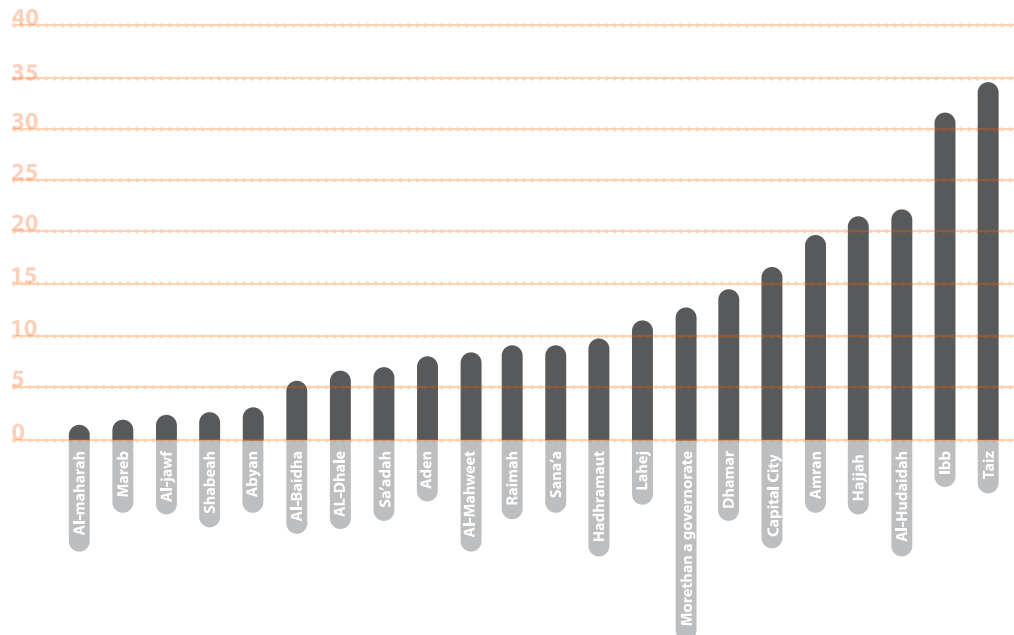
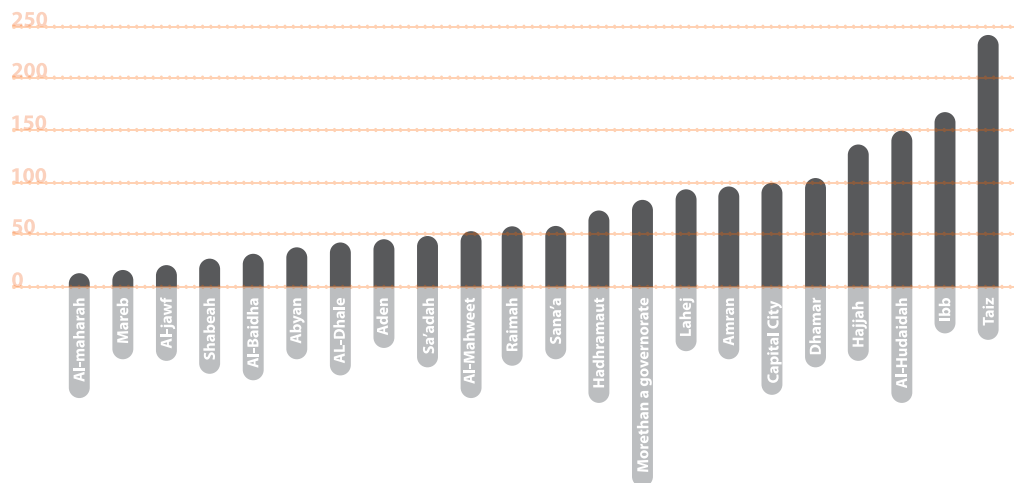


Figure A4

Distribution of Cumulative Commitments by Governorate, 1997–2012 (Millions of U.S. Dollars)

Annual
Cumulative



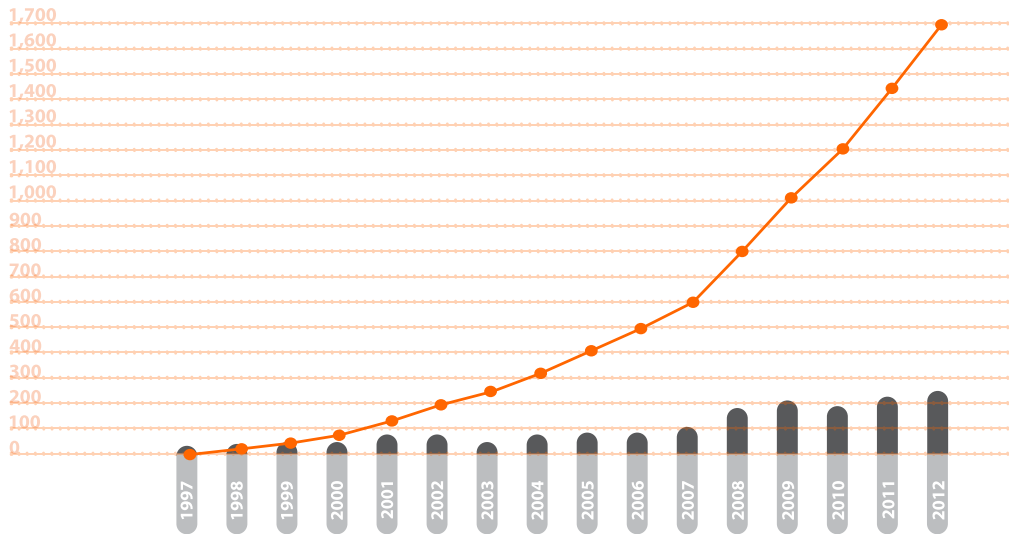


Figure A5

Commitments,
1997–2012
(Millions of U.S.
Dollars)

■ Annual
— Cumulative

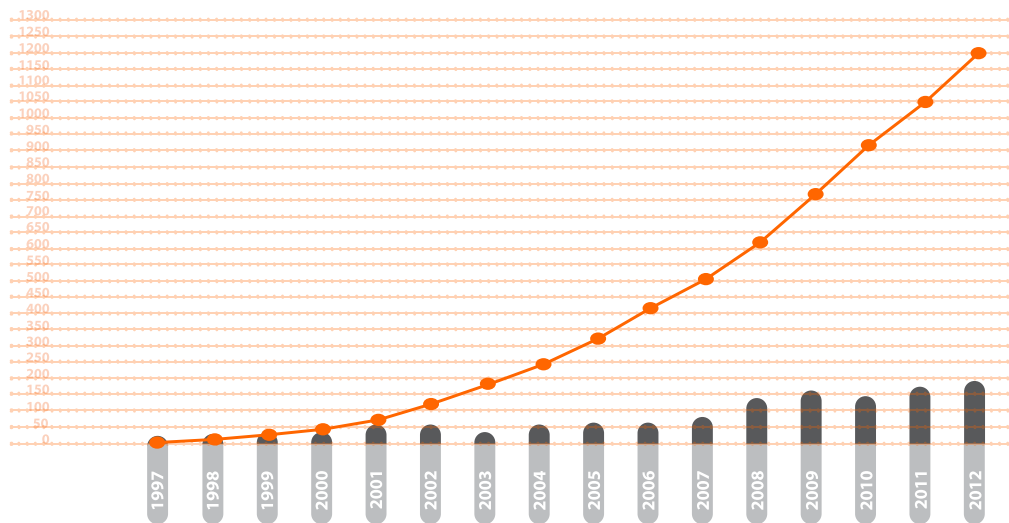


Figure A6

Disbursements,
1997–2012
(Millions of U.S.
Dollars)

■ Annual
— Cumulative

Figure A7

Employment Created by SFD-Supported Projects, 1997–2012 (Millions of days)

■ Annual
— Cumulative

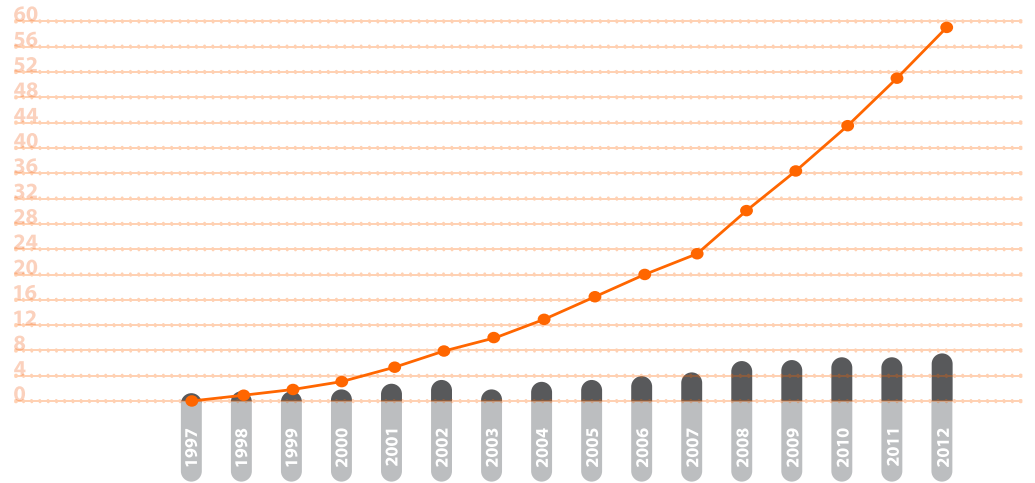
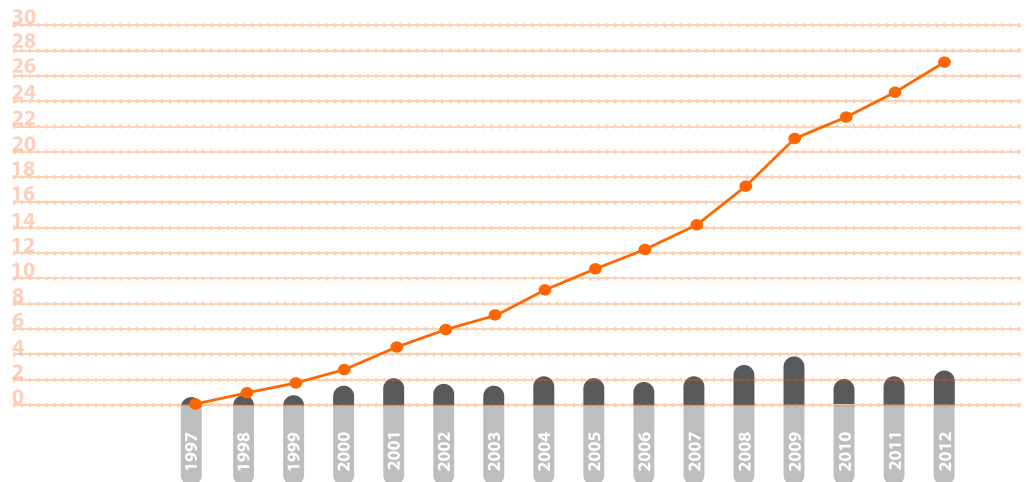


Figure A8

Number of Direct Beneficiaries of SFD-Supported Projects, 1997–2012 (Millions)

■ Annual
— Cumulative



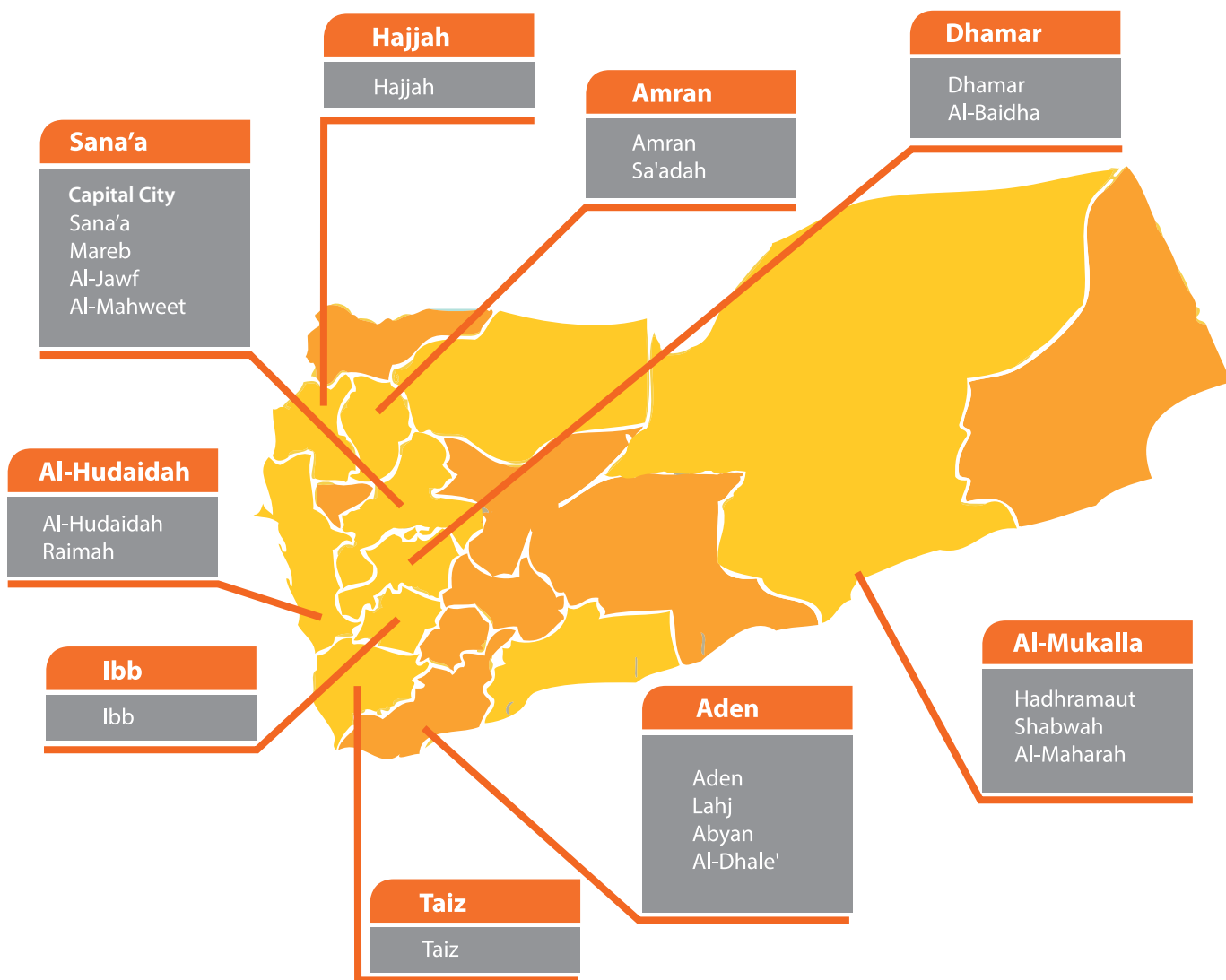


Figure A9

SFD Organizational Structure

