

Editorial

SFD as an added value for the national development

The SFD is increasingly playing a catalytic role as a sustainable instrument and methodology of creating change. It strongly believes in the importance of living up to the responsibility of improve quality and methodology of national development.

The policies and activities of transferring the know-how and enhancing capacities on the central, local and community levels have been a permanent focus and a justification for the expansion of its operations.

The ponderer in the SFD's project life cycle would notice that the SFD tends as much as possible to involve partners (local communities, government agencies, development partners and civil society organizations) in that project over all stages of the project, so that they take on responsibility in ensuring the quality of the project, its operation and maintenance that in turn ensure its sustainability. Therefore, the SFD tends every time to review its operations and the project life cycle guide to ensure broader participation and coordination with its partners.

To achieve this and in virtue of the lively interaction with staff and the broad audience, the SFD has entrenched that high significant responsibility by capitalizing, as much as possible, on the international and traditionally local practices and by learning from the lessons learned during the previous phase.

The SFD recognizes well that the accumulated output of the learning process, as well as the results of monitoring and evaluation activities require a higher level and more a reflection of lessons learned in the operations of the SFD at large.

The general outlines of Phase IV vision discussed

A World Bank mission visited the SFD on October 10-11, 2009 to discuss the draft vision of the SFD Phase IV (2011-2015) which was prepared by the SFD in a participatory way, building on the lessons learned from the work and experience over the three stages of its operations (1997-2010).

The SFD has developed its vision for the upcoming phase in order to better contribute to achieving the national development goals that tends to reduce poverty and in the meantime to offer a model for an effective, efficient and transparent institutional mechanism that builds on the best practices of development and acts as an agent of change in the country.

The upcoming vision includes bases of work of the SFD during the five coming years on four principal programs: (1) Community and Local Development (including various sectors and programs, such as education, health, special need groups, water, environment and sanitation, cultural heritage, agriculture, and integrated interventions), (2) Capacity Building (including building institutional capacity at the national level, capacity building of non-governmental organizations and individuals, as well as strengthening local authorities), (3) Small and Micro-enterprise Development, and (4) Labor-intensive Works (two parts, rural and urban).

BoD approved SFD 2010 budget

The SFD Board of Directors, presided over by the Prime Minister and Chairman of the Board H.E. Dr. Ali Mohamed Mujawar, has approved in its meeting in 21/10 the SFD 2010 budget at a total amount of YR 27.5 billion distributed in the various budget categories at a growth rate of 8.2% of the 2009 budget. The 2010 action plan would establish 1402 projects all over the country covering education at YR10 billion, LIWP at YR5 billion and other sectors including the capital expenditures and fixed assets.

Al-Hudaidah has topped other governorates in terms of the number of projects to be implemented during 2010 (111 projects costing YR3 billion), followed by Taiz (107 projects costing YR2.7 billion), Hajjah (104 projects costing YR2.1 billion), Ibb (49 projects costing YR1.7 billion), Hadhramaout (90 projects worth YR1.4 billion) and other governorates.

The BoD has stressed on focusing on the labor-intensive works and SMEs sector as they enhance the SFD objectives to alleviate poverty, absorb unemployment and support the producing households all over the country.

Yemen, Germany sign € 23 mln agreements

Three financing agreements of € 23 million were signed on October 03, 2009 between Yemen



and German government represented by German Development Bank (KfW). The KfW will, according to the agreements, fund reproductive health program (€10 million), education sector (€8 million) and SFD phase III programs (€5 million). The agreement was signed by Vice Minister of Planning and International Cooperation Hisham Sharaf and SFD Head of Cultural Heritage Unit, Abdullah Al-Dailami, and the KfW's Representative Ms. Caludia Arce. Sharaf praised the German government's keenness on supporting the development process in Yemen, noting the KfW's substantial contributions to supporting the development sectors.

Al-Qwaizi fort renovated

The SFD began the restoration works of the historic Al-Qwaizi Fort at the entrance of the city of Al-Mukalla in Hadhramout governorate at a total cost of about \$13 thousand.

The Deputy Governor of Hadhramout for Technical Affairs, Eng. Fahad Saeed Al-Menhali, pointed to the importance of observing the landmark's architectural style using traditional building materials under the supervision of local experts and archaeologists in Hadramout.

Mr. Al-Menhali underlined the fact that Al-Qwaizi Fort is one of the unique and historical monuments in Hadramaut that worth restoration.

The work is expected to be completed in six months. Rains and floods that hit Hadhramout in late 2008 seriously damaged this famous fort.



UNITS NEWS

Education

During this quarter, 9 projects were approved benefiting 7,256 people (including 6,504 females). Those projects included basic education programs (6 projects), and policy support (two projects), and pre-school (one project).

Development of basic education

Six basic education projects were approved at an estimated cost of \$ 0.9 million. The projects included building and furnishing of 6 schools in the governorates of Taiz, Sa'ada, Hajjah, and Ibb.

Quality education

Under the DOUROUB Network component, the following activities were done:

- The DOUROUB implementing organization and trainers visited the 11 member schools in the capital city and the governorates of Ibb and Taiz for a week in order to assess the first phase of ToT project.
- A workshop was held for trainers and technology coordinators to discuss the weaknesses and strengths of the first phase of training and summer training carried out by the peer-to-peer trainers. The event also discussed the responsibilities for the projects due to be held in November 2009 - January 2010, opening new sections in DOUROUB and determining the nature of training for the next phase.
- Start training students of quality schools on how to develop the mural paintings, antiques, and gifts using the simple and local raw materials.
- Start training councils of parents and teachers on the rights of the child.

Rural girls education and community participation

The program carried out the following activities:

- A six-day training course for facilitators of community education from the governorates of Taiz and Al-Huodaidah on the linguistic skills of communication for adult education for both Arabic and mathematics. The event was attended by 21 facilitators.
- In November-December 2009, 8 training courses for preparing 105 trainers from various districts of Al-Hodaidah governorate in women-related economic skills such as sewing and developed sewing, handicrafts and home economics. Participants were divided into two groups, the first one included 10 districts and were trained in the charity workshop of Al-Huodaidah City and the second group included 5 districts and were trained at the Women Training Center of Zabid.

Literacy

The literacy program conducted the following activities:

- The third and last phase of training teachers of literacy and adult education in Al-Hodaidah governorate consisting of 8 training sessions on the skills of educating the adult and preparing the teaching aids. The training targeted 8 new districts benefiting a total number of 155 male and female teachers.

- A workshop to discuss and revise the manual of Teaching Aids and Active Learning for Adult Education. The event was attended by 14 supervisors for literacy in Sana'a, Al-Hodaidah, Aden, Dhal'ie, Taiz, Amran and Mahweet in addition to representatives from the Literacy and Adult Education Authority.

The workshop came out with a number of observations and proposals to be included in the new manual.

Supporting education policies

The SFD approved and started implementing a project to build and furnish the Office of the Education in the governorate of Hajja at an estimated cost of US\$220,500.

Pre-school education

The SFD approved and started building kindergartens and its facilities in the districts of Alhali and Alhawk districts in Al-Hodaidah Governorate. It also carried out the final takeover for 6 kindergartens in various governorates, in addition to the preliminary takeover of furnishing 9 kindergartens in various governorates.

Educational excellence

A project of supplying the pilot talented schools with additional materials for the robot and electronic laboratories was approved and implemented. As well, the following activities took place:

- Identifying the needs of the program and the work plan for 2010
- completing the admission preparations for the third batch of students.
- Arranging for legislating the admission academic tests and preparing for the requirements of regulation and experimentation.
- Referring the contributed comments and proposals to a specialized educational committee
- Provide the program's schools with additional robot and educational electronic kits.
- Provide the program's schools with materials and tools needed to receive the third batch and to start the education courses.

Building capacity of education staff

The SFD approved a project to train SFD education officers on the education project management.

Education Sector, Phase III indicators*

Indicators	TARGET (2010-2004)	ACTUAL						
		2004	2005	2006	2007	2008	2009	Total
Classrooms built and equipped	10,080	1,940	2,541	1,867	1,232	2,592	2,000	12,172
Classrooms rehabilitated	1,500	295	352	263	145	299	192	1,546
Completed classrooms (according to the project completion year)	15,124	0	636	2,641	2,402	1,756	1,499	8,934
Children enrolled	403,200	156,068	264,334	231,689	111,298	193,071	157,779	1,114,239
Preschool teachers trained	800		542					542
Kindergartens established	38	4	11	9	2	4	3	33
Workshops in education, planning, programming and evaluation	36	8	12	16	48	29	34	147

*Include only under-implementation and completed projects as of 31/12/2009

Cultural Heritage

The SFD has continued its contributions to maintain the cultural heritage components in the country. In this context, it approved, during this quarter, seven projects at an estimated cost of U.S.\$50.4 million. The total cumulative number of cultural heritage projects is 230 projects at an estimated cost of U.S.\$44.48 million.

During this period, the SFD signed a memorandum of understanding with the Ministry of Culture on ways of cooperation and coordination in the SFD IV implementation of cultural heritage projects.

Renovation of the Great Mosque project

The restoration works in this quarter focused on the following activities:

Renovation of the wooden ceilings

A constructive intervention has strengthened and treated the damaged wooden beams and the beam-supporting walls. The team also treated a number of wooden beams in the first corridor of the northern part. The ceiling loads on 21 wooden beams and about 100 wooden casings were lifted by construction support. The renovation works are still underway.

Documentation

the heritage team continued the architectural documentation of walls of the southern vestibule as well as the 36 columns in the northern, southern and eastern corridors. They also documented a number of scriptures, ornaments, human and animal paintings after being explored within the mosque area. They date back to the pre-Islam ages.

Archaeological exploration

The overall number of archaeological excavations is up to 54 until the end of this quarter distributed in the northwestern part (area of the current renovations) and the southern part next to western minaret.

Ablution facilities

up to the end of the quarter, the SFD renovated about 95% of the ablution facilities. That consist of one floor for the toilets, another for ablution, a floor as a flat for mosque services, a VIP suit and a toilet for the people people with special needs.

It is worth mentioning that several cultural heritage interested personalities including official missions, foreign diplomatic corps as well as the President of the Arab Fund for Economic and Social Development visited the project site.

Renovation of Madrasat Al-Mansuriya project, Juban – Al-Dal'e

The renovation team continued the repairing works on the minaret located at the eastern side. These efforts included works of supporting, walls injection and removal of the disintegrated and eroded stones and were rebuilt using the same old component specifications. The team is about to complete repairing all bases and walls of the downstairs rooms affected by the erosion of stone by salt and moisture. They also implemented supporting work to the cracked ceilings.



Repairing the 360-room Queen Arwa Palace Jibla-Ibb

Wall in the northern corner of the premises was renovated. It had been suffering from various damages owing to the uneven decline and the curvature of the wall outward by more than allowed in the carrying walls. In addition, the supporting and renovation works reached the north-west corner to treat the damage and cracks that led to instability due to previous inappropriate interventions as well as because of the poor interdependence of the construction.

Al-Asha'er mosque restoration project - Phase II - Zabid

The SFD has started activities of the second phase of repairing the Al-Asha'er Mosque. It is currently preparing the work site, the technical team who will implement the project, the tender for the construction of new bathrooms that will be for the mosque and also for the use of the neighboring market area.

Paving streets Zabid City

The work of streets' paving for the contract No. 2 is going well. The project teams are repairing the bases of the houses that need supporting and repair. They started paving some streets after the underground cables were put. About 60% of such cables that were purchased in phase I were put underground, and the remaining 40% will be completed during the first quarter of 2010 as the SFD completed a supply contract to purchase the remaining quantity of electric cables which are expected to arrive in June 2010.

Rehabilitation of Al-Gawza' Garden in Old Sana'a

The garden is dominated mainly by cactus trees. The intervention is to preserve it, creating path at the edge, supporting walls, cleaning the entire area, planting seedlings of fruit trees, establishing an irrigation system, and having the site in the best sight. All works were completed the project consultant has been assigned for the project handover.

Rehabilitation of the Great Mosque's Italics in Sana'a

Components of the Great Mosque Italics rehabilitation project was completed including the establishment of the supporting walls, some collapsing fences, paving works for the boundary paths, a cistern, establishing an irrigation network and site soil was cultivated for farming. Works of crop growing and enforcing some comments before total completion are the last steps of the project.

Cultural Heritage Sector, Phase III indicators*

INDICATORS	TARGET (2004-2010)	ACTUAL						
		2004	2005	2006	2007	2008	2009	Total
Projects	135	23	31	23	16	21	35	149
Consultants trained	350	23	53	25	5	32	18	156
Laborers trained	1,000	129	85	92	42	5,042	18	5,408

*Include only under-implementation and completed projects as of 31/12/2009

Training Activities

The sector trained 30 accounting consultants on 21-22 December 2009 on the financial activities for projects based on the field administration (forms of spending and expenditure, and the settlement of payments). The trained accountants are working as accountants in most field administration projects of the Cultural Heritage Sector.

Training & Organizational Support

Interventions in the two sectors of Training and Organizational Support aim at providing services through training and building the human and institutional capacities of SFD staff and project officers, consultants, community committees (beneficiary committees) small contractors, technicians, local authorities, NGOs, and governmental organs, who contribute in providing productive services, realizing community development, illiteracy eradication, dissemination of culture and supporting the educational process. These partners also acquire training in some fields mentioned in the «Training Sector» (or in all of these fields, according to the needs of each organization). Support also includes providing some necessary equipment, data bases and management systems. The purpose of the over-all support is to ensure and reinforce the organizational, financial and administrative sustainability for these partners.

During the 4th quarter, the number of projects in both the Training & Organizational Support sectors reached 19, with an estimated cost of \$ 375, 000 (Three Hundred & Seventy- Five Thousand USD). Of these projects 4 are approved, and 15 under implementation. They target the following:

Governmental Organizations

Targeting was comprised of five projects in the organizational support sector concerning governmental organs and establishments including Yemen Youth Union (Dhamar branch), the General Authority for Environmental Protection (Hodeida branch), Labor Arbitration Committees in the Sector of Labor Relations of the Ministry of Social Affairs & Labor, General Department for Environmental Sanitation and some of its branches in the governorates and districts, the Social Fund for Development. Support components varied according to specific needs. The first and second project interventions included providing equipment, as well as training in management, advocacy & support, planning, and training of trainers. Intervention in the third and fourth projects comprised of institutional assessment studies, while support in the fifth project was concerned with procedural arrangements for the establishment of the SFD's Human Resources System.

Non-Governmental Organizations (NGOs)

Three projects were developed, two of them concerned with training, with the first targeting two fishing associations in Midi district Hajja governorate and the second project involving raising the capacities of some associations in a number of governorates, with activities including training of trainers, according to specific needs, in strategic planning, preparation and reviewing of organizational frameworks, management, and book-keeping. The third project was concerned with providing organizational support to the Youth Leadership Development Foundation through the “development of a system for monitoring and evaluation, and training the Foundation staff in its application”.

Local Communities

Six projects were developed, as follows:

- Three projects concerned with identification of priorities and the formation of follow up and coordination committees in the governorate of Hajja (2011 - year Plan), and the governorates of al-Beidha'a and Dhamar (2010 - year Plan)
- Three projects for training and empowerment of development committees in Hajr district (Hadramout governorate), Bilad al-Ta'am district (Reima governorate), and al- Misrakh district (Ta'iz governorate).

Local Authority

One project targeting the main office of al-Oudain branch district, Ibb governorate. Its components included workshops for acquainting trainees with the Local Authority Law and its by-law, training in computer applications and secretarial skills. This is in addition to providing necessary office equipment.

Private Sector – Individuals

Interventions included four projects, targeting the training of “consultant - field teams” in institutional development studies for al- Mukalla branch, training engineer –consultants “in skills of dealing with local communities for Ibb branch, and training 500 bee-keepers in al-Oudain branch district, Ibb governorate, as well as training about 1079 bee-keepers in 10 sub districts of Al-Haima Al-Dakhilia district, Sana'a governorate.



Empowerment of local communities, Alluhaia - Al-Hudaidah

Training and Organizational Support Sectors, Phase III indicators*

INDICATORS	TARGET (2004–2010)	ACTUAL						
		2004	2005	2006	2007	2008	2009	Total
Workshops for NGOs	175	43	86	80	101	27	37	374
NGOs and cooperatives supported	200	41	28	28	31	28	11	167
User groups, communities and community-based organizations supported	1,900	66	233	268	351	431	588	1,937
Local councils and authorities provided with organizational support	70	0	10	15	13	22	20	80
Councilors and local authority members trained**		1,875	5,845	260	737	505		9,222

*Include only under-implementation and completed projects as of 31/12/2009

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

Health and Social Protection

Health

Unit's activities include health and social protection.

The number of projects approved in the quarter mounts to 12 worth about \$3.2 million directly benefiting some 480 thousand persons. The sector's programs are:

Improving access to basic healthcare services

The projects were developed to build and equip health centers in the districts of Al-Mudhaffar and Al-Qahira in Taiz governorate and Maif'ah district of Shabwah governorate.

Expanding reproductive health and neonatal care services

Increasing deliveries under medical supervision

The program aims at increasing birth cases under medical care and reducing mothers, neonatal and child mortality. The program developed a project to train 20 community midwives on door-to-door care for the mothers and neonatal health from several districts of Taiz governorate. It developed 7 projects to repair, equip and furnish the comprehensive obstetric emergency sections of the Al-Jumhuri Hospital - the Capital City of Sana'a, Al-Mukalla Hospital - Hadhramaout, and Haradh Hospital - Hajjah.



Various interventions in Nashir Medical Institute - Aden

Special needs groups

1. Social Protection

The program aims to improve the prisons and correctional services, social care centers, and improve the services provided to the marginalized categories, and it supports the development of services for the street children and working children. The sector also supports policies, strategies and programs for battered and trafficked children. The program focuses on a number of sub-programs including:

Newborns registration

newborns registration is vital for the progress of every nation. All governments need data specific to the newborns. National systems for the registration of children is principally required by these countries for planning and policy development, for monitoring the condition of children and for allocation of resources to them.

The signatory countries to the Convention on the Rights of the Child and other international pacts on the Rights of the Child, have vowed to register children at birth.

The free registration of newborns and its decentralization have significantly contributed to raising the level of this process (on one hand) and to organize the health care and vaccination follow up process after the period of birth (on the other hand).

In this field, the SFD, in partnership with the UNICEF, has supported the Ministry of the Interior and the Civil Status and Civil Registration Agency by enhancing the services of newborns registration, enhancing the decentralization system, establishing the electronic registration system and database, training the staff working in the Department and its branches in Sana'a and the governorates of Aden, Taiz and Ibb.

Support policies and strategies

Under the auspices of HE Dr. / Amat Al-Razaq Ali Hummad, Minister of Social Affairs and Labor, the SFD held sectoral workshops to discuss the preliminary sectoral studies prepared by SFD consultants as an action to develop the National Disability Strategy (Phase II).

Health and Special Needs Groups Sectors, Phase III indicators*

INDICATORS	TARGET (2004-2010)	ACTUAL						Total
		2004	2005	2006	2007	2008	2009	
Health								
Projects supporting health facilities providing quality services	310	15	33	21	148	81	36	334
Health institutes (HIs) supported to enhance health education	21	2	7	2	12	6	—	29
HIs' staff trained	400	120	20	120	40	—	—	300
HIs' education curricula upgraded	5	—	—	—	—	3	—	3
HIs' libraries equipped and supplied with books	12	—	2	—	10	—	—	12
Teaching laboratories equipped with learning materials	21	—	—	4	10	5	—	19
Psychiatric hospitals and care centers staff trained	125	20	0	—	0	96	—	116
Districts that received support in applying the District Health	4	—	3	—	—	—	—	3
Trained health-service providers	1,500	683	519	335	40	158	257	1,992
Special Need Groups								
Public schools supported with inclusive education	148	57	9	5	26	29	4	130
Disadvantaged children in SFD-supported schools	8,000	3,63	1,304	5,744	1,510	17,063	798	30,052
NGOs supported by technical training to serve groups with	80	7	23	60	11	33	17	151
Communities made aware of inclusive-education importance &	210	4	31	33	11	47	15	141
Faculty of Special Education	2	—	—	1	—	—	—	1
Staff members qualified in disability	140	14	46	—	50	68	0	178
Pre-school rehabilitation and education centers for preschoolers with	35	5	1	1	—	—	—	7
Street children centers and juvenile delinquent centers	5	—	—	—	—	—	—	—

*Include only under-implementation and completed projects as of 31/12/2009

The workshops were held during 9-17 November 2009, focusing on public education, technical and vocational education, social safety net programs, and information and communication information technology. During the activities, several notes were presented ending up with recommendations to enrich those studies.

Representatives of several relevant organizations including the relevant ministries, National Disability Federation, Disability Welfare and Rehabilitation Fund, social safety net organizations, disability support programs, National Productive Families Programs, Promotion of Agricultural and Fishery Production Fund the Small Enterprise Development Fund and the Al-Amal Microfinance Bank participated in the workshops.

2. Organizational support

The program aims to provide organizational support to government and non-governmental organizations in order to improve its performance in implementing development programs build capacities for the special needs groups through supporting education programs and technical and vocational training. It also aims to build the capacity of SFD staff. In this regard, a training course was carried out during 21-25 November 2009 through the Quality and Business Excellence Center's international expert. The course trained 20 health and social protection specialists on project management, planning, implementation, follow-up, effective control, evaluation, and learning lessons that can benefit their work. This program allows those organizations to improve the performance of workers in various relevant projects, creating the seed professionals in project management according to the requirements of the Higher Project Management Institute (PMI) by means of leaning the best practices in project management and ways of relevant application on reality. In the next follow-up session held in late December 2009, the trainees reviewed and discussed the projects that they had prepared in accordance with the methodology they learnt in the previous sessions.

Agriculture and Rural Development

Rain-fed agriculture

The sector has carried out the following activities:

- Forming 29 beekeeping and honey production groups, in addition to financing 25 of them.
- Financing 49 production projects in the fields of breeding and fattening livestock.



*Alicting women representitive in Rural Prduction
Group - Al-Khobit - Al-Mahwit*

- Financing 122 sub-projects and for the districts of Al-Maqaterah and Al-Qabaitah (Lahj), 9 sub-projects in Belad Al-Rous (Sana'a) and 10 sub-projects in Al-Khobit (Al-Mahweet) in beekeeping, livestock and veterinary services.

- Approving 6 projects related to terraces and 3 training courses in different areas of the Refreshing Training and Building Capacities of the Regional Specialists in Rural Production, which include agricultural marketing, gardens, horticulture, beekeeping and honey production. The event hosted 64 regional specialists (consultants).
- On-site training for 358 trainees in the field of domestic rearing of poultry in districts of Belad Al-Rous (Sana'a) and Al-Hujjailah (Al-Hodeidah). The training was a part of the project of ToT Training on Domestic Rearing of Poultry for More than One Governorate.

Integrated Intervention

During the quarter, the IIP carried out the following activities:

Literacy

- It has conducted four field training sessions for nine months aiming at building capacities of 83 literacy teachers in four IIP areas of Khadam-Raima, Alb'ajiah-Al-Hodeidah, Bani Mubariz-Ibb and Asawdah-Taiz.

Education

A four-day evaluation workshop was held for heads of sections and specialists of community participation and girls education. The event's goal was to strengthen the role of councils of fathers and mothers in all IIP areas of intervention. The IIP also furnished and equipped nine schools in different program areas.

Capacity-building

A ten-day ToT event was held for 23 consultants from various governorates. It was meant to create local trainers that could mobilize the poorest communities towards development initiatives. In addition, the program prepared work guidelines to strengthen health services in the poorest rural areas.

Agricultural and economic activities

- 15 female participants took part in a two-month training on weaving in Albajiah subdistrict of Al-Hodeidah.
- 34 local agriculture specialists in Bani Mubariz-Ibb and Al-Masharij-Lahej were trained on plants protection.
- 17 farmers were trained over 8 days on rationalizing water usage in irrigation in Al-Bu'jiah sub-district of Al-Huodaeidah.



Awarenes activity on girls education - Asawedah - Taiz

- The program is conducting a community needs assessment and economic and social survey for eight new poor areas that have been recently selected for the SFD branch-based interventions. These areas are:

No	Governorate	District	Sub-district (Uzla)
1	Ibb	Hazm Al-Odain	Bani Assa'ad
2	Taiz	Maqabnah	Al-Qahifah
3	Dhamar	Wasab Alally	Al-Athloth
4	Al-Mahweet	Melhan	Bany Ali
5	Hadhramout	Brom Maifa'a	Mayfa'a
6	Anran	Soyaer	Wadea'ah
7	Al-Hudaidah	Al-Tuhtia	Al-Matenah
8	Lahj	Al-Qabittah (Karesh)	Al-Jahelah

Water for agricultural development

This sub-sector is seeking to develop community plans for the rehabilitation of watershed in the districts of Almaqatera and Alqabaita (Lahj), Alrujum (Mahweet), and Bor'a (Al-Hudaidah). Two projects were approved in Alrujum and Almaqatera districts financing community-based plans that reflected the community desire to maintain and rehabilitate the components of the deteriorating watershed by means of restoring agricultural terraces and protecting agricultural land in the valleys and rehabilitating the spate irrigation canals in order to distribute the rain waters and protect the springs and surface water downstream.

These plans are developed building on the views of farmers and the rural population to capitalize on their experience gained in this field in pursuit to revive the customs and tradition of maintenance in order to ensure sustainability of interventions in the target watershed. The target trainees groups in these two projects are currently being trained in 8 groups, 2 in Alrujum and 6 groups in Almaqatera, as lead-up to financing the restoration of agricultural terraces. There are also actively underway efforts to develop the intervention in 4 other projects in the aforementioned target areas.

As to the qat replacing projects, the sector is currently implementing pilot projects for replacing qat for other useful plants in the districts of Maswar and Alsouda (Amran). The idea these two projects is to develop illustrative models to replace qat tree for cash crops of relative and competitive advantage. In Mawsar, 4 sites were selected to implement the project. And in Alsouda, 3 are being selected. There are current digging work to build rain harvesting reservoirs at the aforementioned sites including, establishing simplified irrigation systems and water harvesting reservoirs and seedlings. On the other hand, a pilot project was approved to use insulation materials for the rain water harvest ing tank with capacity of about 5,000 m³ in Sana'a University yard. The intervention includes establishing an irrigation network for fruit trees and a basin to feed the surface water and refurbishing the area surrounding the project site. The project basically is designed to test low-cost alternatives to create a reservoir of rainwater harvesting (such as the use of plastic insulation or the water non-permissive soil).

The Sana'a University Center for Water and Environment has been contracted to design and oversee the implementation and training of university students in this regard.

Finally, preparations are underway to assess the SFD's interventions in the field of "dams for irrigation and domestic uses".

The project will include evaluation of more than 60 dams to view the appropriateness of intervention from the technical aspects and probing the beneficiaries' satisfaction. And evaluation outputs will contribute to improving the SFD's future interventions in this area.

Labor-intensive Works Program

The Global Food Crisis Response Emergency Program (GFRP)

Under this emergency program, the accruals paid as employment wages rose up to about \$6.63 million accounting for 81% of the total contractual value of the projects. The number of beneficiary households rose up to 16,817 that account for 96% of the total target households compared to 89% during the third quarter. The ratio of financial performance in the program mounted to 97% compared to 89% during the previous quarter. The field performance rate has become 96% compared to 92% during the third quarter.

It is worth mentioning that the number of projects that were completed during this period is 88 projects out of 98 projects, the total number of the emergency program projects.

Two workshops on public administration were set up; the first workshop discussed the implementation mechanism of the GFRP/ Phase II. The other event thrashed out the common reference price for roads projects that are implemented by the mechanism of community contracting in order to come up with cost that corresponds with the reality.

The SFD approved 9 projects to cover the cost of developing projects for the upcoming new phase of the program, another project to follow up on projects of phase II and another one to document phase I. The program also completed the training courses for "Field Targeting" for phase II for all SFD branches. The events included 170 consultants of both sexes.

The phase II of Field Targeting is being currently implemented in all SFD branches.

Rural roads

During the fourth quarter of 2009, the SFD approved 2 projects of paving city streets for a total area of 18,576 square meters at estimated cost of \$0.7 million. 3,220 people are expected to benefit from these projects. The projects will create temporary employments of about 32,505 working days.

The cumulative number of projects of rural roads that had been improved, protected or rehabilitated since early 1999 until the end of 2009 rose to 372 projects, with a total length exceeding 3,343 kilometers at cost of \$ 55.4 million.

Rural Roads Sector, Phase III indicators*

INDICATORS	TARGET (2004-10)	ACTUAL						Total
		2004	2005	2006	2007	2008	2009	
Projects**	400	20	33	45	63	74	38	273
Beneficiaries	1,320,000	101,924	219,342	281,866	279,135	230,279	107,746	1,220,292

*Include only under-implementation and completed projects as of 31/12/2009

The number of beneficiaries of these projects amounted to 1.93 million people creating total temporary jobs of more than 3.37 million working days. That period included 179 street pavement projects of a total area of approximately 1.97 million quarter meters at a total cost of more than \$ 54 million, and the number of beneficiaries were around 1.7 million people. Those projects generated temporary employments of more than 3.37 million working days were also implemented. In the meantime, 52 training projects on rural roads and paving cost about \$ 0.8 million.

Water and environment

Water

The water sector aims to provide improved and adequate water for poor communities, as defined by the water coverage in rural areas of Yemen, and well as to raise health and environmental impact awareness to the beneficiaries.

In this quarter, the SFD approved funding a special program to address water shortage across the country at an amount of US\$100 million. This program aims to serve the villages in the water poorest and neediest areas according to the 2004 Population Census, and the 2005 Household Budget Survey. The sector selected 4422 villages for targeting. The program is expected to provide water service for one million people. Relative arrangement for program implementation is expected to begin in next year, 2010, and the actual implementation for the program to begin at the beginning of the SFD phase IV that starts in 2011.

Each branch of Hajjah and Amran set up a training course for five days to train water consultants on the rainwater harvesting techniques. The sessions were attended by 47 trainees of whom 44 were qualified for water harvesting projects.

the branch of Ibb held 4 one-day workshops in order to raise the capacity of 65 consultants water consultants to oversee the implementation of rainwater rooftop harvesting projects.

As a governmental institution, SFD follows the national environmental law through applying its EMP and maintaining good coordination with the Environmental Protection Authority (EPA). The updated (EMP) shall cater for the environmental needs of the SFD sub-projects in a simple, responsive and cost effective manner

that will not unnecessarily overload or slow down the project. Guided by the EMP, the SFD consultants have undertaken environmental audits since 2004. and a lot of experience has been gained in the environmental issues. As YSFD-III is approaching its end by the end of year 2010, and with the beginning of YSFD-IV it was crucial to update the EMP based on the results of the previous environmental audits and experiences.

Environment

Community-led Total Sanitation

The SFD has continued to implement the Community-led Total Sanitation (CLTS) approach that targets improving the sanitation. The CLTS has carried out two five-day training sessions that targeted 35 consultants (21 males +14 females) from Dhamar and Sana'a branches and in the city of Dhamar. During the training period, CLTS initiatives were ignited in ten villages of two districts of Dhouran Anis and Jahran. The target villages are Khashran Bait Farhan, Bait Al-Saihi, Al-Shaleel, Bait Al-Rwaisan, Bait Al-Jaradi, Bait Al-Yatari, bait Al-Hafi, Bait Jawas.

In the governorate Amran, the program was implemented within 5 days in all 22 villages of the district of Al-Sawd who had been benefited from the water harvesting cistern projects, which locate. During this period, the TCLS teams surveyed the villages within the district of Al-Sawd in preparation for the program implementation that targets 29 villages.

On its part, the Water and Environment Unit, during this quarter, prepared the updated Environmental Management Plan for the SFD Phase IV (2011-2015), and a relevant summary in Arabic and English on the website of the SFD.



Anti-open defecation awareness activities

Water and Environment Sectors, Phase III indicators*

INDICATORS	TARGET (2004–2010)	ACTUAL						
		2004	2005	2006	2007	2008	2009	Total
Rainwater harvesting projects	400	61	49	50	62	49	43	314
Water stored in reservoirs (m ³)	3,000,000	867,250	1,113,250	1,044,257	355,230	807,327	337,703	4,525,017
Piped systems	140	22	13	20	10	18	19	102
Reservoirs	60	14	13	10	5	10	6	58
Hygiene and environment awareness	210	54	15	20	5	4	8	106
Wastewater management	21	10	4	3	8	15	5	45
Solid waste management	16	9	3	2	2	4	2	22
Soil and water conservation	10	4	2	3	6	5	2	22

*Include only under-implementation and completed projects as of 31/12/2009

The Small and Micro Enterprises Development

During the last quarter of 2009, the SMED unit carried out the following activities:

1- Financial Services:

A number of contracts were signed with partner agencies to fund Abyan MFI, Sana'a MFI, Nama'a MFI, amounting to a total of 683 thousand YR.

2- Capacity building and technical assistance:

The Unit continued increasing the capacity of the employees working in the microfinance programs and foundations (MFIs), by training them in the following field:

a- Financial Analysis:

The training course was held in Sana'a for 6 days, and was attended by 16 participants among accountants and financial managers. The course dealt with SEEP standards in preparing financial statements.

b- Operational Risk Management:

Held in the SFD's premises in Sana'a, the course lasted 5 days and was attended by 13 participants, who included operations managers and branch managers from the MFIs. The course aimed at helping participants and their respective MFIs improve risk management in their operations.

c- Internal Auditing of MFIs:

This on-the-job training course was held at the Aden MF Foundation for a period lasting 6 days and included its entire managerial and financial staff. The course covered all types financial and accounting auditing in microfinance. SFD funded the development of an exemplary training manual specifically for this course, and it will be generalized to the other MFIs.

d- Strategic Planning:

This on-the-job training course was held at the Aden MF Foundation for a period lasting 6 days and was attended by 15 decision makers of the MFI. During the training, the participants were trained on how to prepare and execute strategic and implementation plans, as well as outlining the activities for the period 2009-2012.

3- The Sixth Small and Microfinance Annual Event:

Under the auspices of Dr. Mohammed Mujawar, the Prime Minister, and with the slogan "Dreams Come True", the sixth annual Event was inaugurated on November 23rd 2009 in the financial capital of Aden. The event aimed at making the general public acquainted with the small and micro finance services offered by Banks and MFIs, as well as giving an opportunity to borrowers to sell their products and talk about their success stories.



4- The Microfinance Partners Workshop:

The SMED unit organized the workshop in Sana'a, and was attended by 20 participants representing 11 MFIs. During the workshop a number of issues were discussed and dealt with, among them the first draft of SFD's future directions concerning the development of the small and micro enterprises sector for the period 2011-2015, in addition to dealing with the problems faced by MFIs.

5- Internal Auditing:

In order to ensure sound financial operations in the MFIs on the basis of well-known accounting procedures, the SED unit carried out financial audits and provided technical assistance to Al-Awael MFI and the Graduation of Poverty Project.

Small and Micro Enterprises Promotion Agency (SMEPS)

The Agency plays an important role in the development of non-financial services. During the Quarter it carried out the following activities:

a- The Business Edge Project:

As part of the Business Edge program, the Agency implemented in coordination with the chamber of commerce 4 seminars in the field of marketing for 200 participants from productive associations and microfinance institutions from Hodaida, Dhamar, and Al-Mukalla. The Agency also organized 3 similar seminars for 180 participants from the businesswomen unit of the Yemen Business Development Association, allowing them to assess the usefulness of such program in the businesses.

b- Evaluation study of the advertising and promotion Sector:

SMEPS carried out an evaluation study on the advertising sector that targeted 150 advertising companies in the Governorates of Sana'a, Aden, Mukalla, and Taiz. The study aimed at becoming acquainted with the opportunities available aimed at developing this vital sector, which plays a role in marketing small and medium enterprises services and products equally. The seminar was held in Sana'a, Aden, and Mukalla.

c- New production lines

Two new ways for small size canning have been introduced, in addition to a new local product – pickled papaya.

d- Development of fishermen skills in the Governorates of Hadhramout, Shabwa, and Mahra:

SMEPS organized an informative seminar aimed at developing fishermen skills in the Governorates of Hadhramout, Shabwa, and Mahra by training them in the using the GPSs.

The Yemen Microfinance Network:

After its official inauguration, it carried out a number of activities, most important of which:

- Approval of the Network's basic rules and regulations.
- Joining the SEEP network, which is an American network specialized in promotion and training for the small and micro enterprise sector. SEEP is also a member of the MIX market, which is an organization that aims at networking all MFIs worldwide with investors and donors.

**Cumulative number of projects, commitment, contractual amounts, beneficiaries and temporary employment
As of 31/12/2009, by sector**

Sector	No. of projects	Commitments (USD)	Contracted amounts (USD)	Direct beneficiaries*		Indirect beneficiaries*		Temporary Job Opportunities
				Males	Females	Males	Females	
Environment	235	41,624,693	24,260,416	1,266,453	1,231,417	188,970	188,973	1,438,775
Integrated Interventions	168	11,155,274	9,102,167	131,299	90,837	42,795	44,843	377,326
Training	636	12,821,959	10,014,184	61,776	38,782	272,965	290,147	192,037
Education	3,943	474,192,692	382,332,624	1,264,748	1,026,100	1,648,799	1,430,544	17,369,530
Organizational Support	475	22,711,999	18,946,430	338,945	299,194	318,396	279,144	590,386
Agriculture	125	6,356,897	2,903,886	44,049	41,847	166,953	168,076	134,046
Health	879	73,557,783	52,223,540	2,491,978	4,094,868	705,044	1,433,128	1,916,599
Rural Roads	603	110,225,028	95,443,390	1,819,780	1,789,601	864,527	845,014	6,359,237
Special Needs Groups	500	28,665,172	23,122,755	118,411	74,819	56,518	45,538	744,376
Micro Enterprises Dev.	138	15,756,610	12,050,526	36,154	140,086	257,458	487,903	43,439
Small Enterprise	29	5,852,031	3,852,865	15,134	21,371	40,329	40,486	17,662
Cultural Heritage	231	43,527,944	34,242,883	180,870	158,198	60,261	68,741	1,900,124
Water	1,487	149,165,860	80,764,738	1,382,157	1,388,635	114,832	95,805	4,743,640
Business Development	39	3,090,496	3,037,168	30,120	16,500	60,876	38,018	1,637
Food Price Crisis Response	108	10,692,536	9,363,305	73,849	73,580			753,572
Total	9,596	1,009,396,974	761,660,878	9,255,723	10,485,835	4,798,723	5,456,360	36,582,386

Cumulative number of completed projects and their investments as of 31/12/2009, by sector

Sector	Completed projects	Investment (USD)
Environment	162	14,543,192
Integrated Intervention	88	5,212,735
Training	536	8,249,141
Education	3,136	298,928,944
Organizational Support	407	13,625,859
Agriculture	31	909,510
Health	647	40,030,789
Rural Roads	376	60,805,374
Special Needs Groups	376	19,452,183
Micro Enterprises Dev.	113	10,450,246
Small Enterprise	26	3,467,865
Cultural Heritage	138	18,224,195
Water	937	59,921,697
Business development	12	1,036,661
Food Price Crisis Response	60	5,750,744
Total	7,045	560,609,136

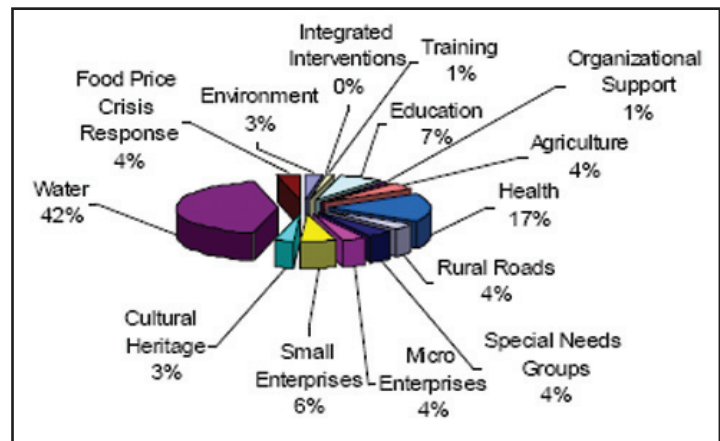
Cumulative number of projects, commitments and contractual amounts as of 31/12/2009 by governorate

Governorate	No. of projects	Commitments (USD)	Contractual amounts (USD)
Ibb	945	103,791,312	73,527,564
Abyan	195	24,543,676	17,569,469
Capital City	567	73,904,853	61,513,335
Al-Baidha	216	23,192,144	18,623,007
Al-Jawf	129	12,162,803	8,952,448
Al-Hudaidah	802	100,099,893	77,195,365
Al-Dhale'	184	24,454,862	15,708,665
Al-Mahweet	259	30,199,425	23,557,761
Al-Maharah	72	4,217,153	3,477,667
Several Governorates	955	47,843,573	37,552,210
Taiz	1,140	129,048,251	99,481,945
Hajjah	629	72,072,745	50,875,509
Hadhramaut	519	53,402,091	36,260,825
Dhamar	633	60,944,149	49,677,941
Raimah	211	26,852,843	18,208,380
Shabwah	232	19,767,471	16,340,438
Sa'adah	226	28,618,606	22,788,147
Sana'a	364	32,192,201	25,591,821
Aden	238	32,017,744	23,712,916
Amran	564	57,401,357	44,357,941
Lahej	418	44,707,228	29,562,621
Mareb	98	7,962,595	7,124,902
Total	9,596	1,009,396,974	761,660,878

Microfinance Programs Supported by SFD as of 31/12/2009

Ser. No.	Program	No of Active Customers			Loans Portfolio at risk (%)	Loans Portfolio (%)	Accumulative		Location
		Borrowers		Savers			Loans (No)	Loans amount (Million YR)	
		Total	Women (%)	Total No					
MICRO									
1	The National Microfinance Foundation (NMF)	11,726	96	15,324	283	0	58,795	1,996	Ibb (Ibb, Al-Qa'edah, Yareem), Hajjah (Abs), Capital City, Taiz, Lahj, Dhamar
2	Nama' Program	5,717	35	1,157	197	1.6	30,318	1,362	Sana'a Capital, Taiz, Aden
3	Aden Microfinance Foundation	4,392	94	6,612	73	0	24,229	814	Lahj, Aden (Dar Sa'ad, Al-Buraiqah, Al-Mualla, Al-Tawwahi, Khor Maksar, Crater)
4	Abyan S&C	4,295	100	4,907	98	0	15,493	533	Abyan
5	Al-Amal Bank	2,691	53	2,678	99	0	3,209	171	Sana'a Capital, Ibb, Taiz
6	Sana'a MF (Azal)	2,613	77	1,995	73	12.6	20,073	760	Sana'a Capital
7	SFSD	2,543	90	0	91	0	9,879	557	Sana'a Capital
8	Al-Awael MF Company	2,272	99	0	47	3.2	32,252	711	Taiz
9	Wadi Hadhramaut C&S	1,355	33	1,950	57	11.2	7,044	415	Hadhramaut governorate
10	Al-Hudaidah MC	977	78	0	5	N.A.	30,161	729	Al-Hudaidah city and Bajil - Al-Hudaidah gov.
11	IGPs	0			0		27,926	753	Several areas
SMALL									
1	Small Ent. Dev. Fund (SEDF)	2,049	4		1,083	2.0	8,999	6,651	Capital City, Taiz, Aden, Al-Hudaidah, Al-Mukalla, Ibb
Total		40,630		34,623	2,104		268,378	15,452	

Investment Distribution fourth quarter 2009, by sector



Numbers of projects, commitments and distribution, Fourth quarter 2009, by governorate

Governorate	No. of projects	Commitments	Distribution %
Ibb	9	837,300	4.6
Abyan	9	2,319,011	12.8
Capital City	5	1,040,750	5.7
Al-Baidha	4	555,684	3.1
Al-Jawf	2	189,500	1.0
Al-Hudaidah	9	657,662	3.6
Al-Dhale'	5	1,518,817	8.4
Al-Mahweet	2	327,207	1.8
Several gov.	17	2,234,260	12.3
Taiz	13	1,328,214	7.3
Hajjah	10	2,257,404	12.4
Hadhramaut	9	1,385,364	7.6
Dhamar	4	258,871	1.4
Raimah	1	13,001	0.1
Shabwah	1	212,800	1.2
Sa'adah	1	168,700	0.9
Sana'a	1	32,882	0.2
Aden	4	310,999	1.7
Anran	6	249,561	1.4
Lahej	11	2,211,517	12.2
Mareb	1	41,000	0.2
Total	124	18,150,504	100.0

Expended numbers of beneficiaries and temporary job opportunities, Fourth quarter 2009, by sector

Sector	Beneficiaries		Temporary job opportunities
	Direct	Indirect	
Environment	30,650		17,443
Integrated Interventions	30		2,400
Training	1,860		5,053
Education	9,441	1,099	31,308
Organizational Support	15		318
Agriculture	12,372		44,419
Health	480,796		67,714
Rural Roads	3,220	2,686	32,505
Special Needs Groups			5,859
Micro Enterprises	4,660		54
Cultural Heritage	650	3,900	33
Water			10,375
Business Development	70,623	24,500	125,391
Food Price Crisis Response	806		3,855
Total	615,123	32,185	346,727

SFD turns villages into a real workshop

The SFD has given a significance to learning from forefathers' practices in building facilities especially the water multi-functional facilities. Building rooftop cisterns is one of those experiences that have various traits and benefits notably the fact that it suits the steep areas where there is no enough area for water catching or appropriate location for building a normal cistern. The rooftop cisterns provide high quality water collected from the house roofs. they save time and effort of fetching waters, in addition to the fact that owners seeks to clean and maintain their cisterns as long as they belong to them.

As a group of people, from the villages of Halhal, Salha, Al-Argahah, and Daloulah of sub-district of Bakal- Mezher district – Raimah governorate, felt benefits of the SFD-supported rooftop cisterns in some neighboring villages, they handed an application of a similar project. After the feasibility study and technical reports of the project, the SFD team faced significant challenges that threatened to cancel the project. The first challenge was the community poor confidence on the SFD intervention in the area because of absence of development projects there. Following a successful campaign, the target communities turned to be the best example of interaction and solidarity. Two more challenges were overcome by the communities themselves; a number of downtrodden households appeared to be unable to afford their contribution to build their cisterns, but their peer villagers decided to volunteer their efforts to build with them, transport materials, cut and trim the stones and other activities so as to live up to their commitments toward the SFD. The other challenge was that the area was so difficult that transporting the iron bars to the project locations was impossible. This need led the community to think of a brilliant

solution that brought to mind the Yemeni forefathers' low-cost and smart art of building. The target communities replaced the cistern's concrete cover with metal pipe-contained stone cover and consequently save cement, iron and overcome transport problem. This experience has added to the SFD accumulated lessons, so it can promote this method and apply it at communities experiencing similar problems.

Though the project is still constructing 49 cisterns with a total capacity of 2160 m³K the beneficiaries affirmed its impact in advance based on the neighboring villages benefits. In addition to the main impact of the cisterns, Ghalib Al-Makash, a beneficiary sheds lights on other benefits "the SFD, said Al-Makash "has reach areas that peer organizations have never accessed. It employed a lot of unemployed villagers. The SFD contribution was not significant, but this made the village a busy workshop hosting voluntary efforts to benefit the poorest households."



Social Fund implemented 1442 projects in 2009 and Cumulative investments exceeded \$1 billion

The Social Fund for Development (SFD) has achieved a growth in performance last year (2009). It implemented 1442 development projects at an increase of 82 projects than in 2008 achieving a growth rate of 10%, and the expenditures of 2009 amounted to USD 218 million at an increase of USD24 million than in the year 2008 at an increase rate of 12%. 39% of the projects (435 projects) were for education followed by 405 water projects. By close of 2009, the SFD had executed 9596 projects at a cost of USD one billion and nine million since the inception of its interventions in 1997, of which 7045 projects were finalized. It is expected that the SFD funding will

exceed the expected USD940 million defined by its third phase plan (2004-2010) in order to meet its objectives in contributing to poverty reduction, delivery of development services to the vulnerable communities and groups at operational cost not exceeding 5% of the implementation cost.

