

**Expected number of beneficiaries and job opportunities for the 3<sup>rd</sup> quarter 2003 according to sectors**

| Sector                  | Beneficiaries  |                | Job opportunities |            |
|-------------------------|----------------|----------------|-------------------|------------|
|                         | Indirect       | Direct         | Temporary         | Permanent  |
| Education               | 23,012         | 165            | 212,796           | 49         |
| Health                  | 766            | -              | 8,232             | -          |
| Water                   | 54,564         | 132            | 78,496            | 20         |
| Environment             | 144,039        | -              | 22,125            | 120        |
| Cultural heritage       | 14,411         | 7,226          | 76,478            | -          |
| Roads                   | 34,285         | 30,977         | 56,235            | -          |
| Microcredit             | 555            | 40             | 2,576             | 21         |
| Small enterprises dev.  | 92             | 60             | 717               | -          |
| Special Needs grs.      | 500            | 5,015          | 40                | 70         |
| Integrated intervention | 255            | -              | 302               | -          |
| Training                | 819            | 9,883          | 4,910             | -          |
| Organizational supp.    | 25,982         | 378,600        | 30,734            | 29         |
| <b>Total</b>            | <b>299,280</b> | <b>432,098</b> | <b>493,641</b>    | <b>309</b> |

**SFD cumulative investments and disbursements as of 30/09/2003 according to governorates**

| Governorates         | No of Projects | Commitments (\$)   | Disbursement (\$)  |
|----------------------|----------------|--------------------|--------------------|
| Sana'a City          | 313            | 28,487,800         | 18,079,391         |
| Sana'a               | 269            | 16,501,134         | 10,535,655         |
| Aden                 | 105            | 9,856,187          | 7,595,827          |
| Taiz                 | 319            | 21,339,673         | 13,718,682         |
| Al-Hudaidah          | 294            | 23,269,563         | 15,300,310         |
| Lahj                 | 106            | 6,796,575          | 4,603,698          |
| Ibb                  | 226            | 16,089,280         | 8,963,862          |
| Abyan                | 78             | 5,453,023          | 4,468,098          |
| Dhamar               | 225            | 14,837,018         | 10,553,711         |
| Shabwah              | 90             | 5,066,163          | 3,559,337          |
| Hajjah               | 209            | 14,210,693         | 8,058,947          |
| Al-Baidha            | 83             | 7,414,868          | 5,351,150          |
| Hadhrumout           | 219            | 14,008,840         | 10,797,765         |
| Sa'adah              | 86             | 5,759,678          | 3,695,558          |
| Al-Jawf              | 54             | 3,581,772          | 1,917,234          |
| Al-Mahweet           | 123            | 10,060,451         | 6,412,366          |
| Al-Maharah           | 40             | 2,380,811          | 2,126,014          |
| Mareb                | 48             | 3,126,825          | 1,712,124          |
| Amran                | 208            | 14,004,461         | 10,059,806         |
| Al-Dhale'            | 54             | 3,808,160          | 2,730,443          |
| Several governorates | 110            | 3,224,577          | 2,630,509          |
| <b>Total</b>         | <b>3,259</b>   | <b>229,277,552</b> | <b>152,870,487</b> |

**SFD cumulative investments, disbursements as of 30/09/2003 according to sectors**

| Sector                   | No of projects | Commitments (\$)   | Disbursements (\$) |
|--------------------------|----------------|--------------------|--------------------|
| Education                | 1,618          | 123,045,245        | 82,229,759         |
| Health                   | 285            | 18,279,705         | 13,666,200         |
| Water                    | 563            | 34,928,820         | 24,627,175         |
| Environment              | 84             | 10,468,314         | 6,300,150          |
| Cultural heritage        | 51             | 6,946,875          | 3,253,434          |
| Roads                    | 112            | 11,760,363         | 7,491,099          |
| Micro Enterprises Dev.   | 47             | 4,226,201          | 3,141,591          |
| Small Enterprise         | 4              | 522,220            | 330,816            |
| Special Needs groups     | 153            | 11,108,658         | 7,086,797          |
| Integrated interventions | 26             | 1,477,203          | 961,464            |
| Training                 | 136            | 2,121,721          | 1,295,373          |
| Organizational support   | 180            | 4,392,227          | 2,486,629          |
| <b>Total</b>             | <b>3,259</b>   | <b>229,277,552</b> | <b>152,870,487</b> |

**Cumulative number of beneficiaries and job opportunities as of 30/09/2003 according to sectors**

| Sector                   | Beneficiaries    |                  | Job Opportunities |               |
|--------------------------|------------------|------------------|-------------------|---------------|
|                          | Direct           | Indirect         | Temporary         | Permanent     |
| Education                | 1,043,589        | 192,496          | 4,966,245         | 11,005        |
| Health                   | 1,348,365        | 197,687          | 555,915           | 2,700         |
| Water                    | 1,519,451        | 113,621          | 1,535,925         | 706           |
| Environment              | 1,223,439        | 79,105           | 322,366           | 1,558         |
| Cultural heritage        | 195,696          | 74,906           | 388,566           | 36            |
| Roads                    | 964,483          | 1,072,694        | 836,152           | 22,713        |
| Micro Enterprises Dev.   | 24,880           | 137,217          | 8,780             | 394           |
| Small Enterprise         | 600              | 5,015            | 12,170            | 70            |
| Special Needs grs.       | 76,114           | 72,563           | 328,709           | 852           |
| Integrated interventions | 52,286           | 113,249          | 55,102            | 36            |
| Training                 | 11,312           | 85,021           | 34,101            | 204           |
| Organizational supp.     | 162,001          | 390,653          | 97,663            | 190           |
| <b>Total</b>             | <b>6,622,216</b> | <b>2,534,227</b> | <b>9,141,694</b>  | <b>40,464</b> |

**Completed projects as of 30/09/2003 \***

| Sector                   | No of Projects | Investments (\$)   | Disbursements (\$) |
|--------------------------|----------------|--------------------|--------------------|
| Education                | 950            | 59,159,313         | 56,149,087         |
| Health                   | 188            | 10,521,161         | 9,750,671          |
| Water                    | 319            | 19,006,658         | 18,448,362         |
| Environment              | 40             | 4,205,271          | 4,357,522          |
| Cultural heritage        | 8              | 654,370            | 645,259            |
| Roads                    | 40             | 3,815,400          | 4,249,820          |
| Micro Enterprises        | 26             | 1,417,463          | 1,092,044          |
| Small Enterprises Dev.   | 2              | 13,706             | 9,372              |
| Special Need groups      | 52             | 3,111,404          | 2,892,771          |
| Integrated Interventions | 6              | 115,613            | 98,765             |
| Training                 | 103            | 1,282,876          | 1,089,202          |
| Organizational support   | 105            | 1,676,248          | 1,545,713          |
| <b>Total</b>             | <b>1839</b>    | <b>104,979,483</b> | <b>100,328,588</b> |

\* Completed but not closed projects and their final costs are subject to change

## Editorial

As the 8<sup>th</sup> and the 9<sup>th</sup> of October 2003 were confirmed for the Donors' Meeting and to inaugurate the Third Phase of SFD operations (2004-2008), preparatory activities are accelerated to render this event successful.

Many donors have declared their acceptance and interest in attending and participating in the meeting—and in funding the upcoming Phase III. This imposes greater responsibility on the Social Fund management and staff to work hard towards ensuring complete success of the meeting as well as to keep up hard and persistent work and efforts. Moreover, greater efforts and more enthusiasm are required for the new phase—with a renewing spirit of dedication in order for the tasks to be accomplished and challenges to be confronted.

The Donors' Meeting by itself constitutes a sound gratification of the distinguished role of the SFD in contributing to the development process in Yemen not just through providing access to basic services, but also through being a model of modern institution providing the know-how to others—as a means of administrative reform and capacity building.

## The Third Meeting of the Board of Directors in the Year 2003

On 6/8/2003, the SFD Board of Directors held its third meeting for the year 2003. The meeting was chaired by H.E. Mr. Alawi Saleh Al-Salami, Acting Prime Minister and Chairman of the Board.

The two main issues discussed and approved were:

- The SFD's draft general budget for the year 2004, which is estimated at about 12.9 billion Yemeni Riyals, with Government contribution amounting to YR 1.2 billion.
- The creation of a Technical Unit at the SFD.

## Highlights

- Under the sponsorship of H.E., the President of the Republic, the Psychological and Mental Hospital was opened, which was equipped by the Social Fund at a total cost of \$300 thousand and is run by Al-Islah Social and Charitable Society.
- The Managing Director headed the Term SFD Meeting, which was held on August 6, 2003, at the SFD headquarters, with participation of all branch and unit managers. The meeting discussed several issues related to SFD activities confirming the importance of increasing the efficiency of SFD. The Managing Director reconfirmed that the Third Phase would be a qualitative turning point for the SFD based on the experiences gained over the past few years. He added that the SFD would focus on capacity building targeting NGOs, local councils and some government agencies. He emphasized that the SFD will move from just being a service provider to a model of a modern institution providing the know-how—as a means of administrative reform and capacity building.
- A mission of the International Development Agency/World Bank, headed by Mr. Y. El-Jammal (Task Team Leader), visited the Social Fund on September 07- 21, 2003 to assess the results of closing the SFD's First Phase. The mission met with the Managing Director and senior officials and representatives of the SFD, the Ministries of Planning and International Cooperation, Education and Public Health, some embassies and various international and local NGOs. The mission also visited projects implemented by the SFD, including education, feeder road, water, special needs, cultural heritage and micro-credit.
- A training course on project management was conducted on 2-6 August 2003, during which participants acquired knowledge on project cycle. Considerable time was also allocated for discussing the SFD experience in efficient project management. Shortcomings and ways to redress them were analyzed in detail, and special attention was given to sustainability of projects. Unit heads, branch managers and other SFD's staff participated in the course.
- Two introductory training courses were conducted on methods and tools of using Geographic Information System (GIS), which was designed in the Social Fund for Development and includes databases and indicators that serve targeting processes. The first course was conducted on 5—10/7, 2003 for 18 project officers of the Community Development Program, and the second on 30/8—3/9 for 16 participants (unit heads and branch managers).
- The SFD participated in the Consultative Meeting sponsored by the World Bank, which was attended by MPIC and a number of other ministries and projects working in poverty reduction fields. The meeting aimed to give the WB the opportunity to listen to the opinions of various government agencies and projects regarding the Poverty Reduction Strategy and Administrative Reform Program.
- Mr. Abdulkarim I. Al-Arhabi, Managing Director, opened on September 20, 2003 the stakeholders' workshop that was organized in collaboration with the World Bank to assess the experience of the SFD's first phase and get feedback from different partners on how their experience has been introduced to the SFD's approach and what improvements can be done. The workshop included participation from donors, NGOs, local and beneficiary committees, local councils, and representatives of line ministries and their regional offices. Participation also included representatives from other WB-financed projects and government agencies involved in the social sector. The workshop was focused around three main themes discussed in three groups with representation of different types of partners in each. These were: targeting, participation & involvement of women, and project operation and maintenance. Following the working sessions, each group reported back and the three workshop facilitators compiled the outcomes of the groups. Participants identified strong and weak points in their experience with the SFD. Women participation in the workshop was particularly effective.

During one of the working group sessions of the SFD stakeholders information sharing workshop



**Education Unit**

- Two different courses were conducted for the Quality Education Program teachers of four selected schools in Sana'a, one in Jordan on the "Kort Program" for mathematics and science teachers—a new program that has been shown to be effective and successful in many countries as it helps broaden the knowledge horizons of students and develop critical and innovative thinking.
- Two courses for English teachers were conducted, one at Yemen-American Language Institute to improve listening, conversation and grammar skills, and the other at the SFD to discuss the optimal ways and methods for teaching English in the country.

**Cultural Heritage and Rural Roads Unit Roads**

- Eleven rural roads projects were approved for various governorates, at an estimated cost of 1.2 million dollars, to serve population densities of more than 70 thousand people, facilitate the provision of basic services and linking the benefiting areas to the local markets.
- Preparations have been done for conducting workshops for consultants and contractors of road projects, in which they will be acquainted with methods of using dry stones (without cement) in paving roads and constructing retention walls. Under preparation is another workshop that will target beneficiary committees and focus on maintenance of road projects—making use of previous experience of similar successful road projects.

**Cultural Heritage**

- Two new bids were announced within the scope of Al-Magashem Restoration Program in the Old Sana'a City.
- The pilot stage of the program for improving the façades of some houses along the Wadi Al-Sayleh has been completed—a program originally adopted by the Ministry of Culture and Tourism.
- Electrical works were completed in the Grand Mosque in Old Sana'a to replace the old network, which endangered the Mosques' rare wooden ceilings.
- A bid was announced for restoring Bab Al-Kartab—one of the historical entrances to the city of Zabeed.
- The first stage of data collection on skilled traditional builders in all governorates was completed.
- The initial ideas of the Mareb Museum building were conveyed during the activities carried out in Washington D.C on the Yemen National Day.
- The Social Fund participated in funding the Palms Carnival in Hadhramaut governorate.
- The bid for restoring and equipping the Military Museum in Aden was announced.
- A preliminary archeological study on the historic Al-Ashrafia School in Taiz was completed

**Water & Environment Unit**

**Water**

- The number of projects in this quarter has reached 7 projects, with commitments of around \$1.5 million; thus, the cumulative number of projects until the end of this quarter reached 514 projects, with commitments amounting to about \$35 million. A course was carried out during 30/8—7/9, 2003 for training 25 consultants on designing drinking water projects. The design guide was discussed, various comments and alterations were recommended and the Unit is currently working to produce the final version of the guide to be a reference for the consultants.

**Environment**

- The number of projects for this quarter is 2 projects, and the cumulative number is 78 with commitments reaching about \$0.5 million and \$10.4 million—respectively—in addition to the following:
  - A workshop held on July 15 and attended by 15 consultants on using Jambozi fish in biologically eradicating the anopheles mosquitoes that spread malaria. It was.
  - A workshop on ecological sanitation was held on August 5 and attended by 15 participants from government agencies.

- A training course for the staff of the Malaria Eradication National Program (MENP) on biological control of anopheles mosquitoes was held on 28/9—2/10 and attended by 25 trainees. Experts from WHO and MENP carried out the training.

**Training Unit**

The number of projects in this quarter has reached 33 projects, with a total cost of one million dollars.

**Training Sector**

- Ten projects, one of which was completed, targeting the following:
  - Capacity building of SFD branch managers and some project officers in managing development projects (project cycle).
  - Raise the awareness of consultants and contractors of Sana'a and Aden branches on SFD contracting and implementation procedures.
  - Train health workers on raising health and environmental awareness within the water-harvesting program in Ibb governorate.
  - Formation and training of community committees for water and road projects in Sana'a, Aden, Lahj, Abyan and Al-Dhale'.
  - Train the staff of the Cooperative Agricultural Union on project management according to the results of the needs assessment and finance all equipment for the training hall and the library.
  - Train female trainers of women associations and centers on how to re-use household garbage in handicrafts.
  - Train literacy trainers working at the Local Community Development Program associations in Al-Sawdawa (Al-Baidha) and Al-Makha (Taiz), which are supported by the SFD.
  - Rehabilitation of local councils at the governorate and district on various development aspects.

**Organizational Support Sector**

- (23 projects—17 of which for NGOs):
  - Thirteen projects for supporting training activities through training of trainers and provision of essential equipment for 13 women associations and centers in Al-Hudaidah, Hadhramaut, Al-Jawf, Mareb and Shabwa.
  - Two projects aimed to survey community-based organizations in all governorates.
  - Two projects aimed at establishing two public libraries for children in Al-Mahweet City and Shebam / Kawkaban.
  - Provision of essential equipment for the Yemeni Organization for Criteria and Standards, such as computers and their accessories, aiming at improving the services provided by the organization.
  - Support project for the Illiteracy Eradication Center in Arhab district, Sana'a, by providing equipment and training of trainers for the Household Economics Department.
  - Restoration and maintenance project for the Operation Office of the Ministry of Social Affairs and Labor branch in the Seera district (Aden).
  - Two projects for building and equipping two vocational training centers in Al-Dhale' and Ibb
  - A support project for the Community Development and Productive Families Center in Al-Mukalla (Hadhramaut) through furnishing a kindergarten and providing sewing and embroidery needs.

**Social Protection Unit**

**Health:**

- The SFD has agreed to fund 11 health projects, 3 for training traditional birth attendants in the districts of Al-Hasha (Al-Dhale'), Gaifa (Al-Baidha), Al-Makha and Dhubab (Taiz). The fourth project provides training for some female health workers to be traditional birth attendants in Al-Mahweet governorate and another to train female health workers in Hadibu district in Socotra, in addition to establishing and furnishing three health units in Amran and Hajjah, and a project for surveying health facilities. Two other projects were to establish neonatal care units in Ataq (Shabwah) and Al-Mahweet hospitals.
  - Training courses were initiated in Al-Hudaidah city to introduce the District Health System, and included local and health councils, as well as district health teams, in six districts in Sana'a and Al-Hudaidah governorates.

**The following table shows portfolios of SMED programs as of 30/09/2003, cumulative**

| Program                | Noof Borrowers | Loan Amounts | Noof Savers  | Out-standing Loans Portfolio |
|------------------------|----------------|--------------|--------------|------------------------------|
| Al-Hudaidah Micro      | 5,072          | 320.92       | 0            | 40.53                        |
| Hais Savings & Credit  | 1,345          | 47.39        | 674          | 7.78                         |
| Al-Maraweah IG         | 3,306          | 151.01       | -            | 7.02                         |
| Wadi Hadhramaut        | 418            | 41.54        | -            | 9.22                         |
| Dar Sad Savings Credit | 877            | 27.58        | -            | 8.23                         |
| Ma'alla Saving &       | 548            | 20.89        | -            | 7.02                         |
| Sana'a Micro finance   | 567            | 30.95        | -            | 12.77                        |
| Al-Shaikh Oth Savings  | 190            | 4.88         | 334          | 2.97                         |
| Micro Credit programs* | 1,284          | 34.67        | 2,798        | 17.48                        |
| Bait Al-Faqeeh         | 44             | 0.79         | 180          | 0.51                         |
| Other Programs         | 3,589          | 109.41       | -            | 0                            |
| <b>Total</b>           | <b>17,240</b>  | <b>790</b>   | <b>3,986</b> | <b>113</b>                   |

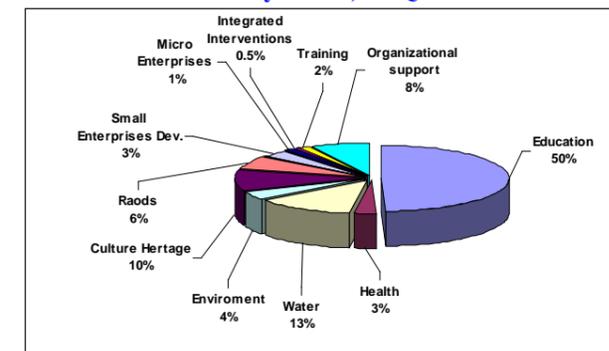
(-) Not Applicable. \*Amounts are in (000') YR

\* Ibb, Taiz and Dhamar

**Achievements of the Third Quarter of 2003**

The SFD has contracted (179) projects during the third quarter of 2003, with a total investment of about 11.5 million US\$.

**Investments by Sector, 3<sup>rd</sup> Quarter 2003**



**Investments by Governorate 3<sup>rd</sup> Quarter, 2003**

| Governorate  | No of projects | Commitments (\$)  | %           |
|--------------|----------------|-------------------|-------------|
| Sana'a City  | 17             | 1,724,135         | 15.0        |
| Sana'a       | 9              | 402,812           | 3.5         |
| Aden         | 5              | 355,000           | 3.0         |
| Taiz         | 21             | 1,324,835         | 11.5        |
| Al-Hudaidah  | 25             | 2,186,177         | 19.0        |
| Lahj         | 5              | 348,870           | 3.0         |
| Ibb          | 27             | 1,700,074         | 15.0        |
| Abyan        | 2              | 13,000            | 0.5         |
| Dhamar       | 5              | 362,244           | 3.0         |
| Shabwah      | 3              | 142,725           | 1.0         |
| Hajjah       | 7              | 474,850           | 4.0         |
| Al-Baidha    | 1              | 54,875            | 0.5         |
| Hadhramaut   | 6              | 45,844            | 0.5         |
| Sa'adah      | 1              | 74,480            | 0.5         |
| Al-Jawf      | 13             | 749,852           | 6.5         |
| Al-Mahweet   | 6              | 249,458           | 2.0         |
| Mareb        | 5              | 197,460           | 2.0         |
| Amran        | 4              | 173,950           | 1.5         |
| Al-Dhale'    | 2              | 354,875           | 3.0         |
| Several      | 15             | 559,353           | 5.0         |
| <b>Total</b> | <b>179</b>     | <b>11,494,870</b> | <b>100%</b> |

- Two projects were approved to be funded to train traditional birth attendants in the districts of Al-Hasha (Al-Dhale') and Muhsen Yazeed and Walad Rabee' (Al-Baidha).

**Special-Needs Groups (SNGs)**

- Ten projects were approved, 6 for supporting educational programs for the mentally and physically disabled children in Al-Hudaidah, Zabeed, Aden and Taiz, and projects to support an elderly home in Al-Hudaidah and provide organizational support for the Physically Disabled Association in Zinjibar and the Blind and Deaf Association in Amran.
  - Under the sponsorship of the Deaf and Mute Association in Sana'a City, a workshop was conducted for one week for the deaf and mute in 11 governorates to collect about 5000 signs used locally. This forms a part of a series of workshops related to the second stage of producing the Yemen Sign Language Dictionary prepared by Al-Aradhi Al-Mukadassa Association and funded by the Social Fund for Development.
  - In coordination with the Ministry of Education, the SFD provided a regional expert to train teachers of inclusive education, targeting 20 teachers and administrators of inclusive education schools. The course, conducted in 16-28 of August, focused on 3 main themes: Identify the essence of inclusive education, enhance the capacities of the participants and increase awareness on the importance of mainstreaming special needs children in public schools.
  - A training workshop on educational toys, conducted on 22/7—5/8 and targeting several teachers working with Sana'a Blind Associations, concentrated on educating children through playing.
  - During 20/9—2/10, a training workshop in general teaching methods for the blind was conducted for 27 teachers of Al-Noor Center, which was provided with various educational tools and equipment for the blind as well as training for the center's teachers.

**Integrated Interventions**

- Four projects were approved, one for training farmers on new irrigation methods by distillation and eradicating agricultural insects in Ahwar /Abyan, and Al-Luhayia /Al-Hudaidah, another for training beekeepers in Ahwar on better beekeeping methods and fighting bee predators, a project for training women in Ahwar, Al-Luhayia and Ghashm Nayef on growing vegetables in subsistence household gardens and the fourth project to build a literacy center in Al-Lail City in Sana'a.
  - A training course on fortifying the role of literacy teachers in targeted areas was conducted for 43 literacy teachers in Ahwar, Al-Luhayia and Ghasem Nayef and a health awareness manual was prepared.

**Small and Micro Enterprises Development Unit**

- A Financial Analysis Course—the first ever of its kind in Yemen—was conducted in SFD headquarters in coordination with the micro finance network of Arab countries (Sanabel). 25 participants from various credit programs in Yemen attended the course. Mr. Mohamed Khaled, the executive manager of Sanabel, Basem Khanfer from Jordan and Noor Al-Deen Hajry from Morocco conducted the training.
  - The first workshop for SFD's partners in micro-finance was conducted on 28-29/7, during which problems facing credit programs, the role of the SFD in tackling them and the role of sponsoring agencies, were discussed.
  - A team from Microserve, the int'l technical services provider of Micro-start II program, evaluated the alternatives for automated loans tracking software. The team recommended upgrading the software that was developed by the SFD as the software satisfies the needs of micro finance programs, is user-friendly and has the advantage of the availability of technical support locally.
  - An agreement was signed in August, through which the SFD provides a 70-million-riyal loan to the Small Enterprises Development Fund.