

Malion's incense and Fatima's Grocery

Below are two true stories of life where a couple of women from Lahj and Sana'a have played the role of heroes with support of one of the SFD-funded micro-finance institutions.

Malion's incense

The crucial circumstances dared not to prevent Malion from continuing her life, searching for hope to lead a new, prosperous one. She searched, thought deeply and was not desperate at all until she heard about the Lahj branch of the National Microfinance Foundation (NMF). The hope revived in achieving her aspirations and making a better future for her and her children.

Malion headed for the NMF's branch to know more about its services. She started thinking that such an institution was tailored to achieve dreams of people like her. She fast applied the first loan of YR30,000, which helped her make various kinds of wicker. As she paid the loan back, she broadened her dreams. She got the second loan of YR60,000 to distribute her products in her town of Al-Haotah and suburbs.

The third loan of similar amount was used to open a modest saving account for emergencies and open micro-enterprises for her sons.

Then the fourth and fifth loans of a total sum of YR60,000 were used to start another business in making incenses and locally processed perfumes.

Customer Malion M. has thus benefited from the loans of the National Microfinance Foundation. And she still aspires to expand and develop into larger enterprises.

Fatima's grocery

The husband of Fatima A. is peddler selling apples and oranges on his small cart. This kind of work has not prevented their family from fulfilling their necessary needs. The house rents have accumulated and needs of their six children increased. Fatima sits down in silence looking at the sky and supplicating to God to get them out of this ordeal!

She never gives up. She looks for any work that may help her. But when she speaks to her neighbor "Hilalah" in Al-Salam part of Al-Qa'a area in Sana'a city, she suddenly felt happy when Hilalah told her about the role of the National Microfinance Foundation (NMF) to address her problems. Hilalah explains to her all she knows about the institution that it helps the revenue-limited people to improve their living.

Fatima runs to the institution and takes a number of loans in various times. She starts her business with a grocery in her area. "My family's conditions have improved thanks to God and the institution," says Fatima, "My daughter and I are working in the grocery at the morning and my husband continue there afternoon. Income increased to double." Fatima's younger daughter Asia interrupts saying, "Now, if we need anything from our parents, they can provide it to us shortly". Fatima adds, "We were living an unbearable hardship... We failed to save for the rents and the food was not enough while the house is full of sons who need their educational needs. Now we are out of this hardship; we pay the rent, fulfill the school needs and pay back the loans." Fatima describes her relation with the NMF "The NMF is honest and good. We give their rights and they give us ours. We deal with each other nicely and they do not disturb us."

Today, Fatima is planning to get a new loan to fill the grocery with various commodities.



SFD Communication Strategy finalized

The Monitoring and Evaluation Unit implemented the fourth and final phase of developing SFD communication strategy, which aims to improve the SFD performance and increase the stakeholders' awareness of its development activities, experiences, policies and intervention criteria and eligibility as well as to exchange information and experiences with those parties and enhance and promote aspects of support. During this phase, the draft strategy was developed and a workshop held on 8 August 2009 attended by SFD unit heads, branch-office managers and project officers of water, education and training in all branches. Discussions aimed to enrich and develop proposals to strengthen communication with communities and community leaders as well as with local government agencies, local media and relevant organizations in addition to promote coordination and information flow among branch offices and with the units.

Two other workshops were also held on 12 August 2009, one with the officials of ministries and governmental institutions and partner civil society organizations and the other with representatives of international development organizations and donors. The workshops aimed to inform participants of developments and the results of interviews as well as audience survey study, which clarified partner parties' perceptions of the SFD and the means of communication that these parties prefer to use to obtain information. Participants' feedback was concluded, taken into consideration and incorporated in the final version of the communication strategy and its action plan for the next three years.

The SFD has developed the strategy based on wide participation within and beyond the institution, and the Fund seeks to enhance participation by distributing the plan implementation tasks to the various branches and units. This was preceded by the agreement on the development and expansion of SFD communication means and building the capacity of the relevant staff—in addition to other activities.

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Social Fund for Development

Editorial

With broader participation with its different development partners, the SFD has developed a draft vision for its fourth phase of operations (2011–15), benefiting from the experiences and lessons learned during the previous phases, international best practices, rounds of impact evaluation and regular internal and external reviews.

The main objectives of Phase VI are to continue SFD effective contribution to achieving the national development goals—particularly towards poverty reduction.

In addition, the SFD will seek to provide an example of an effective, efficient and transparent institutional mechanism and adopt best practices in development as well as to contribute to increase the country's capacity in absorbing foreign aids and enhance local authorities' implementation capacity.

The SFD will also contribute to strengthening the decentralization process and developing the local government as well as deepening partnership with government agencies, local communities, civil society and private sector. Moreover, the SFD will make every effort to transfer knowledge and information, develop pilot programs through partners and enhance its development role.

These objectives will be pursued through four main programs: Community and Local Development to enhance the development role of local authorities and facilitate the access of poor communities to basic services; Capacity Building, focusing on human resources development, institutional development, strengthening of systems, exchange of experience and mutual learning as well as promoting decentralization and local development; Small and Micro Enterprises "SMEs" Development to support the institutions to provide effective and sustainable financial services to SMEs and effective business development services and contribute to create an enabling environment for this sector; and Labor-Intensive Works, enhancing their development role and ensuring sustainability of benefits.

Republican Decree on approving the Kuwait Fund loan agreement supporting SFD

Law No. (28) for the year 2009 was enacted on August 26, 2009 on the approval of the loan agreement concluded on 22 February, 2009 between the Government of the Republic of Yemen and the Kuwait Fund for Arab Economic Development, mounting to \$14 million Kuwaiti dinars (equivalent to \$50 million) to contribute to financing the Social Fund for Development Phase III.

Launching the showroom of the Ancient Al-Jawf kingdoms Monuments

Al-Iryani: Yemen civilization dates back to 2000 BC

At the opening of a Sana'a National Museum-based showroom of the monuments of the ancient kingdoms of Al-Jawf, which was funded and supervised by the SFD and UNESCO, Dr. Abdulkarim Al-Iryani, the Political Advisor to H.E. President of the Republic, praised this achievement. He said, "The contents of this room has undoubtedly proved that the civilization of Yemen dates back to 2000 BC and that the displayed antiquities are very important proving that our civilization was as ancient and advanced as those civilizations of Mesopotamia and the Nile Valley and that the Yemeni people have an ancient history and does not date back to the 17th century BC as widely circulated."



During the ceremony, which was held in mid-August 2009 and attended by a number of officials, ambassadors and diplomatic corps members in Sana'a, Al-Iryani warned of the underway operations of sabotage, destruction and smuggling of antiquities in Al-Jawf, Marib, Baihan and other areas, which are prone to devastation damaging Yemen history. He said, "I hope this initiative of Social Fund comes as a driving force for all of us to work to protect the national monuments and to excavate and search for them in order to display them to the public and the whole world".

(Continued on page 2)

In partnership between the SFD and UNDP

Declaration of the Yemen Microfinance Network

The SFD and the United Nations Development Program (UNDP) held on 18 August 2009 the first meeting, in which the Yemen Microfinance Network was officially established. The meeting was attended by representatives of micro-finance institutions and programs in Yemen. During the meeting the network was officially declared, its strategy highlighted, Set of Rules discussed and the Board of Directors elected.



The establishment is in line with the National Microfinance Strategy, which aims at developing this industry.

The network will be in charge of providing technical assistance and capacity building for the staff of all MFIs as well as establishing a center for the exchange of information and expertise.

The goals of YMN are centered on promoting international best practices in the country, increase transparency, good governance, diversify products and services and improve the quality of services provided by MFIs.

Al-Iryani: Yemen civilization dates back to 2000 BC (Continued)

For his part, the National Museum Secretary General, Abdul-Aziz Jindari, stated that this project was the fruit of intensive joint efforts between UNESCO and SFD and implemented by the National Museum's technical team, which began in 2004 with a prompt response by the SFD to save and restore Al-Jawf antiquities.

The project began by registering, documenting, restoring and maintaining the subject antiquities and issuing three technical catalogs that included more than 500 pieces of antiquities with a relevant simplified study in Arabic, French and English.

The final stage was equipping the showroom that now hosts a group of the most beautiful and rarest monuments such as the throne of King Alam Hilal Wegeh, who lived in the mid-eighth century BC and other inscriptions written in Al-Mathabi language (referring to Wadi Mathab that crosses Al-Jawf) and other monuments. The project also includes data entry for 3,600 monuments in database and a website in the Cairo-based UNESCO Regional Office.

UNIT NEWS**Education**

Education projects approved during the quarter reached 78, benefiting directly 45,000 people (including nearly 48% female). Cumulatively (since SFD establishment in 1997 until the end of September 2009), the number of education projects reached 3,941 worth about \$473.3 million, and direct beneficiaries around 2.29 million person (1.27 and 1.02 million male and female, respectively).

The quarter's projects include the programs of *Expansion and Development of Basic Education Infrastructure* (66 projects), *Rural Girls' Education and Community Participation* (one project), *Supporting Educational Policies and Directions* (4), *Educational Quality* (1), *Capacity Building* (1), *Community Education* (1) and *literacy* (4).

Basic Education Development

During the quarter, 66 projects were approved at an estimated cost of approximately \$13.4 million, including the construction and furnishing of 65 schools in various governorates and an educational complex in Ibb.

Educational Quality

A project was developed to furnish 12 schools with single chairs in more than one governorate. In addition, activities continued within *Douroub* network program, which comprises three components: *Talented and Creative Students*, *Learning Difficulties* and *Information and Communication Technology*. In this context, six female teachers and students participated in the 16th Conference of the International Education and Resources Network as well as in the 13th Youth Forum, both held in Morocco in July 2009.

In addition, during the period 1-21 July 2009, training was provided by the program trainers to 168 male and female teachers in 11 schools in the Capital City, Taiz and Ibb governorates (pilot phase). Training, which included the program's three components, was conducted by three methods: *Face to Face*, *Across the Network* (through placing special areas and models for work over the network) and the use of *Wiki* (a special network area for training new teachers). Later (in August 2009), the schools reviewed each other through the works demonstrated on the network and evaluated labor standards and quality.

Rural Girls' Education and Community Participation

Work began on a project to develop a guidance manual for the formation and activation of Student Structures in the relevant schools. Moreover, in July 2009, a refreshing training course on the rights of the child was conducted for the Parent Councils in 21 schools covered by the program in four target districts. The course was attended by 273 councils' members. Two other training courses on linguistic communication for Arabic and mathematics were also carried out during the period 8–20 August 2009, attended by 47 (female and male) classroom head teachers of the first three grades in 18 schools targeted by the program in Taiz, Al-Hudaidah and Al-Dhale' governorates.

Literacy

The third quarter witnessed the development of 4 projects, three under implementation: One in the collection, editing and printing active learning aids for literacy classes and two projects (in Ibb governorate) to provide institutional support to the Literacy Center (Al-Dhahar district) and a women training center (Jiblah). The fourth project provides training to female literacy teachers from seven districts in Taiz. Finally, the program staff participated in the literacy coordination meetings held during August 2009 for the competent partners.

Education Sector, Phase III indicators*

Indicators	TARGET (2004–10)	ACTUAL						
		2004	2005	2006	2007	2008	2009	Total
Classrooms built and equipped	10,080	1,940	2,541	1,867	1,232	2,583	1,467	11,630
Classrooms rehabilitated	1,500	295	352	263	145	305	130	1,490
Completed classrooms (according to the project completion year)	15,124	—	636	2,641	2,402	1,756	1,133	8,568
Children enrolled	403,200	156,068	264,334	231,689	111,468	192,840	107,173	1,063,572
Preschool teachers trained	800	—	542	—	—	—	—	542
Kindergartens established	38	4	11	9	2	4	2	32
Workshops in education, planning, programming and evaluation	36	8	12	16	58	29	9	132

*Include only under-implementation and completed projects as of 30/09/2009

Cumulative number of projects, commitment, contractual amounts, beneficiaries and temporary employment as of 30/09/2009, by sector

Sector	No. of projects	Commitments (USD)	Contracted amounts (USD)	Direct beneficiaries*		Indirect beneficiaries*		Temporary Job Opportunities
				Male	Female	Male	Female	
Environment	225	42,493,603	21,798,846	1,244,437	1,215,115	190,220	190,222	2,451,840
Integrated Interventions	157	10,038,257	8,490,261	126,132	85,514	42,795	44,843	354,547
Training	610	12,200,365	9,533,159	58,867	38,103	272,872	290,147	179,643
Education	3,869	458,494,829	350,296,548	1,243,117	1,000,641	1,609,805	1,378,101	16,842,316
Organizational Support	464	21,392,026	18,004,722	298,911	284,182	318,396	279,144	589,106
Agriculture	103	4,548,789	1,793,741	31,520	28,225	154,453	155,376	76,118
Health	844	66,441,702	48,354,435	2,237,436	4,184,643	704,175	1,422,937	1,944,967
Rural Roads	585	104,713,393	86,134,563	1,781,173	1,751,330	863,183	843,672	6,121,869
Special Needs Groups	472	26,632,693	22,252,355	118,251	74,722	56,518	45,538	718,033
Micro Enterprises Dev.	137	15,336,628	10,922,437	36,536	138,344	259,358	497,903	40,448
Small Enterprise	28	4,827,031	3,896,201	14,634	21,221	37,329	39,586	20,629
Cultural Heritage	219	42,098,732	32,441,448	167,184	142,063	60,261	68,741	1,860,571
Water	1,366	128,315,613	70,381,883	1,320,912	1,328,037	93,546	92,441	4,275,258
Business Development	39	3,090,496	2,255,072	30,120	16,500	60,876	38,018	1,637
Food Price Crisis Response	100	10,115,110	9,261,752	74,652	74,797	-	-	643,887
Total	9,218	950,739,267	695,817,423	8,783,882	10,383,437	4,723,787	5,386,669	36,120,869

*The same beneficiaries might repeatedly benefit from more than one sector

Cumulative number of completed projects and their investments as of 30/09/2009, by sector

Sector	Completed projects	Investment (USD)
Environment	148	42,493,603
Integrated Intervention	59	10,038,257
Training	501	12,200,365
Education	2,995	458,494,829
Organizational Support	389	21,392,026
Agriculture	19	4,548,789
Health	582	66,441,702
Rural Roads	329	104,713,393
Special Needs Groups	346	26,632,693
Micro Enterprises Dev.	105	15,336,628
Small Enterprise	26	4,827,031
Cultural Heritage	121	42,098,732
Water	888	128,315,613
Business development	11	3,090,496
Food Price Crisis Response	10	10,115,110
Total	6,529	950,739,267

Cumulative number of projects, commitments and contractual amounts as of 30/09/2009, by governorate

Governorate	No. of projects	Commitments (USD)	Contractual amounts (USD)
Ibb	876	95,778,361	68,210,097
Abyan	183	21,270,122	15,987,629
Capital City	563	75,922,352	59,716,685
Al-Baidha	210	22,277,774	17,239,868
Al-Jawf	118	10,859,303	8,701,399
Al-Hudaidah	787	99,190,395	67,305,519
Al-Dhale'	170	21,735,896	14,265,102
Al-Mahweet	254	28,663,513	21,250,177
Al-Maharah	70	3,882,453	3,426,928
Several Governorates	905	43,365,510	34,141,771
Taiz	1,097	121,176,684	91,275,924
Hajjah	598	65,630,115	46,066,487
Hadhramaut	502	50,135,995	34,714,307
Dhamar	615	57,276,995	44,861,599
Raimah	211	26,576,741	14,601,933
Shabwah	229	18,838,219	15,636,206
Sa'adah	218	26,838,504	21,736,726
Sana'a	351	29,879,637	22,874,970
Aden	230	31,086,121	21,626,577
Amran	550	55,555,981	40,701,101
Lahej	384	36,896,881	24,768,478
Mareb	97	7,901,715	6,707,937
Total	9,218	950,739,267	695,817,420

Microfinance Programs Supported by SFD as of 30/09/2009

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 (%)						
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-Burayqah, 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	

MC = Micro-credit; S&C = Savings and Credit; MF= Micro-finance, IGPs =Income generating projects; N.A. = Not applicable

Supporting Educational policies and directions

Four projects (worth nearly \$783,000) were developed for building and furnishing the education offices in Sana'a, Hajjah and Al-Jawf governorates. One of these projects was approved and three under implementation.

Educational Excellence

A project was approved to develop the skills of teachers selected to work in the Gifted Students Program in English language. In addition, the lists of students admitted this year were completed and the preparations for enrolling these students in the program classrooms were launched. Preliminary drafts of academic tests have also been prepared and preparations for applying them launched. On the other hand, the program staff participated in the Sixth Scientific Conference for the Gifted held in Amman (Jordan) on 26–29 July 2009. A working paper was presented on Yemen's experience in caring for the talented.

Cultural heritage

During the quarter, nine projects were approved at an estimated cost of nearly \$1 million. Thus, the cumulative number of the projects (since SFD establishment in 1997 until the end of September 2009), reached 227 projects, with investments mounting to about \$43.5 million, and the temporary employment more than 1.9 million working days.

Restoration of Taiz Guest House, Al-Ashrafiyah Mosque & Madrasah and Paving

Implementation of basic and construction works of the *Guest House* renovation project in Taiz was completed, with relevant studies prepared. The building will be used as a manuscript house.

In addition, *Al-Ashrafiyah Mosque and Madrasah* (religious school) restoration works continue successfully as restoration of inscriptions and decorations in all the large and small domes is being carried out by the Italian team supported by Yemeni staff. Al-Qadad works in the building are underway concomitantly—on the exterior walls, roofs and domes. The project's electrical studies were completed by the Italian experts and reviewed by the project consultant, along with the Yemeni team.

In another context, within the *Historic City of Zabid Pavement Project*, paving three new areas in the city (Al-Qala'ah "Castle" Square, the Old Market and Harat Al-Alwiyah) was approved, with funding provided by the SFD. In the same context, work is continuing to implement the *Electrical Cables Provision Project* in the city. Electrical ground wiring will be carried out prior to the first phase of pavement. The tender for the remaining quantities of cables was already announced to cover all parts of the old city. The overall objective of this project is to contribute to the elimination of the distortions arising from the random extension of power lines—in parallel with pavement.

Training in archaeological pottery study

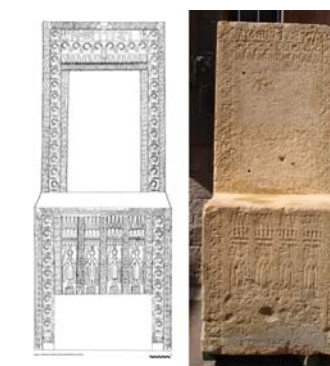
The quarter witnessed the completion of the *archaeologists' training project in archaeological pottery study* in Dhamar. This comes in the framework of SFD's efforts to build the capacity of institutions and individuals working in cultural heritage preservation. A specialized training course in the mentioned domain was implemented in the Regional Museum in Dhamar during the period 1–20 August 2009. The course was attended by 20 participants from most governorates (representing offices and branches of the General Authority for Antiquities, museums and archeological sections at Sana'a, Aden and Dhamar universities). In addition, attendees included a number of archeology graduates and relevant staff working in some SFD-supported projects. The course, based on Chicago University curriculum, focused on practical training in the initial classification of archaeological pottery as well as pottery description and analysis and drawing pottery utensils and pieces according to applied scientific methods.

Moreover, the SFD—in cooperation with Dhamar Antiquities General Authority Office—has implemented *Masna'at Mariyah archaeological site protection project* in Dhamar, which has been severely damaged by heavy rains. The project included the protection of archaeological layers of walls of the site, which is one of the most important Himyarite sites distinct with its strategic positions as it is located on a high rocky cliff accessible only through two small controllable in-ways (North-Eastern and South-Western). Therefore, naturally protected from almost all sides, with gradient human settlement, the site is a perfect location to be presented as a complete model of archaeological sites in Yemen.

Al-Goaza' Garden and the Great Mosque miqshamah in Sana'a

Implementation of *Al-Goaza' Garden Rehabilitation Project* was completed and a consultant was assigned to receive the project.

On the other hand, the *Great Mosque miqshamah rehabilitation project* was completed, as well, with retaining walls erected, collapsing fences repaired, aisles paved, a cistern and irrigation network established and the soil prepared for crop-growing.

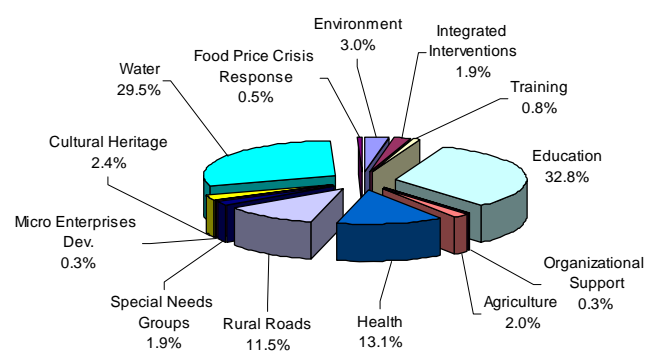


Cultural Heritage Sector, Phase III indicators*

INDICATORS	TARGET (2004–10)	ACTUAL						
		2004	2005	2006	2007	2008	2009	Total
Projects	135	23	30	23	16	21	21	134
Consultants trained	350	52	60	41	30	30	40	253
Laborers trained	1,000	177	220	136	120	223	173	1,049

*Include only under-implementation and completed projects as of 30/09/2009

Commitments, third quarter 2009, by sector



Expected number of beneficiaries and temporary job opportunities, third quarter 2009, by sector

Sector	Beneficiaries		Temporary job opportunities
	Direct	Indirect	
Environment	223,853	-	56,163
Integrated Interventions	67,545	8,310	7,597
Training	5,687	120	20,026
Education	76,208	386,525	1,620,353
Organizational Support	69	140	3,725
Agriculture	24,546	1,405	42,944
Health	335,758	24,523	41,201
Rural Roads	44,046	-	195,440
Special Needs Groups	1,310	4,667	18,582
Micro Enterprises	9,189	20,000	243
Cultural Heritage	-	-	47,653
Water	173,316	150	823,763
Business Development	8,915	7,970	95
Food Price Crisis Response	16,593	-	1,155
Total	987,035	453,810	2,878,940

Number of projects, commitments and distribution, third quarter 2009, by governorate

Governorate	No. of projects	Commitments (USD)	Distribution (%)
Ibb	105	13,512,544	14.4
Abyan	16	2,775,639	2.9
Capital City	22	2,935,937	3.1
Al-Baidha	15	2,184,919	2.3
Al-Jawf	7	1,103,200	1.2
Al-Hudaidah	55	10,169,404	10.8
Al-Dhale'	14	2,309,505	2.5
Al-Mahweet	21	2,778,202	3.0
Several gov.	81	3,085,183	3.3
Taiz	63	10,032,020	10.7
Hajjah	53	7,907,571	8.4
Hadhramaut	22	5,540,120	5.9
Dhamar	27	2,641,837	2.8
Raimah	21	3,456,886	3.7
Shabwah	13	1,729,091	1.8
Sa'adah	14	2,460,475	2.6
Sana'a	22	3,169,507	3.4
Aden	18	2,493,772	2.6
Amran	40	7,380,392	7.8
Lahej	40	6,206,736	6.6
Mareb	4	241,256	0.3
Total	673	94,114,196	100

Training and 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, beneficiary committees, small contractors, technicians, local authorities, NGOs and governmental organs, who contribute to 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". Support also includes providing some necessary equipment, databases and management systems. The over-all support is to ensure and reinforce the organizational, financial and administrative sustainability for these partners.

During the 3rd quarter, the number of projects in both sectors reached 15 at an estimated cost of \$447,000. Of these projects, six are approved and nine under implementation. They target the following:

Government Organizations

Two organizational support projects were developed, the first one targeting the SFD through hiring an international consultant to develop the SFD's fourth phase vision, while the second project targeted the establishment of a public library in Ibb town, with components including necessary equipment and books as well as training in indexing and documentation.

Non-Governmental Organizations (NGOs)

Four projects were developed, two of them concerned with training and target Na'awa Development Association in Juban, Al-Dhale' governorate and seven associations supported by Amran branch. The other two projects are concerned with organizational support and targeting the Central Public Library in Al-Hudaidah town, and Turbat Abi Al-Asrar Association in Al-Madharibah, Lahj governorate. Activities included training in strategic planning, products' marketing, accounts, sewing, library management, indexing and documentation, secretarial work, management and organization, projects' feasibility studies. This is in addition to providing necessary equipments and installations for the two projects related to organizational support.

Local Communities

Four training projects were developed by three SFD branches, as follows:

Ibb branch: Formation and training of community contracting committees for 37 projects from 2009 plan;



Sana'a branch: Training and empowering local development committees in Sa'afan district and formation and training of beneficiary committees for 89 projects from 2009 plan;

Amran branch: Training and formation of 12 local development committees in Maswar district, Amran governorate. This is in addition to conducting a workshop for evaluating the implemented training program.

Local Authority

Three projects were developed. Two of these were concerned with training, with one supporting participatory planning by the local authority in Hajr district (Hadhramaut governorate), and the second project providing training to consultants in the development for strategic plans (Al-Baidha). In organizational support one project targeted the main office of Hajjah governorate (2nd phase) by providing necessary equipment.

On the other hand the three projects targeting the local authority included training in management skills, funding techniques, financial resources, *zakat* revenues, administrative and financial affairs, community mobilization, formation of sub-district committees and village councils, projects' assessment and prioritization, strategic planning, development of strategic plans and practical applications.

Private Sector (Individuals)

Interventions included two projects, one project for training rural university graduates from the governorates of Al-Dhale', Abyan and Lahj in development topics as well as computer applications, while the second project included two training components, i.e. beekeeping and orientation in development issues and targeted some SFD branches' consultants in various governorates.

Training and Organizational Support Sectors, Phase III indicators*

INDICATORS	TARGET (2004–10)	ACTUAL						
		2004	2005	2006	2007	2008	2009	Total
Workshops for NGOs	175	43	86	80	101	27	28	365
NGOs and cooperatives supported	200	41	28	28	31	28	10	166
User groups, communities and community-based organizations supported	1,900	66	232	267	351	432	537	1,885
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 30/09/2009

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

Small and Micro Enterprises Development

The Small Micro Enterprise Development (SMED) Unit has continued to provide financial and non-financial services to microfinance institutions and programs (MFIs), in addition to technical assistance to help them target male and female micro-entrepreneurs.

The unit has carried out a number of activities during this quarter, including:

Financing MFIs

During the quarter, SMED has financed a number of MFIs that deliver financial services to the target group:

1. Financing the National Microfinance Foundation (NMF) with 40 million Yemeni Riyals (YR), which constitutes the second installment of a loan agreement totaling YR120 million; the loan will enable NMF to continue expanding its financial services to the target group, especially women;

In addition, SFD and NMF have signed a grant agreement in which the latter will receive YR8 million to help the institution develop its institutional building by installing an MIS in all branches. The MIS of the branches will be linked together as a single database to allow loan officers to follow up their loan portfolios in real time.

2. Financing of Nama' MF with YR25 million as part of a YR50 million loan agreement signed with SFD for the purpose of covering Nama's funding needs and enabling it to provide its financial services to small and micro entrepreneurs;

3. Financing of Abyan Credit and Savings Program with YR50 million as part of a loan agreement signed between SFD and the Abyan branch of the Yemen Women's Union. The program will focus in the coming period on improving the financial services it provides in Abyan and Hadhramaut governorates.

Training and Technical Assistance

During the quarter, SMED has implemented a number of training courses as follows:

The Poverty Scorecard

The Poverty Scorecard training course was held in Sana'a on 12–13 July 2009 and was attended by a team of 18 employees working in the *Graduation of 900 of the Social Welfare Fund's beneficiaries*. The scorecard was used to determine the project's target group in a precise and scientific way.

Management and supervision

The course, which was held in Sana'a MF on 18–23 July 2009 on how to manage an MF branch, focused on branch supervision and coordination between the branch offices and the headquarters. Twelve staff from Sana'a MF participated in the training course.

Delinquency management

The course was held in Al-Awael MF in Taiz during the period from 15–18 August 2009, with 15 staff members trained in dealing with delinquent loans and on how to set the interest rate for financial products.

Product Development

The course was held in Sana'a during the period of 16–20 August 2009 and 18 trainees from the various MFIs attended the course. During the training course, the issues facing MFI in developing new financial products were discussed.

Human Resources Management and Strategic Planning

The two courses were held in Aden MF and attended by 30 members

of the institution's staff (15 for each).

The first course focused on the ways to manage human resources in MFIs and included a practical program through which a number of managerial concepts were applied within Aden MFI context.

Strategic Planning course was held on 29 August–03 November 2009. Participants were trained on the steps of strategic planning and—as part of the training—a draft strategic plan for Aden MF was made.

Other Activities

A presentation on e-learning for MF loan officers

SMED organized a presentation on "E-Learning for MF Loan Officers" given by representatives of Grameen-Jameel Partnership on 2 July 2009. The event was attended by 28 representatives from various microfinance and small enterprises development institutions, and the program, which will increase the capacity and skills of MF loan officers, was presented to them.

The fifth meeting of the National MF Steering Committee

This event was organized by SMED and held on 6 July 2009 and it came to emphasize the cooperation and coordination existing among the various parties working in microfinance, which are implementing the National Microfinance Strategy.

Small and Micro Enterprises Promotion Services (SMEPS) Agency

The agency implemented a number of activities, the most important to continue to work in the *Know About Business* (KAB) program. In this regard, SMEPS has contracted a consultant to prepare the registration forms for the initial and final students who obtained the program, and conducted an analysis of these forms to assess the impact of the program in the 2008/09 school year.

In the area of *new markets and production lines*, the Agency continued its activities in the development of incense sticks of Yemen, which aims to develop the industry and sticks, according to European standards, by Yemeni workers and using local raw materials. During August 2009, with support provided by the German Technical Cooperation (GTZ), the agency contracted the Post-harvest Research Center in Aden to conduct experiments and tests on the materials making up the incense sticks. A number of women associations' workers in will then be trained to produce the required quantities for export to Europe.

In addition, the *Business Incubators* project is being implemented in Aden, which aims to develop the SME sector through the adoption of projects and their entrepreneurs and provide them with training requirements (in project planning and management) and office services to prepare to stand on its own independently after leaving the incubator.

On the other hand, under a project for *fishermen training* on the Geographical Positioning System (GPS), a university has nominated three trainers to instruct fishermen on the device usage.

In the *Business Edge*, associations nominated to attend the Seminar that would provide training on this system in Al-Mukalla City (Hadhramaut).

Finally, SMEPS carried on the implementation of the two projects pertaining to the study on *Yemen fish marketing in the Gulf States* (in particular Saudi Arabia and UAE) and *training on detecting and fixing car computer breakdown* in Seyoun and Al-Mukalla (Hadhramaut).

Integrated Interventions

During the quarter, focus was given to training in agriculture and economic empowerment, with three training courses held in **funding proposals preparation and marketing**. The training was provided to 60 male and female participants representing the development committees' members of the sub-districts of Al-Masharij (Lahj), Asawedah (Taiz) and Bani Mabarez (Ibb) as well as to the local authority members in the districts of Tour Al-Baha (Lahj), Maoyah (Taiz) and Al-Qafr (Ibb).

Another training course was held for 8 days in the cultivation of coffee, benefiting 13 farmers from Al-Khadham sub-district (Al-Gabeen/ Raimah) in addition to a course to qualify 14 female trainees in Asawedah in the field of weaving. Three training courses, benefiting 21 trainees, were also implemented on plant protection in the sub-districts of Outnah (Hajjah), Al-Bo'jiyah (Al-Hudaidah) and Bani Ma'anes (Dhamar).

Similarly, two courses in community participation provided training to 44 consultants (of both sexes), followed by another course in community mobilization attended by 28 (female and male) consultants from all governorates. The training aimed to create local trainers in the field of local communities' mobilization within the integrated intervention areas.

In literacy and community education, a workshop for awareness teams' trainers was conducted and attended by 23 participants of both sexes, with the participation of the Literacy Department's Information and Public Relations Director.

Also, awareness voluntary teams were formed and trained to carry out awareness-raising campaigns to encourage women and girls to engage in literacy and community-education classes in all areas of integrated interventions.

On the other hand, the quarter witnessed the implementation of the preparatory phase to implement the program through SFD's branch offices in different governorates. To this end, the target areas were selected according to the program's criteria and selection manual, with office screening completed in accordance with poverty indicators and exploratory visits to the relevant areas. Moreover, a consultant team, comprising male and female members, was trained to perform the selection study, through which the target areas will be nominated. Preparations are currently being made for the implementation of the socio-economic survey of these areas.



Rural Roads Sector, Phase III indicators*

INDICATORS	TARGET (2004–10)	ACTUAL						
		2004	2005	2006	2007	2008	2009	Total
Projects**	400	20	33	45	63	74	14	249
Beneficiaries	1,320,000	101,924	219,342	281,866	279,135	230,689	18,215	1,131,171

*Include only under-implementation and completed projects as of 30/09/2009
 **Street-pavement projects are not included

Community-based Labor Intensive Works Program

This program comprises the *Global Food Crisis Response Emergency Program* and the *Rural Roads Sector*, which became recently within the framework of the Labor Intensive Works Program.

The Global Food Crisis Response Emergency Program

During the third quarter, the paid due amounts reached nearly \$6.2 million—or 81% of the total project contractual due amounts (compared to 74% during the second quarter)—and the number of beneficiary families rose to 15,755 representing 89% of the total target families. Similarly, financial and physical progress mounted to 89% and 92% (up from 73% and 82% in the previous quarter) respectively.

In addition, 65 projects were completed (out of the program's 98 total projects).

On the other hand, the awareness project on malnutrition hazards and Qat harms has been implemented in the program's target communities.

Finally, preparations are underway to implement the second phase of the emergency program, with the field civil works expected to be carried out during 2010. In this context, a workshop was held in SFD's Ibb branch office to develop the program's action mechanism for the new phase to improve performance and avoid the shortcomings of the previous phase. Training courses addressing field targeting for the second phase are also being implemented, with four courses conducted in Al-Hudaidah, AL-Mukalla, Ibb and Amran branch offices for 136 female and male consultants.

Rural Roads

During the quarter, 12 rural-road projects were approved (at an estimated cost of more than \$2.2 million), with the total length of these projects reaching 61 kilometers (km), as well as three urban street pavement projects (worth more than \$1.2 million) with the total area amounting to 29,548 square meters (m²). The estimated number of beneficiaries from these projects is about 117,543 people and the temporary employment about 224,367 working days.

On the other hand, a training course was carried out for engineers from SFD branch offices of Aden, Amran and Sana'a on preparing studies and overseeing rural-access roads.

Cumulatively, the number of rural-roads improved, protected or rehabilitated reached 376 projects, with the total length of these projects exceeding 3,357 km and the estimated cost being about \$55 million. In street paving, also cumulatively, 174 projects have been implemented, with the total area approaching 1.93 million m² and total cost of more than \$52 million.

The total cumulative number of beneficiaries is 1.74 million people, while the total temporary employment generated by these projects exceeded 6.23 million working days—in addition to 48 training projects, worth nearly \$0.7 million.

Health and Social Protection

Unit's activities include health and social protection.

Health

The number of projects approved in the quarter mount to 33 worth about \$6 million, benefiting directly some 810,000 persons. Thus, the cumulative number of approved, under-implementation and completed projects (1997–end of September 2009) mounts to 876 at a total estimated cost of nearly \$72.8 and direct beneficiaries about 7.2 million people (4.6 and 2.6 million female and male, respectively).

Projects of the quarter include a project to evaluate government health institutes, another one for construction, furnishing and equipping Taiz-City Health-Office Training and Skills Development Center. In addition, projects include building a referral hospital for skin and venereal diseases and building & equipping a physiotherapy section of the Artificial Limbs and Natural Rehabilitation Center—both in Taiz governorate.

The remaining projects focused on the following programs:

Improving access to basic healthcare services

Emphasis has been placed, during the quarter, on the component of **increasing coverage of basic healthcare services**, with 9 projects developed to build and equip health units and centers in the governorates of Ibb (Hubaish, Al-Qafr, Al-Sayani), Dhamar (Wesab Al-Safel), Sa'adah (Razeh), Amran (Eiyal Sareeh), Sana'a (Al-Hasn), Al-Dhale' (Al-Dhale') and Hadhramaut (Hadibo - Socotra Archipelago). In addition, two training courses were conducted to improve the services provided by health workers: One for 20 consultants in health needs identification study and the other was a guiding and refreshing course targeting SFD health-project officers. The two courses aimed at improving the social and health studies of the applications submitted to SFD health sector in the context of other social and economic determinants.

Expanding reproductive health and neonatal care services

Increasing deliveries under medical supervision

Six projects have been developed. Of these, four projects for the training of 80 community midwives from the two cities of Dhamar (Dhamar governorate) and Al-Baidha (Al-Baidha) as well as the two districts of Al-Sheher (Hadhramaut) and Al-Saddah (Ibb) on *home-based maternal and newborn care (HBMNC)*. The two other projects aimed to train trainers for community midwives (the first batch) from several governorates on the same and qualify 21 staff employees from reference hospitals and maternal and child centers in Sa'adah, Hajjah and Amran governorates to get Midwifery B.Sc.

Reducing maternal and newborn mortality

Eleven projects were developed: Two are for the construction, furnishing and equipping of comprehensive emergency obstetrics of the Family Health Center (in Amran governorate) and the Al-Makha Rural Hospital (in Taiz).

The remaining nine projects aimed to rehabilitate and equip of emergency departments in the departments of essential obstetric Al-Dhale' (Taiz), and Ibb as well as to build and equip the Center for Integrative care and reproductive health in a hospital Hadibo (Socotra, Hadhramaut).

Improving access to proper psychological healthcare

A project was developed to train medical staff and paramedics from health facilities of Ibb governorate's districts in psychological healthcare.

Groups with Special Needs

The number of projects approved during the quarter reached 24 at an estimated cost of nearly \$0.9 million—thus the total cumulative number of projects mounts to 495 worth about \$27.6 million.

First: Community Development Program

Inclusive and special education

The program aims to integrate children with special needs in public education through providing support to the Ministry of Education in implementing the inclusive education program and by supporting NGOs to carry out pre-integration preparation programs as well as integrating children with special needs in schools. In addition, the SFD supports such NGOs and special education centers in implementing these programs.

During the quarter, three projects were approved aiming at developing integration programs in the inclusive-education schools. The first, in Aden governorate, aimed at training 24 teachers from four relevant schools in assessment, diagnosis, integration and its mechanisms, optical scanning, resource rooms, individual plans and family counseling. The second project, in Dhamar, aimed at training 67 male and female teachers from 11 blind-integration schools in integration and its mechanisms, individual plans, development of senses, building concepts for children and ways to deal with them in addition to providing these schools with blind education aids. The third project aimed at strengthening the integration of deaf children in a 26th September School in Ibb governorate, with intervention including the construction of 4 classrooms and a resource room, along with providing furniture and equipment as well as rehabilitating the school yard in addition to training the teachers in how to work in the resource rooms.

On the other hand, a project was developed to provide special education centers working with visual disabilities and visually impaired and inclusive-education schools with specialized aids and learning methods.

A project was also signed with the Audiovisual Center in Taiz, aiming to establish a system of monitoring and following-up medical cases scanned through the visual impairment educational centers—thus determining and furnishing the appropriate aids to these centers. Similarly, technical support and training on scanning and identifying the child's vision disability degree has been provided to the staff of these centers.

Another project is implemented with the Deaf Association in Khamer (Amran governorate) to support the integration of 77 deaf children in two schools as well as the rehabilitation of these schools structurally and adding and furnishing four classrooms. In addition, resource rooms and two preparation classrooms at the association's premises have been equipped in addition to providing training the staff of the two schools and the association in integration issues, deaf learning and community awareness.

Another project was also signed with the Physically Disabled Association in Sa'adah governorate to carry out pre-integration preparation and then the integration of 116 boys and girls with hearing disabilities in three inclusive-education schools in Sa'adah City. Support is provided through equipping a resource room and training the staff of these schools on the ways and methods of teaching the deaf as well as in integration, preparation of teaching aids, speech exercise and sign language.

Rural service outreach

A project was approved to support Al-Ain Association for the Blind Care and Rehabilitation in Ibb governorate. The project aims to assist the association in extending its education services to Hubaish district through training the integration schools' teachers on methods and ways of teaching the blind, integration, mobility, and raising the awareness of the local community in blind integration issues.

Early Childhood Development

This program aims at the development of children aged up to eight by supporting early childhood development programs and national policies and strategies geared to this age group. This is done through carrying out certain sub-programs such as Early (therapeutic and preventive) Detection and Intervention and Early (health, educational and social) Intervention in addition to kindergartens and preliminary education.

Kindergartens and preliminary education

A project was approved to build the capacity of 13 female teachers and administrators of the Al-Majd Kindergarten in Ibb governorate in legal, educational and communicational fields in addition to providing training to 20 fathers and mothers of marginalized children in legal issues and hygiene and self-care.

Second: Institutional Support Program

Institutional support and capacity building

This sub-program aims to provide institutional support to government institutions and NGOs to improve their performance in implementing development programs for

In this regard, eight projects were signed during the quarter. Five of these aimed at building the capacity of five associations working in disability in Al-Hudaidah and Hajjah governorates, and Socotra Archipelago (Hadhramaut) in addition to furnishing the associations' premises.

Another project aimed to support sports activity of the physically disabled in Taiz.

The seventh project established a Physical Therapy Section at Ataq Central Hospital (Shabwah) through equipping two physiotherapy rooms (one for women and the other for men) with medical equipment and qualifying the staff, who will work in the section.

The last project supports the National Union of Yemeni Disabled Associations in vision formulation and goals development as well as in setting its activities for the next year and work strategies for the period 2010–13.

Protection

The program aims to improve the services provided by prison correctional and social care centers and by safe childhood centers as well as promote the services provided to the marginalized group and support policies, strategies and programs geared towards violence and trafficked children. In this course, a project was approved to build the capacity of 10 male and female staff members of the Juvenile Police Department in Al-Mudhaffar district (Taiz) through providing them with training in management, child rights and effective laws applicable to the juveniles.

A project was also approved to train the children and staff in all the orphanages and juvenile centers in the Capital City in child rights.

Finally, continuing its contribution to reducing disability, the SFD signed a project to train the senior staff of traffic-police, local council and Social Affairs Office in Ibb governorate on the risks of motorcycles misuse and carry out relevant awareness activities in schools and mosques and on radio in view of the sharp rise of traffic accidents and injuries caused by bicycles—thus causing varying disabilities.

Water and Environment

The number of projects approved in both sectors, during the quarter, reached 97 projects at an estimated cost of approximately \$14.6 million, benefiting directly about 88,000 people. This brings the cumulative number of projects (1997–end of September 2009) to 1,685 projects worth about \$186 million, with direct beneficiaries expected to exceed 5 million people.

Water

The rural water and sanitation projects survey was launched on 4 August 2009, aiming to establish a database to know the status and extent of coverage of these projects. Funding for the survey is provided by the Public Authority for Rural Water Projects, the Netherlands government, Rural Water and Sanitation Project, UNICEF and the Public Works Project in addition to the SFD, with the latter contributing to the provision of transport for the field survey teams.

On the other hand, the SFD (represented by the Water and Environment Unit and the Implementation Unit of the Shibam Hadhramaut infrastructure project) participated in the trip organized by the GTZ-supported Historic Cities Development Project to Syria during the period 28 September–05 October 2009. The trip aimed to introduce participants to the infrastructure services of historical cities in Damascus and Aleppo, relevant restoration and maintenance projects and the sophisticated methods and techniques necessary to protect such cities. In addition, a number of workshops and meetings with competent officials in the two cities were held.

Environment

The SFD continues to implement the Community-Led Total Sanitation approach, which aims to improve sanitation. In this regard, training was provided to consultants in various SFD branch offices on this approach and its application in villages, with 39 female and male consultants as well as 5 water and environment project officers trained on 26–30 July 2009 at Amran and Hajjah branches. The approach was then applied in 10 villages of Maswar, Jabal Eiyal Yazeed and Thula districts in Amran governorate. Similarly, 22 consultants (of both sexes) in Taiz and Ibb branches were trained on 15–19 August 2009, with the approach implemented in 10 villages in Dhi Shawh and Al-Tafadi sub-districts of Hubaish district in Ibb.

Water and Environment Sectors, Phase III indicators*

INDICATORS	TARGET (2004–10)	ACTUAL						
		2004	2005	2006	2007	2008	2009	Total
Rainwater harvesting projects	400	61	49	50	63	49	23	295
Water stored in reservoirs (m ³)	3,000,000	867,250	1,113,250	1,044,257	355,230	807,327	87,703	4,275,017
Piped systems	140	22	13	20	10	17	5	87
Reservoirs	60	14	13	10	5	10	4	56
Hygiene and environment awareness	210	54	15	20	5	103	—	197
Wastewater management	21	10	4	3	9	15	4	45
Solid waste management	16	9	3	2	2	4	2	22
Soil and water conservation	10	4	2	3	6	5	1	21

*Include only under-implementation and completed projects as of 30/09/2009

Health and Special Needs Groups Sectors, Phase III indicators*

INDICATORS	TARGET (2004–10)	ACTUAL						
		2004	2005	2006	2007	2008	2009	Total
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	—	—	—	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	3,633	1,304	5,744	1,510	1,7063	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	—	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 30/09/2009