

The following table shows portfolios of SMED programs as of 31/12/2003

Program	No of Borrowers (Active)	Loan Amounts (Cumulative)	No of Savers (Active)	Out-standing Loan Portfolio
Hodeidah Micro Credit	1,005	321,999,046	-	29,943,305
Hais Saving & Credit	340	54,070,000	909	13,909,967
Al-Maraweah IG	116	151,014,173	-	7,062,803
Wadi Hadhramout	252	38,368,221	-	
Dar Sad S& C	608	37,570,000	-847	11,331,514
Ma'alla S& C	378	26,993,000	617	7,999,737
Sana'a Micro finance	480	45,488,000	98	16,011,925
Al-Shaikh S& C	297	8,444,745	460	3,852,765
National Cooperation	1,579	60,114,775	4,957	27,296,250
Bait Al-Fakeeh	93	2,180,353	242	999,280
Sofd Association	1,542	-	-	26,068,500
Taiz Credit Project	1,160	-	-	28,864,000
Abyan S& C	136	1,548,300	-	1,254,760
Other Programs	-	109,411,839	-	-
Total	7,986	857,202,452	8,130	185,983,613

(-) Not Applicable

SFD cumulative investments and disbursements as of 31/12/2003 according to governorates

Governorates	No. of Projects	Commitments (\$)	Disbursement (\$)
Sana'a Capital	271	16,743,586	11,336,865
Sana'a	314	29,244,860	18,485,188
Aden	110	9,956,187	8,253,738
Taiz	360	24,377,242	14,765,238
Al-Hodiedah	305	24,230,759	16,530,730
Lahj	108	6,972,335	4,928,069
Ibb	248	17,980,200	9,743,809
Abyan	81	5,429,543	4,806,275
Dhamar	248	16,256,167	11,285,983
Shabwah	92	5,121,163	3,807,039
Hajjah	220	15,381,678	9,034,862
Al-Baidha	86	7,611,888	5,859,411
Hadhramout	227	14,512,670	11,187,020
Saadah	89	5,977,998	4,229,861
Al-Jawf	56	3,776,118	2,077,298
Al-Dhala'a	54	3,808,160	2,913,293
Al-Mahweet	124	10,147,451	6,905,679
Mareb	50	4,890,392	1,735,313
Amran	215	15,037,491	10,724,708
Al-Maharah	40	2,380,811	2,213,254
Several governorates	142	5,447,270	4,454,850
Total	3,440	245,283,969	165,278,484

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SFD cumulative investments, disbursements as of 31/12/2003 according to sectors

Sector	No of Projects	Commitments (\$)	Disbursement (\$)
Education	1,697	130,395,280	89,262,015
Health	300	19,304,965	14,496,329
Water	583	36,443,882	26,062,419
Environment	89	10,896,032	6,775,651
Cultural heritage	64	10,620,975	3,626,330
Roads	115	12,214,782	8,116,933
Micro enterprises dev.	50	4,335,387	3,193,441
Small enterprise	6	778,253	523,354
Special needs group.	168	11,847,618	7,973,505
Integrated intervention	28	1,530,303	1,128,424
Training	154	2,210,351	1,469,555
Organizational Supp.	186	4,706,142	2,650,528
Total	3,440	245,283,969	165,278,484

Cumulative number of beneficiaries, and job opportunities as of 31/12/2003 according to sectors

Sector	Beneficiaries		Job Opportunities	
	Direct	Indirect	Temporary	Permanent
Education	1,089,006	195,962	5,272,766	7,092
Health	1,403,524	197,692	587,935	1,792
Water	1,588,773	114,149	1,604,027	628
Environment	1,235,494	81,055	343,390	522
Cultural heritage	228,136	74,906	524,679	84
Roads	987,358	1,082,121	862,968	0
Micro Enterprises Dev.	24,930	137,217	8,845	404
Small Enterprise	730	17,015	12,200	70
Special Needs grs.	91,197	74,731	349,565	876
Integrated interventions	52,882	113,249	56,224	36
Training	12,698	95,572	37,842	204
Organizational supp.	168,272	392,133	103,645	763
Total	6,850,560	2,575,802	9,764,086	12,471

Completed projects as of 31/12/2003

Sector	No. of Projects	Investments (\$)	Disbursements (\$)
Education	1,084	72,003,04	69,302,723
Health	213	11,991,40	11,600,073
Water	349	21,129,08	20,540,200
Environment	47	5,400,290	5,190,648
Cultural heritage	16	1,471,460	1,330,966
Roads	49	5,406,128	5,159,260
Micro Enterprises Dev.	33	2,377,218	2,128,160
Small Enterprise	3	18,800	11,692
Special Need groups	72	5,372,335	4,889,217
Integrated Interventions	8	312,591	294,909
Training	118	1,396,977	1,308,870
Organizational support	119	2,161,811	2,064,080
Total	2,111	129,041,137	123,820,798

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

Editorial

The launch of the SFD's Phase III and Donors' Meeting were conducted on 08-09 October 2003, and concluded with great success. These significant events virtually reflected the increasingly advancing performance of the SFD as a national institution actively involved in the development process and constantly improving its record of accomplishment.

The importance of the two major events was further enhanced by the sponsoring and participation of His Excellency President Ali Abdullah Saleh in the Opening Ceremony. In addition, the President delivered a speech in which H.E. praised the role played by the SFD and re-affirmed the continuation of support provided to the Social Fund by the Political Leadership. The President also indicated that the Government had been instructed to increase its financial contribution to SFD's budget to enable it to continue contributing to poverty reduction and to the realization of the nation-wide development objectives.

Furthermore, the serious and rigorous discussions—that took place during the technical sessions of the Donors' Meeting—drew lessons from the experience of Phases I and II and concluded the general trends of the Third Phase, which is scheduled to start with the beginning of the new year (2004) and extend to 2008.

World Bank to Fund Phase III

Development Credit and Project Agreements were signed in Paris on 20 Dec 2003 by the Republic of Yemen and the World Bank. The credit, amounting to \$60 million, will contribute to financing SFD's Third Phase. WB's officials praised the significant success achieved by SFD during Phases I & II, deeming the Fund an institutional model that proved to have high effectiveness and efficiency in using resources, which has been reflected in the continuous support received by the SFD from Yemen government and int'l agencies.

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Highlights

Third Phase Lunch & Donors' Meeting



H.E the President of the Republic & the Speaker of the Parliament touring the exhibition



The presentation of the findings of the SFD Impact Evaluation Study

Under the auspices, and with the participation of His Excellency Ali Abdullah Saleh, President of the Republic, the opening ceremony of the SFD Third Phase Lunch and Donors' Meeting were convened on 08 October 2003 in Sana'a under the motto "Community-based Development". His Excellency opened also the SFD's exhibition—which demonstrated various photos, models and publications reflecting SFD activities and achievements, as well as products of some beneficiaries—and praised the efforts exerted by the SFD in implementing projects in different regions of the country and in encouraging local communities to contribute to the development process, emphasizing the importance of benefiting from the local raw materials in construction pursuant to the nature of the respective area. His Excellency also attended the inauguration ceremony of the third phase of SFD operations, and delivered a speech in which His Excellency praised SFD management for the development efforts it has exerted. "What the Social Fund has been doing is very impressive, and we provide the Social Fund with all our support. We call upon the Social Fund to continue its effective contribution to the developmental process and to combating poverty".

Ahmed Mohammed Sofan, Deputy Prime Minister and Minister of Planning and International Cooperation, has delivered a speech, in which he confirmed that the Social Fund has succeeded greatly in project implementation.

Mr. Abdulkarim Ismail Al-Arhabi, Minister of Social Affairs and Labor/Managing Director of the SFD, delivered a speech, in which he indicated that the Social Fund has adopted several important new development concepts and policies, promoted and applied them in its activities.

Mr. Robert Hindle, Country Resident Representative of the World Bank, also delivered a statement at the ceremony. He informed the audience that the Yemen Social Fund has been selected by the WB's management as a successful case study to be presented in a major poverty reduction conference that the Bank is organizing in Shanghai, China, next year.

Representatives of the Civil Society Organizations and the Local Communities delivered speeches, in which they praised the SFD and the active role it has been playing over the past years.

The technical sessions of SFD Donors' Meeting took place on 08-09 Oct. '03. Discussed were impacts of the SFD's projects on beneficiaries during Phases I & II and vision of Phase III. Participation in the discussions included, representatives of several embassies in Sana'a and of the donors of the I & II phases and potential donors of the Phase III.

WB to fund Phase III..... (Cont. from page 1)

Participation in the negotiations and signing protocol included Mr. Ahmed Soufan, Deputy Prime Minister and Minister of Planning & Int'l Cooperation, Mr. Abdulkarim I. Al-Arhabi, Managing Director of the Social Fund and some SFD's senior officials, Yemen's ambassador to the USA, and a number of WB officials

SFD contributes to supporting decentralization, local development and MCPs

A Memorandum of Understanding (MU) was signed in Sana'a on 07/12/2003 by H.E. Sadeq Ameen Abou-Ras, Minister of Local Administration, H.E. Abdulkarim Al-Arhabi, Minister of Social Affairs and Labor/ Managing Director of the SFD, and H.E. James Raoli, Country Resident Representative of the UNDP. The MU aims to organize the cooperation to support decentralization and local development through the execution of the national program that specifies tasks towards achieving this goal. The SFD will contribute to financing and implementing community-based planning and expenditures model, as well as building local capacity and Local Councils' capacities. The program will be implemented by the SFD in some districts and by the UNDP in others—sharing the same methodology in application.

The Managing Director and UNDP Res. Rep. also signed an agreement on supporting Micro Credit Programs (MCPs), by which the UN provides the program with technical support (experts, other contributions), while the SFD offers credit resources and technical support, as well.

Education Unit

During the fourth quarter of 2003, 83 projects were signed, including the construction or rehabilitation or completion of 658 classrooms—respectively. The projects also include the construction and equipping of a lecture hall for Amran's Education College and two kindergartens in Al-Ta'izziyah as well as providing support in School Mapping to the Ministry of Education's offices in Dhamar and Al-Baidha governorates.

Cultural Heritage and Rural Roads Unit**Roads**

- Several projects were accomplished, as well as the final handover of Al-Tadhamun Bridge project in the Capital's Al-Safiya district, which considerably eased crossing of the watercourse (Al-Sayela) both by vehicles and pedestrians, and improved the environmental and hygienic conditions.

Cultural Heritage

- Financing agreement for about 11 Miqshama (small gardens in the Old City of Sana'a) was signed with the Local Council (the sponsoring agency) and the Ministry of Endowment & Guidance (the owner and beneficiary). A number of Miqshama rehabilitation and fencing projects are being handed over.
- Works are underway to complete constructing the two-story underground warehouses of Sana'a Museum, and are expected to be finalized mid-January 2004.
- Quotations of five local and Arab engineering bureaus to prepare the relevant studies and designs for Mareb Museum are currently being analyzed technically and financially.
- Rehabilitation of the eastern part of Al-Usha Palace (Sayoun / Hadhramaut) is about to be completely finalized.
- The contract on Al-Kurtub Gate in Zabeed (Al-Hudaidah) was signed by a contractor—from the same area—and the Urban Cultural Heritage Strategy Management Program.

(the latter being the sponsoring and executing agency of the project). Implementation works have already been initiated

- Preparations are underway to establish Clay-Building Craftsmen Association in Wadi Hadhramaut.

Water & Environment Unit**Water**

- Implemented and under-implementation projects in this sector reached 25 in the last quarter of the year; hence, cumulative number of water projects is 583. The quarter and cumulative commitments mounted to 1.5 and 36.4 million US\$ respectively, while disbursed amounts are \$1.5 and \$26.2 million.
- The radio series tape titled "Mus'ed and Mus'eda" was produced. The social series—tinged with humor—contains several health messages.

Environment

- Five projects were either implemented or have become under implementation during this quarter, the total cumulative number of projects being 89. Commitments are respectively about 0.4 and 10.9 million US\$ in the quarter and cumulatively, while disbursed amounts reached \$0.4 and 6.7 million.
- The Social Fund is preparing to implement a pilot project to utilize the biogas in cooking and energy production. Biogas can be yielded as a result of fermentation of organic substances such as animal excretions and food remnants. In this regard, a regional expert visited some rural areas to collect relevant data and nominate the areas suitable for the implementation of the project.

Training Unit

During the 4th quarter, 27 projects were contracted: They are distributed between the Training and Organizational Support sectors as follows:

Training Sector

In this sector, 19 projects were contracted, of which one project was achieved during the same quarter. The training targeted:

- Local councils' members in various governorates in "Developmental Concepts , Project Life Cycle and Analysis of Organizational & Administrative Problems".
- Extensionists and health personnel in "Health & Environmental Awareness Methods" related to water harvesting projects in the governorates of Ibb, Taiz, Aden, Lahej, Abyan, Dale'e, Hadramout and Sana'a.
- Community Committees of water and feeder roads projects in Taiz Governorate.
- Forming and training of Community Committees in the governorates of Taiz, Al-Hudaidah, Dhamar, Hadhramaut and Amran.
- Training SFD officers and consultants in "Contracting Methods" related to SFD projects.
- Providing necessary training for rural students from Sana'a University in "Communication Techniques & Forming Community Committees", with the aim of supporting developmental work and contributing to providing work opportunities for the university students and graduates themselves.
- Training supervisors of Environment Friends' Clubs in secondary schools (Wadi Hadramout).

Organizational Support Sector

- Organizational Support for NGOs (7 projects under implementation), of which:
 1. Four projects targeting two NGOs in Abyan governorate, one NGO in Lahej, and another in Al-Hudaidah. The support is to assist in-house training activities through training of trainers, and provision of some necessary equipment.
 2. One project targeting Yemen Women Union branch of Dhamar (Training + Equipment).
 3. One project targeting Women Department in the Agricultural Cooperatives Federation (Training & equipment).
- Organizational Support for the Local Authority (one project)

The project provides necessary training equipment to facilitate training of local councils' members in various governorates.

Health and Social Protection Unit

Taiz Branch Office manager represented the Unit in the semi-regional workshop conducted in Amman/Jordan on 15—18 December 2003 on "Integrating the Disabled in the Vocational Training Programs", and visited a number of Jordanian special-need-group associations.

On behalf of the Unit also, Aden Branch Office manager and the HQ's special-need groups officer participated in the "Arab Regional Conference for Educational Integrating of the Blind" that was held in Beirut/Lebanon during 16—18 Dec 2003. The conference, which was attended by 55 representatives of national & int'l organizations and Ministries of Education of 11 Arab countries, aimed to exchange experiences and conclude recommendations supporting educational integration of the blind.

Health

The SFD has agreed to finance 16 health projects.

- The Health Projects Officer participated in the workshop organized in Sana'a mid-December 2003 by the Ministry of Public Health and Population on "Analyzing Partners of Applied Health Sector Reform for District Health System".
- The Health Projects Officer also participated in the training workshop funded by the SFD and conducted by the British ICD for training Health Councils in 6 of Al-Hudaidah and Sana'a districts.

Special-Needs Groups (SNG's)

Sixteen projects were agreed to be financed. They include:

- Support health activities in Mahwa-Aser area of the Capital City, including upgrading capabilities of female health workers and supply them with delivery kit bags, in addition to preparing and implementing the Female Health Workers Follow-up Program to execute awareness-raising programs for households.
- Support activities of the Girls' Social Guidance House in the Capital City, including the provision of 16-passenger bus.
- Rehabilitation and furnishing of the Central Prison's dispensary in the Capital City, in addition to constructing in-patient clinic.
- Within the framework of the efforts exerted to expand the Inclusive Education Program (IEP) to Al-Hudaidah, Al-Mahweet, Ibb, Dhamar and Hadhramaut governorates, the following activities were carried out:
- Five IEP teachers were sent to Jordan to obtain intensive university diploma in this field.
- Providing training for 56 parents and other individuals working in IEP schools in Taiz and Abyan on the child's rights, IE, learning difficulties and supporting special-need children enrolled in schools, as well as community participation.

Integrated Interventions

2 projects were agreed to be implemented, with a total cost of about 53,000 US\$, including the following:

- Training course for some farmers in Ahwar (Abyan) and Al-Luhayya (Al-Hudaidah) on mechanisms of improving economic feasibility of the agricultural products in the target areas of the Integrated Intervention Program.
- Training course for 45 beekeepers in Ahwar on modern methods of beekeeping.
- Training members of Local Development Committees in Integrated Intervention, areas on community contracting as well as preparation of project operating plans in coordination with the Local Councils.
- Training women in Integrated Intervention areas on ways, mechanisms and methods of cultivation of vegetable (self-sufficiency) gardens.
- Forming and training two Water Users' Committees in Ambasty and Hanadh villages (Ahwar district/Abyan governorate).

Small and Micro-enterprise Development Unit**Declaration of Microfinance National Foundation**

On 24/10/2003, the National Foundation for Micro finance was declared as the first foundation of its kind specialized in providing microfinance services in Yemen, with a capital of 20 Million YR. A number of social figures, businessmen, banks and the Social Fund for Development have contributed in establishing the foundation. This rising foundation will manage a number of programs that provide MF services in Ibb, Taiz, Dhamar, Yarim and Alkeidah. It is expected that the establishment of this foundation will contribute in strengthening the available capacities for the provision of MF services in Yemen.

Sanabel MF conference

A delegation from the Social Fund for Development has participated in the first annual conference of the Arab MF Network, which was held during the period 15-17/12/2003. As a founding member SFD also participated in the meetings of the general assembly of Network, in which it was decided to establish a permanent headquarter. This in turn will increase the capacity of the Network in providing its services to the MF services in the Arab countries.

Informational Training Course on MF and Lending

The course was held for a number of NGOs from Lahj, Shabwa, Ibb, Hajja, Al-Mahara, Socotra, and attended by two representatives of each NGO. The six-day course included a visit to Abyan MF pilot project, which is being supervised by the Women's Union/ Abyan branch.

Training Course in Strategic Planning

The course was held in the SFD Headquarters for MF programs. During the course, participants were acquainted on the methods of strategic planning and the tools used, including the use of the computer program "Microfin". The program, which is a special tool for financial planning, was translated to Arabic by SFD.

Seminar on Micro Activities Role and Development

The seminar was held in Sana'a during the period 21-24/12/2003 in cooperation with the Islamic Institute for Studies and Training, which is part of the Islamic Bank for Development- Jeddah. Attendance included Twenty- seven trainees representing a number of NGOs, banks and the Small Enterprise Development Fund, in addition the Ministries of Industry and Vocational Training. A number of lectures exposed several experiences from different countries in financing of micro-activities and their development. In addition, efforts in the field in Yemen were presented during the seminar.