The National Microfinance Foundation begins testing the GPS Program to mark the location of the Clients and the Guarantors

The National Microfinance Foundation began testing the GPS program to mark the location of the clients and the guarantors. They started to train the responsible persons, beginning in Sana’a, on how to use the new technology. Moreover, the foundation is also planning for the dissemination of the use of this device in the rural branches before the end of the year of 2011 in preparation for the use in all branches and offices of the foundation by July 2012, where it is expected to reach the 25 branch offices spread in 10 provinces of the governorates of the republic.

It is worth mentioning that the technology will enhance the measures of the transparency and control in addition to reduce the operation expenses and locate the productive and geographical areas that need further expansion in microfinance services.

Ramadan IFTAR Held for Members of YMN & Sanabel

The Yemen Microfinance Network and Sanabel – The Microfinance Network of Arab Countries held a joint collective iftar (opening the fast) for their members on 18th August at Al-Qasr Hotel, Aden, Yemen. The iftar was an opportunity for microfinance institutions to socialize, connect, and share information and experiences, updating one another on the latest events and operations in particular at current times with political unrest in the country.

The gathering saw a presentation from Abyan Credit & Savings Program, here Abyan program presented how their institution and the entire staff, along with families from Abyan city have been misplaced and have been forced to flee the conflict area and seek refuge into neighboring city Aden. Abyan program represented by its Chairmen and Managing Director were enormously grateful and happy that its microfinance colleagues have travelled from the north and other parts of the country to join and listen to Abyan, offering their solidarity, show of support and empathy, most importantly each contributing collective and individual ideas of assistance for the Abyan program.

The iftar was attended by managing directors of the microfinance institutions represented in Yemen, it was an opportunity for YMN and Sanabel to improve and strengthen its linkages, alliances and communications with the institutions. The network committed its support to Abyan, promising free training, strengthening linkages with MFI peers and creating awareness of the Abyan situation to the masses including support organizations.

The National Microfinance Foundation prepares to launch “My Children” Product

The National Microfinance Foundation is preparing to launch “My Children” product specialized for funding the children of the clients aged between 18-30 years old in order to meet more needs of the customers, and increase customer satisfaction. This product is in collaboration between the National Microfinance Foundation and Al-Kuraimi Islamic Microfinance Bank with technical support from Qatar Organization, Silitach, to meet the needs of the young people. The product is designed with cooperation with Making Cents Organization and Silitach to provide best level of customer service to the young people and commensurate with the current capacity of the National Foundation.

The trainer was Mr. Adnan Alsada who holds a Master degree in International Business Management and is considered a master trainer by the World Bank (IFC). He delivered many specialized training courses in Human Resource Management.
Workshop titled “The impact of the current situation on Microfinance in Yemen (Challenges and Possible Interventions)"

YMN conducted a workshop titled ‘The impact of the current situation on Microfinance in Yemen’ (Challenges and Possible Interventions) on Wednesday 27th July 2011 in Taj Sheba Hotel, Sana’a. The workshop was held under H.E Dr. Amaat Al-Razaq Hommod, Minister of Social Affairs and Labor. The workshop was attended by over 60 participants including microfinance institutions, banks, government, donor support organizations, media, embassies, academicians etc with the aim of high-lighting the current situation and its impact on the microfinance sector and finding possible interventions. The following challenges and impact of the situation were summarized as:

- Many MFIs were negatively affected with the withdrawals of savings and reduction in the number of savers, as they fear the financial future of their respected MFIs;
- Active borrowers dropped from 69,596 Feb 2011 down to 50,916 as of June 2011;
- Portfolio at Risk increased from 1.4% Feb 2011 up to 5.9% as of June 2011;
- Active savers decreased from 52,369 Feb 2011 down to 43,567;
- Operational self-sufficiency decreased from 119% down to 92% as of June 2011;
- Increase in prices of basic services reduced the living conditions of many microfinance clients;
- Staff morale is highly affected due to his/her vague vision, portfolio and future career;
- Some institutions are unable to fulfill their obligations to donors and partners and may reach to a stage where they fail to repay their financial obligations;
- Weak infrastructure and lack of contingency plans for some MFIs has increased the impact of the current situation.

The network expressed its role in the current situation, although the clients are dispersed due to the high risk associated with the current situation on Microfinance in Yemen. The network also outlined its role in managing the risk and its role in preparing MFIs and clients to the risk and its role in preparing MFIs and clients to face the risk. The network’s contribution to Abyan’s crises. Participants were able to share experiences on how they were affected and what actions they took, and the participants were also briefed on how to manage risk.

MFIs contributed to the workshop and gave ideas on what role the network and strategic stakeholders should play including funding organizations, the suggested actions were:
- Help MFIs launch the micro-insurance product
- Have a credit bureau for the microfinance sector
- Some form of campaign on educating the society on how to manage finances
- Provide the MFIs with some experts, offering them technical assistance in this area
- Promotion and awareness on the importance of the current situation
- Look into rural-finance; targeted clients are fleeing to rural areas for safety, what rural products can be offered
- Human resource aspect of the MFIs, how are they affected and how they can be helped
- Documentation of the current situation and keep up to date
- Ensure information exchange and dissemination
- Facilitate sharing of contingency plans amongst MFIs

The Network has prepared full documentation on the workshop, for more information visit link: The network also devised an action plan for the coming months in order to minimize the impact on the microfinance sector.

Training Course in Crisis Management and Contingency planning

In response to the workshop held on 27th of July 2011 on “The impact of the current situation on Microfinance” where member MFIs emphasized on the importance of training and the network’s role in providing relative trainings to the situation, the YMN conducted a training on “Crisis management and contingency planning” during the period 22nd to 25th Aug 2011. The YMN organized 2 parallel trainings in Sana’a and Aden with 23 participants from different MFIs attending. The training was provided free of charge to Abyan’s program as network’s contribution to Abyan’s crises. Participants were able to share experiences in crises management and prepared relative contingency plans, they also emphasized on the importance of relative trainings in the near future.

Short news on Nama’a program in the third quarter;

1. Prepared contingency plan to follow up the arrears and compose the committee and the working team to liquidate.
2. Establishment of two workshops to discuss the arrears and productivity of all staff in the program.
3. Visit of Nama’a as branch managers to Al-Amal Microfinance Bank on Azal Microfinance Program to identify the course of performance and exchange of experiences.