برنامج تنمية المنشآت الصغيرة والأصغر
Small and Micro Enterprise Development Program

رؤيةنا:
مساعدة ودعم ذوي الدخل المحدود من خلال التدريب، البناء المؤسسي و منح القروض الحسنة لتمكينهم من إنشاء مشاريعهم الصغيرة والأصغر لتحسين دخلهم ورفع مستوى الاقتصاد الوطني وتوفير الخدمات والسلع بالمناطق النائية والبعيدة عن المدن الرئيسية.

رسالتنا:
تسعى الشركة اليمنية للغاز الطبيعي المسال إلى خلق الظروف المناسبة لتأسيس برنامج إقراض مستدام بالمناطق المجاورة لمشروع الشركة وذلك بهدف تشجيع أبناء المجتمعات المحلية على تأسيس مشاريعهم الصغيرة الخاصة بهم. وتعكس أهمية الإقراض الأصغر في أنه يتيح أصحاب المشاريع الصغيرة والأصغر من الحصول على احتياجاتهم من الأموال لزيادة وتحرير فرص عمل جديدة لهم.

هدفنا:
مساعدة أصحاب المنشآت الصغيرة والأصغر وتفكيكهم من إقامة أنشطة وأعمال مديدة للدخل وتوفير فرص عمل للذكور والإناث وتسهيل الحصول على قروض من مؤسسات التمويل الأصغر.

مناطق الاستهداف:
يستهدف البرنامج المجتمعات المحلية المجاورة لمشروع الشركة اليمنية للغاز الطبيعي المسال في محافظتي شبوة و مأرب.
In the last page of our last Microfinance Magazine edition we left you with a quick thought on (Financial Education for Microfinance Clients). And here we will elaborate on this idea but while looking at the bigger picture. But first, I would like to thank the GIZ for their kind support and great efforts in building the capacity of YMN and CBY in this field. As well as the provision of training material from which we can draw and highlight The Rationale for a National Strategy on Financial Education.

Without a doubt that everyone is aware of many different initiatives on financial education implemented by various NGOs and donor agencies in Yemen. But in the absence of a nationally co-ordinated approach, these financial education initiatives tend to be patchy and uncoordinated and to lack strategic focus. However, there may be scope for building on some existing financial education initiatives when developing a national strategy in Yemen.

The development and implementation of a national strategy on financial education can potentially help to engage a broad range of stakeholders, promote co-ordination through having a single strategy “umbrella” and leadership structure – and thus harmonise the activities of stakeholders with the national strategy, provide focus and momentum – though retaining momentum can be a real challenge, set clear priorities, reduce the risk of both unplanned gaps and unnecessary duplication, demonstrate that financial education is a national priority and thus encourage the Government and Government agencies, the financial sector, donors, etc. to provide funding, and also support and strengthen the credibility of the lead organisation. Most importantly, supporting national priorities via linking financial education and other major policy goals. As initiatives to strengthen the financial literacy of the population can support the achievement of any broadly-based national priorities, including but not limited to; Economic development, a financial sector development plan, a financial inclusion strategy, promoting MSMEs, strengthening consumer protection, and strengthening the education system through modernising the curriculum).

As evidenced by results from other countries, this approach will directly enhance the complementarity of goals between financial access & financial education. Simply because, consumers who are targeted by financial access initiatives need to understand when and how to use financial products and services, understand the benefits which these products and services can bring them and their families together with the risks involved, and have confidence to use them. The bottom line is (financial access initiatives need to be accompanied by financial education).
The Yemen Microfinance Network (YMN) conducted a workshop in Beirut – Lebanon as part of its ongoing cooperation with the German Development Agency (GIZ). The workshop was aimed at developing YMN strategic business plan for the years 2015, 2016 and 2017 as well as exploring the potential partnership between YMN the Central Bank of Yemen and GIZ. The GIZ is to form a strategic alliance with both YMN and the Central Bank of Yemen.

It’s worth mentioning that YMN attended two workshops for the same purpose in Addis Ababa and Cairo.

YMN Conducts a Workshop to the Commercial Banking Sector

The Yemen Microfinance Network (YMN) organized a workshop targeting the banking sector in Yemen was held on the 19th of November. The workshop which funded by SFD and aimed to introduce microfinance (MF) industry and its developments since the initiation of its activities to the banking sector in order to engage them in MF activities as MF becoming a key aspect in the economic development of the country. This workshop was attended by several representatives and senior managers from the banking sector including the Central Bank of Yemen.

The YMN Chairman Mr. Mohammed Allai described the milestones that MF has achieved and how it has developed since its establishment. MF has become an integrated sector in the economy. However, despite all the development and growth, the MF sector still requires a great deal of support and reinforcement especially from the government in terms of the laws and legislations that regulate micro-financing as well as the monetary and financial aspects.

Then Mr. Alshami, SMED Manager at SFD, presented the achievements of the Small & Micro-Enterprise Unit in SFD specially passing the MF Strategy and MF Banks law, he stated the number of MF Clients reached 118,000 active borrowers with 702,000 Loans issued until Dec 2013. Moreover, they have worked on the Infrastructure Improvement of MF Institutions and Banks.

Mr. Ali Abutaleb, YMN Managing Director, gave a short explanation on how YMN is assisting in developing the MF sector through the trainings, studies, and researches. He also presented the YMN role in spreading MF concepts among people and government entities.

It is worth mentioning that the banks representatives expressed their great benefit from the workshop. They gained a clear vision about the MF industry through practical experiences which presented by Mr. Abbas Al-Basha from Tadhamon MF, Mr. Amr Al-Kuraimi from Alkuraimi Islamic MF bank and Mr. Muhammed Atyah from Al-Amal MF Bank.
YMN Partners with Mercy Corps

The Yemen Microfinance Network (YMN) conducted an introductory workshop on the 9th of December in Aden to introduce its new project “MORE – Maximizing Opportunities for Rural Entrepreneurs” which is executed by the Network in partnership with Mercy Corps. The workshop was aimed at introducing the project which works on developing sesame supply chain starting with the farmers until the final customer.

The project provides the complete support for the sesame production throughout its supply chain including the creation of synergies between farmers, producers and distributors as well as connecting them with the financial institutions that will support to establish a sustainable system for all members working in the sector. The 36 month program is aiming to improve incomes through strategic investments in sesame value chain and increase the income of small holder farmers and sesame oil processors.

During the workshop the Managing Director of YMN Mr. Ali Abutaleb illustrated the role that YMN plays in this project and how it will support in establishing financial products that meets the demands of the farmers and producers of this product.

On the other hand, Mr. Salahdeen Mohammed the Managing Director of the project presented the key agricultural and economic attributes for sesame as a product and how enhancing and developing the production of sesame will create further job opportunities especially in the subjected areas on which the project is executed.

Additionally Mr. Mohammed demonstrated the key financial demands and requirements of sesame farmers and how these needs can be matches by the Microfinance Institutions in Yemen.

The workshop was attended by most member MFIs working in the areas of the project that include the governorates Aden, Lahj, Al-Hodeida, Taiz and Abyan. 40 participants attended the workshop from MF institutions branches.

Worth Mentioning that the project is funded by the European Commission.

YMN and Global Communities Qualify 20 New Loan Officers

Yemen Microfinance Network (YMN) in cooperation with Global Communities Yemen conducted a training course aimed at qualifying and preparing loan officers. This training is conducted as a part of the “MENA YES” program. As loan officers are the front line of microfinance industry and play a significant role in the success of microfinance industry, this course is being conducted.

The targeted trainees were trained on “Principles of Microfinance” as a specialized training course prepared by YMN and funded by USAID and Social Fund for Development (SFD). In addition to “Principles of Microfinance” the trainees were introduced to some soft skills such as communication skills and negotiation skills.

The training course was implemented in one month starting from 11th August – 11th September 2014 in its theoretical hours and targeted a total of 20 participants. YMN is conducting this course as a part of its plan to provide microfinance sector in Yemen with qualified staff specially loan officers.

It’s worth mentioning that the participants will do a practical training with microfinance institution for one month as apprenticeship program.
Peers Exchange Program

As part of its peer exchange programs the YMN conducted its 2nd and 3rd editions in cooperation with 2 regional microfinance organizations.

The 2nd edition was done in collaboration with the Lebanese Development Association and was focused on Human Resource Management within the Microfinance Sector. The 3rd peer exchange on Crisis Management was conducted in collaboration with Alexandria Businessmen Association.

YMN Impliments a National Market Assessment on Vocational Literacy

Yemen Microfinance Network (YMN) conducted a field study which was funded by the Education Unit of the Social Development Fund. This study is part of other activities of the Vocational Literacy Program (VOLIP), a project being financed by the Islamic Development Bank. This is in accordance with an Agreement signed by YMN and VOLIP.

To continue for a period of five years, the Vocational Literacy Program (VOLIP) would be implemented in accordance with the findings appertaining to the samples of the YMN field study. Targeting four Yemeni governorates, namely, Sana’a, Hadhramout, Lahj, and Hodeida, the study incorporated 12,000 thousand field interviews and 100 focus group discussions.

A team of highly qualified academicians and specialized graduates participated in the implementation of the said study. With the intention to contribute to the alleviation of poverty in rural areas of the four aforementioned governorates, VOLIP intends to achieve that through:

1. Enhancing access to non-public school education;
2. Offering vocational training for the youth at the targeted areas;
3. Facilitating training for working mothers;
4. Granting microfinance to targeted groups; and
5. Capacity building of VOLIP beneficiaries.

It is worth noting that this US 21 million dollar Program would target thousands of beneficiaries as the training to be offered aims at qualifying this large number. That is, the number of beneficiaries, whether mother and/or youth trainees, would account for more than 8000 while other activities would benefit thousands of natives of the targeted areas.

Loan Officers Training of trainers program and Internal Audit Training

YMN successfully delivered two training program one that was aimed at training of trainers for loan officers in order to have trainers who are fully qualified with the Principles of Microfinance which is developed by YMN for Loan Officers. This course was delivered by Ms. Manal Hassoun.

The second training program was conducted in collaboration with Alexandria Businessmen Association by the trainers Mr. Salama Ibraheem and Mr. Mohammed Mahmoud. This program of internal audit provided an in depth view of internal audit, its goals, objectives and principles.

An Exposure Visit

The Yemen Microfinance Network organizes an exposure visit to Azerbaijan which will be sponsored by Sanad Fund Germany and funded by the SFD. The visit is hosted by AMFA – Azerbaijan Microfinance Association during the year of 2015 and includes a training program for trainers in Financial Literacy and Social Performance Management. The program will also include visits to the top Microfinance institutions in the country to view how these institutions implement financial literacy and Social Performance Management as tools to enhance their overall performance and increase the number of clients.

Yemen Youth Savings Initiative: Fourth Round Prize Draw

The draw for the 4th round of Youth Savings Initiative prizes took place on Monday, December 8, 2014. In this round, two big-sized prizes were awaiting lucky MF client winners. The first big prize, worth one million and five hundred YER, was won by one of Al-Kuraimi Islamic Microfinance Bank clients while the other of a lesser amount was snatched by one of Al Amal Microfinance client. Another seventy prizes were won by other clients; these prizes included laptops; iPads; washing machines; sewing machines; and free English Language courses.

Interestingly, the number of young male and female savers constituted more than 80 thousand through a period of more than a whole year. This figure confirmed the significant progress and success made by Yemen Youth Savings Initiative (YYSI). It is worth noting the Youth Savings Initiative is a regional program aiming at enhancing the culture of financial inclusion on the part of the youth whose ages range between 16 and 30 years.

Last but not least, the YYSI partners in Yemen are as follows:
- Silatech Organization
- German Agency for International Development (GIZ)
- Yemen Microfinance Network
- Al Amal Bank for Microfinance
- Al Kuraimi Bank for Islamic Microfinance
Al Amal MF Bank Participates in Arab Forum

Al-Amal Bank’s CEO presented a working paper, entitled “Small and Medium-Sized Enterprises: the Path to Economic Development and Social Justice,” at the Arab Forum which was organized by the Union of Arab Banks and held in Beirut over the period from 21-23 August 2014.

As part of the Cash Assistance Project for the Poorest Households funded by the World Food Organization and the use of the German grant, Al-Amal Bank was able to successfully complete the distribution of a 650 million YER financial assistance to cover a total number of 55,675 households in Ibb and Taiz Governorates. This process was done through 40 mobile banks and AMB network of service delivery points, reaching a total number of 355 points scattered throughout the Yemeni governorates.

On August 10, Al-Amal Bank along with the Social Care Fund, AMB’s partner in the Marginalized Financial Inclusion Project, held a special workshop devoted to the presentation of the Project’s key components and the role of partner foundations and organizations in implementing the said Project. More importantly, the success realized from holding the mothers and female adolescents training courses and the acceptance of such training courses and /or programs and participants interaction—all were highlighted and tapped on in the proceedings of the aforementioned workshop.

Al-Amal Bank received the field research team of the Eyes of the Youth Project for Monitoring the Outcomes of the National Dialogue Conference. This study is implemented by Gasara Foundation for Children and Youth Development in cooperation with the General Secretariat of the National Dialogue Conference. Through conducting this research, the Project has paid a number of field visits to public and private sector agencies and institutions. Some of these entities include Al Amal Bank for Microfinance, the Social Fund for Development, the Ministry of Social Service and the Fund for Skill Development. The purpose of such visits is to track and assess whether the objectives and achievements of such entities go in line with the NDC outcomes.

Al Amal Bank Participates in Workshop on Implementing In-depth Market Study Targeting Rural Areas Needs

Within the framework of the Inclusive Financial Service Project for Rural Areas, Al-Amal Bank along with the Fund for Economic Opportunities took part in the three-day workshop held over the period from 26 to 28 August, 2014. The workshop aimed at discussing the means for implementing an in-depth market study to define and determine the financial and non-financial needs for rural areas. This is in order to produce and create AMB products that meet rural clients’ needs and adapt to the nature of AMB’s service delivery to rural areas.

Honors Arab Thought Foundation Hadhramout MF Program

The Arab Thought Foundation held its Conference “Thought No. 13” over the period from 35- December, 2014. In the proceedings of the conference entitled, “Arab Integration: the Dream for Unity vs. the Reality of Disintegration,” Hadhramout Microfinance Program was given the Community Creativity Award for 2014. The ceremony, held in the city of Sukhirat in the Kingdom of Morocco, was attended by His Royal Highness, Prince Khalid al-Faisal, Chairman of the Arab Thought Foundation, Mr. Mohammed Amin Subaihi, the Moroccan Minister of Culture. Other attendees included number of princes and ministers as well as members of the diplomatic corps and a number of Arab scholars and intellectuals. Awards were given to 9 Arab creative and innovative entities and figures from Yemen, Egypt, Jordan, Lebanon, and Morocco who excelled in disciplines such as literature; community services; science and technology; economics; the media; fine arts; and education.

In line with the above, Hadhramout MF Program was honored at the Conference in recognition of making great progress in the delivery and provision of funding, that is, it achieved a funding delivery rate of 120% between 2013 and 2014. On this occasion, Mr. Abdurrahman Al-Saqaf, the Program’s BOD Chairman and Director of Al Nadhah Social Association, delivered a speech in which he shed light on that “Since establishment in 2000, Hadhramout MF Program has been able to give out (19, 296) funds to outreach a total of (12, 287) males and (7, 009) female beneficiaries.

Training Course on MF Principles

Hadhramout Microfinance Program concluded its training course on microfinance principles. Held over the period from 813- November, 2014, the training course was attended by 16 male and female specialist participants from Say’oun, Al-Mukalla, Treem, Al-Qattan, Al-Shihr, Al Hami, Shabwah and Al Mahrah. Co-financed by Yemen Microfinance Network and Hadhramout Microfinance Program, the course was delivered by Mr. Munir Al-Farhan, a specialist trainer.

Inspection and Partner-oriented Visits

Mr. Abdurrahman Al-Saqaf the Program’s BOD Chairman and Mr. Abdalgader Al-Sa’qaf, BOD Vice Chairman, and Mr. Fawzi bin Mahfouz Zeila’s, Program’s CEO, paid an inspection visit to Al Mukalla and Al Shihr branches in mid-November 2014.

They also paid a visit to the Program’s partners, being the Democratic Youth Foundation at Atteq of Shabwah Governorate and Al Hami Volunteer Forum. During their visits to the branches and partners, they were briefed on the course of work, discussed some of the work problems and reached appropriate solutions in this respect.
Nama’a MF Program: Advancing from a Program to a Foundation

With the intention to improve performance and under its strategy, Nama’a Microfinance Program was promoted into Nama’a Microfinance Institution as a first step for furthering advancing and promoting into Nama’a Microfinance Bank. Within this rapid advancement, the Institution has carried out a number of functions and activities:

1. Nama’a held its second meeting for branch and area managers at Ibb Governorate in order for attendees to discuss and assess overall performance at branch and area levels and to develop a strategy geared for improving and galvanizing performance over the forthcoming phase.
3. Nama’a institution drafted the outstanding employee and client list in bid for encouraging and motivating them to perform their work in a creative and innovative manner.
4. During the fourth quarter of 2014, Nama’a held three workshops for improving its management focus and at the same time, taking into consideration the principles of its client protection and bettering its current products so as to deliver the best services to potential beneficiaries.
5. Nama’a launched its new product under the name of « The Product of Challenges » targeting groups of special needs. The product, having special features, intends to stimulate these groups to play a positive role in making advantage of microfinance services and accordingly, improve their living standards along with pushing forward the process of development in targeted areas.
6. Nama’a’s Director General paid a visit to the governorates’ branches to follow up on their performance and solve any problems encountered by such branches.

Aden Microfinance Foundation ... Constant Progress

• In the workshop held by Aden Microfinance Foundation for its staff, the attendees discussed what has been achieved over the year as per the set Annual Plan and shed light on the obstacles and difficulties holding the Foundation back from outreachng its targeted groups. Following that, in-kind prizes were awarded to those branches accomplishing a production rate of 100%. It is worth noting Aden MF Foundation achieved tremendous progress. For instance, as of the end of September 2014, the Foundation’s portfolio accounted for an amount of (972, 941, 073 YER while loan repayment was rated at 100%. Similarly, while in September 2014, its active clients totaled to 14, 266, the total number of given out funds as of the end of September 2014 accounted for 2893 loans, totaling to an amount of 275, 818, 055 YER; this amount included also relevant fees.
• Moreover, in 2014, the Foundation was capable of carrying several activities; most included the followings:
  - The Foundation held a training course, entitled « Success Equation.» This on-the-job training targeted all of the Foundation’s staff.
  - It launched extensive advertising campaigns not only to cover all Aden’s markets and malls but also target social networks. This is in order introduce its services to more targeted groups and social segments.
  - It further improved and developed its “School Bench Product.” This product aims at covering the fees of school children of poor families while repayment is in accordance to a very comfortable and simple installment method.
  - It created partnerships with training centers in order to enhance and improve youth qualifications, skills and competences, which would qualify them to find jobs and set up novel enterprises to embark into new markets.

Microfinance Market 2015 Outlook

The responsibility Investment AG issued its fifth edition of the «Microfinance Market Outlook». The report provides an in-depth outlook of microfinance markets for the next five years and reviews the development of these markets in the past five years. It evaluates the development of microfinance in the future on the basis of interviews conducted with 32 experts from major microfinance markets including decision-makers at MFIs and rating agencies, investors, and advisors. The report also provides an analysis of microfinance markets using a model based simulation to assess potential levels of demand for the period to 2019. In addition, it discusses the investment universe and offers an economic outlook for target markets in 2015. Key highlights from the report include:

• Global microfinance markets should once again achieve growth of 15-20% in 2015;
• Microfinance countries are likely to grow at twice the rate of developed economies;
• Institutional environment for MFIs is improving, both in terms of regulatory supervision by the authorities and market infrastructure;
• There is need for stricter risk management on the part of MFIs as well as the asset managers investing in them;
• Local sources of financing are becoming increasingly important and although international investors continue to play a major role, MFIs are seeking to focus on a smaller number of stronger financing partners.

For reading or download the hole report you can visit the YMN website and click the link below:

http://yemennetwork.org/content.php?lng=arabic&id=616
Azal Islamic Microfinance Program’s Activities Improved Last Quarter 2014

• By using a grant from the Social Fund for Development, Azal Islamic Microfinance Program installed a central network in order to link its various divisions and components together. It also finished the field survey which aimed at determining consultation and training needs of clients expecting to have decent living. Building upon the survey findings, the program intends to target 50 client farmers of Bani Hashish and offer them with practical and theoretical training. Needless to say, the Program has already finished drafting its 2015 plan and budget via the use of the Balanced Scorecard approach.

Estathmer Program to Qualify a Number of CSO’s

• In mid-2014, the YLNGEstathmer Program for Small Microfinance Enterprises implemented a training program conducive for qualifying a number of CivilSociety Organization active in Shabwah and Ma’erb Governorates. The training program was sponsored each governorate’s local authority and the governorate Social Affairs and Labor office along with the collaboration of theWomen’s Development Association in Shabwah and Al Wadi Association in Ma’erb. The training program addressed issues related to microfinance, development work and management fundamentals.
Microfinance Institutions (MFIs) stand to benefit in several important ways from reporting social performance indicators to MIX Market. As MFIs reach for diverse goals—whether growth, funding, regulation, or transformation—they continually need ways to publicize their performance results and communicate their mission. Simultaneously, the industry recognizes that microfinance does not inevitably produce social returns, so MFIs are called to demonstrate the social outcomes of their programs. Since February 2009, MIX has provided microfinance institutions a forum for reporting important social performance (SP) outcomes, and now makes this information available to investors, donors, and the general public. Benefits to MFIs that report social performance outcomes include:

1. **Attracting investors**: Investors want a full and accurate portrait of the institutions they support. They want to put their money behind the best institutions, not the best storytellers. Anecdotal evidence of poverty alleviation is no longer an accepted substitute for systematic measurement and reporting.

2. **Attracting donors**: Donors must appeal to their own stakeholders. They use SP data provided by MFIs to report annual results, attract additional sources of funding, and build their public image. Donors will prefer MFIs that supply them with clear, practical data—especially annual data—that demonstrate progress over time.

3. **Identifying risks and opportunities**: The MIX SP indicators cover the most important aspects of an institution’s social performance, helping MFIs: reflect on which areas of their performance are weakest, or have been ignored; and start an internal conversation about potential SP initiatives. Identifying current practice can help MFIs reduce risks related to reputation, mission drift, and client protection in particular.

4. **Building institutional reputation**: MFIs have come under increased scrutiny. Stakeholders from microfinance clients to development agencies demand greater transparency and measurable results that demonstrate the effects of microfinance on the poor. This rising wave of scrutiny will only grow stronger; it is essential that individual MFIs demonstrate their commitment to the social outcomes of their work, not only to investors and donors, but also to the broader public.

"We report in order to inform double-bottom line investors of our social achievements. We want to be accountable and to attract funding from socially-oriented investors. We also recognize that the microfinance industry is gaining negative attention from the media, general public, and political leaders. For the industry to contest reports of exploitative and socially-harmful practices, it must demonstrate its positive social outcomes that contribute to the building of healthy societies."

- Small Enterprise Foundation (SEF), South Africa
“Social Performance reporting should be as important to an MFI as financial reporting. Neither tells the whole story alone. Internally, we need to know whom we are reaching and if we are changing lives. Investors and donors deserve to know as well.”
- Evangelical Social Action Forum (ESAF), India

“The MIX is a global platform where we demonstrate our social values and hold ourselves accountable for our mission of creating opportunities for marginalized women, youth, and children. Additionally, social performance management and reporting keeps a check on our strategies, planning processes, products, and programs, which in turn helps us assess the changing needs of the community.”
- Evangelical Social Action Forum (ESAF), India

5. **Building industry reputation:** Similarly, MFIs have a vested interest in building the reputation of the industry as a whole. Data reported to MIX Market can create a sense of “truth in advertising” for the industry, as claims of social performance are documented and substantiated.

6. **Analyzing performance & trends:** The discipline of reporting available SP data to MIX Market may prompt MFIs to keep better records of their performance, compare performance against stated objectives, and analyze SP trends over time.

7. **Justifying investment in SPM:** MFIs may not be able to justify the cost of gathering SP data unless they know it will be published and used by investors, donors, and/or other stakeholders. Additionally, the reporting process itself may spur the institution to step back from daily operations and consider new strategies and initiatives that will improve SP outcomes.

8. **Identifying learning tools:** The Social Performance Task Force publishes an SPS Report Companion Resource Guide that identifies the resources (guides, case studies, tools, etc.) available to help MFIs improve on each of the SPS Report indicators. MFIs that use the report to help identify areas of weakness, can consult the Guide to strengthen these particular areas.

**About The Social Performance Task Force**

The Social Performance Task Force consists of over 1500 leaders from all over the world from every microfinance stakeholder group: practitioners, donors and investors (multilateral, bilateral, and private), national and regional networks, technical assistance providers, rating agencies, academics and researchers, and others. Created in March 2005, the Task Force has been charged with clearly defining social performance and addressing questions about measuring and managing social performance.

“We have benefitted because the exercise of collecting the information and seeking to meet the requirements of the MIX social performance report prompted our institution to draft an internal work plan to improve our social performance measurement tools.”
- Fundación Paraguay

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**SpotLights**

- [MIX Market](http://www.themix.org/social-performance/Indicators)
- [Putting the ‘social’ into performance management: A practice-based guide for microfinance](http://www2.ids.ac.uk/impact/)
- [The Social Performance Task Force](http://www.sptf.info)
Taqwa Hussein Al Habbabi is a woman who strived and is still doing her best to maintain a decent living. Born in the late '1960s, she is hard-working with an insight and great ambition and determination to achieve the best of life. She used to live in rented houses and was dependent on the care and support of her husband. As a soldier, her husband with an average income used to hardly meet the basic needs of his family—his wife; two boys and two girls. As living expenses started to rise, life grew harsher and harsher and messier, her family started to face hunger and poverty and might face lethal consequences, Taqwa decided to act quick and not stand there defenseless. She started doing craft work by using cotton and fiber materials and strips of plastic bags. Following the manufacturing of bridal masks of colored beads, she began to learn how to design and sew women and girls dresses which she then sold to those women clients she knew such as her female relatives and women in her neighborhood. By doing so, she was able to defeat poverty and struggled to have a better living and provide her family with sustenance.

Later on, she did not stop there. That is, she was not sufficed by making a living only but aspired to achieve more progress. She thought of obtaining a fund in order to start up a project that could generate better income.

The Starting Point
Mrs. Al Habbabi said that she started her businesses when she learned that there were MFIs offering funding services. « I decided to borrow an amount of 20 thousand YER to buy an expensive dress which I showed to a number of families and the dress was fortunately sold. Then, I got another loan and bought more dresses and sold them making a good profit. I kept on buying and selling dresses and progressed in doing so to the extent that one of the rooms of the house was filled with all kinds of beautiful and unique dresses which were sold at a significant profit. »

Hair dressing and Beauty Services for Brides and Ladies
Then I thought of starting up another project. That was the foundation of a beauty salon/ center providing all kinds of beautifying and treatment services to brides and ladies.

I borrowed an amount to buy the tools and equipment for offering good quality services. I bought good quality Gulf makeup. Services include all types of new fashion hairdos: Indian hairstyle using Arabian jasmine over hair to make a beautiful look; all sorts of hairdressing upon client request; all sorts of hair highlighting or lowlighting and dyes. The center offers various decorations services such as the Sana’ni style using Indian, Hodeidai and Gulf henna. My center has become famous in the Capital Trust of Sana’a.

Incense and Perfume Manufacturing
Taqwa Al Hababi continues marching forward and setting up new enterprises. She thought of improving her bridal and lady-based services. Thus, she borrowed an amount of money from one of the MFI’s to establish a small section for perfume and incense production. Along with selling all sorts of beauty care products, she sells perfume and incense products as well in this section of her beauty center. She sells in wholesale or retailing and distributes her products throughout Capital Trust and a number of governorates. She even exports some of her products to some Arab countries such as Saudi Arabia and the United Arab Emirates, in particular Dubai. At the Capital Trust, products are distributed to Taqwa’s client stores or via some women whom Taqwa does business with.

Mini-Grocery Store
She also founded a mini-grocery store in which her husband, nicknamed as Abu Mohamed, runs the business. She also hired another worker to help her husband as this worker has a family to look after. It is safe to confirm that Taqwa’s career is highly baffling and extraordinary. Not only did she set...
up women-oriented projects but applied also for a fourth loan by which she used the fourth loan found a grocery for her husband and hired a monthly salaried person who has a family to care for and support.

Domestic LPG Sale Center

Taqwa aspired for more progress. She said, « I requested one of the MFI’s to buy me 100 gas cylinders and wheelbarrows. After opening the LPG sale center I hired one employee to run the center and two to sell gas cylinders by roaming among neighborhoods with those cylinders on top of the wheelbarrows.»

**Chicken Slaughter house**

She continued her talk on her various projects by saying, « I then opened a shop for selling and slaughtering chicken. Fresh hen are bought on daily basis from the poultry market and then either sold live or slaughtered and sold to clients. The worker running this business starts work at 6 in the morning and continues to 2 in the afternoon. Business in this shop relies on the number of frequenting clients and its gains or revenues depend on the price of purchasing and selling of each hen. The worker is paid one thousand YER daily; he also has a family to sustain.

**Wedding Dresses**

The models or styles of dresses to be made is decided and determined by Taqwa ( nicknamed as Um Mohamed) and her daughters as well as other specialized women who do the sewing and embroidery work. Taqwa explains this business by saying, « I buy large quantities of cloths for making bridal dresses. Then work is distributed among the designer, tailor, and embroiderer. Also some cloth is given to the glove maker to make bridal gloves; and to the mantilla maker to make the bridal veil and mantilla; to the wedding roses and bridal baskets maker, etc. My dressing making team is able to design and make any bridal dress with all necessary accessories of any model or style upon a client’s request within a period of three days.»

**Girls’ Dresses**

Making little girls dresses is another business. First cloth is purchased and then we determine the type of dress model; then, cloth with the dress model is given to female dressmakers at their homes to make the dresses. We also set a fixed and standard price for a set of dresses. After that, we do the embroidery work on dresses as required and distribute them street-sellers in different markets or to the houses of packwomen.

**Sewing Tools and Accessories**

Practicing more business activities, Taqwa said that she buys many sewing tools and various types of accessories in wholesale and then sells them in retailing to shops and dressmakers. She adds by saying, « We also use these materials in our embroidering work and other handicrafts-based products. I would like to emphasize that the total amount or charges for bridal accessories, makeup, hairdressing and other beautifying services may range between 20,000 to 40,000 thousand YER.»

**Domestic-Made Bread and Lahoh**

Domestic-made bread and injera/ lahoh is another business practiced by Taqwa. She said, « We make domestic-made bread and lahoh at home. We distribute loafs to groceries, restaurants and various markets. We sell 100 loafs every day, each is worth 50 YER: meaning, 15,000 =30 * 100 * 50 YER. Thus, out of this business, I make 15 thousand YER per month, an amount which is enough to support a whole family.»

**Sheep and rabbits Raising**

She also raises sheep and rabbits and sells them making a profit out of sale rate differences.

**All Sorts of Sweets Production**

She enters into contracts with ladies to prepare various types of home-made sweets, including all sorts of cake; stuffed-fig biscuits; all sorts of Levant sweets; all kinds of gateaux, etc.). These sweets products are then sold to sweets shops and stores.

**Handicrafts Products**

Handicrafts are made by Taqwa and her daughters and some other really active women specialized in this craft. Taqwa says, « I then show these products and sell them to interested clients. These products include flowers of a Yemeni style (that is to say, from the Yemeni heritage); others include modern bridal roses and flowers; decorated candles; wedding decorated baskets. We make henna conic tubes to be filled with henna to be used for henna decorations. Along with decorating bibelot and gifts, we make wall portraits and design and decorate the wedding chairs for the bride and bridegroom; and make decorations for fabric and cloth shops.

**Soccer Table Game**

These soccer table games were purchased by a loan taking from one of the MFI’s. Taqwa stated that, «This game is for young people. From this business, I make excellent income, especially which this business does not need to rent a shop or place. I mean these soccer table games could be positioned on the sidewalks. I set up this project recently and its daily income is 3000 YER per day and the least daily rate is one thousand YER a day.

**Transportation Means and Water Delivery Enterprises**

Taqwa bought a mini-bus, taxi, motorcycle and water truck. All of these provide her and her family with high revenues on daily basis.

**MY Gratitude is Due to MFI’s**

Expressing her high gratitude and appreciation to MFI’s Taqwa said, «Many thanks are due to Allah for His countless bounty and generosity. I would also like to convey my deep thanks to MFI’s for offering me the support and loans to achieve the present status.»
Microfinance Client: Mohamed Saleh Almena’e
Three Times Borrower

Business Type: Spice Shop;
Location: Sixty Zone Near the Gate of Ali Muhsen Market;
Initially Invested Capital: His capital at the beginning of his business was 2 million YER.
Business Outset Activities: In 2000, Mohamed started doing business which was limited to small quantities of spices stocks.

Mohamed’s business project was scrutinized and examined by one of the MFI’s for the feasibility of its financing. Some enterprise financing consultants and specialists in the Yemeni market were approached to assess the project and give their opinion on market and client demand for spices. Focus was also given to the provision of spices mostly demanded or wanted by clients. Other issues addressed were the search for suppliers of high quality spices with the most reasonably appropriate prices. A feasibility study, therefore, was conducted on the project in order to determine its implementation worthiness and development. Emphasis was also placed on its points of strengths in order to start business.

First Funding: Mohamed was approached by one of the MFI staff. The employee was entrusted to persuade the client (Mohamed) to accept a loan worth one million and eight hundred thousand YER to expand his business through the provision of diverse types of spices. Owing to careful and good selection of quality types of spices and the provision of high-sale rate and most desired spices by many clients, sales rate increased along with the increase in the number of customers frequenting Mohamed’s shop. This increased Mohamed’s profit and thus, enabled him to pay back the first funding.

Second Funding: Mohamed applied for a second loan accounting for (3,500,000) three million & five hundred thousand riyals YER in order to expand his business. This time, he used this loan to provide food products (such cooking oil; sugar; rice; milk; canned food; and other consumer goods and products. By the provision of these commodities, Mohamed’s business expanded, sale rates rose significantly, leading to the increase of the capital to (8,000,000) eight million YER. All of that enabled the client to effectively compete in the market and repay all of due installments of the second loan on time. More importantly is that standard of living of Mohamed and his family improved and he was able to purchase a piece of land.

Third Fund: Following that progress, Mohamed applied for a third loan worth (2,000,000) two million YER with the intention to increase his capital, improve his business sales and activities and make more profit. As such, he was able to build a house on that piece of land previously purchased. Accordingly, it stands to reason to emphasize that Mohamed as an MFI’s client, was enabled to set up a holistic project, obtain a better living standards, build a house for him and his family, possess a growing source of income to make a living and permanently support his family.

Microfinance in Yemen “Future Vision”

A publication titled Microfinance in Yemen “Future Vision” was recently issued by Mr. Muhammed Saleh Al-Lai chairman of the Board of Directors of The Yemen Microfinance Network (YMN). The publication was issued in Arabic and English language. The most important subjects that the book touched on are Phases of microfinance Growth in Yemen and Strategic Requirements for Microfinance Industry Development. The publication also determined the roles of relevant entities towards implementing the vision from governmental and private sectors like Central Bank of Yemen, Banking sector, non-Financial Institutions and Ministries. Yemen Microfinance Network (YMN) published a summary of it in the second version of the Microfinance Magazine.
The Business of Doing Good

Why do so many microfinance institutions, seeking to improve lives, fail short – and even end up harming those they try to help? This is the central question tackled in The Business of Doing Good, which outlines some practical steps for a new approach to doing good, and doing well, in the marketplace.

The costs of getting it wrong have never been higher. With public concern about poverty combining with increasing distrust of charity or government to make a difference, (and a backlash against MFIs where they are seen to harm clients), The Business of Doing Good reveals some insights about how organisations can improve their impact. Just a few small changes to the way that organisations engage with their clients, manage their staff, and structure their business model can make a dramatic difference to the lives of the people they serve.

"Charities, social enterprises and businesses of every shape, size and orientation are in the business of going good – working with poor and vulnerable communities around the world, to try and deliver potentially life-changing services to clients, manage their staff, and structure their business model to make things happen rather than accepting conventional wisdom that it can't be done."

That’s the view of Anton Simanowitz, co-author of the book. The Business of Doing Good charts the course of AMK, a remarkable and profitable Cambodian MFI that has, with single-minded purpose, made radical choices and reached many organisations were failing, and wanted to consolidate their experiences of which organisations worked – and why. They discovered they were simple solutions that can be applied to all businesses with a social mission.

These insights outlined in the book cover:
- How to get to grips with the realities of clients’ lives, and deliver products that address their real needs.
- How to stop good products getting ‘lost in translation’ through the people that deliver them, so that the reality on the ground matches aspirations.
- Building a business that works, being clear about what needs to be achieved, and innovating to build the business model to make things happen rather than accepting conventional wisdom that it can’t be done.
- How all organisations can deliver social as well as economic value, and how local organisations can become self-sustaining, dynamic contributors to overcoming poverty.

"When organisations enter into the lives of poor and vulnerable people, there is a moral and ethical imperative to make good on good intentions, and not to make people’s lives worse as a result. This book shows how it is possible,“ said Katherine Knotts.
- Visit the website: http://www.thebusinessofdoinggood.co.uk
- To learn more about the book: