



شبكة اليمن للتمويل الأصغر  
Yemen Microfinance Network

Unemployment  
Partnerships

منتجات مبتكرة  
تخفيض

معدلات الفقر والبطالة

Micro  
منتجات مبتكرة  
ترويج

شبكة اليمن  
تخفيض  
معدلات الفقر والبطالة

شراكات  
Production Innovation Opportunities for All  
Social Responsibility  
تبادل المعلومات  
Promotion of the Sector  
شراكات Partnerships

Micro  
منتجات مبتكرة  
ترويج  
شبكة اليمن  
تخفيض  
معدلات الفقر والبطالة

تتميز  
Good Governance  
Social Responsibility  
تبادل المعلومات  
Promotion of the Sector  
شراكات Partnerships

التمويل الأصغر  
Good Governance  
Social Responsibility  
تبادل المعلومات  
Promotion of the Sector  
شراكات Partnerships

Capacity Building  
Seep Report

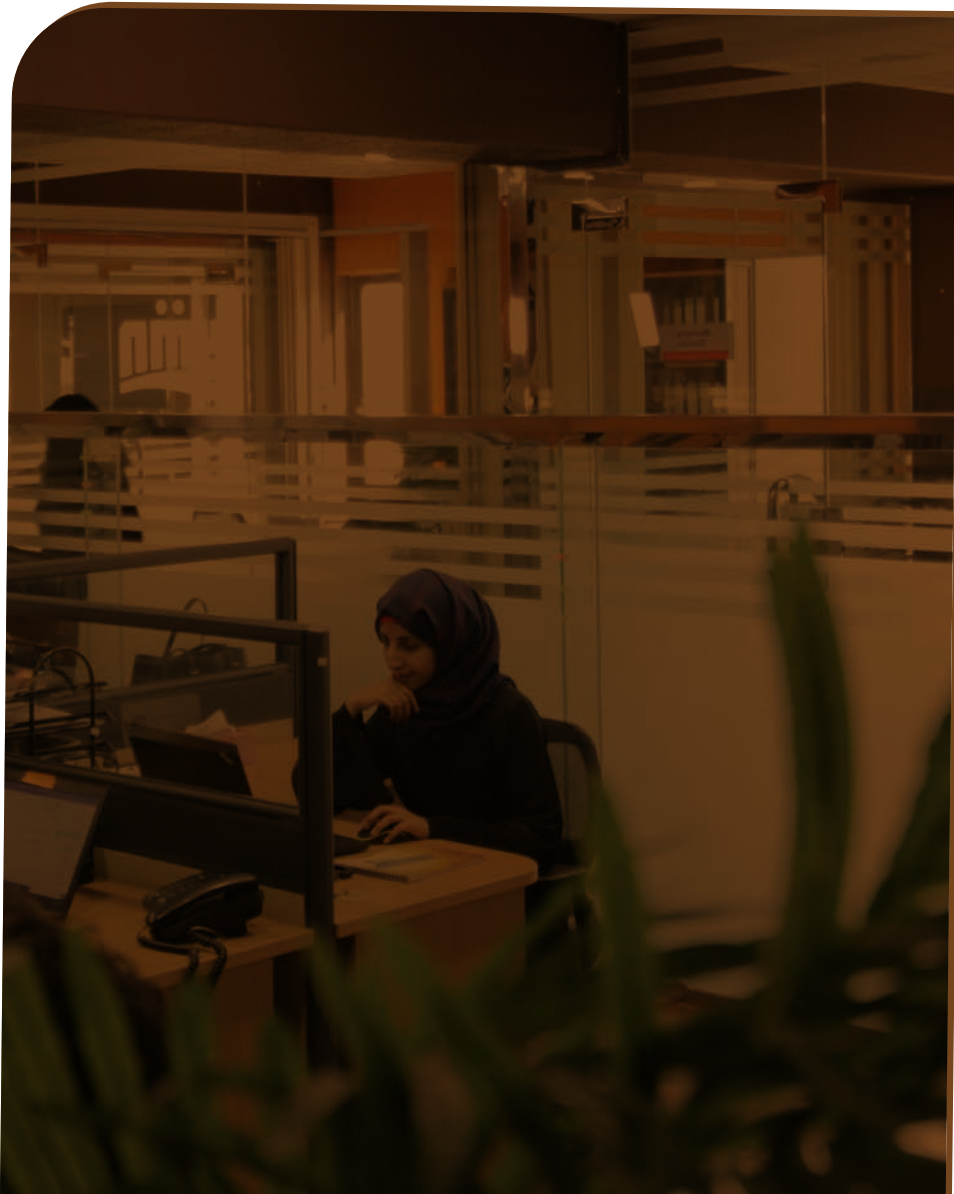
بناء القدرات  
Micro

ترويج منتجات تبادل  
Promotion of the Sector  
الوصول للتمويل للترويج للقطاع  
Information Exchange

2017

ترويج منتجات تبادل  
Promotion of the Sector

Capacity Building



ANNUAL  
REPORT

# ANNUAL REPORT

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## Donors & Partners



## Strategic Donors & Partners



## A message by the Chairman of the Board of Directors

Dr. Hamid Mohammed Al-Amrani

Dear Members, Friends and Partners of Yemen Microfinance Network,

The year 2017 was unique to the Yemen Microfinance Network, with increased support and cooperation from its members and partners, led by the Social Fund for Development (the key sponsor of microfinance industry in Yemen). The beginning of 2017 marked a robust start for our network, which executed a host of critical activities and services in several areas including training & capacity building, research & studies, advocacy, transparency, promotion & information exchange. As well as the implementation of several other significant projects including but not limited to the large "Supporting War Affected Microfinance Clients". In 2017, the BoDs ensured a strong comeback of training activities provided by YMN with support from the SMED Unit at SFD. What was new in this year was the expansion of trainings to other governorates such as Aden and Hadhramout in order to scale up the benefits of training for all member institutions across Yemen without the need to travel to Sana'a given the current difficulties in travelling between governorates. Another milestone was the completion of the development of sesame value chain (MORE Project) jointly implemented by YMN and Mercy Corps. At the institutional development level, enhancing corporate governance at YMN was one of the most important achievements in 2017, where the Board of Directors and the Control & Inspection Committee have undergone trainings on governance aspects according to the best international standards. In addition to the development and adoption of a BoD Code of Conduct, and work will continue in 2018 to update the board's policies and work manual.

YMN's Transparency & Information Exchange activities also witnessed a boost in 2017, including the launching of monthly newsletters to promote updates and news from members and the industry. In addition to the publication of three editions of YMN's Microfinance Magazine. Moreover, an online portal on industry performance indicators has been developed, while the annual "Member of the Year Award" was reinstated in 2017 following two years of suspension since the war erupted in 2015. And on the research side, YMN executed a second assessment on the "Impact of War on the Microfinance Sector". And as per the 2017 plan and YMN's Strategic Goals, Advocacy & Lobbying were an important focus area to align directions and bring all stakeholders to one table.

Finally, on behalf of the Board of Directors, I present to you this report which illustrates the performance and achievements of YMN throughout the year 2017, and I'd like to thank all YMN members for their continued cooperation towards achieving the goals & objectives of the network. We are also grateful to all our partners and donors, particularly the Social Fund for Development, for their unwavering support for YMN, its member MFIs, and the microfinance industry in Yemen as a whole.

## About YMN

**YMN is a non-profit national NGO established through joint efforts by the Social Fund for Development (SFD) and the United Nations Development Program (UNDP) in August 2010 to form the first national microfinance association in Yemen. YMN members mark over %90 of Microfinance Institutions (MFIs) in the country including microfinance banks, foundations, programs, and several non-financial service organizations operating in Yemen.**

**As a member based organization, YMN serves its members through institutional training & capacity building, transparency & information exchange, research & development, advocacy & lobbying, and promotion of microfinance and entrepreneurship.**

**The network serves as a common platform for MFIs and all stakeholders in the sector to operate, grow and develop their financial services and to increase the geographical outreach of financial services targeted at a large segment of the population including the low and limited-income people, productive households, and micro & small entrepreneurs of both genders.**

**Vision: Microfinance Opportunities & Financial services are available for all limited-income Yemenis.**

**Mission: To establish a solid platform for a responsible microfinance sector and empower our members to meet the needs of all limited-income people in Yemen.**



Strategic Goals  
&  
Objectives



## Strategic Goals & Objectives

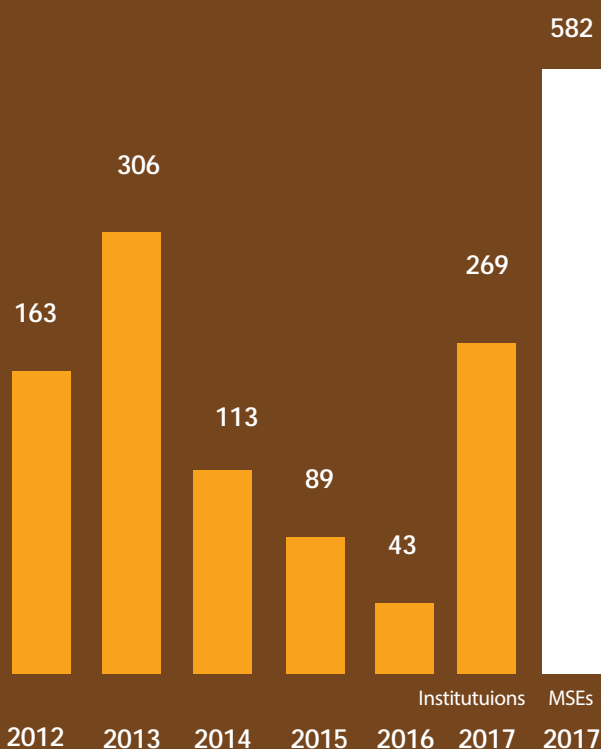
- To remain a responsive, effective, and recognized influencer in the microfinance sector.
- To build the capacity of our members to better respond to the needs of targeted groups.
- To sustain a platform for development and exchange of information for all industry stakeholders.
- To advocate sector needs and members' issues at the regulators and policy makers level.

# Training & Capacity Building

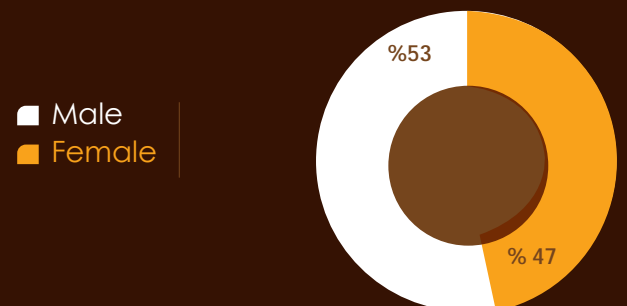
Training & Capacity Building is a core mandate and activity offered by YMN to its members throughout the year. The Training & Capacity Building Unit at YMN focuses on providing technical training programs and tailored courses based on training needs assessments and targeted at all managerial levels within member MFIs.

During 2017 as many as 269 participants from various institutions received technical trainings by YMN. In total, 19 training courses for MFIs were implemented across the three governorates of Sana'a, Aden and Hadhramout.

Additionally, and through the "Maximizing Opportunities for Rural Entrepreneurs in Yemen Project" which focuses on enhancing the efficiency of the Sesame Value Chain, YMN trained more than 582 project beneficiaries in four targeted governorates (Aden - Lahj - Abyan and Hadhramout) including sesame farmers, sesame oil and food producers as well as marketing groups in the four governorates during the last quarter of 2017. In other words, the year 2017 is considered the most active year and a record breaker in terms of the total number of beneficiaries trained by the network as illustrated below.



## Training Participants by Gender in 2017

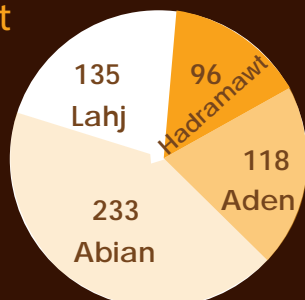




Course Title	Number of Participants	Place	Duration
Principles of Microfinance	6	Sana'a	February 6 - 16
Accounting for Non- Accountants	13	Sana'a	February 20 - 23
Risk Management	17	Sana'a	March 6 - 9
Principles of Microfinance	24	Aden	March 6 - February 26
Advanced Internal Auditing	14	Sana'a	March 19 - 23
Strategic Planning	16	Sana'a	March 9 - 12
Administrative Reports	18	Sana'a	April 16 - 20
Microfinance Product Development	18	Sana'a	April 23 - 27
Donor Project Proposals Writing	14	Sana'a	May 8 - 11
Peer Exchange Program	11	Sana'a	June 13
ToT – Financial Literacy	4	Sana'a	July 10 - 13
Feasibility & Market Studies	20	Aden	July 23 - 27
Marketing for Microfinance Institutions	7	Sana'a	July 25 - 27
Principles of Microfinance	23	Sayoun	August 5 - 15
Institutional Evaluation & Decision-Analysis	9	Sana'a	August 14 - 16
Human Resources Management	9	Sana'a	September 23 - 25
Customer Service	14	Sana'a	October 8 - 10
Financial & Administrative Reporting	15	Sana'a	30 October - 1st November
Advanced Internal Audit	12	Sana'a	November 5 - 9
Peer Exchange Program	5	Aden	November 21

The following figure shows the geographic distribution of beneficiaries :

## Geographic distribution of Trainees of the MORE Project



## Transparency

&

Information Exchange

New Monthly newsletter on microfinance news and updates :

Starting in 2017, YMN began publishing brief monthly newsletter on the industry. The monthly newsletters are shared and distributed to a large number of recipients and stakeholders highlighting the industry and members' updates, events, and major activities.

YMN's Microfinance Magazine

Three issues of the Microfinance Magazine were published in 2017, and included Informative reports from the field on topics such as mobile banking development and rural finance, as well as news and updates from the industry and members.

New Microfinance Web-Portal

Since 2013, YMN envisaged the launching of a dedicated online web-portal that provides instant access to data and insights into the performance of the microfinance sector in Yemen. This was realized in 2017 and now all stakeholders and interested parties including members, donors, regulators, researchers, and the public in general have access to an up to date portal of information at [www.ymndata.info](http://www.ymndata.info) .





### Peer Exchange Programs and Activities

Sponsored by the Social Fund for Development, YMN organized two Peer Exchange workshops in 2017 in Sana'a and Aden. The objectives were to get members from different regions to present and share experiences, challenges, and selective expertise in various aspects within their organizations.

The first workshop was organized in Sana'a and included presentations by the National Microfinance Foundation and Azal Islamic Microfinance Program in which the two MFIs presented to participants from most member MFIs their experiences related to operations and risk management as well as development of new financial products during the war. A second similar workshop was also organized in Aden during November 2017 and was attended by several MFIs.

### 2018 Member of the Year Award

Yemen Microfinance Network has reinstated the Member of the Year Award for the first time since the war broke-out in 2015. The Award is awarded to the most active institution among YMN's members, and measured annually based on a detailed set of criteria. The Member of the Year Award seeks to promote and motivate fair competition among member MFIs to enhance performance and productivity.

Research & Development is high on the agenda of YMN to effectively meet market and members' needs. The network usually utilizes local and international expertise to carry out the planned researches and market assessments. And as always YMN's strategic plans also focus on product studies to assist members in providing new microfinance products that respond to the changing needs of target group, as well as continuously assessing the rapid changes influenced by the current instability in the country.

### **1- Second Impact Assessment of War on Microfinance Industry in Yemen**

In 2017, YMN implemented the second nationwide assessment of the impact of war on the industry and MSEs sector, and nearly three years after the first assessment in 2015 - 2016, MFIs are showing higher resilience and adaptation to continue provision of their services despite the extreme difficulties and challenges. The study arrived at a set of conclusions and recommendations as well as envisioned a future road map.

## Types of businesses surveyed in the study

Survey Sample by MFI & Business Sector		Business Sector						Total
		Industrial	Handi-craft	Comm-ercial	Agri-cultural	Services	Consum-able	
National Microfinance Foundation	#	10	20	131	128	171	91	497
	∅	%7	%1.3	%8.7	%8.5	%7.8	%6.1	%33.1
Azal Microfinance Program	#	1	14	88	3	38	3	147
	∅	%1	%9	%5.9	%2	%2.5	%2	%9.8
Union Microfinance Program	#	2	5	44	10	44	16	121
	∅	%1	%3	%2.9	%7	%2.9	%1.1	%8.1
Tadhamon Microfinance	#	0	1	15	4	22	58	100
	∅	%0	%1	%1.0	%3	%1.5	%3.9	%6.7
Kuraimi Islamic Microfinance Bank	#	5	5	70	3	38	8	129
	∅	%3	%3	%4.7	%2	%2.5	%5	%8.6
Hadhramout Microfinance Program	#	6	6	44	56	68	84	264
	∅	%4	%4	%2.9	%3.7	%4.5	%5.6	%16.7
Aden Microfinance Foundation	#	1	0	20	0	24	17	62
	∅	%1	%0	%1.3	%0	%1.6	%1.1	%4.1
Nama'a Microfinance Foundation	#	8	9	92	6	65	0	180
	∅	%5	%6	%6.1	%4	%4.3	%0	%12.0
Total	#	33	60	504	210	416	277	1500
	∅	%2.2	%4.0	%33.6	%14.0	%27.7	%18.5	%100

## Advocacy & Lobbying

### **Establishment of the Microfinance Working Group :**

YMN in coordination with SFD and UNDP have joined efforts to set up a **Microfinance Working Group** within UNDP's Early Recovery Cluster. The goal of this specialized working group is to further integrate activities and work of microfinance institutions in Yemen within UNDP-supported activities.

### **Industry-Related Workshops:**

**Impact of Currency Fluctuation on FI's Financial Statements.** A workshop to discuss volatile exchange rates and its impact on financial statements of banks and financial institutions was implemented in the first quarter of 2017. The event was organized in cooperation with the Association of Chartered Public Accountants (YACPA) and witnessed a large number of participants from the financial and banking sector as well as the Central Bank of Yemen.

### **Periodic Meetings with Members :**

Two meetings were convened with the network members in 2017. **The first one was on May 8th** and was devoted to review ongoing preparations for the launch of a national mobile banking campaign, while the second meeting was dedicated to discussing the preparations to implement the "Supporting War Affected Microfinance Clients " project.



### YMN BoD: Corporate Governance Training Workshop:

As a continuation of YMN's work on enhancing corporate governance a training workshop on corporate governance was organized for YMN's new board of directors and committees in July 2017 in cooperation with the GIZ and the Social Fund for Development. The training was another step forward to institutionalize the principle of governance within microfinance institutions and banks, and to ensure that corporate governance concept is deeply adopted by MFIs since governance practices and regulating the relationship between the line management and BoDs is a key element to ensure business continuity and development.



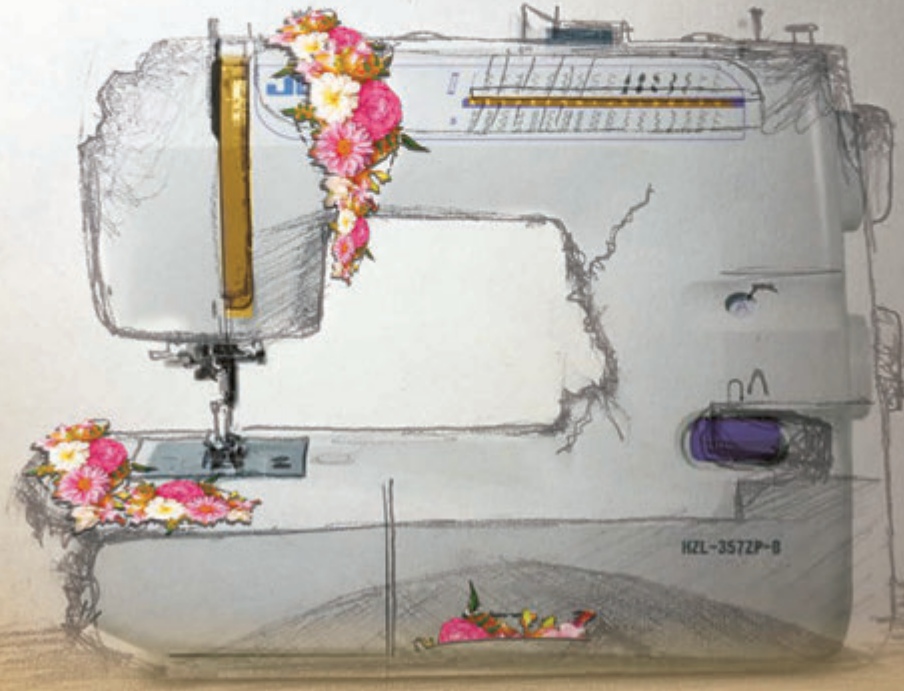


Projects  
&  
Initiatives



Bridging the Gap

بنك التمويل الأصغر  
Yemen Microfinance Bank



مهنتك

ستزهر من جديد...

Your Business Will Flourish Again

#FlourishYourBiz



**Maximizing Opportunities for Rural  
Entrepreneurs in Yemen  
(MORE Project)**

**Maximizing Opportunities for Rural Entrepreneurs in Yemen (MORE Project)**

Funded by the European Commission and implemented by YMN and Mercy Corps, the “Maximizing Opportunities for Rural Entrepreneurs in Yemen” is a Three-year project which began in 2014, but had to be temporary suspended amid the breakout of the war in 2015, and later resumed in mid2017-.

The project goal is to enhance the value chain of sesame crops in four target governorates (Aden - Lahj - Abyan - Hadhramout) through training the farmers and sesame oil producers on several financial and technical skills that can significantly improve the sesame production process and value chain efficiency. The project seeks better income levels and farm production, improved sesame processing methods and better links between the target groups and the market.

Following the resumption of the project in September 2017, YMN continued its interventions through training of beneficiaries and development of tailored financial product which member MFIs can offer to the project beneficiaries and those working in the sesame product value chain in general.

Summary of interventions by YMN within the MORE Project:

<p><b>Developing a tailored financial product</b></p>	<p>A financial product has been developed to enable workers in the sesame value chain to obtain financial services through MFIs, so they can develop and improve their businesses and increase productivity levels. The financial product includes component such as rural finance and leasing.</p> <p>Additionally, MoUs were signed with 3 MFIs to offer the financial product developed specifically for the beneficiaries of the MORE project.</p>
<p><b>Training of project beneficiaries</b></p>	<p>YMN has developed a comprehensive training curriculum that enables trainees to upscale their capacities and business skills, and become better equipped to connect with MFIs operating in the project areas and benefit from their financial services.</p> <p>Over 582 people in four governorates targeted by the project were trained on business management skills, including topics such as basic accounting, book keeping, marketing, business promotion, business planning, etc.</p>



**Maximizing Opportunities for Rural  
Entrepreneurs in Yemen  
(MORE Project)**

**Projects  
& Initiatives**

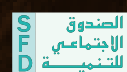


### **“Supporting War Affected Microfinance Clients ”**

**This strategic project implemented by YMN, and funded by the World Bank, and supervised by the Social Fund for Development and UNDP who play a leading role in supporting MFIs and microfinance clients, who have suffered partial or complete loss of their businesses and income generating activities since the beginning of the conflict in 2015. Despite the ongoing conflict, the project aims to restore thousands of affected and displaced entrepreneurs to pre-war status by providing the necessary assets and or material needed for over 5000 direct beneficiaries thus enabling them to get back on track.**



#FlourishYourBiz



# YMN's Organogram



**Dr. Hamid Mohammed Al-Amrani**  
Chairman



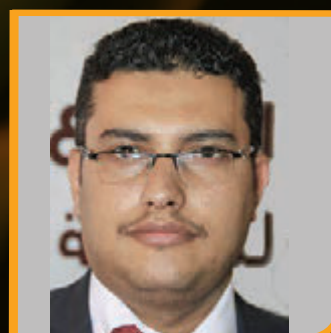
**Tawfik Dabwan**  
Vice Chairman



**Najwa Fadhl**  
Secretary General



**Abubakr Al-Saqaf**  
Board Member

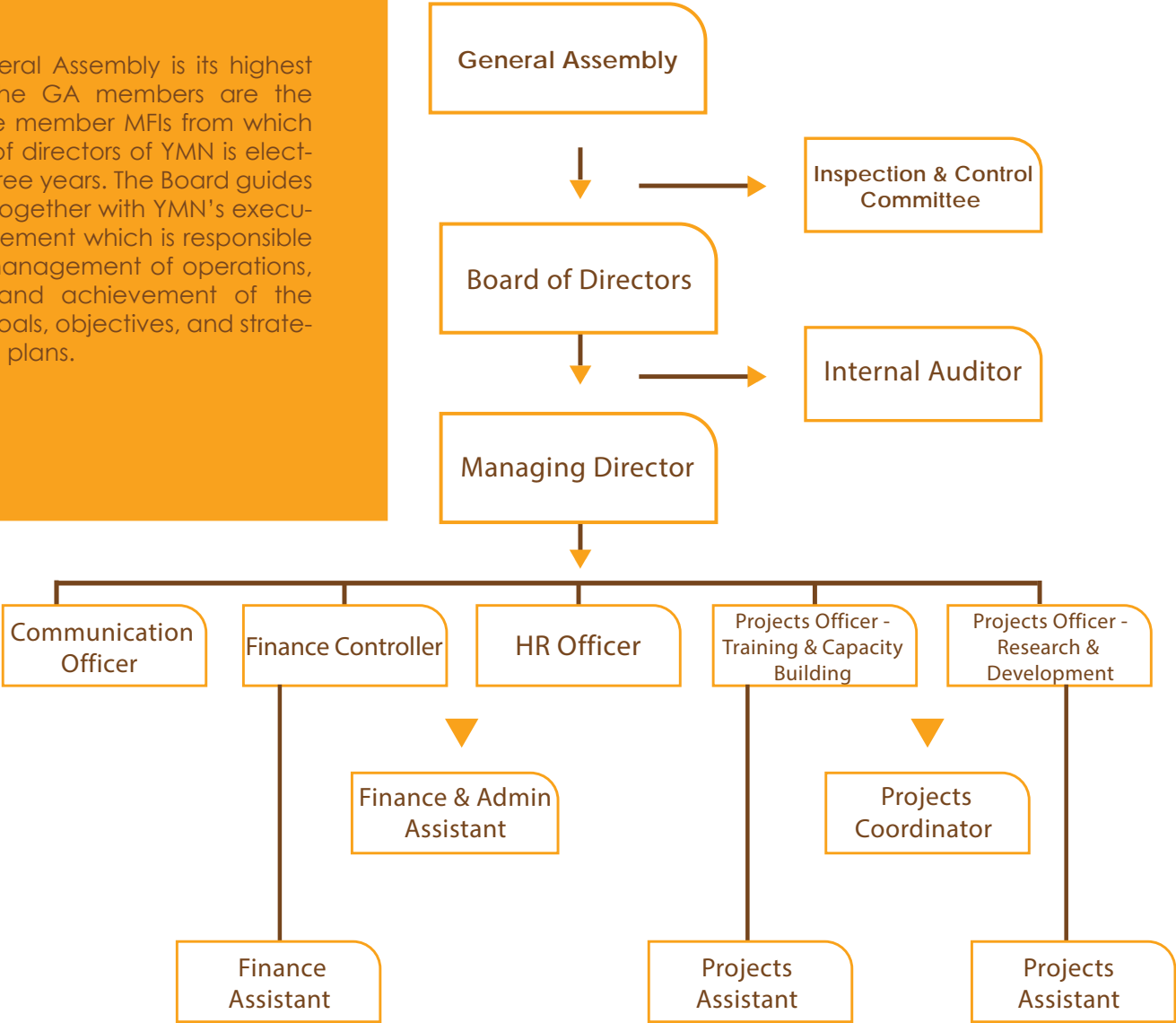


**Refat Al-Mammari**  
Board Member



# YMN's Organogram

YMN's General Assembly is its highest authority, the GA members are the CEOs of the member MFIs from which the board of directors of YMN is elected every three years. The Board guides and works together with YMN's executive management which is responsible for direct management of operations, workforce and achievement of the network's goals, objectives, and strategic business plans.



## Members & Microfinance Providers



آزال للتمويل الصغير والأصغر الإسلامي  
Azal Islamic Microfinance Program



مؤسسة عدن للتمويل الأصغر  
Aden Microfinance Foundation



وحدة التمكين الإقتصادي  
(البنك الإسلامي اليمني)  
Economic Empowerment Unit -  
Islamic Bank of Yemen



شركة الأوائل للتمويل الأصغر  
Alawael Microfinance Company



المؤسسة الوطنية للتمويل الأصغر  
National Microfinance Foundation



مصرف الكريمي للتمويل الأصغر الإسلامي  
Alkuraimi Islamic Microfinance Bank



مؤسسة نماء للتمويل الأصغر  
Nama'a Microfinance Foundation



برنامج حضرموت للتمويل الأصغر  
Hadhramout Microfinance Program



التضامن للتمويل الصغير والأصغر  
Tadhamon Microfinance

## Members & Microfinance Providers



جمعية المرأة للتنمية المستدامة  
Woman Association for Sustainable  
Development



مؤسسة الخير للتنمية الاجتماعية  
Al Khair Foundation For Social  
Development



برنامج الريان للتمويل الأصغر  
Al-Rayyan Microfinance Program



برنامج استثمار لتنمية  
المنشآت الصغيرة والأصغر  
Esthmer- Small & Micro  
Enterprise Development Program



بنك الأمل للتمويل الأصغر  
Alamal MF Bank



برنامج الإتحاد للتمويل الأصغر - أبين  
Union Microfinance Program -  
Abyan



البنك اليمني للإنشاء والتعمير -  
الفروع الإسلامية.  
Yemen Bank for Reconstruction &  
Development -  
Islamic Branches.



برنامج تواصل للتمويل الأصغر  
Twasul Microfinance Program



إنجاز كابيتال -  
بنك تمويل المشاريع الصغيرة الإسلامي.  
Enjaz Capital-  
Microfinance Islamic  
Bank.