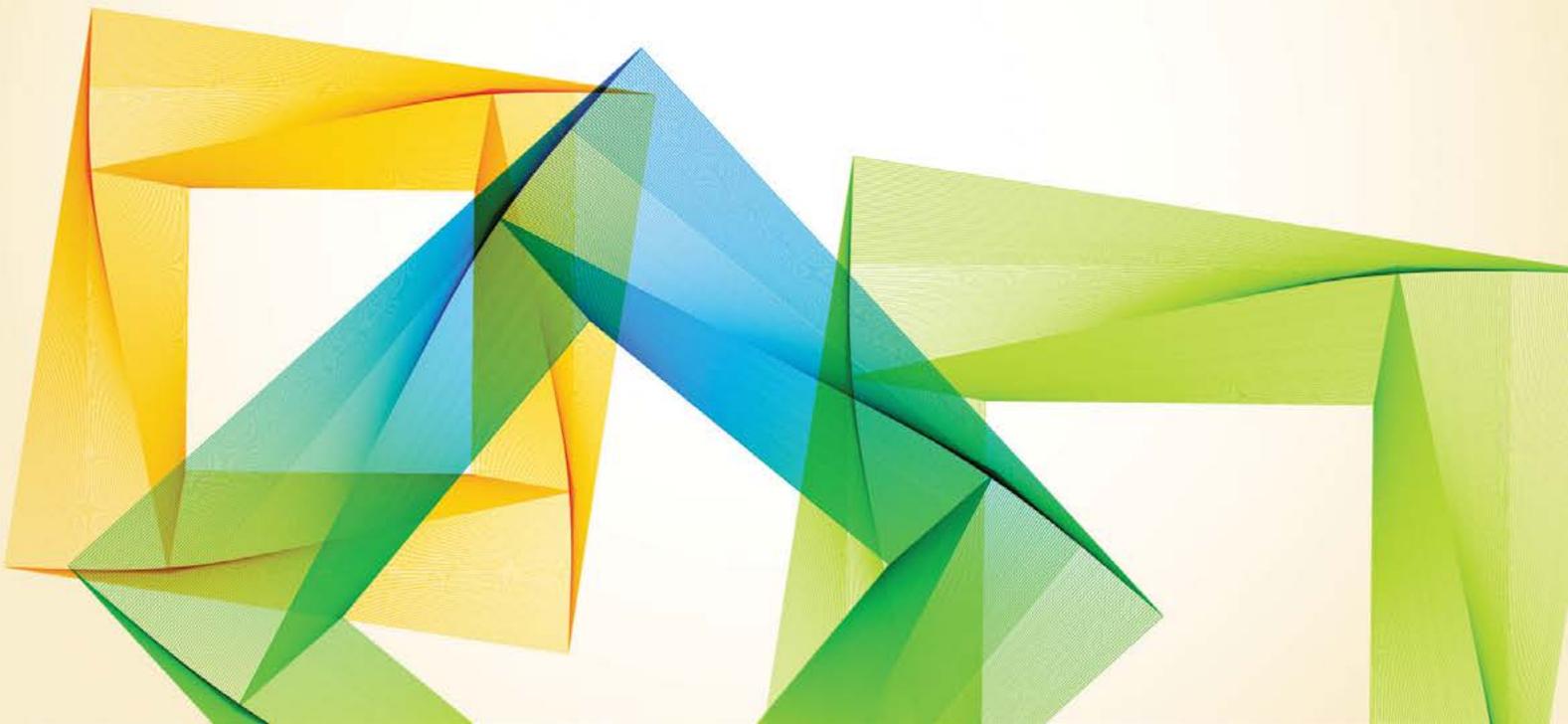




Bridging the Gap  
شبكة اليمن للتمويل الأصغر  
Yemen Microfinance Network

# Annual Report Jan – Dec 2013

Yemen Microfinance Network





Bridging the Gap  
شبكة اليمن للتمويل الأصغر  
Yemen Microfinance Network

Funded By:



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## Who we are?

We are a local NGO that was established in 2009 by a joint initiative from the UNDP and SFD, to be the first national microfinance network in Yemen.

## What we do?

We focus on training and building the capacity of microfinance institutions in Yemen, facilitate information sharing among microfinance practitioners, ensure transparency of information, research new products, and promote for the Microfinance sector.

### Find out more:

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## 1. List of Abbreviations

CAC	Credit and Agricultural Cooperation Bank
CPG	Consumer Protection Guidelines
IFC	International Finance Cooperation
ILO	International Labor Organization
MF	Microfinance
MFI	Microfinance Institution
MFC	Microfinance Center
NGO	Non Governmental Organization
SEEP	Small Enterprise Education and Promotion
SFD	Social Fund for Development
SPM	Social Performance Management
USAID	United States Agency for International Development
YLNG	Yemen Liquefied Natural Gas
YMN	Yemen Microfinance Network

## 2 Chairman's message



Dear YMN members and friends:

In 2013 we started implementing our new strategic plan that focuses on placing YMN as the representative of the microfinance sector in Yemen. This strategy included many new activities, and shaped YMN's scope of work. Currently the network is working on 5 major areas, training and capacity building, transparency, information exchange, research and development and promotion of the microfinance sector. As a local network we are members of Sanabel (The microfinance network of Arab countries) and SEEP (The global microfinance network) and act as their secretariat in Yemen.

2013 was a year of partnerships in the network, we partnered with the Microfinance Center to initiate the Social Performance Management project, IFC and Sanabel in implementing a number of workshops and trainings, Spark foundation in the rural agricultural products study, Alhuda Islamic Microfinance Center in the Islamic microfinance products study, and Silatech and GIZ in the Youth Savings Initiative project.

In terms of trainings and capacity building we implemented 24 training courses for 451 beneficiaries using local and international expertise. Our biggest event of this year was the 2013 client's fair, in which more than 70 clients and 20 institutions participated in its 7 days event. Its media coverage was distinguishable and highly appreciated by YMN members.

It was a year full of accomplishments for the microfinance sector in general. The number of clients increased to more than 95,000 clients and the number of savers are currently more than 200,000. Many of our members opened new branches in different governorates, so currently our members are operating in all Yemen's governorates.

We are very glad that we closed 2013 with 15 members who represent more than 90% of the microfinance sector in Yemen. The YMN is keen to constantly improve its quality of services to its members; concurrently being flexible and responsive to the needs of the microfinance sector.

On behalf of YMN's board of directors I would like to thank all YMN's donors and partners who contributed to our success in 2013. Mostly the Social Fund for Development for their support throughout 2013, for YMN's management team, and for all our members.

Looking forward to a flourishing year in 2014.

Mohammed Saleh Allai  
Chairman of board of directors  
Yemen Microfinance Network

## 3 Donors & Partners

### Social Fund for Development:

YMN's major donor who supports most of its activities and operations. It is a semi governmental organization supporting microfinance institutions by providing financial support (long term loans) to the MFIs and supporting the business development services.



### GIZ & Silatech:

YMN partnered with GIZ and Silatech in the Youth Saving Initiative Project, which targets youth between 18 – 30 on financial education.



### USAID:

Supported YMN in developing its Loan officer's module, which was one of YMN's major activities for 2013.



### Spark:

YMN partnered with Spark in implementing agribusiness value chain project (trainings and research).



### Microfinance center:

YMN introduced Social Performance Management initiative in partnership with the microfinance center in Poland



### Smart campaign:

In 2013 YMN continued its partnership with the Smart campaign Consumer Protection Guidelines initiative.



### Alhuda center:

YMN partnered with Alhuda center for Islamic Microfinance in Pakistan, to develop new Islamic microfinance products for the Yemeni industry.



### IFC:

In 2013 YMN implemented 2 workshops in partnership with IFC in housing microfinance and governance.



### SEEP Network:

Is the global microfinance network that has regional and local networks, as well as microfinance institutions in its membership.



### Sanabel network:

Is the regional network for Arab countries, that has local network and Arab MFIs in its membership.



# 4 About YMN

The Yemen Microfinance Network is a non-profit organization (NGO) registered under the ministry of Social affairs and Labor in Aug 2009. It is a member based association currently compromised of 15 microfinance banks, foundations, companies and programs. Its field of work is training, capacity building, information exchange, transparency, research, information exchange and promotion of the microfinance sector. Such activities, creates a platform for MFI's to operate, grow, increase scale, outreach and quality to serve the most needed in society, the poor, low income households, micro entrepreneurs, youth aged 18 – 30 years old and women.

The network began as a project initiated by the Social Fund for Development and the UNDP to establish the first national microfinance network. The project lifecycle was between 2009 and 2011, yet the Social fund for development continued its support to the network up to date.



#### VISION:

Microfinance opportunities for all low- income Yemenis

#### MISSION:

YMN's mission is to build a solid platform for responsible microfinance that responds to the needs of low-income Yemenis. The network does this by building the capacity of microfinance practitioners through training, research, information exchange, product innovation, advocacy and promotion. YMN's membership is guided by commitment to best practices, transparency, equity and responsibility.

#### VALUES:

- Professionalism
- Fairness & Equity
- Good Governance
- Accountability
- Transparency
- Commitment to poverty reduction and employment

## STRATEGIC GOALS AND OBJECTIVES:

1

YMN is a dynamic, responsive, participatory and recognized microfinance network.

1.1. YMN is the lead provider of quality, demand driven, microfinance training services in Yemen.

1.2. YMN undertakes incisive and regarded research, assessment and analysis of the microfinance sector in Yemen.

1.3. YMN is an inclusive association of diverse, effective and committed members.

1.4. YMN maintains highest standards in operations, staffing and transparency.

2

YMN builds the capacity of its members to better respond to the needs of low-income Yemenis.

2.1. YMN encourages the development of a culture of responsible microfinance amongst industry stakeholders.

2.2. YMN facilitates product innovation within a demand-driven sector.

2.3. YMN develops and monitors minimum microfinance industry performance standards.

3

YMN is the platform for the development and exchange of information for all industry stakeholders.

3.1. YMN ensures accessibility to all available information on the Yemeni microfinance sector.

3.2. The Yemeni microfinance industry is represented by effective YMN advocacy.

3.3. Has established microfinance as a recognized tool for economic development in Yemen.

3.4. YMN promotes the work and products of small and medium enterprises in Yemen.

### 4.1 STRUCTURE AND GOVERNANCE:

YMN is governed by its general assembly that is composed of the managing directors of its member based institutions. The general assembly elects the network's board of directors from among them every 3 years. The board of directors chooses their chairman and vice chairman and practices the roles and responsibilities of the board. The managing director of the network reports directly to the board which meets on quarterly bases to lead the strategic direction of the network.



■ YMN organization structure

## 4.2. MAJOR ACCOMPLISHMENTS JAN - DEC 2013:

(ARRANGED BY DATE)

NO.	ACTIVITY	DATE
1.	Agreement with MFC to initiate SPM in Yemen	20 Feb
2.	Bi annual meeting for YMN members (Announcement of member of the year and practitioner of the year 2012 awards)	25 Feb
3.	Governance workshop with IFC	25 Feb
4.	SEEP financial analysis training with Sanabel	9 – 13 Mar
5.	Develop Code of Conducts for the Microfinance industry in Yemen	6 Apr
6.	Islamic Microfinance Product Study	11 Apr – 17 May
7.	Partnership on the Youth Saving Initiative with GIZ, Silatech, Alamal bank & Alkurimi bank	17 May
8.	Product development training with Sanabel	25 – 28 May
9.	Partnership with Spark Foundation for Agri-business loan products	23 Apr – 26 Jun
10.	Bi annual (Ramadan) meeting for YMN members and donors intervention to support Microfinance	23 Jul
11.	Industry Assessment report 2012	31 Jul
12.	Membership of 2 new members in YMN (Alkhier foundation, YLNG)	19 Sep
13.	Develop training module for Loan Officers with USAID	22 – 26 Sep
14.	Client's fair 2013	22 – 27 Sep
15.	Making Microfinance Work training course with ILO and Sanabel	28 Sep – 8 Oct
16.	TOT for the Loan Officers training module in cooperation with USAID	17 – 25 Nov
17.	Housing Microfinance workshop with IFC	24 Nov
18.	Membership of 2 new members in YMN (CAC bank, Alrayan MF program)	16 Dec

# 5 Program Updates

## 5.1 TRAINING AND CAPACITY BUILDING:



Training and capacity building is considered one of the core activities of YMN. The training unit focuses on delivery of customized training to the staff of member microfinance institutions. To add value to training YMN conducts a training needs assessment to its members on annual basis and accordingly determines its training calendar.

Training courses provided by YMN ranges from standard classroom trainings, to on the job trainings, to demand driven trainings, using local and international trainers and expertise to all managerial levels. In 2013 YMN conducted 24 training courses to 451 beneficiaries. Some of those courses were implemented through cooperation with international partners' ex. Sanabel, IFC and Spark foundation. Those courses attracted participants from outside Yemen and were highly valued by our members

In 2013 YMN focused on module development especially for loan officers who are considered the frontline of microfinance institutions. In cooperation with USAID, YMN developed a foundation training course for loan officers and implemented a training of trainers' course to build a local caliber of qualified trainers in this module.

## SUMMARY OF YMN TRAININGS JAN - DEC 2013:

TYPE	COURSE TITLE	NO.OF BENEFICIARIES
Standard Trainings	– Communication skills	22
	– Modern marketing and Promotion skills	22
	– Negotiation skills	24
	– Strategic planning	9
	– Client's Evaluation	19
	– Consumer protection guidelines in Sana'a	12
	– Delinquency management	9
	– Human Resources Management	19
	– Monitoring and Evaluation	19
	– Consumer protection guidelines in Aden	21
	<b>10 courses</b>	<b>176</b>
On the job training	– Customer service for Aden MF foundation	20
	– Management Skills and work ethics for Alkurimi MF Bank	40
	– Delinquency management for National MF Foundation	10
	– Delinquency management for Nama'a MF program	24
	– Leadership skills for Azal MF program	15
	– Professional trainers technical skills Alamal Bank	17
	<b>6 courses</b>	<b>126</b>
International trainings	– SEEP financial analysis tool with Sanabel network	24
	– Product development with Sanabel network	22
	– Intro to Agri-Business loan products with Spark foundation	17
	– Rural and agri-business products with Spark foundation	23
	– Making Microfinance Work: Managing for Improved Performance with Sanabel Network and ILO	20
	– Governance workshop with IFC	17
	– Housing Microfinance workshop with IFC	19
	– TOT for loan officers foundation course	7
	<b>8 courses</b>	<b>149</b>
<b>Total</b>	<b>24 courses</b>	<b>451 beneficiary</b>

## CUMULATIVE SUMMARY FOR THE NUMBER OF TRAININGS 2010 –2013

YEAR	NO. OF COURSES	NO. OF BENEFICIARIES
2010	3	42
2011	23	334
2012	24	447
2013	24	451
<b>Total</b>	<b>74</b>	<b>1,274</b>

## 5.2 TRANSPARENCY :



■ YMN Members Report For December 2013

■ Consumer Protection Guidelines boards distributed to members

YMN has adopted the Small Enterprise Education Promotion (SEEP) framework for all its members, which is the global industry accepted reporting standards used. Members report on monthly basis to the network, which in return reviews and publishes the reports on quarterly basis. Major indicators mentioned in the reports includes number of active clients, number of savers, loans disbursed, outstanding loan portfolio, portfolio at risk, branches opened etc.

In 2013 YMN produced the industry assessment report for its member's performance in 2012 (English and Arabic). The report includes analysis to each member's performance individually and on an industry assessment level throughout the year 2012.

Developing code of conducts for YMN members was also one of the major activities in 2013 to ensure transparency and to emphasize on the social mission of the microfinance institutions. YMN conducted a workshop to all its members to draft the code's content and shared its outputs with members. During the general assembly meeting in the last quarter of 2013, all YMN members endorsed the code of conducts. It is now published and promoted among members.

Social responsibility was also highly considered in YMN's work plan for 2013. YMN signed an agreement with the Microfinance Center (MFC) to initiate Social Performance Management (SPM) indicators. According to the agreement, YMN represented the standards to its board and members, and printed a brochure to raise awareness on the SPM indicators.

As for the Consumer Protection Guidelines (CPG) Smart Campaign, which YMN endorsed in 2012 and already has one of its staff as an accredited trainer in the campaign, YMN delivered 2 training course for its members in 2013, in Sana'a and Aden. YMN also printed boards with the main 7 principles of the campaign to each member, to raise awareness among MF practitioners and clients.

### 5.3 RESEARCH AND DEVELOPMENT:



One of the basic areas of interest to YMN is research and development that responds to the market needs. YMN uses its local and international expertise to implement demand driven researches. In its new strategic plan YMN focuses more on product studies to assist members in introducing new microfinance products to the industry.

In 2013 YMN conducted a product study with Alhuda microfinance center in Pakistan to design and develop new microfinance products for YMN members. The research study was conducted in May 2013 and concluded 6 new Islamic microfinance products as the most appropriate products to the microfinance industry in Yemen. The research included the step by step process to introduce those products to members.

In addition YMN facilitated another product study in 2013 with Spark foundation (Dutch NGO) on agri-business products. The consultant visited a number of rural areas and concluded the most feasible agri-business products to the microfinance institutions.

Other researchers previously conducted by YMN includes, compensation survey on average salaries in the microfinance institutions in Yemen, Case study on Abyan program as a program affected by war and an assessment research on the impact of the 2011 crises on the microfinance institutions. All researches including other researches related to microfinance are published in YMN's website.

### 5.4 INFORMATION EXCHANGE



Information exchange and dissemination is a major concern for YMN. It targets Microfinance practitioners, key players, donors, organizations and the international community by using different tools. To ensure information sharing YMN updated its website in 2013 to be dynamic and responsive to member's needs. It also published quarterly newsletters (English and Arabic) that contain member's news and flashlights from the microfinance industry. This newsletter is sent to all YMN's contact list which includes donors and international organizations.



YMN also conducts Bi-annual meetings for its members, in Feb and Jul 2013. The main objective for those meetings is to ensure face to face interaction amongst YMN members and other players in the MF industry from donors, international organizations and government officials. During the first biannual meeting YMN announces the winners of its 2 awards, member of the year and practitioner of the year.

WINNER FOR THE MEMBER OF THE YEAR AWARD 2013

**ADEN MICROFINANCE FOUNDATION**

WINNER FOR THE PRACTITIONER OF THE YEAR AWARD 2013 IS DIVIDED BETWEEN

**ALAMAL MICROFINANCE BANK & ADEN MICROFINANCE FOUNDATION**

Year	Member of the year	Practitioner of the year
2011	Altadamoun Mifrofinance	Aden Microfinance Foundation
2012	Alamal Microfinance Bank	Aden Microfinance Foundation
2013	Aden Microfinance Bank	Almal Microfinance Bank & Aden Microfinance Foundation

## 5.5 PROMOTION AND AWARENESS RAISING:



The network which serves as a gateway to the country microfinance sector represents and promotes the sector on both national and global platform at both the private and public level. It does this through diverse activities, the press and media, represent at regional and global conferences, hold workshops, seminars, circulate industry information, produce annual reports, brochures, booklets, educate government officials and create awareness among donors, government officials and the general public.

The YMN has led the way in promoting the sector through marketing campaigns in several governorates, and using different marketing tools TV, radio, newspapers, moby signs and documentaries. It also organizes annual client's fair for microfinance clients, and member institutions. In Sep 2013 YMN organized its second client's fair and the 8th client's fair in continuation to SFD's role. It was the biggest gathering for small and micro entrepreneurs in Yemen. The aim of this fair is to encourage people with business ideas to start their projects as funds are available through microfinance institutions. It is considered the biggest marketing event for YMN throughout the year. It gathered more than 70 clients of microfinance institutions with different types of projects and enterprises that ranged from handicrafts to normal services. They were able to sell their products directly to the general public (Total sales more than 10,000,000 YR). More than 50,000 people visited the fair that lasted for 7 consecutive days. The fair was accompanied by huge media coverage on TV, radio, newspapers, websites, and the streets, and different entertainment sessions and seminars were presented on the stage during this event.

In 2013 YMN partnered with GIZ, Silatech, Alamal Bank and Alkurimi bank on the Yemen Youth Saving Initiative, to promote saving product amongst youths. This initiative targets youth between 18 – 30 years old and educates them on financial literacy and encourages them to open savings accounts in Alamal bank and Alkurimi bank. At the end of each quarter a lucky draw on valuable gifts is done to encourage youth to open savings accounts and be amongst the winners. This initiative targets 20,000 youth by the end of 2014, and YMN's involvement is based on producing and publishing the marketing components of this initiative.

# 6 Member's Financial Indicators:

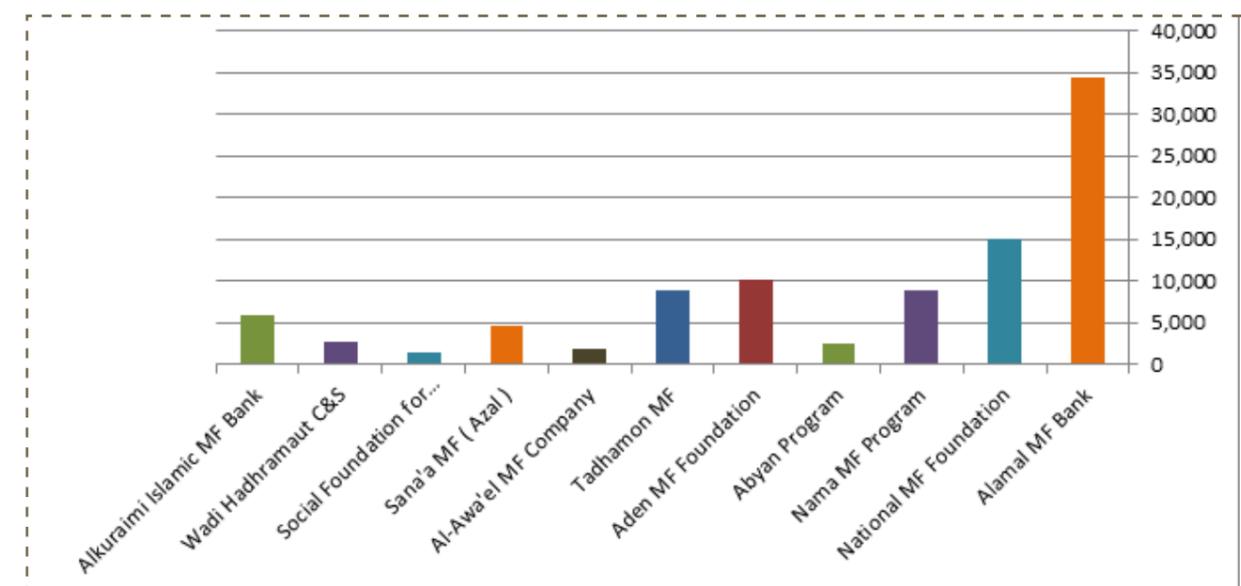
YMN currently comprises of 15 members who represent more than 90% of the microfinance industry in Yemen.

Data up to Dec 2013:

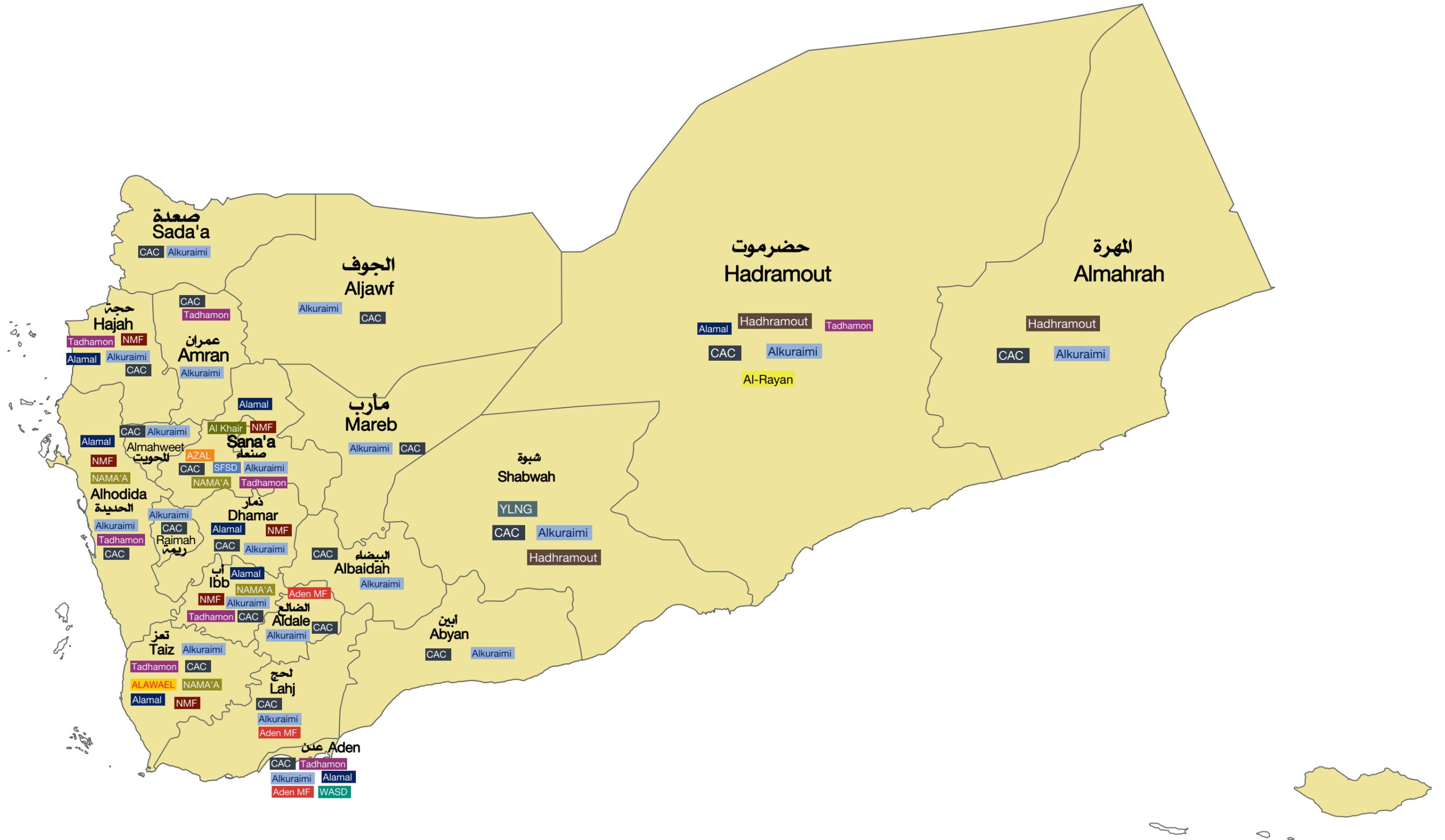
- Number of active borrowers: 95,983
- Number of voluntarily depositors: 213,559
- Outstanding loan portfolio: 8,148 million Y.R
- Number of loans dispersed: 533,568
- Value of Loans dispersed: 37,015 million Y.R

15 members in 21 governorates operating in 165 branches = more than 95,000 active clients (micro entrepreneurs in Yemen)

The chart below indicates members' market share from the total number of active clients.







# 8

## Members Contact info معلومات التواصل الأعضاء

البريد الإلكتروني/الموقع الإلكتروني Emails and Websites	الهاتف/الفاكس Main office Contacts	العنوان الرئيسي Main office address	اسم العضو Member's Name
nama2000p@hotmail.com www.namamp.org	ت: 01/208611 ف: 01/405663	جمعية نجالتي للتطوير والتنمية / في صنعاء	تعاضد ضحك / في صنعاء / نحيحة Nama'a MF Program
microstartproject_taiz@yahoo.com	ت: 04/221171 ف: 04/221172	جمعية نجالتي للتطوير والتنمية / في صنعاء	جمعية نجالتي للتطوير والتنمية Alawael For Microfinance
azalprogram@gmail.com	ت: 01/602254 ف: 01/622998 ف: 01/601286	جمعية نجالتي للتطوير والتنمية / في صنعاء	تعاضد ضحك / في صنعاء / نحيحة Azal Islamic Microfinance
whfasp@gmail.com	ت: 05/401403 ف: 05/405575	جمعية نجالتي للتطوير والتنمية / في صنعاء	تعاضد ضحك / في صنعاء / نحيحة Hadhramout MF Program
info@nmfy.org www.nmfy.org	ت: 01/440551 ف: 01/440515	جمعية نجالتي للتطوير والتنمية / في صنعاء	تعاضد ضحك / في صنعاء / نحيحة National MF Foundation
m_alsabri79@yahoo.com www.amf-yemen.org	ت: 02/353630 ف: 02/357479 ف: 02/353630	جمعية نجالتي للتطوير والتنمية / في صنعاء	تعاضد ضحك / في صنعاء / نحيحة Aden MF Program
info@microtiib.com www.microtiib.com	ت: 01/537105 ف: 01/537106 ف: 01/537107	جمعية نجالتي للتطوير والتنمية / في صنعاء	تعاضد ضحك / في صنعاء / نحيحة Tadhamon Microfinance
sfsd2010@hotmail.com	ت: 01/566236 ف: 01/566235	جمعية نجالتي للتطوير والتنمية / في صنعاء	تعاضد ضحك / في صنعاء / نحيحة social Foundation for Sustainable Development
info@alamalbank.com www.alamalbank.com	ت: 01/450813 ف: 01/449731 ف: 01/449721	جمعية نجالتي للتطوير والتنمية / في صنعاء	تعاضد ضحك / في صنعاء / نحيحة Alamal MF Bank
info@alkuraimi.com alkuraimi@alkuraimi.com www.alkuraimi.com	ت: 01/503880 ف: 01/503881 ف: 01/503895	جمعية نجالتي للتطوير والتنمية / في صنعاء	تعاضد ضحك / في صنعاء / نحيحة Alkuraimi Islamic MF Bank
wasdyemen@yahoo.com www.wasdaten.org	ت: 02/265633 ف: 252650/02 ف: 02/250467	جمعية نجالتي للتطوير والتنمية / في صنعاء	تعاضد ضحك / في صنعاء / نحيحة Woman Association Sustainable Development
mukhtar@universalyemen.com haifa@universalyemen.com www.alkhair-yemen.org	ت: 01/441162 ف: 01/440305 ف: 01/440119 ف: 01/440306	جمعية نجالتي للتطوير والتنمية / في صنعاء	تعاضد ضحك / في صنعاء / نحيحة Al Khair Foundation For Social Development
howaida.AI-naami@yemenlng.com sa.c-sme-assist@yemenlng.com www.yemenlng.com	ت: 438706/01 ف: 01/438754 ف: 01/438532	جمعية نجالتي للتطوير والتنمية / في صنعاء	تعاضد ضحك / في صنعاء / نحيحة YLNG Estathmer Small and Micro Enterprise Development Program
ab403349@gmail.com ravan235@gmail.com www.nahdah93.org	ت: 05/400222 ف: 05/402456	جمعية نجالتي للتطوير والتنمية / في صنعاء	تعاضد ضحك / في صنعاء / نحيحة AlahRayan Financing Program
faris.aljadbi@cacbank.com.ye www.cacbank.com	ت: 01/538801 ف: 01/538802 ف: 01/538828	جمعية نجالتي للتطوير والتنمية / في صنعاء	تعاضد ضحك / في صنعاء / نحيحة Cooperative and Agricultural Credit Bank

## نشكر كل أعضاء الشبكة

Thank you to All YMN members:

