



WHAT'S INSIDE



TWO YEARS AND THREE BUSINESSES LATER: Mariam looks to growing her assets.



LEAD JOINS GRAMEEN-JAMEEL FAMILY: Providing sustainable access to quality microfinance services.



THE SECRET OF ESSMA'S SUCCESS: Vision and Determination to help the poor.

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The Newsletter of

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Grameen-Jameel's Groundbreaking in Turkey

Grameen-Jameel has entered the Turkish market investing over \$5,000,000 in the microfinance sector there. After performing a detailed assessment of the market, Grameen-Jameel has formed partnerships with Turkey's two poverty-focused MFIs, Turkish Grameen Microcredit Program (TGMP) and Maya Enterprise for Microfinance (Maya).

TGMP is the largest MFI in Turkey serving women who live below the poverty line. TGMP serves over 30,000 clients in 61



Fady Jameel and Zaher Al Munajjed sign a ground breaking deal with Dr. Aziz Akgul, Chairman & CEO of TGMP

branches, with concentrations in Southern and Eastern Turkey where poverty rates are the highest. Maya is the first established MFI in Turkey which currently serves approximately 1,800 clients in and around Istanbul and Ismit areas.

Grameen-Jameel will offer a range of financial and non-financial products and services to each MFI to help support prolonged and sustainable growth and impact the lives of the underprivileged in Turkey.



Fady Jameel, Zaher Al-Munajjed and Julia Assaad secure an alliance with Sengul Ackar, Executive Director of Maya Enterprise

GM's Message



The first three months in 2010 have been very busy for the Grameen-Jameel team, and I am very pleased to announce that Grameen-Jameel continues to grow in the MENA region, with 15 partners in nine countries. Our outreach has exceeded 430,000 active clients through our partners.

We are committed to our partnerships and are keen to support MFIs in the region to alleviate poverty. We have partnered with four new NGO's; LEAD foundation in Egypt, National Microfinance (NMF) in Yemen, Turkish Grameen Microcredit Program (TGMP) and Maya in Turkey. We are very pleased to be working with our new partners and look forward to fruitful partnerships.

Some of the accomplishments in the first quarter are: 1) Entering Turkey: Turkey is the ninth country Grameen-Jameel will operate in providing microfinance services. We have signed agreements with two MFI in Turkey; Turkish Grameen Microcredit Program and Maya. 2) Progress out of Poverty Index (PPI™) scorecard for Egypt was developed by Grameen-Jameel in collaboration with PPI team in Grameen Foundation. We

can now integrate PPI in MFIs in Egypt to manage social performance. 3) Grameen-Jameel launched the Islamic Microfinance competition in partnership with Deutsche Bank, CGAP and Islamic Development Bank.

Grameen-Jameel is committed to continue to support MFIs to better serve the poor in the region.

I am looking forward to a successful year.

Julia Assaad



A rewarding outcome for a Lead client

Tamweelcom, Al Majmoua and NMF Ratings

Jordan Micro Credit Company (Tamweelcom) in Jordan, Al Majmoua in Lebanon and National Microfinance Foundation (NMF) in Yemen, three of Grameen-Jameel's partners, received a rating conducted by Planet Rating in the last six months. Tamweelcom received an (A) rating and a (3+) social performance rating, while Al Majmoua received a (B+) rating and NMF Yemen received a (C+) rating, which is the first and highest rating ever received by an external rating agency in Yemen. Grameen-Jameel would like to congratulate all three partners on such a great achievement.

Lead Foundation Joins Grameen-Jameel Family

Grameen-Jameel welcomed Lead Foundation as a new partner to its growing portfolio of leading microfinance institutions in the Arab World.

"The Lead Foundation" was established in 2003 as an NGO MFI serving the Greater Cairo area, where concentration of poverty is high. It was founded by a group of prominent Egyptian businessmen with a mission "to provide poor and low-income entrepreneurs, especially women, with sustainable access to quality microfinance services that address their needs and build their capacity." Its vision is "to eliminate poverty in Egypt and improve the quality of life of our clients."

As of the end of 2008, it was the second largest MFI in Egypt by outreach.

Lead runs two main programs:

The Blossoms of Goodwill Group Lending (GL) Program

- Targeted at female-headed households located in disadvantaged areas

- Designed to help women on a neighborhood level to start income-generating activities or to expand existing business
- Follows the methodology of 'solidarity groups' with five members per group

Small and Micro Enterprise (SME) Individual Lending Program

Targeted at entrepreneurs (male and female) who have an existing business in the services, production or trade sectors that is over one year old, and who for various reasons cannot access finance from banks to grow their businesses.

Lead's outreach grew from 57,143 in 2006 to 172,691 by the end of 2009 with a growth rate of 10% in 2009 and a growth rate in outstanding loan portfolio of 30% in 2009, while PAR > 30 days remains less than 0.5%. 84% of Lead's clients are women in the poorer areas of Greater Cairo. Lead is considered a success story. While they have grown rapidly, they are taking all the right measures to ensure portfolio quality remains healthy.

NEWS

IN BRIEF...

Grameen-Jameel delivers corporate governance training to the Moroccan Microfinance sector. Following an awareness-building exercise that included all of the microcredit associations in Morocco, Grameen-Jameel has led a series of corporate governance workshops. The exercise was welcomed by the Central Bank and the Federation des Associations de Microcredit (FNAM), to serve as a framework to train Moroccan practitioners. Grameen-Jameel is leading this effort to help restore confidence in the sector and set the foundation for a solid and mature market.

Grameen-Jameel has recently built the Progress out of Poverty Index (PPI™) scorecard for Egypt in cooperation with the PPI team in Grameen Foundation. PPI is a client poverty assessment and targeting tool which provides objective level data

for Microfinance Institutions (MFIs) to manage social performance. Each country level PPI scorecard is developed on the weights of the scores to the poverty data in that respective country. PPI Scorecards have been built for over 26 countries in the world and have over 60 PPI users (MFIs), of which four scorecards have been built for MENA. Egypt being one of the most populous countries in the region with a significant microfinance market, it is a great opportunity for Egyptian MFIs to use PPI to manage social performance.

Grameen-Jameel and the Social Fund in Yemen have facilitated the rating of three MFIs completed by Planet Rating. The rating was conducted on NMF, organizational assessments of Azal Microfinance Program and Aden Microfinance Foundation. The goal was to give each MFI an objective

assessment of their strengths, with specific recommendations for how to improve organizational capacity.

Grameen-Jameel has recently completed the fourth set of Phase One deliverables on the Mifos MIS platform with its partner Al Majmoua in Lebanon. The full project is on track for completion in May 2010. It will provide Al Majmoua with an integrated business and technology solution that will help improve decision-making, drive productivity, enhance synchronization of operations, boost social and organizational impact, and increase scalability. Grameen-Jameel has also helped Al Majmoua develop an IT strategy and an IT organizational plan and conduct business process re-engineering through a team of consultants from Grameen Technology Center in Seattle.



Staff Update:



Reem Nejdawi, Program Manager

Grameen-Jameel has appointed **Reem Nejdawi** as Grameen-Jameel's Program Manager. Reem brings over 15 years of experience in microfinance. She worked for JOHUD in Jordan for 11 years from a loan officer to director of small business development centre. Her most recent role was Acting Secretary General at the Jordanian National Commission for Women before she moved to join her family in Dubai. Reem is a certified trainer in microfinance and has extensive experience in the field. Grameen-Jameel would like to welcome Reem and is delighted to have her on board.

Christophe Chabaud, Grameen Jameel's North Africa Relationship Manager has relocated to Rabat, Morocco effective January 2010 to ensure we are closer to our partners and can better serve the sector.

Sowmya Fernandes and **Hoda Salman**, Grameen-Jameel's Finance Manager and Middle East Associate have left us in February 2010 after over two years with the company. Both Sowmya and Hoda have been invaluable assets to Grameen-Jameel. We thank them for their dedication and would like to wish them all the best in their future endeavors.



Ahmed Mostafa, Middle East Relationship Manager

Ahmed Mostafa, our newly recruited Middle East Relationship Manager joined Grameen-Jameel on March 15th. He brings 11 years of experience in the insurance and banking sectors. Ahmed started his career with Citibank, then moved to CIL, Allianz and finally to BNP Paribas in Egypt. Grameen-Jameel is very pleased to welcome Ahmed on board.

Latham & Watkins
pro bono legal advice
to Grameen-Jameel
amounts to US\$151K

Latham & Watkins' attorneys and professional staff have a long history of giving back to the communities in which they live and work.

We are delighted that Latham's Middle East attorneys are continuing this tradition by providing pro bono legal services to Grameen-Jameel. In 2008 and 2009, Latham provided pro bono legal services to Grameen-Jameel amounting to U.S. \$151,065. "The support that Latham has provided and continue to provide is invaluable for us.

"We greatly appreciate this contribution as it has a direct impact on the work we are doing in the region to help alleviate poverty, and look forward to continuing to work with Latham in the future," says the General Manager of Grameen-Jameel.

Two Years and Three Businesses Later: Mariam Looks to Buy Land

Mariam is a divorced woman who lives with her six children in a modest dwelling in Koud/Abyan, Yemen. "After I got divorced, I put all my effort in raising my six children by selling Khameer (Yeast bread) and Bittat," Mariam says. "I was able to secure a small income for all of us, yet it was not sufficient."

When she heard about the credit and saving program in Abyan through the program coordinators, she was very enthusiastic about the opportunity to raise money to invest in her work. She discussed the program with nine of her friends to form a

group and contribute monthly to a group savings account.

Mariam received an initial loan of 15,000 Rials (US\$ 75) to make and sell lemon pickles. The project proved to be successful. She then applied for a second loan of 50,000 Rials (US\$ 250) to invest in a new business selling electrical and household appliances. As Mariam continued to grow her businesses, she applied for a third loan for the group to buy a taxi. "The third loan changed my life visibly," Mariam adds. The taxi generates a good income for the whole group.

Today, three of her children attend university and one graduated from a community college. Mariam concludes, "I am very happy. My children have a good income, I have some assets and our financial situation is reasonable. I am even thinking of buying a piece of land for my children, al hamdullelah (I thank God)."



Mariam envisions her prosperous future

Enhancing Financial Inclusiveness:

CGAP, Deutsche Bank, Grameen-Jameel and Islamic Development Bank partner to launch 'Islamic Microfinance Challenge 2010'

CGAP, Deutsche Bank, Grameen-Jameel and Islamic Development Bank have joined forces to challenge the Islamic microfinance industry to develop new ideas for business models in the Islamic Microfinance Challenge 2010: Innovating Sustainable, Scalable, and Market-Driven Models.

Islamic microfinance has gained some traction over the past few years, with a swift rise in the number of institutions offering microfinance products in compliance with Islamic principles. The fundamental challenge for the Islamic microfinance industry remains meeting client demand with affordable, authentic, profitable, and market-driven products.

The competition aims to promote the innovative design of Shariah-compliant products for microfinance clients.

For detailed information on the competition and to apply, please visit <http://www.cgap.org/islamicmfchallenge>. Deadline for submitting the initial application is May 3rd, 2010

The Secret of Essma's Success: Vision & Determination to Help the Poor



Nearly every microfinance professional describes a seminal "Ahh" moment that directed them towards their career. For Essma Ben Hamida, Executive Director of enda inter-arabe (enda-ia), three separate experiences coalesced into a single "Ahh" moment; a trip as a journalist to MFIs in Latin America, an article she wrote on Grameen Bank and Professor Mohammed Yunus and a visit with her husband, the co-founder and Secretary General of enda-ia, Michael Cracknell, to Hay Ettadhamen, the largest poor neighborhood in Tunisia. These three milestones in Essma's life awakened the power of microcredit and taught her that 'poor women are capable of being

economically active yet have no means and therefore are in most cases vulnerable."

"The need for access to credit was obvious and we thought if it worked in Bangladesh, Bolivia and Egypt, why shouldn't it work in Tunisia?" says Essma Ben Hamida. "Michael and I were overwhelmed by the endless speeches on development and poverty at UN meetings when we were working in New York, Rome and Geneva in the 1980s. We wanted to go back home and take action to bring about substantial change to people's lives, particularly women."

It was at this moment that the idea for enda was born. "We started this microfinance program to show that best practices in microfinance can work in Tunisia. Tunisian women can be economically active contributing to the well-being of their children and families as well as the development of their country."

enda today is the dominant MFI in Tunisia and one of the most respected institutions in the region and in the top 20 in the world. When Grameen-Jameel started working with enda in early 2006, they had around 25,000 clients. Today they are reaching over 120,000 active clients. enda has continually strived to improve efficiencies and reduce costs in order to pass on those savings to reach more clients. Ms. Ben Hamida says, "enda's priorities have been healthy growth, competent and motivated staff, and happy clients."

Ms. Ben Hamida acknowledges the critical role that Grameen-Jameel has played over the years in enda's success. "The financing and technical assistance provided by Grameen-Jameel was crucial for enda to grow and introduce innovation," she says. She noted in particular the role that Mifos has played in facilitating technological and new product innovation.

Ms. Ben Hamida's goals for enda's future are no less ambitious than her original ones. She hopes to "contribute to an enabling regulatory environment to enable enda to become a regulated and fully recognized MFI. And why not a microfinance bank for the poor serving not only credit but also other services at a micro level?" Perhaps then she can achieve her final goal – finding a successor so she can have some time to herself – a goal that she has earned many times over.

