

WHAT'S INSIDE



SHARING A PLATFORM WITH SANABEL: Seventh Annual Sanabel Microfinance Conference held in Damascus.



BUILDING SOCIAL BUSINESS: Professor Muhammad Yunus releases his new book.



STARTING ON A SHOESTRING: Gihan Farag left her factory job in Cairo to open her own business.

# Takaful

The Newsletter of

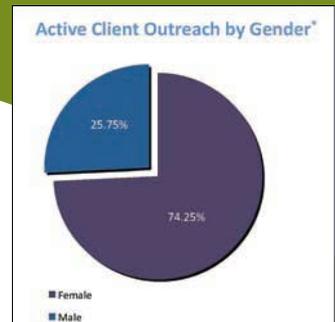
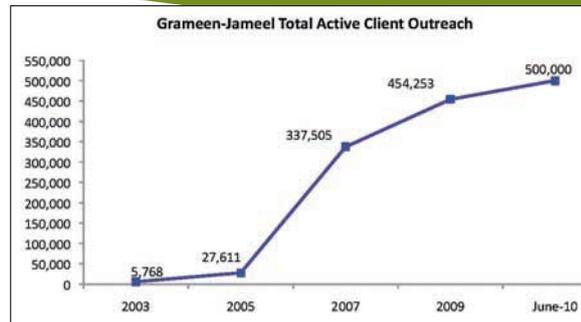


Issue Number 5 Fall 2010

## Half a Million and Still Growing

As of end of June 2010, we are proud to share that through our partners; Grameen-Jameel reached 500,000 new active clients, 74.25% of whom are female. While this is a significant number of clients reached, Grameen-Jameel continues to strive to achieve our objective to reach One Million clients.

Grameen-Jameel has helped facilitate financing to 500,000 Microfinance clients through our MFI partners in the region. While 2009 growth was slower than historical years for the microfinance sector in the region, the sector continues to grow. Despite



Grameen-Jameel Key Figures		As of June 30, 2010
Number of countries where Grameen-Jameel has partners		9
Number of partners		15
Number of Active Clients reached since the start of partnerships		500,000
Value of loans disbursed		\$1,307,000
Value of guarantees provided to date		\$21,204,000
Value of financing raised through guarantees		\$46,715,800
Average leverage of guarantees provided		2.2x
% of female clients in Grameen-Jameel's partner portfolio		74.25%

countries' disparities in their development and performance, most MFIs were able to take away the lessons of growing responsibly, focusing on capacity building and finding ways to scale their operations to be strong sustainable institutions.

Grameen Jameel's efforts in engaging the formal financial sector were also successful

as it has enabled its partners to raise more than US\$ 47 million through Grameen-Jameel guarantees and loans to finance MFIs portfolios.

Grameen Jameel has also invested substantially in capacity building, delivering over 16 different technical assistance to MFIs in the region in 2010 to help scale and reinforce the MFIs, building their infrastructure to ultimately reach more poor and build the microfinance sector.

## GM's Message



2010 seems to be the year of change and capacity building for many microfinance institutions in the MENA region. To best cater to the needs of our partners, Grameen-Jameel has been focusing on providing technical assistance such as; Human Capital assessment which was conducted for Tamweelcom in Jordan, business planning workshops for TGMP and Maya in Turkey and lending methodology consultancy

for Maya. As well as, Progress out of Poverty Index and Social Performance implementation for Al Tadamun, DBACD and Lead in Egypt, Mifos for Al Majmoua in Lebanon and enda in Tunisia, risk management consultancy for FONDEP in Morocco and treasury management consultancy for enda. Many MFIs in the region were also provided corporate governance training, loan officer E-learning course and SEEP training. Although financing remains a key requirement for MFIs, capacity building is essential to develop sound infrastructure to be able to scale institutions, be sustainable, maintain healthy portfolios, and reach more clients in need of financing.

Some of the key events in Q2 were: 1) the 20th anniversary of enda in Tunisia in May,

which was a celebration of enda's success over the years, but most of all it was a celebration of the success of the 128,000 clients of enda that have changed their lives. 2) The Seventh annual Sanabel conference held in Damascus early June, which was a good opportunity for the players in the sector to meet and discuss issues faced in the region, learn from one another and find opportunities for collaboration.

We are happy to see the progress of our partners in the 2nd quarter of 2010 and hope to see further growth in the quarters to come and find ways to better serve the poor.

# Grameen-Jameel shares platform with Sanabel



Grameen-Jameel recognizes MFIs' efforts

Grameen-Jameel was a Platinum Sponsor of the Seventh annual Sanabel Microfinance Conference held in Damascus, Syria. The theme of the conference was "Responsible Growth: Learning from Global Trends and Regional Experiences." The conference in June brought together more than 600 participants from the MENA region and around the globe.

Al Amal Bank Yemen, Alexandria Businessman Association Egypt and Al

Tadamun Egypt respectively were each awarded US\$ 10,000 by Grameen-Jameel for innovation, leadership and sustainable growth. Microfinance clients were also awarded Sanabel entrepreneurship prizes, where three Syrian micro entrepreneurs were recognized and awarded US\$

1,000 for their success. Grameen-Jameel also participated in various sessions in the conference and contributed in workshop discussions.

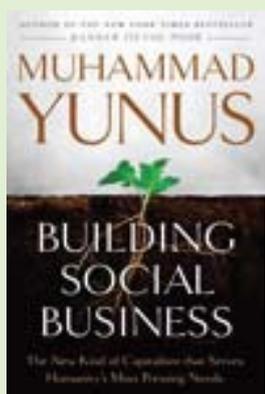
Following the conference, Grameen-Jameel led two workshops, the first on microfinance corporate governance and risk

management facilitated by Pascale Dillion and Niveen Abboushi. The Grameen-Jameel Corporate Governance Handbook was launched and distributed during the workshop. The second workshop was advanced financial analysis using the SEEP FRAME Tool conducted by Mohammed Khaled for different MFI participants in the region.



Zaher Al-Munajjed and Fady Jameel award a micro-entrepreneur at Sanabel

## NEWS IN BRIEF...



Professor Muhammad Yunus released his new book titled "Building Social Business: The New Kind of Capitalism That Serves Humanity's Most Pressing

Needs." Professor Yunus explained the importance of social businesses, how to implement and maintain this innovative business model for maximum social impact.

Grameen-Jameel in cooperation with Grameen Foundation Human Capital Center conducted 'The Human Capital Management (HCM) Assessment' for its partner Tamweelcom in Jordan. The

HCM assessment was designed as a diagnostic tool to help Tamweelcom evaluate its human capital practices, assessing their human resources strategic plans, leadership practices, culture, talent attraction and retention, talent development, compensation and reward. Because our people are our most valuable asset, Tamweelcom has requested Grameen-Jameel to support in completing the HCM assessment to understand where and how they can improve their human capital.

After successfully completing the Progress out of Poverty Index (PPI™) scorecard for Egypt in April 2010, Grameen-Jameel through the Social Performance team in Grameen Foundation have conducted the Training of Trainers (TOT) in Egypt to three partner MFIs: Al Tadamun, DBACD and Lead Foundation. Grameen-Jameel will provide advisory



Field researcher completes PPI™ scorecard

services for the next six months to these MFIs to ensure full deployment of (PPI™) to measure and track poverty levels of their clients within their respective institutions.

Microrate, a rating agency dedicated to the evaluation of microfinance institutions, has awarded enda inter-arabe the grade of "alpha" for its financial and operational performance. Social performance was rated excellent and attributed 4.5 stars out of a maximum of 5. Congratulations to enda inter-arabe for this great achievement.

## Islamic Microfinance Competition

A total of 131 applications have been received from 42 countries following the announcement of the Islamic microfinance competition sponsored by CGAP, Deutsche Bank, Grameen-Jameel and Islamic Development Bank. The judging panel has reviewed the applications and shortlisted five candidates who will now be requested to complete a detailed business plan. The final decision and announcement of the winner will be made by November 2010.

## Business planning workshops in Turkey

Grameen-Jameel organized two business planning workshops in the 2nd quarter of 2010 for its two new partners in Turkey, TGMP and Maya, conducted by Jamil Al Wahidi and Mohammed Khaled respectively. The business plans for Maya and TGMP have been finalized and they are already in implementation stage to reach over 250,000 clients by end of 2015 in Turkey.



Turkish micro-entrepreneur

Grameen-Jameel also provided consultancy to Maya on their operating model and lending methodology, conducted by Jamil El Wahidi. Mr. El Wahidi delivered a comprehensive policy on best practice microfinance lending methodology.



TGMP business planning workshop

## Staff Update: Catherine Hartt



Catherine Hartt, Finance Manager

Grameen-Jameel is pleased to announce the appointment of Catherine Hartt as its Finance Manager. Catherine brings over 11 years experience in the finance sector. She worked for Yell (Yellow Pages) in London for five years as a senior financial analyst, and then moved to Dubai where she worked as a financial and investment accountant for five years for Sovereign Global Services and Legatum Ltd. Her most recent role was Senior Financial Accountant for Novaar. Grameen-Jameel would like to welcome Catherine on board.

## Client Profile: Starting on a Shoestring

When Gihan Farag left her factory job in Cairo to open her own business at the age of 29, she began operations on her rooftop in Imbaba. "I used my first loan of EGP 200 (US\$ 36) to buy a shoe mold, tools and materials to make shoes," says Gihan, a member of one of Lead Foundation's all women borrowing groups.

Since her initial loan, Gihan has taken out nine loans, increasing in value to EGP 1,000 (US\$ 181) and has opened a shop. She now operates from a regular work space and has diversified her products making handmade leather bags and wallets, in addition to shoes.

"I am very proud to market my shoes and my skills to different shops and hope to begin exporting."

Gihan is building a track-record of excellent repayment history at the Lead Foundation, bringing her closer to her goal of transitioning from a group borrower to an individual borrower.



Gihan counts her blessings

# Competence Building to Generate Income Projects



Hard at work in Ramallah

UCASC a union of savings and credit associations and programs in Palestine formed by PARC is a partner of Grameen-Jameel. Twelve women associations of UCASC completed seventeen specialized

training courses covering different technical areas. The courses were in response to the needs of their respective members. The goal of the training course was to strengthen the members' practical capabilities and technical skills, to enable them to obtain loans from the association, and to start income generating projects. This will help the members improve their standard of living for themselves and their families.

UCASC has also signed a Memorandum of Understanding with the Palestinian



Ministry of Agriculture to ensure that members of UCASC especially the active borrowers, benefit from the various supportive programs provided by the Ministry to the Palestinian women.

## FMFI-S secured region's first equity investment

In 2008 and 2009, Grameen-Jameel provided two guarantees to the First Microfinance Institution in Syria (FMFI-S) amounting to US\$ 5.4 million to facilitate financing of US\$ 7.4 million towards their loan portfolio. This was the first commercial loan ever taken by FMFI-S guaranteed by Grameen-Jameel, which helped pave the way to further commercial financing and equity investment.

With the support of Aga Khan Agency for Microfinance (AKAM) and the financing obtained through Grameen-Jameel, FMFI-S grew and built a renowned institution in Syria. Once the microfinance law was passed in Syria, allowing the establishment of non-banking financial institutions, FMFI-S applied for the license and has since secured equity investment from KfW Entwicklungsbank, International Finance Corporation and European Investment Bank amounting to 400 million Syrian Pounds.

This is indeed considered a great achievement for FMFI-S and a first in the region. Grameen-Jameel would like to congratulate FMFI-S.

# Celebrating enda's 20th Anniversary



Celebrating 20 years of success



Brighter future for enda's clients

Grameen-Jameel participated in the 20th anniversary celebration of enda inter-arabe, Tunisia. The celebration was attended by Tunisian authorities, worldwide investors, key players in the sector, enda clients, board members

and staff. The event was a confirmation of the success of enda as an institution over the last 20 years and of the micro entrepreneurs that make enda what it is today.

## AL MAJMOUA AND ENDA ADOPT MIFOS

Grameen-Jameel with the support of the Mifos team of the Grameen Technology Centre in Seattle delivered Mifos as the core MIS platform for Al Majmoua in Lebanon. Mifos, the open source MIS platform is now fully operational in two of Grameen-Jameel MFI partners in the region, enda and Al Majmoua.

enda has recently signed an agreement with Grameen-Jameel with the support of the Grameen Technology Centre to further enhance the Mifos MIS platform adding new products such as individual lending and agriculture loans.