



**Melek Cevik, a Seamstress Empowered by Microcredit**



**Mohammed Al Lai, Driving the Yemeni Microfinance Sector**



**Grameen-Jameel visited Sudan in January 2012**

## Grameen-Jameel's MFI Partners Meeting



*Professor Muhammad Yunus addressing Turkish business leaders and press, Grameen-Jameel board and staff, and Grameen-Jameel's MFI partners.*

Grameen-Jameel held its first Microfinance Partner Meeting in Istanbul, Turkey on December 14th-15th, 2011. The meeting was attended by thirteen microfinance institution (MFI) partners from eight countries in the MENA region and Turkey, as well as Sanabel, key stakeholders and Grameen-Jameel board members and Team. Grameen Bank Founder and Nobel Laureate Professor Muhammad Yunus, the keynote speaker at the meeting, addressed some of the key challenges raised by microfinance institutions following the Arab Spring.

After the opening speech by Zaher Al-Munajjed, Advisor to the President, Abdul Latif Jameel Group and Grameen-Jameel Board Chairman, Professor Yunus addressed the assembly, sharing Grameen Bank's experience operating in changing environments and adapting to new realities.

Commending the work of MFIs in the region in a challenging environment, Professor Yunus asserted that microfinance is a way of building future generations. "Dark clouds are gathering globally as we see economic challenges, which will not go away. Microfinance is a shining hope, creating light at the end of the tunnel." Professor Yunus went on to encourage MFIs to seize the opportunities that will emerge, as transition governments will recognize the value of microfinance in their poverty alleviation efforts.

In her welcome remarks, Julia Assaad, Grameen-Jameel's General Manager, announced that as of September 2011 Grameen-Jameel reached 1,500,000<sup>1</sup> clients through its MFI partners, far beyond our goal of reaching 1 million clients by the end of 2011. "Although this is considered a significant accomplishment", she added, "There is a great deal yet to be done to help address poverty in the region."

The meeting was a good opportunity to learn about the critical aspects of crisis management during a session led by Alex Counts, President & CEO of Grameen Foundation and Grameen-Jameel board member. Grameen-Jameel partners were invited to share their experiences and the obstacles they face due to the current instability in the region.

During Professor Yunus' visit to Turkey, he also inaugurated the "Muhammad Yunus International Centre for Microfinance and Social Business" and attended a gala dinner hosted by Grameen-Jameel attended by local business leaders and press in Turkey, MFI partners from the MENA region and Turkey as well as Grameen-Jameel board and staff members.

## GM's Message

Grameen-Jameel starts its year on a positive note after having successfully reached more than 1,500,000<sup>1</sup> microfinance clients, among the poorest in the region, through our partner microfinance institutions (MFIs) as of September 2011. Grameen-Jameel commemorated closing ten years of operation in the MENA region and Turkey as a microfinance supporter with a celebration during the Grameen-Jameel partner meeting held in Turkey in December 2011. In attendance was Professor Muhammad Yunus, Grameen-Jameel Board members from Grameen Foundation and Abdul Latif Jameel as well as MFI partners in the region.

Grameen-Jameel has embarked upon a new strategic plan in which we see our role to be broader than just a microfinance supporter, but also as an entity that helps address issues to help alleviate poverty in the region. Our strategic goals are to remain focused on continuing to build the microfinance sector and reach more poor, sustainability, and further ensure that the impact is positive on



*From left to right: Peter Bladin, Grameen-Jameel board member; Alex Counts, Grameen Foundation President & CEO and Grameen-Jameel board member; Julia Assaad, Grameen-Jameel General Manager; Professor Muhammed Yunus, Grameen Bank founder and Noble Laureate, Zaher Al-Munajjed, Advisor to the President at Abdul Latif Jameel Group and Grameen-Jameel board Chairman, and Jim Greenberg, Grameen-Jameel Board member.*

improving people's lives. In addition to financing, we also want to consider new delivery channels and innovative initiatives that will address some of the key concerns faced by the poor in our region.

Grameen-Jameel will remain fully committed to the cause of poverty alleviation. We hope that 2012 will be a prosperous year with more stability in the region and revival of the microfinance sector.

**Julia Assaad** General Manager

[1] The Client counting methodology of Grameen-Jameel Microfinance Ltd. has been validated by Baker Tilly MKM, based on data provided by partner Microfinance institutions to Grameen-Jameel. No assurance is expressed by Baker Tilly MKM in respect of the data provided.



## Al Amana, Setting an Example of Transparency and Client Protection

On December 7th, 2011, Grameen-Jameel signed a Memorandum of Understanding (MoU) with Al Amana Microfinance in Morocco. The MoU establishes a partnership between the two organizations to facilitate access to affordable financial services to underprivileged individuals in Morocco.

Created in 1997, Al Amana's mission is to contribute to social and economic development through revitalization of small businesses and expansion of financial services to the low-income population. The MFI is a leader in the Moroccan microfinance sector with over 1,900 employees and 448 branches. As of December 2011, Al Amana has a client outreach of 295 thousand clients and an outstanding loan portfolio of over MAD 2 billion (USD 240M), making it the largest MFI in the MENA region.

Al Amana has a strong commitment to transparency, reducing

costs to its clients, and minimizing over-indebtedness. Since 2009, Al Amana has been playing an active role in helping the sector recover from the client delinquency and over-indebtedness crisis by providing transparent and standardized financial information to reinforce the credibility of the sector. It has also deployed a new Management Information System with real time data transfer capability to be able to manage the growth and the quality of its portfolio.

Mr. Youssef Bencheqroun, Al Amana's CEO, is confident that the microfinance sector in Morocco has overcome the difficult period having established robust risk management practices, exchange of information between MFIs to reduce cross and over indebtedness of clients, internal control, good governance, and transparency. Al Amana will continue to promote microfinance's best practices in the sector to serve more clients, in efficient and innovative ways.

### News in Brief

#### Progress out of Poverty™ Training in Syria

In October 2011, Grameen-Jameel conducted the Progress out of Poverty Index™ (PPI™) training for The First Microfinance Institution, Syria (FMFI-S). The training, conducted by Grameen-Jameel Middle East Relationship Manager, Mr. Dani Ibrahim, spanned over a period of four days. The PPI™ training was conducted to deploy the PPI™ tool in the FMFI-S operations to help them better track social performance management. FMFI-S is in the pilot phase of implementing PPI™ and Grameen-Jameel continues to support them with the implementation process.

#### Entering Sudan

Grameen-Jameel visited Sudan in January 2012 to meet with the Central Bank of Sudan and key MFIs in Khartoum and Port Sudan. Grameen-Jameel was warmly welcomed by key stakeholders in the Sudanese microfinance sector including: the Central Bank of Sudan, banks, MFIs, and Dr. Hiba Farid, State Minister of Human Resources Development. Grameen-Jameel General Manager, Julia Assaad, confirmed Grameen-Jameel's intention to support Microfinance Institutions in Sudan saying: "It was impressive to see the developments in the MF sector in Sudan. There is great potential for growth and an even greater demand for MF." The visit, the latest in a series of visits to Sudan, will yield new partnerships in the near future.





## Microinsurance in Turkey

TGMP introduced microinsurance to its clients as a collaboration between Güneş Sigorta and Büyükkaya Brokerlik in December, 2011. The cost of the insurance is TL 12 (USD 7) per year, covering up to TL 10,000 (USD 5,500) in case of unexpected occurrences. The insurance policy covers death, temporary or permanent disability, terrorism, and natural disasters. Repayment of clients' credit is also provided through this insurance coverage in case death or disability.

## Islamic Microfinance Summit

The Islamic Microfinance summit, held from January 30th - February 1st, 2012, in Istanbul, Turkey brought together MFIs, investors, policy makers and Shariah specialists to unlock the potential of Shariah compliant microfinance in the region as well as discuss Islamic Microfinance business models.

Over 18 speakers from across the Muslim world addressed the attendees on various topics including: transparency, latest policies, Islamic models and products, types of Shariah compliant products, investing in Islamic Microfinance, and Islamic Microfinance products available in the market today.

## Bankers without Borders® Program Expands to MENA

Grameen-Jameel is pleased to announce the launch of the skills-based volunteer program Bankers without Borders® (BwB) in the MENA region.

Initiated in 2008 by Grameen Foundation, Bankers without Borders® is a global reserve corps of more than 7,500 business professionals and retirees from a variety of industries who are willing to contribute their time, skills, and experience to support social enterprises fighting poverty. BwB works with international companies, commercial banks, associations, higher-education institutions, and individuals to match volunteer skills with the critical needs of organizations serving poor people around the world. Since its creation three years ago, more than 800 volunteers have contributed more than 65,000 hours of donated services worth an estimated USD 5 million.

Through on-site technical assistance, training and mentoring, or remote consulting projects, Bankers without Borders® pro bono consultants provide support in the following areas and beyond: financial research and analysis, risk management and internal controls, treasury management, marketing and new product development, business and strategic planning, and technology investments and implementation.

Grameen-Jameel will manage Bankers without Borders® in the MENA region and looks forward to working closely with its MFI partners to develop successful and strategic volunteer projects.

If you are interested in Bankers without Borders®, please contact your Grameen-Jameel Relationship Manager (Dani Ibrahim, Zakia Lalaoui, Selma Ozkan) or Grameen-Jameel's newly appointed Bankers without Borders® officer for the MENA region, Charlotte Brial. For more information please visit <http://www.bankerswithoutborders.com>





## Melek Cevik, a Seamstress Empowered by Microcredit



In an effort to support her family during difficult economic times, Melek Çevik, a single mother of two, established her own sewing business. In spite of the numerous challenges she faced, including finding the space to set up the business as well as struggling against the pressures from her family who discouraged the idea of starting a business, Melek approached Maya Enterprise for Microfinance, Grameen-Jameel's partner in Turkey. Maya approved two loans to buy two sewing machines and some raw material to start up her business.

After the business was set and running, Melek decided to continue her education in

order to gain a teaching certificate in her skill. In 2011, she opened a local course in collaboration with the Public Education of Turkey to share her expertise with the community. Through the extra income she received from teaching, she was able to further increase her revenue and expand the business.

"In already difficult living conditions, finding the money to do business is very difficult especially when under the pressure of providing for my children's future, especially when the people around you try to obstruct you." Melek says. Despite the difficult times she has faced, Maya's support had a strong impact on what she was able to build today.

## Mohammed Al Lai, Driving the Yemeni Microfinance Sector

Mr. Mohammed Al Lai, Executive Director of Al Amal Microfinance Bank (Al Amal), Yemen, gained his practical experience through his career in the banking sector in Yemen. Through his work, he was introduced and was able to participate in several microfinance programs. Microfinance became deeply rooted in Mr. Al Lai's life.

Soon after his introduction to the industry, and due to his efforts in issuing a law for microfinance in Yemen, Mr. Al Lai founded Al Amal Microfinance Bank, the first microfinance bank in the region. Al Amal started its pilot phase late in 2008 and launched its operations officially in January 2009 with the vision of providing inclusive financial services to all Yemenis, and a social mission to improve living conditions of low income households and small and micro entrepreneurs, and actively contributes to the country's development and poverty alleviation.

Al Amal Microfinance Bank has grown to be the largest microfinance provider in Yemen and one of the major players in the region. This is due to the dedication and loyalty of the employees and the efforts of the executive management represented by Mr. Al Lai through working to strengthen the internal capacity of the bank and building a qualified staff to achieve the bank goals, attain sustainability, and overcome all challenges related to regulations, funding sources and outreach. The success of Al Amal is also due to its understanding of targeted segments, addressing their needs, and meeting their aspirations. All of that was beneficial to the industry as a whole, as the bank was able to design and develop new products such as current account products, Ijarah Muntahiah Bel Tamleek (lease to own), for the first time in microfinance in the region.

In the coming years Al Amal is aiming to achieve wider outreach and diversification of products and services to include new services such as domestic and external remittances, and usage of the SMS system, as scheduled for 2012.

Mr. Al Lai is a holder of MSc in International Banking & Finance from the University of Liverpool, UK. He has worked as Deputy Governor for

Banking Supervision to the Central Bank of Yemen, and the Head of Small & Micro Enterprise Development Unit at The Social Fund for Development. In addition to currently being the CEO of Al Amal Microfinance Bank, Mr. Al Lai is also Chairman of the Board of Directors of Yemen Microfinance Network, and a board member of Sanabel and Al Ibada'a Bank in Syria.

