



**AL-AMAL MICROFINANCE BANK'S
Role in Women's Financial Inclusion
and Economic Empowerment**

August 2022

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Introduction: Women's Situation in Yemen

Yemen has made a quantum leap in the promotion of political, economic, cultural and social rights of Women. It can be said that Yemen is considered one of the lead Arab states that have the acknowledgement of women rights. In Yemen, women have been participating in public elections, either as a candidate or a voter since the 1990. Also, women have been holding senior leadership positions since then, like becoming a Minister, Deputy Minister, Ambassador, Member of Parliament, Leader in Political Parties, and any other positions.

In south of Yemen before the Unity Day of Yemen (North and South, in the 22th of May 1990), women used to have many rights more than they have nowadays. In Mid-1970s, the government in south of Yemen issued the 'Family Law', which described all women rights and duties, particularly those related to the organization of family.

The family law prevented polygamy, and provided that no man would get married to a second wife unless it is adequately justified, also, this law prevents divorce unless it is adequately justified. In addition, this law gave women the right to ask for a divorce.

Women in Yemen held many positions that were held only by men such as becoming a judge, lawyer, prosecutor, and head of court. Some women still hold such positions even in the recent years, but their activities, freedom and movement have been significantly limited.

During the difficult situation that Yemen is going through because of the ongoing war since 2015, Women have been facing a very difficult conditions in all aspects of life. The war resulted in the worst humanitarian crisis in the world according to the UN report on Yemen. Although, it is necessary to enhance the role of all women-relevant organizations to pay greater attention to Yemeni women and understand their needs and preferences.

Based on its objectives for women, Al-Amal Microfinance Bank (AMB) has been keen on providing women with diverse financial and non-financial services tailored to their needs and preferences.

Indicators of the Current Situation of Women in Yemen

Both Yemeni women and men are suffering from poverty, ignorance, and the outbreak of disease. But women suffer more than men, and because of that the traditions and cultures of Yemeni society feed the pejorative attitude towards women, also, women are more prone to have diseases at levels higher than men. According to recent statistics, 50.8% of the total population to have a disease are women, so, women require more care as well as provision of services and opportunities for engagement in development. However, the situation in Yemen reflects that the gender gap is still high in the developmental indicators (Women are more disadvantaged than men in development).

As for literacy, 69.1% of women are illiterate, while 27.3% of men are illiterate. Literacy in the countryside is much worse, where there are about 80.56% of rural women are illiterate, while a 40.25% of women living in the city are illiterate.

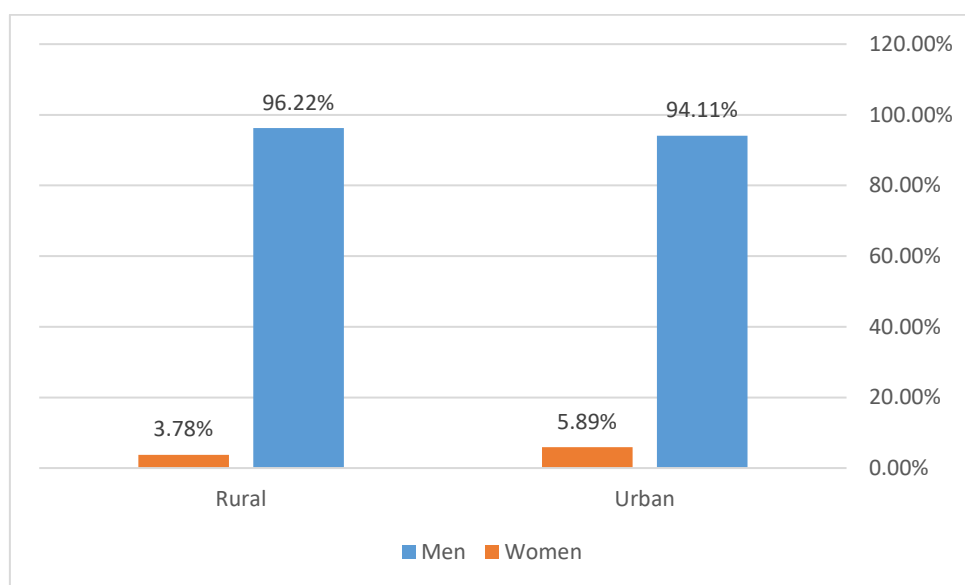
Yemeni women have so far been excluded from participation in economic development. Despite the fact that women constitute 49.3% of the total labor force, only 12.1% of them are employed. Also, their participation in economic activities is still low (estimated at 9.9%). In the meantime, the rate of employed women is about 8.1% of the total number of employees in the country. Women's unemployment rate is estimated at 40.2% of overall able-bodied females, compared to only 11.3% among able-bodied males.

Women's Contribution in Private Sector

Table (1): Women's Contribution by rural/urban status

Gender	Urban	Rural	Total
Men	94.11%	96.22%	95.39%
Women	5.89%	3.78%	4.61%
Total	100%	100%	100%

Diagram (1): Women's Contribution by rural/urban status



Regarding to the above-tabulated data, the percentage of women who work in the private sector is about 4.61%, while the percentage of men who work in the private sector is about 95.39%. When we compare the rate of men and women working in the private sector according to Urban/rural status, we find that the rate of men is much higher than the rate of women. This is because of the return of the Yemeni manpower from the Gulf states to Yemen in 1990, while there is still a large number of them work in the private sector.

Table (2): Women`s Contribution by Workplace

Workplace	Urban		Rural		Total	
	Men	Women	Men	Women	Men	Women
In the house	6.58	52.25	4.65	50.02	5.39	51.14
Merchandise by roadside	14.77	6.67	10.80	4.86	12.33	5.76
Street vendor in an unfixed location	16.91	8.23	17.28	9.12	17.14	8.68
Construction site (not affiliated with a firm)	20.53	3.17	27.51	4.95	24.82	4.06
A means of transport (not affiliated with a firm)	13.72	1.75	11.98	2.02	12.65	1.88
Other	27.49	27.92	27.77	29.02	27.66	28.47
Total	100	100	100	100	100	100

Diagram (2): Women`s Contribution by Workplace

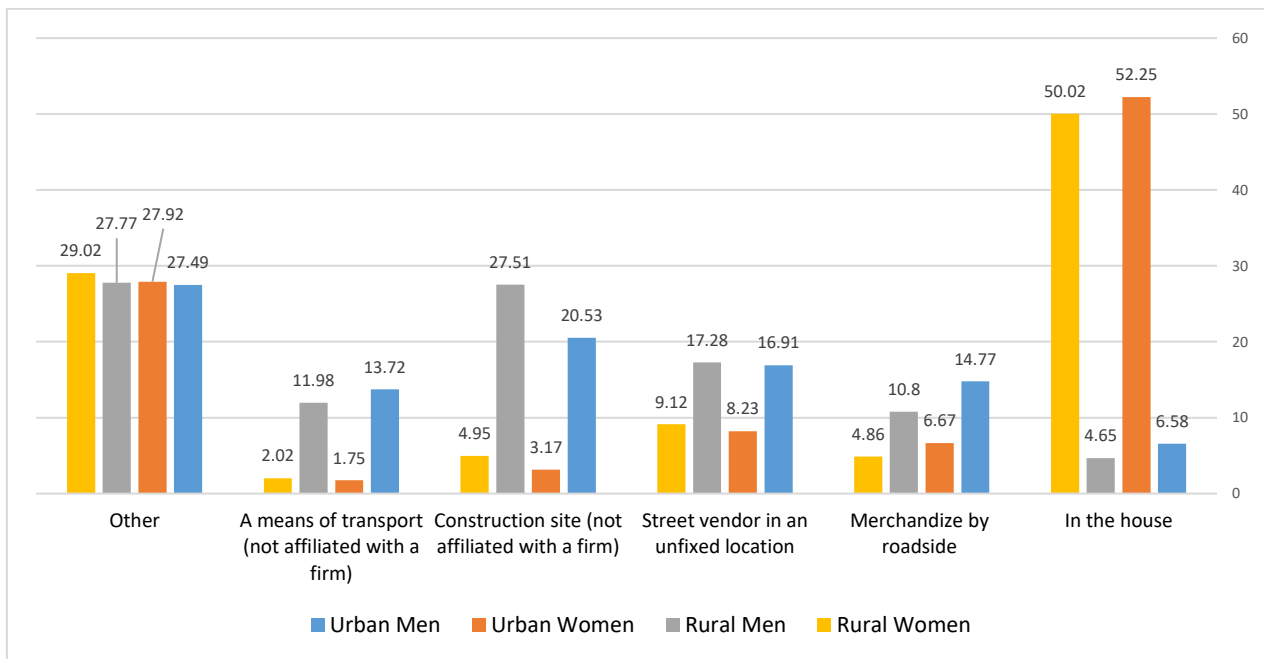


Table (2) shows that there is a large number of women working from their houses, which implies that most women activities are home-based traditional crafts such as making bins, mats, carpets, crockeries, embroidery, and sewing. The table also shows that women`s exercises are home-based activities, which they prefer to do away from men; i.e., without blend in with men, for social and cultural reasons.

Furthermore, when women get married and raising their children is deemed another reason why women are incapable to look for a job. Therefore, they are less fortunate to get job opportunity due to their lower level of education, in comparing to men.

Key Challenges Facing Women in Yemen

Many reports and indicators show that a many women work from their houses and turn them to work place, which implies that most women exercise the home-based traditional crafts such as making bins, mat, carpet, crockery, embroidery and sewing...etc. Here, we can present some of the challenges faced by Yemeni women such as difficulty to join the business market and deal with importers and service-providers, which is one of the key restrictions encountered by women, particularly the entrepreneur ones.

However, this is considered as one of the social and marketing obstacles, whereas Yemeni women face many challenges, which will be briefly described in diagram (3).

Diagram (3): The social and marketing restrictions facing women



AMB Methodology of Targeting Poor Women

Women cannot have guarantees to get financial loans in Yemen because they cannot get ID cards easily and most of them do not have the time to complete extracting ID cards process. Therefore, AMB placed women at the top of its list of groups to be targeted by its financial services.

AMB also created efficient methodologies to ensure that AMB services are accessible to women in their houses and these services need simple guarantees that are easy to offer by women. The products that are provided by AMB to women include; Loans, Saving Accounts, and Electronic-Accounts (e-accounts), these products come with an appropriate and encouraging return for them.

It is well known that poverty in Yemen revolves widely around women in rural, remote, areas; i.e., the poverty rate is higher among rural women. Also, one of the main problems is that Yemeni women cannot give their names in many areas, nor do they have ID cards, so they are not allowed to have a bank account. It is deserved mentioning that AMB developed special products, with specific requirements, for reaching underserved women and groups in terms of getting financial services.

Table (3): AMB methodology of targeting poor women

Methodology	Trends / Missions
Product Development	<ul style="list-style-type: none"> ▪ Focusing on having good life not only successful business. ▪ Having guarantees by poor groups. ▪ Focusing on women and youth. ▪ Accessing the culture of maturity repayment.
Promotion & Targeting Women	<ul style="list-style-type: none"> ▪ Door-to-door promotion. ▪ Rural finance services to Women. ▪ Women Poorest groups. ▪ Marginalized people. ▪ Battered women. ▪ Women with special needs.
Social Performance Assessment	<ul style="list-style-type: none"> ▪ A special section for reviewing social performance. ▪ Poverty indicators assessment.
Customer Protection Principles	<ul style="list-style-type: none"> ▪ Design of appropriate products. ▪ Avoiding over-indebtedness. ▪ Transparency. ▪ Responsible pricing. ▪ Fair and respectful treatment. ▪ Data privacy. ▪ Women and child protection polices

AMB and Women

AMB is fully aware of the fact that women sometimes cannot obtain bank guarantees easily as well as, they face challenges to extract official ID cards in Yemen, in other words, women cannot access financial loans, due to the lack of supporting documents. So, AMB has placed women on the top of its list of groups targeted by its financial services. Also, AMB has created means, approaches, and methodologies to ensure that its financial services are easily accessible to women in their homes and these services need simple required guarantees that are easy to provide by women.

Innovative Products for Women

It is worth mentioning, Poverty in Yemen is widespread among (Yemeni rural women). Another main problem is that Yemeni women cannot give their names in many areas, nor do they can have ID cards, or let alone having a bank account. With this in mind, AMB developed special products, with specific requirements for the reach of underserved women in terms of access to women's financial inclusion, and these products include the following:

Loan Services

AMB has since its inception, been targeting women through a financial product specific to women this product takes into account their privacy, financial capacity and limited capability of offering guarantees and other requirements for getting loans. The product features are as follows:

- It targets women-owned SMEs and provides them with other domestic purposes such as house maintenance, and provision of household and educational needs.
- It involves various loan ceilings for each member of the group with a margin not exceeding US\$150 to ensure they are capable of maintaining solidarity with each other.
- It has multiple options for proof of identity, which may amount to attestation by the Aqil /Sheikh in the neighborhood (the person who is in charge of the neighborhood).
- Insurance on the loan balance in case of the death of a female customer to ensure that her family is not obliged to pay an outstanding loan.

Table (4) shows AMB indicators in relation to women's loans

Description/Year	2018	2019	2020	2021
No. of loans distributed	675	1226	983	860
	66%	30%	10%	8%
Amount of loans distributed (\$ M)	389,197	954,453	934,724	1,002,200
Average loan distributed (\$)	26.59	65.22	63.87	1,165
No. of beneficiaries	4050	7356	5898	5160
No. of job opportunities generated	934.07	2,290.69	2,243.34	2,405.28

Saving Services

AMB is the first microfinance institution in the Arab region that provides volitional saving services to poor people through using methodologies tailored to their capacities and provides them with financial services such as (saving accounts /deposits). By the end of 2021, the total number of these accounts was about 144,718, while 54,399 of these accounts were for women. In addition, AMB designed the ‘SME Entrepreneur Product’, which is specific to children, and ‘Future Saving Product’ which is specific to youth.

Table (5) shows AMB indicators in relation to women`s savings

Description/Year	2018	2019	2020	2021
Number of saving accounts	15,121	17,182	19,459	20,180
Women`s share	41.37%	40.20%	39.62%	38.78%
Amounts of saving (\$)	53,552,020	168,427,231	96,030,617	112,105,680
Average saving account balance (\$)	3,541	9,802	4,935	5,555

Financial and In-Kind Grants for Women

All economic empowerment projects implemented by AMB which were funded by International Donor Organizations, some of them were allocated to target women in terms of Gender-Equity. The last project largely implemented by the Bank was named "Supporting Youth Entrepreneurship and Financial Inclusion Project".

AMB provides the youth aged 18 – 35 years with financial and training grants, as well as the people (Males or Females) who have the necessary technical skills to run SMEs, and those whose businesses had been impacted by the ongoing war in Yemen. Supporting Youth Entrepreneurship and Financial Inclusion Project has so far served about 11,977 young people, while 43.9% of them are women.

E-Money Service Provided to Women

AMB provides e-money services in accordance with the law of the Central Bank of Yemen. AMB started providing e-money service in 2017 by launching PYes Application service. The PYes app. service was primarily directed towards the provision of solutions to pay utility bills such as (mobile phone, landline, internet, purchase and money transfers).

PYes app is accessible by both men and women equally, and this service enables them to pay their utility bills (phone, internet, electricity, water, and other bills). Also, PYes app lets women engage in the provision of a sub-service of paying phone and internet bills for other people].

By the end of 2021, there was a total of 91 female customers (47 customers and 44 agents) engaged in PYes app. By this way, the service represents an additional income source for women, thus promoting financial inclusion of women.

Table (5) shows AMB indicators in relation to the bank accounts of women

Gender	No. of customers	No. of accounts in general	No. of active accounts	No. of inactive accounts
Women	28093	29031	26525	2506
Men	67738	70961	62406	8555
Organizations	303	339	308	31

Table (6) shows AMB indicators in relation to E-Money services for women

Gender: Female	No. of customers	No. of accounts	No. of active accounts	No. of inactive accounts
Female customers	47	50	49	1
Female agents	44	52	50	2
Total	91	102	99	3

In the years 2020 and 2021, AMB implemented several projects in partnership with International Non-Governmental Organizations (INGOs). Those projects solely focused on ‘Rural Female Teachers’ in which the bank opened 1,434 accounts in PYes App. for the rural female teachers. Also, the Bank has worked hard towards achieving the financial and digital inclusion for women by means of training them on how to use PYes App. to execute many financial services such as money transfers, utility bill payments, and paying for purchases.

Non-Financial Services Provided to Women

Despite the importance of the various financial services, AMB believes that female customers should be provided with the non-financial services to have a positive impact on their life. The non-financial services help building the capacity and skills of female customers, either on the personal or vocational level, or in relation to SMEs management. So, AMB established Al-Amal Foundation for Training and Entrepreneurship, which is known as ‘Reyadah’, thereby becoming a non-financial arm of AMB. Reyadah is a non-profit organization concerned with the training of, and provision of technical, financial, and managerial advice to youth and SMEs entrepreneurs.

Reyadah provides a package of non-financial services (Financial Literacy, Vocational Training, Business Management Training, and Counselling), which contribute to raising financial awareness among Yemeni women, thereby ensuring efficient use of loans granted by AMB.

These non-financial services also enable women to manage their accounts in AMB and improve their savings for themselves and their families. Obtaining the Graduation Certificate from Reyadah is an important guarantee that is accepted by AMB in terms of receiving grants from AMB, particularly for women. Women training programs include the following:

- Computer Skills
- Executive Secretariat
- Financial literacy
- Feasibility study



By the end of 2021, the total number of women received training at Reyadah was about 12,862, there percentage was like 56% of the total number of trainees.

Projects for Underserved Groups

▪ Youth Financial Service Project (2014 – 2018):

In addition to the package of non-financial services, the project provided loans to youth, particularly women. It distributed loans to 23,000 young people (women represent 62% of them), in the amount of 1.2 billion YER. It also encouraged 18,000 young people (women represent 45% of them) to save in their savings accounts in AMB. One of AMB's female customers won an award in a form of a SMEs loan in the amount of 7,500 USD in the field of Youth Savings Project.

▪ Battered Women Loan Project (2018)

In cooperation with Care International Organization, the project provided interest-free loans without guarantees to women prisoners and women exposed to violence, thereby this project has changed them from outcasts into a source of income for the household.

▪ Yemeni Women Capacity-Building in Entrepreneurship and Small Enterprises (2016):

This project has provided capacity-building training programs for women in entrepreneurship in terms of Women's Economic Empowerment. After they had received the necessary training programs, women were given loans to start their own SMEs. The project which is funded by Care International Organization distributed loans to 1,389 female beneficiaries.

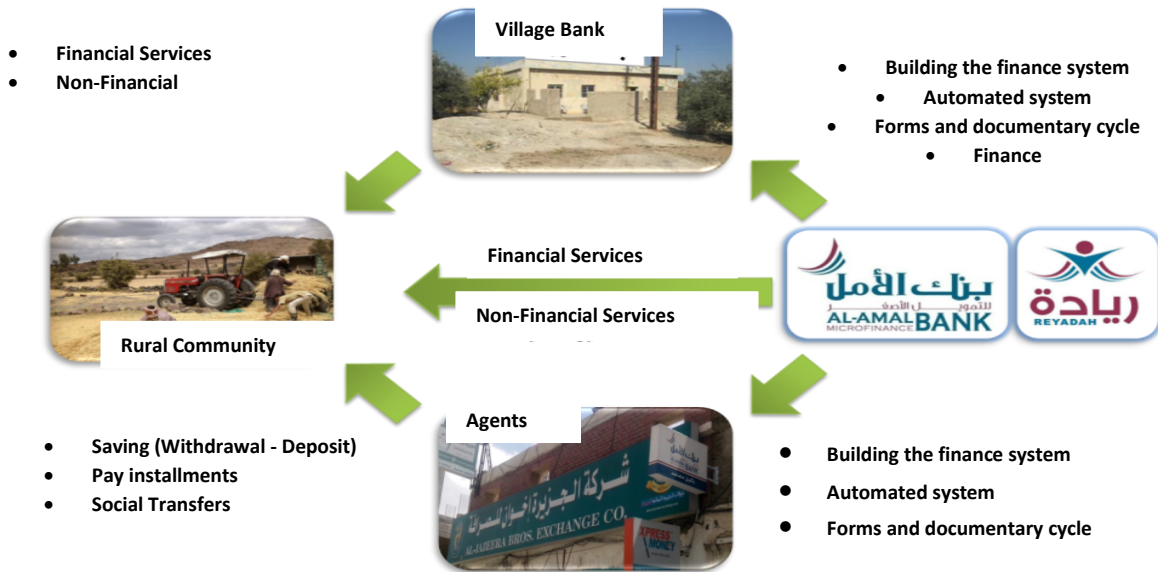
Yemeni Woman and Child-Centered Financial and Social Inclusion in Marginalized Communities (2014):

This project focused on promoting access of Marginalized Women to financial services by AMB. Also, this project contains a set of components, including financial literacy training programs for 9,200 women, and it opened saving accounts for marginalized women.

Reaching Women in Rural Areas

In its attempt to serve new vulnerable groups, particularly, the rural population, AMB has expanded its activities through many mechanisms which are characterized by innovation in the delivery of financial services. AMB used mobile teams and agents and moved on to a new working environment, having purchased a new automated system, which represents a basis for the provision of advanced technology to customers such as Internet Banking systems, ATMs, and Points of Sale (POS). The following diagram shows AMB outreach modality in rural areas using:

- Female staff in the bank's branches.
- Female mobile teams.
- Village Bank, which takes part in training and promoting financial services.
- Points of Sale, which are represented by women agents, who execute a majority of financial services to women.
- Door-to-door promotion and the use of media that are more available to women such as local radios.



AMB outreach modality has enabled the Bank to reach rural areas. It has reached about 5,600 rural customers, who had never been served before applying this modality. AMB conducted onsite visits to women, raised their financial awareness, opened saving accounts for them in their villages and then disburse loans to them.

Therefore, women can repay or deposit loans at any POS with no need to go to AMB head-office or branches. Non-financial services were provided to women as well in these rural areas. The entire effort contributed by AMB to the provision of financial services in the rural areas is remarkable as no other Microfinance Institution had ever played this role.

Respect Privacy of Women

AMB developed special products with special requirements for opening accounts by applying special methods of access to women customers, which respect the privacy of Yemeni Women. This can be explained as follows:

▪ Service Team

AMB hired female staff (officers and supervisors) to work in the field as well as in the office in order to encourage Yemeni women to deal with the bank.

▪ Project Design and Requirements

The project requirements took into consideration the privacy of women in terms of the type of ID cards and the type of guarantee offered for loans (Group Guarantee).

The project provided necessary training programs for women, which encouraged them to get ID cards once they are connected to financial services. It also presented a set of incentives for those who have ID cards (Those with ID cards can get a higher loan).

▪ Method of Product Delivery

AMB staff sets into female customers' home through its mobile teams, completed relevant procedures and created multiple POS that are fairly accessible to women beneficiaries in target areas.

All AMB-provided services are compliant with Islamic Sharia Law so that they do not contradict the belief of Yemeni society.

Woman As AMB Employee

In its daily business activities, AMB pays great attention to Gender-Equity. In response to feedback from different operations in various areas, AMB has undertaken the following:

- It has increased the number of women staffs in the different sectors and AMB-related POS in response to Yemeni environment/culture, which requires female staff to serve women, as well as to empower women's participation in quality operations as a main tributary and driving force for development. AMB women staff numbered up to 293. They have been primarily assigned to customer service, loan and money transfer sectors.
- Through the various projects implemented by the cooperation with donors, AMB`s agents were obliged to hire female staff to ensure respect for the privacy of female customers and facilitate procedures for them. Therefore, more than 3,000 women were hired for these projects. They were well-trained and capable of dealing with different paradigms and stances across projects.
- AMB enables female staff to hold essential positions in the institution and generates equal employment opportunities. Accordingly, more than 300 female employees were engaged in emergency response operations of the complaint center, the endorsement of customers, and the verification of ID documents. Female employees have achieved high-quality results.
- Thanks are extended to their satisfactory performance in fieldwork, including service provision to beneficiaries in rural areas. 400 female employees were engaged in field teams for the purpose of realizing financial inclusion and improving service delivery to beneficiaries in rural areas.

Conclusion:

Through this case study, we were keen to show the extent of women's influence in society and their contribution to construction and development. It sheds light on the efforts of AMB in enhancing the financial inclusion and economy of women empowerment by providing various financial and non-financial services for women. The great interest of AMB is in placing women at the top of its list of targeted groups in the provision of financial services and inventing ways, means, and methodologies to empower them and enhance their social role in a way that ensures their effective contribution to the construction and development of the society.

Finally, we must all strive to direct financial and non-financial services to create a more inclusive, equitable, and sustainable environment for both men and women to ensure a just diversity between them. This requires the concerted efforts of both the banking sector and the financial sector in making clear methodologies and mechanisms to encourage this approach, which will have great results in achieving the above-mentioned goals, as well as providing equal opportunities for both women and men. AMB will work hard, through its strategic plan, to enhance financial inclusion for all groups of society, including rural, remote, areas, and families with limited and low incomes, in order to continue at a steady pace in facing livelihood and economic challenges that most of Yemenis suffer from.