

Promoting Women's Financial Inclusion, Yemen

Background

On behalf of the German Federal Ministry for Economic Cooperation and Development (**BMZ**), the Deutsche Gesellschaft für Internationale Zusammenarbeit (**GIZ**) GmbH has established an Open Regional Fund for the Middle East and North Africa region, which is managed by the Cooperation with Arab Donors Programme (**CAD**).

Building on the achievements of two already implemented projects "Women's Access to Microfinance and Support to Victims of Violence" and "Empowerment of Marginalized Women and Victims of Violence to Benefit from the Services of MFIs, Yemen", the **Arab Gulf Fund for Development (AGFUND)** and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH agreed to jointly finance a third project: The two-year project "Promoting Women's Financial Inclusion in Yemen", which started in mid-2015.

Women's financial inclusion yields significant development impacts such as more inclusive and sustainable growth through higher levels of productive investment and asset accumulation. Financial inclusion has significant effects on women's economic empowerment. Women's financial inclusion entails that female members of households and women entrepreneurs have access and can effectively use appropriate financial services. Such services must be provided responsibly and sustainably.

Gender-related barriers impeding access to financial services and products can currently be found both on the supply and on the demand side. Due to the prevailing customs, low levels of education, the lack of access to information and income, as well as family responsibilities and restrictions of movement, women are more likely to be excluded from formal financial markets than men. Banks and financial institutions usually require guarantees for loans, charge high fees and lack the resources and employees to meet the needs of female customers. Financial institutions and other players in the market are however increasingly aware of the

importance of female clients and have begun to develop products which are designed for women and provide better services for them.

Nevertheless, the indicators for financial inclusion for 2014 issued by the World Bank show that the Middle East and North Africa region still has some of the lowest levels in financial inclusion and display a wide gender gap in access to financial services. Yemen has been ranked lowest with only 2% of women aged over 15 who have an account at a financial institution and less than 1% of women of the same age who received a loan from a financial institution. This lack of access to financial services for women in Yemen is considered as one of the main obstacles women face in establishing small enterprises. Furthermore, few women receive vocational training related to commercial work. The offered vocational trainings are often not imparting knowledge about how to access and utilise financial services.

Objective of the project

The main objective of the project is to increase access of disadvantaged Yemeni women (aged 15+) to suitable financial services and products and to enable them to effectively use them through six components:

1. Provide financial education training for the target group and strengthen their ability to deal with financial institutions
2. Offer training in business development services in order to enhance bookkeeping and other management skills
3. Provide training in vocational skills and other income-generating activities
4. Support and strengthen relations between the beneficiaries who received training and local financial institutions
5. Capacity-building for the local partner organisations in areas such as monitoring the impact of the financial institutions and financial administration for NGOs
6. Raise public awareness through provision of information material



Expected outcomes and impact

As outcomes of the project it is expected that in seven cities in Yemen (Sana'a, Aden, Al-Mukalla, Taiz, Ibb, Hodeida and Dhamar) at least 4.000 women will have received training on financial education, skills development, or business development services at the end of the project period. Out of these participants at least 1.000 women are expected to have access to financial institutions in the form of savings accounts, loans or other financial services or products. Additionally, at least 500 women are expected to start a business. On the supply side, the project is anticipated to foster a diversification of financial products and an increase of female clientele.

It is expected that the project will enable women to increase their income through the effective use of financial services and acquired professional and business management skills, which will in turn foster their role in decision making, contribute to their families' welfare, and improve their standard of living as well as the level of their children's education.

Results

Project target groups and their needs were identified through 12 local NGOs in Four areas of Yemen. 3,861 women from the target groups were trained in life skills, financial education, business management and vocational training. Most of those women were able to improve their life through establishing their income generating activities (about 561 women have established their own projects) and benefited from financial services by opening saving accounts, obtain loans,...etc (about 1010 women opening saving account and 42 women received loans from Financial Institutions).

Moreover, capacity building for 58 staff of partners organizations on identified the need and the impact assessment, accounting for non-accountants and Writing Reports& Preparing Project Proposals.

Implemented midterm evaluation for the project outcome and activities to measure the impact on target group by external consultant. The evaluation includes survey of 868 women who received training which covered 50% of the trainees until December 2016.

Project partners

1. Non-governmental and civil society organisations providing training in the field of life skills, financial education, business management and vocational training, such as the [Yemeni Women Union](#), Al-Tawasul Foundation for Human Development, Youth Foundation for Scientific Research, Nedal Organization for Development& Rights (NODs), By Our Collaboration We Build the Country CBC, For Me Foundation for Social Development, Lana Foundation for Social Development, Youth Spirit Foundation for Human & Social Development, Dhamar Woman Economic Association for Saving & Credit, and Aldar Alarabi Association for Women Development, Alhamdi Foundation for Humanitarian Development, Progress& Building Foundation for Development
2. Local financial institutions offering diversified financial services, such as the [Al-Amal Microfinance Bank](#)

Risks

The security situation in Yemen presents a major risk for the timely implementation of the project components. It is not possible at the present time to anticipate how the situation will develop and whether international experts will be able to travel to Yemen. Through cooperation with local NGOs in different areas of the country, the project therefore aims to ensure the delivery of the project activities in the current unstable situation.

About AGFUND

AGFUND is a regional developmental funding organisation based in Riyadh, Saudi Arabia, under the patronage of HRH Prince Talal Bin Abdul Aziz, the President of AGFUND. AGFUND works in the field of development at the international level through an effective partnership with GIZ, the UN, international, regional and national development organisations, public institutions, the private sector, and civil society organisation

Published by

Deutsche Gesellschaft für
Internationale Zusammenarbeit (GIZ) GmbH
Registered offices Bonn and Eschborn, Germany

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Layout

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As of

August 2015

GIZ is responsible for the content of this publication.

In cooperation with



On behalf of

Federal Ministry for Economic
Cooperation and Development (BMZ)

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