

April 28, 2016

H.E. Dr. Mohammed Al-Maitami
Minister of Planning and International Cooperation
Ministry of Planning and International Cooperation
Republic of Yemen

Subject: Endorsement of the Crisis Support to Microfinance Institutions project in Yemen

Excellency,

We are, hereby, endorsing the above mentioned project proposed by the Ministry of Planning and International Cooperation. The International Finance Corporation IFC is ready to support the implementation of this strategic project in coordination with the Partnership Unit in your Ministry. The components of this project that will be managed by the IFC have been prepared in accordance to World Bank Group's normal policies and procedures.

We welcome the crisis support nature of this project, which intends to support two of the leading Yemeni microfinance institutions and enable them to better manage risk, build capacity and diversify products, and, ultimately, to increase access to finance to Yemeni entrepreneurs and small businesses during a period of conflict and transition.

In our view, the \$965,000 thousand *Crisis Support to Microfinance Institutions project in Yemen* is well aligned with the overarching goal of the Transition Fund of fostering sustainable and inclusive economic growth. More specifically, the project encompasses two of the four themes, namely: (i) promoting access to finance to the underserved segments of the population thereby promoting financial inclusion. The support to be provided to the microfinance sector by this project aims at strengthening the capacity of the sector to absorb those that are not served by the existing financial systems in place; and (ii) inclusive development and job creation, by increasing the accessibility and size of capital available to micro and small enterprises, encouraging the establishment of such enterprises.

We look forward to our continued cooperation.

Sincerely,



Mouayed Makhoul
Regional Director,
Middle East and North Africa