



# UNRWA

## PRESS RELEASE

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### **UNRWA launches microfinance programme in the presence of Mrs Asma al-Assad**

Damascus – Mrs Asma al-Assad met Palestinian and Syrian entrepreneurs on 1 June, at a ceremony to launch UNRWA's prize-winning Microfinance and Microenterprise Programme. Beginning in Yarmouk, the programme will loan working capital worth millions of dollars to thousands of small businesses, and provide a financial boost to the livelihoods of Palestine refugees and the urban poor in Syria.

Mrs Assad, who before her marriage to President Bashar al-Assad worked as a financial analyst for Deutsche Bank and JP Morgan, expressed strong support for the UN refugee agency's initiative to introduce one of the first sustainable microfinance programmes in Syria. From its new branch office in Yarmouk, the programme is expected to issue 1,500 loans during its first year of operations, 3,320 in the second year, and by the third year outreach should achieve a sustainable level of 3,360 loans, valued at some US\$ 4 million annually.

The President's wife, joined by UNRWA Commissioner-General Peter Hansen, high-ranking Syrian officials and members of the diplomatic community at the Agency's Falouja school, Yarmouk, met three Palestine refugees and a Syrian couple who were the first to receive loan cheques. Ayeshah Abd al-Rahman, 53, told Mrs Assad that she will be using the loan to improve the small supermarket she owns. A second cheque went to Abd Allatif Alkialy, 45, who will put his capital into his women's clothing outlet store. Mohammed and Hamila Ismail, a Syrian husband-and-wife team, will invest their loan in their shoe-making shop, while Mahmoud Hassan, 45, received a cheque to develop his wood furniture workshop. Following the formal launch, Mrs Assad visited the branch office to discuss the programme further with UNRWA staff and clients.

The loan programme seeks to improve the quality of life of small business owners and microentrepreneurs, sustain jobs, decrease unemployment, reduce poverty, empower women and open up new income-generating opportunities. After building up their credit rating over five or six successfully repaid loans, clients will become eligible for a credit line of up to US\$ 9,600.

The programme is being launched in Yarmouk since this is the largest gathering of Palestine refugees in Syria. A second office is expected to open within a year, and a network of branch offices will gradually be developed in Damascus and other urban regions of Syria. While basing its credit outreach in areas with a high density of Palestine refugees, the programme will provide microfinance services to both Palestinians and Syrian citizens who are struggling to build up small businesses. As well as developing entrepreneurship, it will contribute to the creation of new employment opportunities in the communities served.

"This is just the first of what is planned to be a growing network of microfinance and microenterprise offices in Damascus and the rest of the country," said Commissioner-General Peter Hansen at the event.

UNRWA, the United Nations Relief and Works Agency for Palestine Refugees, is a humanitarian relief and development agency, providing education, health care, social services and emergency relief to over four million Palestine refugees living in the Gaza Strip, the West Bank, Jordan, Lebanon and the Syrian Arab Republic. In Syria, the Agency provides assistance to some 408,000 refugees.

UNRWA's Microfinance and Microenterprise Programme won first prize in the AGFUND 1999 international competition for Pioneering Development Projects. The programme is now the largest non-bank financial intermediary in the occupied Palestinian territories, where it has invested US\$ 67 million over the past decade in 57,000 small business and microenterprise loans.

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