



Newsletter 02/2023

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Armenia • Georgia • Tajikistan • Ukraine

On the way ...

... to a sustainable micro bank



Iliia Revia, CEO Crystal MFO, and Niclaus Bergmann, Managing Director of German Sparkassenstiftung for International Cooperation, sign the partnership agreement for the new regional project

When it comes to sustainable management, Crystal MFO has been one of the pioneers in **Georgian** financial sector. Together with German Sparkassenstiftung, the micro-finance institution has now developed a strategy focusing on promotion of women within the company. A talent pool for women, more flexible working time models and additional social benefits are part of it.

Crystal MFO is about to transform into a micro bank. This opens up new opportunities for financial inclusion.

What is a micro bank?

The law, which came into force in Georgia on 1 July 2023, enables the foundation of a micro bank. In addition to loans up to 1.000.000 GEL micro banks may offer deposits up to 100.000 GEL, guarantees, leasing and other related services for entrepreneurial and agricultural purposes.

The advantages are obvious

- Broad product range from savings to financing
- Holistic approach in customer consultation
- Deposits as a stable source of funds

We will be happy to support our partner in the realignment of risk management, product development and the design of holistic consultation processes.

... to new business ideas

In **Tajikistan**, more regional education centers have included financial and entrepreneurial literacy training in their programs. Professional trainers share their experience and give participants valuable impulses for their business planning and responsible use of finances.

Junior short-term expert Anna-Maria Scholz met some of the participants and tells their stories:



„Finally, I can pay myself a salary.“

Ruchsora Ismoilova runs her own milk factory. But difficulties in paying on time slowed her down. „The training was a turning point in my life. I learned to plan and keep records of my business operations and finances. My own salary gives me more freedom.“

5,000 volunteers work in projects to promote education, integration, and prosperity. German Sparkassenstiftung and AGBU share the vision of socially and ecologically oriented development in rural areas. Financial inclusion can make a change.

The entrepreneurial literacy programs are currently being supplemented with practical impulses and examples for sustainable business management.

Success has many faces.
See them here.



The „Empower her“ program of our **Armenian** partner AGBU is aimed exclusively at women. With a comprehensive curriculum, women entrepreneurs, especially in rural areas, are empowered through training, mentoring, and a business plan competition. German Sparkassenstiftung's Micro Business Game is part of the program.

... to mutual exchange



New Micro Business Game trainers from AGBU enjoyed their first training with participants of the “Empower her” program

A brief introduction to our partner AGBU
Since 1906, the Armenian General Benevolent Union (AGBU) has inspired Armenians around the world to cherish culture and traditions and confidently build a bright future. Over

At the end of May, high-ranking delegations from the **Ukrainian** partner banks Oschadbank and Bank Lviv visited German Sparkassen Association (DSGV) in Berlin and the Ostsächsische Sparkasse Dresden. As part of the GIZ-financed project "Access to finance and MSME resilience support", they exchanged views on the Sparkasse business model, risk management and corporate banking. The Sparkassen are the largest creditor of small and medium-sized enterprises in Germany. The partners from Ukraine were particularly interested in how credit approval processes can be simplified, how the branch network can be managed as an efficient distribution channel and what sustainability management means in practice.

The credit model of Oschadbank and the German Sparkassen have much in common. We are both proud of the low percentage of non-performing loans ... At the same time, we can borrow a few more techniques to simplify processes.

Natalia Butkova-Vitvitska, Member of the Board of Oschadbank

Our current project

Goal

Improve access to a future-oriented, sustainable financial market for the population and MSMEs in rural areas and strengthen the sustainable use of demand-oriented financial services
Improve the financial, entrepreneurial, and ecological competences

Countries

Armenia, Georgia, Tajikistan, Ukraine

Duration

1.1.2023-30.9.2024 (first main phase)

Partners on side

- National and Central Banks of the countries
- Commercial banks and MFIs with a strategic focus on MSMEs in rural areas
- Ministry of Labour, Migration, and Employment (Tajikistan), Associations of entrepreneurs

Partner in Germany

- Ostdeutscher Sparkassenverband
- Sparkassenverband Westfalen-Lippe
- Sparkasse Elbe-Elster, Finsterwalde
- Sparkasse Märkisches Sauerland Hemer-Menden, Hemer
- Sparkasse Muldentale, Grimma

The project is funded by the Federal Ministry for Economic Cooperation and Development of the Federal Republic of Germany (BMZ).



Armenia



Georgia



Tajikistan



Ukraine



German Sparkassenstiftung

EASTERN EUROPE AND CENTRAL ASIA

German Sparkassenstiftung for International Cooperation

Regional office Eastern Europe and Central Asia

Ilia Chavchavadze street 47a | 0179 Tbilisi

Georgia

www.sparkassenstiftung-easterneurope-centralasia.org