

Supporting Microfinance: CITIGROUP EXPERIENCE IN THE REGION



Background

- ◆ **Citigroup** has been present in the Middle East region for more than 50 years. The bank is represented in 9 Arab Countries including Algeria, Bahrain, Egypt, Jordan, Kuwait, Lebanon, Morocco, Tunisia, and the UAE.
- ◆ Citigroup also serves clients in non-presence countries (KSA/Qatar/Oman/Yemen) through regional offshore center in Bahrain.
- ◆ Citigroup's legacy of innovation and achievement is nearly 200 years old. We owe our success to the long-term approach to our business.
- ◆ Citigroup Foundation (the social investment arm of Citigroup) takes that same approach when it comes to its philanthropy.
- ◆ Every Citigroup employee receives a paid day off to volunteer for an organization of her/his choice.

Citigroup Foundation

- ◆ In 2005, the Citigroup Foundation gave more than US\$85 million to NGOs in 85 countries around the world.
- ◆ The more than 3,075 grants made in 2005 show the range and scope of what the Citigroup Foundation does every day to help create social and economic opportunity— opportunity that will strengthen communities around the world for years to come .
- ◆ The Citigroup Foundation allocates funds for each country where Citigroup is present. Proposals have to take into consideration the non-profit status of the supported organization, the critical mass of the final beneficiaries, their backgrounds, the duration of the program, and the bank's non-financial involvement.
- ◆ Financial Education, Educating the Next Generation, and Building Communities and Entrepreneurs (including **Microfinance**) have been the three main areas of focus for the Citigroup Foundation for the last several years.



International Year of
Microcredit 2005

2005: Global Micro-entrepreneurship Awards (GMA)

In 2005, the United Nations Capital Development Fund (UNCDF), Citigroup Foundation and a small group of professionals and graduate students from top universities created the Global Micro-entrepreneurship Award (GMA) Program with the aim to put the spotlight on local micro-entrepreneurs who are taking the initiative to combat unemployment and transport themselves and their families out of poverty through micro-enterprise.

- \$30,000 allocated for each country; program held in 34 countries including Lebanon/Jordan/Morocco/Egypt/Pakistan
- Each country team comprised Citigroup volunteers, UNDP staff, University students and local NGO which ran the program (**YMCA** in Lebanon/**Jordan River Foundation** on Jordan/**SANABEL** in Egypt)
- Award criteria designed according to each country's micro-economy nature and a clear weighting assigned to each category
- Only Micro-finance Institutions (MFIs) could nominate applicants to the award scheme (knowledge of applicant/credit history/follow-up)
- Advisory council included top names in public life, private sector, media and other social fields.
- Independent panel of judges selected the runner-ups and the awardees
- 150-200 Micro-entrepreneurs awarded in the region. Awards ranged from \$200-\$500 each.

In 2006 Citigroup decided to run the program on its own, doubling the budget for each country



2006: Supporting Micro-entrepreneurs through Financial Training

•**Association for the Development of Rural Capacities (ADR):** Designing a vocational training program to improve professional capacities of micro and small enterprises (MSE's) which lost key productive assets during the recent war.

a) **basic skills:** *maintenance of computers, mobile telephones and other electronic, languages and computer literacy and interpersonal skills)*

b) **entrepreneurial skills:** *such as baking, creating herbal essences, maintaining animal health and food hygiene...Also business skills (developing a business plan, basic accounting and marketing.)*

•**Tameer Microfinance Bank:** Launching the "Community Information and Service Center" (CISC) in Pakistan, to increase the general level of financial and banking education amongst the masses, especially women. CISC will conduct corner and group meetings in semi-public places such as schools and health centers to educate potential Micro-entrepreneurs on the benefits of keeping records, having a bank account, saving money, insurance and having a credit history etc.

•**Kashf Foundation:** Launching the individual lending product with the objective of providing improved financial services to those who are normally excluded from the provision of credit facilities. Program caters for the credit needs of micro entrepreneurs who do not have access to formal credit, but : a) have good credit history, b) have the requirement and eligibility for higher loan amounts and c) whose businesses have reached some level of maturity and who would prefer to borrow individually rather than collectively.

Citigroup Foundation's grants (> \$100,000) will finance the training material for ADR and TAMEER as well as adding to the pool of funds of the KASHF Foundation project

Citigroup volunteers to take part in designing training material, delivering parts of it

THANK YOU