



Finanzgruppe
Sparkassenstiftung für
internationale Kooperation

Annual Report 2015



International Cooperation

Projects and Partners

2015

 **Finanzgruppe**
Sparkassenstiftung für
internationale Kooperation

Project volume 2015:	EUR 15 million
Staff head office Bonn:	25
Total staff:	210
Number of experts seconded abroad:	100

 **Finanzgruppe 2015**

413 Sparkassen (savings banks)*

Balance sheet total	EUR 1,145.3 billion
Branch offices (incl. self-services)	14,451
Employees	233,719
Current accounts**	47.5 million
Savings accounts	44 million
ATMs	25.700
Customer cards	52 million (2014)

12 Regional Savings Banks Associations

7 Landesbank Groups (plus DekaBank)

9 Regional Building Societies (LBS)

11 Public Insurers

738 Foundations (2014)

*) as at 15.02.2016: 409 Sparkassen (savings banks)

***) including instant-access savings accounts and money market accounts

International Cooperation, Projects and Partners Annual Report 2015

Sparkassenstiftung für
internationale Kooperation e.V.
(Savings Banks Foundation for
International Cooperation)

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Foreword



Georg Fahrenschon
Chairman of the Board of Trustees and President of the
German Savings Banks Association (DSGV)

In 2015, the Sparkassenstiftung für internationale Kooperation again demonstrated how the financial sector can assist people and enable them to cope better with life's everyday challenges. It showed how a few small steps towards economic self-determination can unleash major developments and how small retail banks all over the world can harness the potential inherent in their business model, namely their closeness to their customers.

2015 was characterised by increasingly volatile markets. And in many places, developments on the 'emerging markets' were met with concern.

Sparkassenstiftung's approach, however, is quite the opposite. Focusing on 34 projects in some 36 countries, it aims to strengthen developing countries and emerging economies from the inside out. This includes promoting small-scale entrepreneurship, mainstreaming a culture of savings and building up viable local institutions in the financial sector. Moreover, Sparkassenstiftung is increasingly committed to promoting vocational education and training.

The members of Sparkassenstiftung – some 300 German Sparkassen (savings banks), Landesbanken (regional banks) and associations – actively support our work. For more than 20 years now, they have provided the HR expertise Sparkassenstiftung requires for its projects.

Last year, around 100 short-term and 40 long-term experts from the Sparkassen-Finanzgruppe (Savings Banks Finance Group) were on assignment for Sparkassenstiftung, bringing their practical experience to our project countries – and returning home with lasting memories.

Around the world, the task of disseminating the Sparkassen concept is also in the hands of our 160 or so local project employees. Their knowledge about the strengths, approaches and benefits of local financial institutions, such as Germany's Sparkassen, thus takes root on site – and continues to grow after the project has ended.

Sparkassenstiftung is deeply embedded in the Sparkassen-Finanzgruppe where it is held in high regard. As an ambassador of the Sparkassen concept, it is a global communicator of core Sparkassen-related topics, such as financial inclusion, equal opportunities and education.

As the starting point for project design, we focus on the specific structural, cultural and societal features of our partner countries. We do so, because this is the only way of ensuring Sparkassenstiftung's work will have a sustainable impact on the people and on the economy, thus fostering greater stability in developing countries and emerging economies.



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Overview



Heinrich Haasis
Chairman of the Board

2015 was a good year for Sparkassenstiftung. We have been able to expand our project portfolio and launch projects in new partner countries while networking our activities in the regions more strongly. Our HR base has also grown.

Particularly pleasing are the projects we received from other donors in our ongoing partner countries, such as Armenia, Mexico, Uzbekistan and Zambia – all of which makes for successful synergies. In 2015, new projects got off the ground in the Eastern Caribbean, the Gambia and Namibia. The ‘Women in Business’ project launched in 2015 has enabled us to further expand our project activities in the Caucasus and to include the countries of Moldova and Belarus.

While our project volume in 2012 was around EUR 12 million, it grew to approximately EUR 15 million in 2015.

FIGHTING THE CAUSES OF REFUGEE MOVEMENTS

In 2015, virtually no other topic commanded the world’s attention more so than the refugee crisis.

Over one million people have fled to Europe in the past 12 months. The International Organisation for Migration (IOM) talks of the ‘biggest migratory flow to Europe since the Second World War’. But it is not just Europe that is experiencing a massive influx of desperate people from various crisis-torn regions. Indeed, many people are seeking refuge in their neighbouring countries, and in some cases they remain in other parts of their own countries as ‘internally displaced people’.

Sparkassenstiftung not only has a duty to address this situation, it explicitly wants to. Everywhere in Germany, it is Germany’s savings banks – Sparkassen – that are opening accounts for refugees (and other migrants). However, our focus is on what we can do to help create prospects for people in their countries of origin. In this context, we aim to develop and promote long-term and developmentally meaningful projects. If this contributes in some way to enabling people to stay in their own countries or helps them find new prospects in a country in the region, then we have done well.

EXPORTING THE GERMAN SPARKASSEN CONCEPT TO CHINA

China is exciting in so many ways. Currently re-engineering its economic policy away from export-based growth in favour of greater stimulation of domestic demand, the Chinese government plans to restructure the banking sector. In particular, it aims to strengthen local banks, including the City Commercial Banks (CCBs), with which we have cooperated successfully for many years now. In keeping with a proposal by the Chinese side, a partnership agreement between the Deutscher Sparkassen- und Giroverband (German Savings Banks Association – DSGV) and its Chinese counterpart, the China Banking Association (CBA), is scheduled to be signed in Berlin in March 2016, with a view to fostering further CCB development.



Niclaus Bergmann
Managing Director

SETBACKS AND LOSSES

The events in Nepal last year were extremely saddening. After the two serious earthquakes, which fortunately did not claim any casualties amongst our local staff or German experts on site, the country is now focusing on reconstruction. As a result, our local project partners requested the premature termination of our financial literacy project.

The murder in November 2015 of the managing director appointed to the partner office in Burundi came as a great shock to us all. We hope that the political situation in Burundi will soon stabilise and we would like to take this opportunity to express our deepest sympathies to the family of Cyprien Ndayishimiye.

BUSINESS SIMULATIONS ARE BECOMING OUR TRADEMARK

Our training work with business simulations for self-paying clients continued to generate good results in 2015. These simulation seminars have actually evolved into a distinctive Sparkassenstiftung trademark in recent years. In fact, since

2010, we have trained more than 40,000 participants in over 40 countries. Here microentrepreneurs, the self-employed and start-ups learn about the commercial and financial side of their operations. Using an interactive and game-based approach, the simulations not only communicate knowledge but concomitantly build up contacts and foster peer networking.

OUTLOOK

As the challenges around the globe continue to grow, especially in developing countries and emerging economies, we are looking to maintain our steady growth.

In 2016, we aim to further expand our project work in Africa in particular. After adding two new countries, namely the Gambia and Namibia, to our portfolio in 2015 and starting additional activities in Rwanda and Zambia, we are now planning to broaden the scope of our work in Mozambique.

The Regional Project for Latin America is continuing to grow and, after Bolivia and Cuba in 2015, Honduras is now set to come on board. Moreover, we are also planning to expand our regional project activities in Southeast Asia.

Finally, we would like to thank our staff members in Germany and abroad as well as our seconded experts. Furthermore, our thanks also go out to all the institutions in the Sparkassen-Finanzgruppe (Savings Banks Finance Group) that have assisted us once again in the year under review, either through their membership or most notably by partnering a project on site.

Likewise, we thank all German and international institutions for their financial contributions. Our project successes show that our joint efforts are definitely worth their while!

ONE WORLD – Our Responsibility



Dr. Gerd Müller, Federal Minister for Economic Cooperation and Development

For some two billion people, financial services remain out of bounds: no bank, no account, no loans – and the hardest hit are women, the poor and other marginalised groups in society. Without any financial infrastructure to back them up, people find it difficult to go it alone jobwise or to start up their own business and attain economic self-reliance.

This makes access to financial services an important instrument in the fight against poverty. Together with Sparkassenstiftung, we remain committed to making financial opportunities available to as many people as possible. And we are on the right track: Since 2011, the number of people who have become first-time account holders has grown by 700 million.

Precisely what it means for the people in our partner countries when savings products, insurance schemes or cashless payment systems suddenly become accessible can be seen in Sparkassenstiftung's photo exhibition, 'Development Money', which was on show in the Berlin office of the German Federal Ministry for Economic Cooperation and Development (BMZ). The

man behind the camera, Philip Ruopp, trained his lens on the everyday lives of people targeted by 'development money' in Ghana, Vietnam and Laos. After seeing the impressive images when the exhibition first opened in May 2014 at the Sonthofen-branch of Sparkasse Allgäu, I was firmly resolved they should go on display at BMZ, too.

Since 1992, Sparkassenstiftung has engaged in more than 150 projects in over 60 developing countries and emerging economies in a bid to give people access to financial services. To date, BMZ has supported Sparkassenstiftung with around EUR 80 million. At present, we are currently working together in about 30 countries and I would like to take this opportunity to thank Sparkassenstiftung for our successful and trust-based cooperation.

Sparkassenstiftung does not just help our partner countries access key product lines supplied by German Sparkassen (savings banks) – such as basic financial education or financial services, for example – but also assists local banks to develop their own needs-oriented products. In this respect, Germany's Sparkassen are simply the perfect partner. In Germany, too, their local operational focus means they are close to their customers and cater for their needs. This kind of know-how transfer from an actual field of work is one of the most efficient instruments we can apply in development cooperation.

It is also the reason why we plan to continue our joint development cooperation activities in future, too. And there's more than enough to do! Development policy is concerned with issues of human survival. This ranges from food security, sustainable globalisation and healthcare through to climate change and even the management of conflicts and the causes of migration and flight. Solutions to these global challenges can only be found if we work together. That's because they

affect us all: our generation and the ones to follow, here in Germany and everywhere around the globe. Only through our combined efforts will we be able to ensure a life in dignity for as many people as possible and make the world a safer and fairer place while safeguarding creation.

At the same time, our development policy is value based. We regard human rights, democracy and the rule of law as playing-field levellers that endow each and every one of us with an equal opportunity to evolve. Sustainability and a social and ecological market economy are the guiding principles that underpin our policy. There is no first, second or third world any more – there is only one world and every single one of us is jointly responsible for it.

This responsibility is something we take seriously, particularly against the backdrop of the current refugee crisis:

→ **WE SUPPORT REFUGEES AND THEIR HOST COUNTRIES AND COMMUNITIES**

We provide more than EUR 1 billion in direct assistance for refugees, particularly to Syria's neighbouring countries and in Africa.

Through education for children, training for young people and jobs for adults, we are generating prospects for people in their countries of origin, but also on site in their host countries. Incidentally, most refugees do not have access to financial services either, which is why we have launched a programme in Jordan that explicitly aims to redress this situation. Furthermore, as part of a newly created infrastructure programme, we are promoting the generation and expansion of housing, schools and hospitals, as well as water, sanitation and power supply systems. By way of example, in Lebanon we have succeeded in enrolling some 60,000 Syrian and underprivileged local children in school. Meanwhile, in Mali we have given some

40,000 people access to water and in Iraq we have generated employment for some 15,000 more.

→ **WE WANT TO MAKE GLOBALISATION FAIR**

We are committed to ensuring worldwide compliance with social and ecological standards. Our blueprint is the 'Partnership for Sustainable Textiles' which now has more than 160 member companies and organisations – that's about half of all textile manufacturers and clothing retailers in Germany. It is our aim to improve working conditions for people employed in the textile and clothing sector and to mainstream binding social and environmental standards.

→ **WE ARE FIGHTING FOR ONE WORLD – NO HUNGER**

As part of a newly launched special initiative, 'One World – No Hunger', we are committed to making food and nutrition security a reality for millions of people and to increasing income and employment for smallholders. Since 2014, we have set aside some EUR 1.5 billion each year to promote food security and rural development. Moreover, at the G7 Summit in Elmau, we set the goal of lifting 500 million people in developing countries out of hunger and malnutrition by the year 2030. Here, too, access to financial services has a significant role to play, especially for smallholders. Even today, some 440 million farmers are still unbanked. This has to change – and we are making it change by rolling out agricultural financing programmes in various countries throughout Africa.

→ **WE AIM TO HELP HARNESS AFRICA'S STRENGTHS AND POTENTIAL**

The African continent has an extremely young population – which is why it is so very important to create economic prospects. Consequently, we now have eight new vocational



Germany's Federal Minister for Economic Cooperation and Development (BMZ), Dr. Gerd Müller, experienced the photographic excellence of the 'Development Money' exhibition first hand when he attended the opening event in May 2014 at the Sonthofen branch of Sparkasse Allgäu. At the end of 2015, the exhibition subsequently went on display for 3 months at the BMZ.

From left to right: Dr. Ulrich Netzer, President of the Bavarian Savings Banks Association; Heinrich Haasis, Chairman of the Board, Sparkassenstiftung; German Federal Minister, Dr. Gerd Müller; Manfred Hegedüs, Chairman of the Board, Sparkasse Allgäu

training partnerships in Benin, Cameroon, Egypt, Ethiopia, Mozambique, Tunisia and South Africa. Their mission is to develop people's basic skills and further enhance those they already have. And more partnerships are in the pipeline. At the same time, we are providing 1,000 new scholarships for African students and working on the implementation of a African-German Youth Initiative.

In Africa especially, the digitalisation of financial services is of major importance. For this reason, we are helping to develop and disseminate digital solutions, also in cooperation with the private sector. In Uganda, for example, we have a programme with the enterprise software company SAP that uses a mobile application to record and register smallholders' coffee harvests. This detailed documentation also makes for better smallholder credit scoring.

→ **WE ARE COMMITTED TO PROTECTING THE ENVIRONMENT AND SAFEGUARDING THE EARTH'S NATURAL RESOURCES**

The German government earmarks some EUR 2 billion each year for international climate protection, around 90 percent of which is BMZ-funded. By 2020, we will double this funding to EUR 4 billion. In addition, we leverage around EUR 3 billion in capital market funds from development banks and mobilise more than EUR 2 billion in private funding each year, e.g. by assisting our partners in developing countries and emerging economies to develop and disseminate green financial products such as green bonds. Today, this generates yearly savings of around 200 million tonnes of CO₂ already – that's equivalent to one fifth of Germany's annual emissions.

→ **PREVENTION IS BETTER THAN CURE: WE STRENGTHEN HEALTHCARE SYSTEMS**

We improve healthcare systems, especially in Africa, because we believe this is the only way of avoiding or overcoming crises, such as Ebola. Together with research institutions and civil society organisations, we are putting together a rapid response team for the timely identification and control of health crises. At the same time, as part of the Global Alliance for Vaccines and Immunisation (GAVI), we are committed to immunising an additional 300 million children in the world's poorest countries. Through our support for the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM), we have seen to the distribution of some 130 million mosquito nets and organised treatment for some 1.5 million HIV sufferers and 1.3 tuberculosis patients in the past two years alone.

→ **WE ARE COMMITTED TO SUSTAINABLE DEVELOPMENT**

In September, the United Nations adopted its '2030 Agenda for Sustainable Development'. This global contract for the future pegs out the framework for the next 15 years of global development policy and defines the concrete goals we jointly aspire to achieve by the year 2030. In this way, we aim to rid the planet of extreme hunger, slow down the pace of climate change and reduce inequality. We made our mark on the 2030 Agenda early on, in particular by ensuring that its objectives are universally valid and will be monitored at regular intervals.

In Germany, we have joined forces with civil society, the private sector, churches, academia and politics to document the challenges and objectives for sustainable development in a Charter for the Future. Under the heading, 'ONE WORLD – Our Responsibility', this charter galvanises Germany's support for the '2030 Agenda for Sustainable Development'.

If we are to achieve all these objectives, we need strong partners. In addition to development cooperation between states, we need inputs by associations and organisations, companies and foundations.

We aim to collaborate closely with Sparkassenstiftung in the future, too. With this in mind, I ask you all to continue shouldering responsibility with us.

Retail Banking

GERMAN SPARKASSEN – THE PROTOTYPE FOR SUCCESSFUL RETAIL BANKING

As a provider of key monetary services to a large number of financially well-endowed clients, Germany's Sparkassen (savings banks) are proof that nationwide service delivery and profitable business performance are not a contradiction in terms.

Having operated successfully for some 200 years, Germany's Sparkassen and their organisational model can serve as a prototype for the many institutions with a retail-bank character that exist in developing countries and emerging economies.

Moreover, these institutions are major partners in development cooperation. Seeing as they operate in rural regions, too, they are frequently better able to realise potential than their – generally mostly smaller – NGO counterparts that only do business locally. In this way, they make a significant contribution to financial inclusion.

RETAIL BANKING 2020 AND ITS CHALLENGES

In many developing countries and emerging economies, retail banks find themselves up against similar kinds of challenges to the ones facing Germany's Sparkassen.

- Attracting and retaining customers – This calls for a customer-oriented and not a product-based business model. This model also makes greater demands on staff training.
- Enhancing sales and distribution channels – Besides the standard branch-office approach, digital technologies are leading the way in developing countries especially.
- Managing costs by means of streamlining and standardisation as well as through professional risk management.

Sparkassenstiftung's projects primarily aim to strengthen our partners' institutional capacity. The overall objective is to attain financial inclusion, whereby disadvantaged population groups up and down the country are provided with a range of products and services customised to meet their specific needs – and that applies to remote regions, too. Sparkassenstiftung essentially delivers support to partners in the following thematic areas:

- Development and introduction of efficient business processes
- Creation of adequate sales and distribution structures
- Extensive training and HR measures

RETAIL BANKS AND DEVELOPMENT COOPERATION – FLAGSHIP PROJECTS BY SPARKASSENSTIFTUNG

Sparkassenstiftung is currently helping to set up and consolidate retail-banking institutions in Mexico, amongst other countries. Since roughly only one third of Mexicans have access to financial services, Sparkassenstiftung came up with a project that aims to foster the expansion of local banks in rural regions through market-oriented products and the application of appropriate marketing strategies. In the Philippines, CARD SME Bank is proof of how a small NGO – one that was initially only active in the microfinance sector – can evolve into a retail bank offering an extensive range of products.

In Rwanda, Sparkassenstiftung is supporting the launch of the Cooperative Bank, an institution that builds on the services provided by the country's savings and credit cooperatives (SACCOs), making them more professional.

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Project reports

PHILIPPINES – CARD SME BANK

One of Sparkassenstiftung's long-standing partners is the Philippines-based Center for Agriculture and Rural Development (CARD). Together with Sparkasse Essen, Sparkassenstiftung assisted CARD in the period from 1997 to 2004. During this time, CARD evolved from a small informal NGO with fewer than 7,000 customers into a licensed bank. Today, CARD has almost 3 million customers and more than 1,700 branch offices, making it the largest microfinance institution in the Philippines.

To be able to provide customers with financial services once they have successfully matured into small and medium-sized enterprises (SMEs), CARD has since extended its operations to the SME segment.

To this end, it took over a rural bank and turned it into CARD SME Bank. With its suitably expanded product range, CARD SME Bank serves customers from CARD's existing customer base, but also welcomes new ones from outside.

Besides strengthening CARD SME Bank's institutional and operational involvement in the CARD business group, project work focuses on the following key areas of activity:

- Developing a strategy for market development and communications that will attract SME customers from outside CARD institutions.
- Extending product lines, with a view to creating a holistic range of services and support for SME customers.

Game-based learning. Sparkassenstiftung's new simulation on the topic of 'saving' is used in the Philippines, too. Vocational training for staff at CARD SME Bank constitutes one of the priority areas of project work with our long-standing partner CARD.



- Engaging in HR management and development, with a strong focus on training and staff retention.
- Managing risks, in particular default risks.

As part of a 2015 fact-finding trip, a high-ranking delegation from CARD visited the Savings Banks Academy in the German federal state of Baden-Württemberg (Sparkassenakademie Baden-Württemberg). They also looked in at Germany's savings banks' own publishing company, the Deutscher Sparkassenverlag, and the Sparkasse in Rothenburg ob der Tauber, where the new partnership agreement was signed.

In its capacity as partner savings bank, Sparkasse Rothenburg seconds the majority of short-term expertise.

Germany's Federal Ministry for Economic Cooperation and Development (BMZ) is providing the funds for this project.

MEXICO – FINANCIAL INCLUSION FOR RURAL AREAS

It was in early 2012 that Sparkassenstiftung first launched the PATMIR III project, which aims to improve access to financial services in poor, rural regions of Mexico. Steered by Mexico's national development bank BANSEFI, the project receives financial support from the World Bank as part of a comprehensive programme designed to foster financial inclusion.

In this project, Sparkassenstiftung is assisting Mexico's savings banks (cajas) to extend their branch network in rural areas. Generally organ-





Small-scale entrepreneurs in Mexico. Sparkassenstiftung's PATMIR project assists Mexican savings banks to further expand their branch-office network in rural areas. A particular focus is on Mexico's indigenous population and women, such as these vegetable sellers at a local market.

ised as cooperatives, these institutions often shy away from the costs and risks involved in establishing subsidiaries in small towns with below-average incomes. Consequently, a key project focus is on reimbursing a large proportion of their expansion-related costs. To be eligible for support, the cajas concerned have to work with Sparkassenstiftung to map out a growth concept for market penetration in rural areas. This includes the implementation of new market-oriented products and technologies, appropriate marketing strategies and measures for enhancing efficiency – financial literacy included.

To date, this project has led to the introduction of savings and lending products at nearly 50 cajas. Furthermore, it has helped organise training for sales staff and assisted with the recruitment and induction of new personnel. Other activities include the implementation of market studies, the launch of new branch offices and the design and roll-out of new marketing measures. At the same time, this project has supported the generally unregulated savings banks with their licensing process, specifically with regard to risk management, internal auditing and treasury management. Together, these inputs are designed to help stabilise Mexico's savings and cooperative bank sector.

Through to the end of 2015, Sparkassenstiftung's efforts helped its partner cajas in Mexico acquire more than 210,000 new customers.

Overall, some 240,000 new customers are to be attracted by mid-2016.

RWANDA – ESTABLISHING A COOPERATIVE BANK

The objective of this project, which was newly launched in 2015, is to professionalise savings and credit cooperatives (Umurenge SACCOs*) in Rwanda by means of a consolidation process and by establishing a Cooperative Bank to centralise SACCO operations.

At present, there are some 416 Umurenge SACCOs countrywide, which are to be merged to form 30 regional institutions, thus achieving the minimum SACCO-size required to sustain long-term business viability.

The Cooperative Bank is tasked with providing the Umurenge SACCOs with centralised support services – something their size has prevented them from doing themselves until now. These services include payment transactions, treasury management and consortium loans.

Networking with other Sparkassenstiftung partners in Rwanda, such as the microfinance association AMIR and the training centre RICEM, the Cooperative Bank is to offer additional services to microfinance institutions, for example further training courses for staff working at the Umurenge SACCOs or auditing inputs.

Project partners include, inter alia, the Rwandan Ministry of Economic Planning and Finance. Two long-term experts from Germany are currently working on site. Germany's Federal Ministry for Economic Cooperation and Development (BMZ) is funding the project.

* Umurenge (= sector); SACCOs (= savings and credit cooperatives)



Financing for Small and Medium-sized Enterprises

SME – AN ENGINE FOR ECONOMIC GROWTH

In many developing countries and emerging economies, small and medium-sized enterprises (SMEs) account for well over 90 percent of economic output. SMEs are of outstanding importance for economic growth. By creating jobs, they deliver a sustainable contribution to the fight against poverty.

To make it easier for people to set up a business and in order to generate conditions conducive to ongoing SME development, we must focus on improving the economic, legal and infrastructural framework conditions in developing countries and emerging economies. This includes improved access for SMEs to suitable financial services. Many banks and microfinance institutions, however, lack the know-how required. Moreover, they frequently demonstrate scant interest in extending loans to SMEs.

KNOW-HOW TRANSFER FROM GERMANY'S SPARKASSEN

As a member of the Sparkassen-Finanzgruppe (Savings Banks Finance Group) – Germany's market leader in terms of SME financing – Sparkassenstiftung assists banks and microfinance organisations in developing countries and emerging economies to develop banking services for SMEs on site. Depending on the given needs profile, project partners receive support in the following areas:

- Development and introduction of loan products and services for SMEs
- Initiation and structuring of SME-oriented operations
- Implementation of mandatory lending procedures and the generation of decision-making bodies and control boards
- Staff recruitment and training (from loan advisors to specialists and managers)
- Development of internal training capacities

- Expansion of financial service outreach, especially loans to SMEs in rural regions

In all of this, the experts on secondment from German Sparkassen (savings banks) to Sparkassenstiftung projects can harness the know-how and practical experience of Germany's savings banks system. Moreover, Sparkassenstiftung also contributes its own extensive experience from a large number of international SME projects.

TRAINING FOR STAFF AND ENTREPRENEURS

Sparkassenstiftung's activities are not restricted to rolling out loan products and generating organisational structures in banks. Indeed, one of its ongoing objectives is always to ensure responsible lending practices tailored to customers' needs and to their ability to repay their loans. For this reason, we organise a variety of training courses for small business owners and new start-ups that enable them to acquire basic management and planning skills. Business simulations specially developed with micro and small entrepreneurs in mind have proved really useful here, because they give people an opportunity to emulate and learn about economic practices and procedures.

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A contented customer. This carpet weaver from Azerbaijan has every reason to smile. Thanks to a small loan from the German-Azerbaijani Fund, he now has his own small business.

Project reports

INDONESIA – ASBANDA

In June 2010, Sparkassenstiftung launched a project designed to promote decentralised financial service delivery by regional development banks (Bank Pembangunan Daerah – BPD) in Indonesia.

To this end, individual BPDs have rolled out a standardised micro-lending product for micro, small and medium-sized enterprises (MSMEs) in a bid to boost economic development in the respective provinces. In 2015, Sparkassenstiftung's experts provided assistance to SUMUT Bank in North Sumatra, KALBAR Bank in West Kalimantan, JATENG Bank in Central Java, DIY Bank in Yogyakarta, SULUT Bank in North Sulawesi and PAPUA Bank in Papua.

To date, we have succeeded in providing more than 45,000 micro and small-scale entrepreneurs with loans with an overall volume of more than EUR 65 million. One particularly noteworthy fact is that all loans are 100 percent refinanced from the BPDs' own resources. Another focus of this project is on strengthening the institutional capacity of the Association of Regional Development Banks ASBANDA (Asosiasi Bank Pembangunan Daerah).

A German long-term expert based in Medan in North Sumatra manages the project with additional support from a second German long-term advisor and three local staff members.

Germany's Federal Ministry for Economic Cooperation and Development (BMZ) is providing the funds for this project.

AZERBAIJAN – GERMAN-AZERBAIJANIAN FUND (GAF)

Originally, the German-Azerbaijani Fund (GAF) consisted of two long-term loans to Azerbaijan by the Federal Republic of Germany. This revolving credit fund, which started out at EUR 8.7 million, is under Sparkassenstiftung's administration. GAF extends credit lines ranging from between EUR 1 million to EUR 2 million to six selected partner banks. GAF's earmarked resources enable partner banks to refinance the loans they give to small and medium-sized enterprises.

As GAF administrator, Sparkassenstiftung is tasked with concluding loan agreements with partner banks. Other duties include loan extension and portfolio monitoring. Sparkassenstiftung makes use of a lending technology based on the responsible credit principles applied in German Sparkassen (savings banks). Furthermore, we monitor Azerbaijan's amortisation and interest payments to Germany's development bank KfW.

A prominent GAF feature is its consistent growth. In 2015, the fund's overall volume passed the EUR 12 million mark, even though loan repayment to the Federal Republic of Germany is now underway. With more than 50,000 loans extended and some 120,000 newly created jobs to its name, GAF has become a synonym for successful SME lending. This not only has ramifications in terms of promoting well-balanced economic growth in Azerbaijan, but also – thanks to the development of sufficiently diversified portfolios – helps strengthen the financial institutions concerned.



Woman power. The Women in Business Programme in the Caucasus, Moldova, Belarus and Ukraine aims to strengthen women-led start-ups and enterprises in the region.



MYANMAR – STRENGTHENING BANKS IN THE SME SEGMENT

Back in April 2014, Sparkassenstiftung initiated support for a project designed to introduce and expand SME lending operations in Myanmar. The local partners are three pilot banks: Small and Medium Industrial Development Bank (SMIDB), Kanbawza Bank (KBZ Bank) and Yoma Bank. The extensive consultancy and upskilling measures involve the revision and/or new design of business strategies, the creation of organisational structures, the development of loan products and corresponding procedures as well as the implementation of comprehensive training measures.

As part of a consortium of international consulting companies, Sparkassenstiftung is responsible for the design and delivery of SME training and also for on-the-job coaching for project-trained loan officers. Subsequent to detailed training needs analyses and in agreement with the long-term experts on site, numerous specialised training courses were organised for loan officers and trainers in 2015.

This project is funded by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and spearheaded by the Cologne-based ICON Institute.

CAUCASUS, MOLDOVA, BELARUS AND UKRAINE – WOMEN IN BUSINESS

According to the G20 ‘Global Partnership for Financial Inclusion (GFPI)’, the total credit gap for women-owned small and medium-sized enterprises (women-owned SMEs) around the world amounted to more than USD 300 billion in 2011. This financing gap is not only a major obstacle for women at the start-up phase of the business life cycle, but also for women seeking to expand their existing small-scale business activities.

Frequently, the credit options available at financial institutions are too short term and involve a disproportionately high level of collateral. Often, however, bank staff simply do not believe women entrepreneurs would be able to repay any money they might borrow – a mindset that seriously curtails the potential for growth by women-owned SMEs.

If these prejudices against women-owned businesses can be reduced, these women will be able to realise their growth potential and help drive forward their national economy and strengthen the financial institutions in these project countries. Against this backdrop, the project’s objectives aim to:

- Support women-owned SMEs by generating better access to financial services, leading to sustainable growth and the creation of jobs.
- Improve access to know-how and to non-financial business development services while generating opportunities for women-owned SMEs to network with each other.





Exciting partnership. Having decided to reengineer its economic policy, the Chinese government is now looking to restructure the banking sector. In particular, it intends to strengthen local banks, including the City Commercial Banks.

→ Develop sustainable lending mechanisms for women-owned SMEs by providing financial institutions with technical assistance backed up by baseline assessments.

At the end of July 2015, work on baseline assessments was started with two Georgian banks, with a view to developing targeted support measures for women-owned SMEs. Further assessments are scheduled to take place in Armenia and Belarus. This project represents an excellent addition to Sparkassenstiftung's ongoing activities in the Caucasus. Funded by the European Bank for Reconstruction and Development (EBRD), we are co-implementing this project with the Swiss management consulting company Microfinance Strategy.

CHINA – CITY COMMERCIAL BANKS

The City Commercial Banks (CCBs) came into existence as a result of the 1995 merger of China's urban credit cooperatives. By order of the Chinese government, they were recapitalised by municipalities and municipal enterprises. Today, there are more than 120 CCBs up and down the country and, just like Germany's Sparkassen (savings banks), they operate on a legally and economically independent basis. CCBs differ widely in size, ranging from anywhere between 200 to 10,000 staff members.

As regional commercial banks, Chinese City Commercial Banks are more heavily involved in lending to small and medium-sized enterprises than other institutions in China.

CHINA – WEIHAI CITY COMMERCIAL BANK

The project with Weihai City Commercial Bank was officially wound up in November 2014. However, Weihai City Commercial Bank subsequently commissioned Sparkassenstiftung to work with it on the development of its lending business in Qingdao, too.

CHINA – ZHEJIANG MINTAI COMMERCIAL BANK

March 2015 saw the launch of project work with Zhejiang Mintai Commercial Bank in Jiaxing. The period through to September 2015 was used for a market analysis and to select and prepare two groups of new staff members for the task of advising on micro-lending operations. Furthermore, the organisational framework required for this new area of business was also created.

In the first months of the project, micro-lending got off to a very slow start. This is due to the fact that China's economy is no longer growing at its accustomed dynamic rate. Also, potential clients exhibited signs of over-indebtedness. As a result, the partner institution decided, inter alia, to increasingly focus its operations on urban areas, too. However, as of August 2015, demand for loans by potential small-scale entrepreneurs is now in line with expectations.

In September 2015, managers and specialists from Zhejiang Mintai Commercial Bank visited German Sparkassen. The delegates were particularly eager to find out more about their German counterparts' approaches to digital services and service delivery to rural regions as well as about HR and training issues.



Expanding cooperation. In June 2015, Sparkassenstiftung signed an agreement with Nantong Rural Commercial Bank. The upshot: As of September 2015, we now have consultants on site on a permanent basis.



CHINA – NANTONG RURAL COMMERCIAL BANK

In June 2015, a contract for another project designed to introduce small-scale lending operations in China was signed with Nantong Rural Commercial Bank. This contract has a one-year term. A group of staff members from this bank was already selected to work as advisors in this new business area in August 2015. Furthermore, as of September 2015, Sparkassenstiftung now has consultants on site on a permanent basis.

Project work in China is funded entirely by our Chinese partners.

STUDY TRIPS TO GERMANY FOR PROJECT PARTNERS FROM CHINA

In 2015, Sparkassenstiftung worked with six local banks in China to set up and expand lending operations for small and micro enterprises. In addition to consultancy by Sparkassenstiftung on site in China, our Chinese project partners are also keen to undertake exposure trips to Germany to glean ideas and impetus for their work from everyday practices in Germany.

German Sparkassen (savings banks), Landesbanken (regional banks) and other institutions and facilities that make up the Sparkassen-Finanzgruppe (German Savings Banks Finance Group) have welcomed Chinese guests on many occasions, sharing extensive information.

Thanks to a regional association of City Commercial Banks, managers whose financial institutions are not yet amongst Sparkassenstiftung’s direct project partners in China also get an opportunity to visit German institutions.



Microfinance

Depositing money safely, getting a loan, securing insurance and transferring payments – and all with the smallest amounts of money. For low or irregular income earners, day-to-day living expenses are a major challenge. Often their fluctuating earnings and irregular expenditure make it difficult for them to plan ahead. Microfinance institutions (MFIs) thus regard the financial services they provide as help for self-help, with due consideration for economic and social parameters – and increasingly for ecological ones, too.

FINANCIAL INCLUSION

Looking back, the role of microfinance in development cooperation can be divided into various phases:

- 1975-1985: The term microfinance is first used, particularly in connection with micro-loans.
- 1985-1995: Initial move towards MFI commercialisation (growth and profit maximisation, in part using the capital market) and transformation (often from NGOs) to regulated financial institutions.
- 1995-2005: Microfinance sector experiences massive growth rates.
- 2005-2012: Growing competition and unhealthy growth rates lead to crisis and consolidation.
- As of 2013: Return to an even balance between social mandate and economic sustainability. Today, the focus is on financial inclusion.

Financial inclusion aims to give all people access to appropriate and affordable services at good quality that are delivered with respect for the customer.

MICROFINANCE – A SUCCESS FACTOR

Microfinance is just one of the factors – albeit an extremely important one – needed to achieve financial inclusion. In addition to microfinance, financial inclusion's joined-up approach to service delivery comprises other dimensions like financial education and consumer protection. The current debate acknowledges this holistic view and therefore embraces the model of financial inclusion.

Many Sparkassenstiftung projects focus on financial inclusion – and all of them support the United Nations Sustainable Development Goals (SDGs) which are striving to promote deeper financial inclusion.

Examples include our work targeting the communication of knowledge and know-how required for MFI creation and consolidation in Bhutan, Laos, Myanmar and Vietnam, or the implementation of financial education measures in Nepal or Rwanda.

Our support for ongoing developments and product alignment in keeping with changing customer needs is conducive to financial inclusion, too. Likewise, our cooperation with microfinance associations in Burundi and Rwanda also serves to promote financial inclusion because, through associations, we can jointly evaluate opportunities for digitalisation or work to advance topics such as consumer protection.

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BHUTAN – STRENGTHENING THE MICROFINANCE SECTOR

In Bhutan, low-income households barely have any access to formal financial services. Therefore, the objective of this project is to establish a professional microfinance institution (MFI) that will enable a great many people to access their first-ever financial products. At the same time, this MFI is to serve as a template for the development of a microfinance sector in Bhutan. With the support of the local partner RENEW (Respect, Educate, Nurture and Empower Women), a private non-governmental organisation dedicated to advancing women's cause, this Sparkassenstiftung-supported MFI now has an outreach of more than 6,200 customers served by six branch offices. Many of these women travel long distances to make sure their money is deposited safely, later repeating the journey to take out a loan for their business undertaking. In addition to financial services, the project also teaches basic financial literacy to households and women entrepreneurs. This is certainly not an easy undertaking as in rural regions especially, the majority of customers can, at best, only write their name.

Sparkassenstiftung supports the recruitment and training of suitable personnel and promotes the launch of new branch offices along with the (further) development of demand-driven financial services. It also assists with the design and roll-out of organisational structures and control mechanisms. Having further strengthened its HR and institutional capacity, this newly founded 'savings bank' was able to end the fiscal year 2014/2015 with a balanced result.

Centre Meeting in Bhutan. Staff at the RENEW MFI hold a meeting with their customers. The red umbrella with the logo of the Sparkassen-Finanzgruppe not only offers protection from the rain, but also symbolises financial protection – hence the film 'Under the Red Umbrella' which aims to educate about financial services.



The project is now scheduled to expand the branch network and train management personnel. Legal autonomy is dependent on compliance with a microfinance regulation; RENEW MFI, however, already satisfies all of the regulations for deposit-taking microfinance institutions on a voluntary basis.

The long-standing partner savings bank in Germany is Sparkasse Germersheim-Kandel which continues to second short-term experts and welcome delegations. As of May 2015, a long-term expert from the German district savings bank Kreissparkasse Köln is now working on site.

Germany's Federal Ministry for Economic Cooperation and Development (BMZ) is funding project activities.

NEPAL – BUILDING AND STRENGTHENING THE MICROFINANCE SECTOR

Sparkassenstiftung arrived in Nepal at the end of 2011. Until the earthquake struck in April 2015, the project ran smoothly, cooperating inter alia with Nepal Rastra Bank, various microfinance institutions (MFIs) and in particular with the First Microfinance Development Bank (FMDB). Thanks to FMDB-channelled consultancy, training and lending activities, the project succeeded in strengthening MFIs and, via these institutions, in financially educating the target groups, i.e. potential users of microfinance services.

In their capacity as FMDB partner organisations, MFIs received support in critical business areas (lending, risk management, HR development),





Working hard. Staff at the microfinance institution TYM in Vietnam check their customers' income and expenditure at a weekly village meeting.

enabling them to serve their target groups on a sustainable basis. Financial literacy measures for customers helped stabilise the MFIs, empowering them to expand their operations to remote areas, too. And last but not least, training for ambitious microentrepreneurs allowed the MFIs to broaden the quality and scope of their operations in the direction of small businesses. This constituted a key move towards closing the gap between microlending and loans for medium and large companies, with positive ramifications for regional business activities in underdeveloped areas and in terms of job creation, too. Following the earthquakes in April and May 2015, the focus of our Nepalese project partners changed. Now primarily concerned with hands-on reconstruction and funding, their attention to medium and long-term improvements in structural efficiency has had to take a back seat. National and international organisations are providing substantial volumes of financial resources which our project partners, alongside many other institutions, are harnessing to deliver short-term assistance to those in need. Left with little time to implement this Sparkassenstiftung project, our project partners cancelled the project agreement at the start of July 2015, leading to the project's termination at the end of October 2015.

The German partner institution, Sparkasse Allgäu, provided dedicated support throughout. Germany's Federal Ministry for Economic Cooperation and Development (BMZ) funded project activities.

VIETNAM – CONSULTANCY FOR TYM

The objective of the project with TYM, our long-standing partner in Vietnam, was to secure financial service delivery for customers who outgrow microfinance and evolve into small and medium-sized enterprises (SMEs).

For a successful microfinance institution like TYM, whose professionalisation Sparkassenstiftung has been supporting for many years, SMEs represent a new and challenging market segment. Building on the results of an extensive market analysis, the project mapped out SME lending processes and instructions as well as SME lending products to finance fixed and current assets. Two pilot branch offices were selected for test purposes and loan officers were given corresponding training.

By the end of the pilot phase, the Sparkassenstiftung-initiated marketing strategy and accompanying training inputs resulted in a nearly 50 percent increase in disbursements by both branch offices in June 2015 compared with previous credit volumes.

Overall in the course of the one-year project phase, a total of 140 loans were extended and 36 loan officers were trained. As part of training for trainers, eight local instructors were equipped with the pertinent skills.

Project activities were financed by the International Finance Group (IFC), which is a member of the World Bank Group.





Regional Project for Indochina and Myanmar

The objective of this regional project is to promote low-income households in the region, giving them long-term access to customer-centric financial services. Furthermore, it aims to sustainably strengthen our partner institutions by professionalising their organisational structures. The activities conducted by the regional project in Indochina and Myanmar serve to craft a sustainable network of microfinance organisations in which local partner institutions can learn from one another, mutually strengthen each other and benefit from international experience.

In **Vietnam**, the focus is on corralling and professionalising the various microfinance activities performed by the Vietnam Women's Union (VWU) and on supplying needs-oriented lending products, also to small and medium-sized enterprises. Moreover, our work here further aims to create a microfinance competence centre out of the academy operating under the VWU mantle.

Sparkassenstiftung's activities in **Laos** are promoting the development of the Women & Family Development DTMFI (WFDF) which was set up six years ago. In spite of some very difficult framework conditions – including HR capacity and the general level of training in the country as well as strict microfinance regulation by the supervisory authorities – WFDF has developed well.

In January 2015, Laos' village banks also became part of this regional project. The aim here is to

take 14 selected pilot banks at village level and turn them into sustainable providers of professional (micro) finance services.

The microfinance market in **Myanmar** only emerged when the country started to open up. However, it already exhibits some very dynamic properties. The biggest challenge lies in the lack of trained employees – both at the authorities that steer the sector and amongst the financial institutions themselves. Sparkassenstiftung's project partner, the microfinance organisation Myanmar Development Partners (MDP), has made good headway. In 2015, cooperation focused on consolidating structures and processes. As of September 2015, the regional project now has a new partner, namely the microfinance organisation CARD Myanmar Co. Ltd. With its highly dynamic growth, this partner shows great potential, not least because of the parent organisation behind it: Philippines-based CARD.

Work in these three countries is steered by a regional coordinator located in Laos. Four German long-term experts are advising the respective partner institutions. The partners, i.e. Sparkasse Essen and CARD in the Philippines, also second expertise.

Project activities in Indochina and Myanmar are funded by Germany's Federal Ministry for Economic Cooperation and Development (BMZ).



Regional Project for East Africa

Launched in September 2014, the project 'Vocational Training and Microfinance Sector Strengthening in East Africa' is a continuation of the successful project work in the neighbouring countries of Burundi, Rwanda and Tanzania. The project has the same objectives in all three countries:

1. Improve training for employees at microfinance institutions
2. Strengthen partner institutions' institutional capacity
3. Improve access to financial services by enhancing people's awareness of their own money needs (basic financial literacy and rudimentary business management skills) and by providing better services (staff, sales and marketing, branch offices)

Sparkassenstiftung first started cooperating with the Association of Microfinance Institutions (AMIR) in **Rwanda** in 2009. The objective is to make AMIR more professional and to increase the population's financial literacy in a bid to mobilise savings. In 2015, cooperation focused on implementing the fifth World Savings Week. More than twice as many local MFIs took part than in 2011, the first year this event took place.

Furthermore, Sparkassenstiftung is advising a facility that provides training to microentrepreneurs and employees of microfinance institutions

and credit cooperatives. Founded in August 2014, the Rwanda Institute of Cooperatives, Entrepreneurship and Microfinance (RICEM) started delivering training inputs in 2015.

Alongside AMIR, the Rwandan Ministry of Trade and Industry is a major RICEM support agency. One of the goals of Sparkassenstiftung's consultancy is to assist RICEM to attain institutional autonomy. A study into the feasibility of launching the dual vocational training system in microfinance institutions came to a positive conclusion. The next step therefore provides for the design of a concept for piloting training with selected microfinance institutions.

The project is supported by a German long-term expert, two junior long-term experts and ten local employees. The Sparkassenverband Rheinland-Pfalz – the savings banks association for the German federal state of Rhineland-Palatinate – is partnering activities in Rwanda.

Cooperation with the microfinance network RIM (Réseau des Institutions de Microfinance) in **Burundi** focuses primarily on evolving the association's portfolio and on delivering further training to member institutions in the fields of IT and financial literacy. This also involves organising World Savings Week and awareness-raising measures in schools along with Open Days in local microfinance institutions.



Project work on site proved very difficult in 2015 owing to the political unrest in the country. However, thanks especially to the local project partner's dedication and commitment and to the high level of staff motivation, we have still essentially managed to progress according to plan. Project work also continued following the tragic death of RIM's Managing Director. The Sparkassenverband Baden-Württemberg – the savings banks association of the German federal state of Baden-Württemberg – is supporting project work in Burundi, in particular through assistance for the creation of a microfinance academy, staff member financing and the regular secondment of short-term experts.

In **Tanzania**, Sparkassenstiftung – in cooperation with the German district savings bank Kreissparkasse Tübingen – has been supporting Tanzania Postal Bank (TPB) and the Tanzania Association of Microfinance Institutions (TAMFI) since 2012. Support for TPB essentially consists of consultancy on further training, marketing and sales. Following the comprehensive evaluation of TPB branch offices, concepts were devised to enhance TPB's poor service quality. Training in management and communication forms part of this concept. TPB sent a delegation to Kreissparkasse

Tübingen in June 2015. The focal points of this study trip included HR development and sales management. We are currently supporting TAMFI with the delivery of training to its member institutions; cooperation is scheduled to intensify in 2016.

Germany's Federal Ministry for Economic Cooperation and Development (BMZ) is providing the funds for this project.



Caught up in the violent unrest, the Managing Director of RIM, Cyprien Ndayishimiye, was shot dead in Bujumbura, Burundi, on 7 November 2015. We mourn a valued partner and friend who was deeply committed to the development of Burundi's microfinance sector.

HR Development and Training

Education and vocational training are key linchpins for national development. For an organisation like Sparkassenstiftung that fosters societal development, this translates into demands at two levels. On the one hand, we have to set corresponding priorities at the macro level, i.e. when building up and consolidating systems and structures. And on the other, we need to focus on the micro level, too. This is because sustainability can only be achieved if projects are undertaken systematically and if individual activities are embedded in a relevant context. Without paying due attention to the finer details at implementation level, we cannot hope to achieve success.

BUILDING UP AND SECURING SYSTEMS AND STRUCTURES

Since it was first established, Sparkassenstiftung has implemented many education and training projects for financial-sector staff and managers. One of the main factors driving the success of such projects is the differentiated and efficient system of basic and further training traditionally anchored in the German Sparkassen-Finanzgruppe (Savings Banks Finance Group). Furthermore, Sparkassen-Finanzgruppe has academies, training departments and universities that serve as excellent role models for project partners all around the world.

These success factors can be adapted for transferal to developing countries and emerging economies. Indeed, a great many highly dedicated staff members and managers from the Sparkassen-Finanzgruppe are sharing their expertise and methodological competence as multipliers.

Examples of our project work at this level include:

- The establishment and ongoing development of institutions and training centres in Ghana and East Africa
- The introduction of dual vocational training in Turkmenistan and the Philippines

- The design of a concept for a decentralised training network in Cameroon

A JOURNEY OF A THOUSAND MILES BEGINS WITH A SINGLE STEP

The quality of a given system is reflected in the concrete results it generates. The best curricula, training plans and examination regulations only assist people to get ahead, if there are resources on hand at the micro level to see to the finer complexities of implementation. We, therefore, need to find motivated and highly skilled teachers, trainers, instructors and moderators who repeatedly rise to this educational challenge and succeed in passing on their enthusiasm to their pupils, students or trainees.

Sparkassenstiftung created concrete opportunities and impetus for thousands of people through a variety of measures in 2015. Many smaller inputs are required to turn a beginner into a competent bank manager or entrepreneur and each of these makes sense if it helps light the flame of enthusiasm amongst our partners in the target countries.

For years now, Sparkassenstiftung has harnessed people's natural propensity for play by packaging training contents into business simulations in a way that makes learning fun. This approach enables many people to stay the course until they are eventually able to help advance their country's development.

There are some impressive figures that prove this works: Over the last 10 years, business simulations have been implemented in more than 40 countries and with more than 40,000 participants.

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GHANA AND THE GAMBIA – CREDIT UNIONS

Sparkassenstiftung and the Rheinischer Sparkassen- und Giroverband (RSGV) – the Rhineland Savings Banks Association – have teamed up to support the credit unions in Ghana and the Gambia. Based on the success of project work in Ghana since 2010, Germany's Federal Ministry for Economic Cooperation and Development (BMZ) agreed to a new three-year project phase, which is to be extended to the Gambia.

In **Ghana**, this new project phase aims to build institutional capacity at the Credit Union Training Center (CUTraC). Whereas previously the project focused on developing course contents and training of trainers, it is now concentrating on CUTraC's economic and professional sustainability. To this end, it is designing structures and processes, managing capacity utilisation and monitoring training successes.

With around 20 staff members, the National Association of Cooperative Credit Unions (NACCUG) in the **Gambia** is significantly smaller than the Ghana Cooperative Credit Unions Association (CUA). Intensive cooperation is ongoing with the few large credit unions that operate nationwide. Furthermore, shared branch offices make it possible to secure efficient use of scarce resources. The project objective in the Gambia is to continue developing NACCUG's capacity to deliver training services to the credit unions. Following pertinent needs analyses, it is therefore planned to support training for teaching personnel and to develop and/or adapt courses accordingly.

South-South dialogue. By supporting savings and credit cooperatives in both Ghana and the Gambia, Sparkassenstiftung is creating synergy effects, especially with respect to their banking associations. Knowledge transfer is succeeding, even though the countries and their associations differ in size.



Cooperation between the two associations, and where appropriate also between the credit union networks in Sierra Leone and Liberia, is to be promoted through South-South dialogue in a bid to make respective experience mutually accessible. Irrespective of the major differences between the countries and their associations, all stakeholders are of the opinion that knowledge transfers would be highly expedient.

The project is managed by two long-term advisors located in Ghana, who also visit the Gambia on a regular basis.

Germany's Federal Ministry for Economic Cooperation and Development (BMZ) is providing the funds for this project.

PHILIPPINES – CONSOLIDATING DUAL VOCATIONAL TRAINING

Sparkassenstiftung is cooperating with six German project partners (DEG, GIZ, DIHK, ZDH, BKU/AFOS, Sequa) as well as with private and governmental organisations and companies in the Philippines on the implementation of a joint project designed to make vocational education more practice-centric and needs-oriented. Initiated in 2013 by Germany's Federal Ministry for Economic Cooperation and Development (BMZ), this project aims to promote a dual approach to vocational education in order to increase employment and income levels amongst young people and their families.

At the same time, it intends to satisfy business demand for well-trained middle to higher level professionals. Thanks to this form of training,





Global application. Sparkassenstiftung's microbusiness simulation is applied worldwide and in many different languages. Here we see it in use in Uzbekistan. Since 2010, we have trained more than 40,000 participants in over 40 countries.

many young people from underprivileged families get a chance to access the qualifications they need to make a good start to their working lives.

Within this project context, Sparkassenstiftung's focus is on developing and testing dual approaches in the microfinance sector. Partnering Sparkassenstiftung in the Philippines are five regional microfinance organisations from the three regions of Bicol, North Mindanao and Caraga. Another stakeholder is the Center for Agricultural and Rural Development (CARD), which operates nationwide in the Philippines. Furthermore, the project has also succeeded in recruiting yet more partners, namely nine schools and further training establishments.

Through to August 2015, activities focused on developing and rolling out curricula for the 'microfinance' and 'bookkeeping' training courses, along with manuals for workplace mentors and schools. The project has also developed training clusters consisting of one financial institution and several colleges for each of the training profiles. In all, twelve workplace mentors and twelve school teachers underwent methodological and specialist training in the respective profiles. And in the period from June through to September 2015, assessment centres were held in all of the partner institutions to select students. This was followed by the launch of initial training courses with a total of 104 participants.

Germany's Federal Ministry for Economic Cooperation and Development (BMZ) is funding project activities.

PARTNER-FINANCED SEMINARS – BUSINESS SIMULATIONS AND MANAGEMENT TRAINING

The training work Sparkassenstiftung is performing on behalf of self-paying clients continued to make good progress. In 2015, five seminars were organised for experts and managers on behalf of Sparkassen-like institutions and retail banks. Seminars took place in Germany and on site in developing countries and emerging economies. In September 2015, a train-the-trainer seminar was implemented with a view to expanding the pool of instructors and so increasing the use of business simulations.

In addition to the educational inputs paid for by the project partners themselves, business simulations involving large numbers of participants also feature in ongoing Sparkassenstiftung activities in many countries. Indeed, the microbusiness simulation has actually evolved into a special Sparkassenstiftung trademark in recent years and has been used to train more than 40,000 participants. Besides English, Spanish, French and Russian versions, our microbusiness simulation is now also available in Lao, Uzbek and in Kinyarwanda. In 2015, a new simulation was developed on the topic of 'savings'. Tested in a pilot event in Armenia, it has since been rolled out in project activities in several countries.





Regional Project for Central Asia

Our Regional Project for Central Asia involves the countries of **Tajikistan, Turkmenistan** and **Kyrgyzstan**, thus organisationally grouping together Sparkassenstiftung's project activities in these countries. The project objective is to strengthen the banking sector in the countries involved by professionalising training structures in this sector and bringing them into line with international standards.

Dual vocational training leading to specialist banking qualifications has formed part of the project work in all of the aforementioned countries to date and will continue to do so within the scope of this regional project which aims to achieve the following results:

- Application and recognition of dual vocational training in Central Asia as a criterion for working in specialist banking jobs
- Improved professional development options for bank staff as well as better quality advice and better customer services in the banks taking part
- Design, application and accreditation of practice-oriented specialist training courses (e.g. risk management, microfinance) for managers and bank staff
- Provision of practice-oriented further training courses in the regions
- More exchanges between partner institutions in the regional network

The project's core focus is on developing the concept and contents of the dual vocational training course for bank assistants. Lasting a total of six months, this course is to consist of around 40 percent theory and 60 percent practical work in the respective bank departments.

To date, project work on the dual vocational sector has resulted in qualifications for 127 staff members in Tajikistan, 325 in Turkmenistan and 128 in Kyrgyzstan.

The project is managed by a regional coordinator located in Kyrgyzstan. Furthermore, German long-term advisors and local staff members are also operating in the respective project countries. The project partners on site are the respective central banks. Partnering the project on the German side are Saalesparkasse in Halle and the Ostdeutscher Sparkassenverband (East German Savings Banks Association).

Funding for this regional project comes from Germany's Federal Ministry for Economic Cooperation and Development (BMZ).



Cooperation with the UN World Food Programme. In 2015, Sparkassenstiftung's training efforts enabled more than 20 Zambian farmers to qualify as 'microbusiness simulation trainers'. Their instruction took place as part of a Sparkassenstiftung project with the UN World Food Programme.

ZAMBIA – MICROBUSINES SIMULATION FOR THE UNITED NATIONS WORLD FOOD PROGRAMME

The widespread success of our microbusiness simulation also came to the attention of the UN World Food Programme (WFP) which has now commissioned Sparkassenstiftung to implement this training model within the scope of a WFP project and also in two measures on behalf of the UN Food and Agriculture Organization (FAO).

At three rural locations (Mansa, Chapati and Choma), a German expert seconded by Sparkassenstiftung has worked alongside local trainers to coach a total of 60 multipliers from locally based agricultural projects.



Financial Sector Development

Creating a stable financial system that is conducive to sustained economic growth constitutes a central development-policy objective of Sparkassenstiftung's project work. As its benchmark, Sparkassenstiftung uses Germany's own locally oriented Sparkassen (savings banks) business model.

The Sparkassen model builds on professional management which, although profit oriented, does not aim to maximise earnings. Furthermore, it also incorporates a social mandate designed to foster the local population's well-being.

KEEPING IT LOCAL

This orientation to the local people and local economy ties in with the UN Sustainable Development Goals (SDGs) adopted in September 2015, which aspire to achieve financial inclusion for all by the year 2030 – in particular for the poor and vulnerable. Furthermore, small and micro enterprises are to get access to financial services such as loans, for example.

This sustained provision of appropriate financial services to the local population is at the core of most of the projects that Sparkassenstiftung implements.

SELF-REGULATION AND STRONGER MICROFINANCE ASSOCIATIONS

In most development countries and emerging economies, microfinance institutions (MFI) have significantly increased their lending activities. However, the respective institutions' risk management strategies cannot always keep up with this growth in business. Often they lack the organisational framework, know-how and experience needed to identify and manage risks efficiently.

This is where Sparkassenstiftung comes in with its training and consultancy for numerous microfinance providers on site. But that's not all. In many cases, Sparkassenstiftung also assists national supervisory authorities with the application of efficient and adequate risk management instruments. In practice, microfinance supervision is often akin to banking supervision, which means it by far exceeds the scope of control and monitoring required. The negative upshots for the local economy include the closure of branch offices and restrictions on lending.

Efficient MFI self-regulation along with delegated supervision by a microfinance association frequently constitute better options here. However, this presupposes the given association is up to the task.

Therefore, in many of its projects, Sparkassenstiftung works to professionalise and strengthen microfinance associations, helping them move beyond the mere representation of interests to become providers of member-driven services.

Centralised reporting systems as well as monitoring and supervision are typical fields in which well-managed centralised associations can perform better and ultimately more cost-effectively.

Often they are the key to sustainable financial sector development. For proof, we need to look no further than the association-building measures within the scope of our Regional Project in Latin America and the Caribbean promoting training and association structures or to our ongoing activities in Cameroon.

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Solar power for Namibia. Sparkassenstiftung's partner in Namibia, Kongalend, is the country's largest provider of loans for solar energy systems. A microfinance institution, Kongalend has built its reputation around innovative cooperation with agricultural projects and international organisations.

CAMEROON – PROFESSIONALISING THE MICROFINANCE SECTOR

Sparkassenstiftung launched its partnership project in Cameroon in 2014. Its focus here is on vocational training and support for meso-level institutions. Specifically, these include academies and associations that provide services to Cameroon's very fragmented and decentrally organised financial sector.

With respect to vocational training, project activities have focused primarily on mapping out the conditions and options for establishing a national microfinance academy. It is, however, not only the government that has to support the use of such an academy. Other larger institutions and networks especially have to be willing to do so as well. Indeed, the cornerstone of a successful training institution is strong and reputable support. The project employs a range of different and methodologically often innovative measures, such as business simulations or participatory seminars, to showcase various options for joint training.

Project activities in the year under review centred on the lead partner MIFED (Microfinance et Développement) – the nationwide service provider for some 240 village savings banks in Cameroon – and involved various training and consultancy measures. Furthermore, the project assisted this non-governmental organisation with its operational restructuring and reorientation process.

Germany's Federal Ministry for Economic Cooperation and Development (BMZ) is providing the funds for this project.



Project reports

NAMIBIA – MFI STRENGTHENING

As of August 2015, Sparkassenstiftung is now engaged in a partnership project with the Namibian microfinance institution (MFI) Kongalend.

Kongalend is the only Namibian MFI that extends risk-level-rated MSME and group loans even to those borrowers who do not have any collateral in the form of an incoming wage from the government or formal sector. In addition to individual or group-based MSME loans, Kongalend is the country's largest provider of loans for solar power systems. This MFI's profile also features innovative cooperation ventures, e.g. with agricultural projects, international organisations or the suppliers of solar energy systems.

The project's medium-term goal is to assist Kongalend to become a so-called Tier II Financial Institution, i.e. an MFI that is licensed to accept savings deposits. Corresponding legislation is currently being debated in Namibia and will strengthen local financial intermediation as the bedrock of local business cycles. Besides developing Kongalend's technical profile, inter alia in the field of auditing, risk management and HR systems, it is planned to moderately expand its branch network from four to six locations. Kongalend's equity base is a key indicator for project success. With its sound structures and low default rate, Kongalend combines an appropriate level of profitability with a development-centred philosophy.

Germany's Federal Ministry for Economic Cooperation and Development (BMZ) is providing the funds for this project.

The 'Irish Rural Link' is a national network of organisations and individuals campaigning for sustainable rural development. In summer 2015, a cooperation agreement was signed for a pilot project to promote savings banks in Ireland, starting with the development of a business plan for a "Local Bank Midlands".

irish
rural
link



PROMOTING SAVINGS BANKS IN THE EU

Support for a local institution in Ireland was continued in the year under review. The objective: the creation of regional public savings banks. All political parties are involved in the process and have been asked to set aside their differences in the interest of this objective. The concept, with its focus on support for regional economic development and the SME sector, has met with wide-scale approval, both in the media and in Ireland's parliament. The financial spokespeople of all Ireland's political parties are in favour of the project objectives.

The concept itself has been discussed and agreed on with the Irish Department of Finance and with the Department of Jobs, Enterprise and Innovation (DJEI). The latter has since incorporated the idea of establishing regional savings banks into its regional development plan.

In August 2015, Sparkassenstiftung signed a cooperation agreement with the Irish Rural Link (IRL), a national network of organisations and individuals campaigning for sustainable rural development in Ireland and Europe. Together, Sparkassenstiftung and Ireland are developing a business plan for a local 'Midlands' bank to pilot the savings banks model in Ireland. Based on Germany's Sparkassen, this institution is to serve as a regional savings bank and address the needs of a specific region, namely the Irish Midlands Region. With just two Irish commercial banks and numerous but very small credit unions, financial service provision for Ireland's SME sector is not sufficient. This is where the scheduled regional savings bank comes into play. Besides private

households, this business model primarily targets the local SME sector.

Sparkassenstiftung's activities in Ireland are based on a concept for a decentralised savings banks system that was devised in 2013/2014 with Greece in mind. However, unremittingly difficult framework conditions prevented this concept from being rolled out there.

In the course of 2015, intensive talks on the (re-) construction of savings banks structures took place not only in Ireland, but in Estonia and Iceland, too. However, this topic is also of particular interest in many developing countries and emerging economies, such as China, for example. Launched in 2015, the Cooperative Bank project in Rwanda already makes use of many elements found in the concept devised for Greece.





Regional Project for Latin America and the Caribbean – Promoting training and association structures

In October 2014, Sparkassenstiftung launched a regional project encompassing Bolivia, Colombia, Cuba, Ecuador, El Salvador, Mexico and Peru. This project brings together and expands on the inputs from three preceding BMZ-supported projects in the region.

The overall goal of this project is to improve access to financial services and to make it more sustainable by strengthening educational structures and the association landscape. The four objectives listed below are intended to bring this about:

- Promote financial literacy amongst the general population and help people improve the way they manage their personal finances.
- Strengthen associations' capacity to represent their members' interests and make them professional providers of key support services.
- Introduce the dual vocational education system (banking specialist) in at least three project countries as basic training for microfinance sector experts.
- Improve the range of basic and further training and assist associations in Colombia, Ecuador and El Salvador to set up their own academies.

Local project partners include individual savings and cooperative banks or MFIs, associations and their training facilities as well as government-run institutions (e.g. consumer protection authori-

ties, development banks, supervisory authorities etc.).

This project prioritises the regional exchange of experience between project countries and partners in a bid to enhance development-policy impacts.

With no office on site, project activities in Cuba will continue to be coordinated from the Mexico office. Staff from other project countries visit Cuba regularly and assist the local project partner, the Cuban savings bank Banco Popular de Ahorro (BPA), to implement training for its own staff and customers. Moreover, Sparkassenstiftung is assisting BPA to develop a loan product for MSMEs.

In addition to two regional coordinators, a total of four German and Latin American long-term experts are working on this project alongside 18 local staff members in a total of seven project offices.

The Regional Project for Latin America and the Caribbean promoting training and association structures is funded by Germany's Federal Ministry for Economic Cooperation and Development (BMZ).

The Ostdeutscher Sparkassenverband (East German Savings Banks Association) is partnering the associations concerned.

Basic Financial Literacy and Savings Mobilisation

Financial literacy is an integral component of Sparkassenstiftung's projects. We aim to build people's basic knowledge about financial systems and products in an effort to empower them to make their own financially sound decisions. Knowing about financial systems and mastering the use of financial products is also important from the point of view of consumer protection. Furthermore, basic financial literacy contributes to financial inclusion and everyone needs a certain level of financial literacy in order to access financial services.

SYSTEMATIC APPROACH

In our work, we attach great value not only to individual measures but also to a coordinated and, wherever possible, nationwide approach as part of our drive to create sustainable structures for communicating financial know-how. We therefore have a series of different stakeholders helping us to promote the process of basic financial education. Coordinating these actors is a major challenge for us in our project work:

- Governments create the legal framework conditions.
- Central banks develop suitable regulations and measures for increasing currency stability.
- Banks provide adequate financial services of a suitably high quality.
- The media and press raise awareness and provide information.
- Education ministries and training facilities contribute to financial literacy through their education programmes.
- And, finally, customers in the various target groups need a basic understanding of financial matters and must know how to make meaningful use of financial products.

As mentioned above, this kind of systematic approach to basic financial literacy generates significant demands in terms of coordination. We have, therefore, found it expedient to create special task forces involving all relevant actors in

the respective country concerned. Sustainable impacts in basic financial education can only be achieved if we concomitantly strengthen the supply and demand side while positively reinforcing the enabling conditions.

PERSONAL BUDGET PLANNING – THE BASIS OF FINANCIAL EMPOWERMENT

A model element of all projects targeting basic financial literacy and savings mobilisation is our budget planner for private households. Customised to the respective target group, this planner is aligned to the local situation. In our projects, we employ the budget planner in the form of a booklet but also electronically as an app. By keeping track of their budget, people can analyse their income and spending habits, a process that often sheds light on areas where potential savings can be made. Above all, however, it allows people to see when and why bottlenecks or problems can arise.

THE IMPORTANCE OF FINANCIAL INSTITUTIONS

Financial institutions of all kinds play a special role in the promotion of basic financial literacy. Being (in most cases) in direct contact with their customers allows them to assist people with their financial decisions via customer-centric advisory services and a needs-oriented product portfolio. The advantages are plain to see: People with a sound rudimentary grasp of financial matters are less likely to fall into debt, are more open to the financial services on offer and have money left over at the end of the month to deposit in savings, thus raising the respective financial institutions' refinancing basis.

Examples of our project work in the field of basic financial literacy can be found in the Caucasus, Mozambique, Uzbekistan, and Zambia.

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As only women know how. The financial sector development project in Uzbekistan is run by the Uzbek Women's Committee. It focuses on promoting female entrepreneurs and women-led start-ups. With opportunities for training on hand, these young seamstresses have a good chance to embark on a future in self-employment.

ZAMBIA – BASIC FINANCIAL LITERACY

Sparkassenstiftung's support for Zambia's national financial literacy strategy got off the ground in January 2013. Partnering the project is Zambia's central bank – the Bank of Zambia – whose offices house the Financial Education Coordination Unit (FECU). Project support is directed at FECU, which is responsible for orchestrating activities by a large number of different actors involved in the national strategy. Amongst other things, the project promotes pertinent publications and coordination processes and supports the implementation of the national Financial Literacy Week in all provinces throughout the country.

Measures have specifically targeted micro and small-scale entrepreneurs in a bid to teach them basic financial skills and strengthen their business acumen. Around 50 project-educated Zambian trainers from various partner organisations now implement the microbusiness simulation within the scope of a three-day session. In the course of 2015, they succeeded in coaching more than 4,000 micro and small-scale entrepreneurs nationwide. Having developed and piloted a monitoring system, the project was subsequently able to confirm its positive impacts, e.g. on investment and employment. For example, amongst the small-scale entrepreneurs surveyed, the percentage share with at least one employee has increased from 60 percent to 87 percent.



Project reports

Together with the Bank of Zambia, Sparkassenstiftung implemented Zambia's first World Savings Day in October 2015. Now, in addition to the Financial Literacy Week, which was launched three years ago, Zambia has yet another event that explicitly targets savings mobilisation.

The German partner savings bank is the Staßfurt-based Salzlandsparkasse. Germany's Federal Ministry for Economic Cooperation and Development (BMZ) is funding project activities.

UZBEKISTAN – FINANCIAL INCLUSION

This project aims to improve the social and economic situation of poorer population groups by promoting financial inclusion and small-scale entrepreneurship. Against this backdrop, activities aim to foster people's understanding of money matters and economic interrelationships and hone their entrepreneurial skills while also promoting access to loans for micro and small-scale entrepreneurs. This project further aims to give poorer population groups access to appropriate insurance services.

In 2015, thirteen women's advisory centres up and down the country held more than 1,200 seminars on business and financial topics, achieving a total outreach of almost 32,000 small enterprises. Also, more than 14,000 women were advised on business matters in one-on-one meetings.

Financial literacy – a national strategy. Financial education activities by the Uzbek government primarily target women and are co-implemented on site by Sparkassenstiftung and GIZ. The young women we see here are wearing Uzbek national dress made out of Atlas silk.



To date, more than 140 staff members have undergone credit-sector training in three partner banks. Moreover, our partner banks succeeded in extending more than 8,000 loans with a total volume of nearly EUR 30 million to small-scale entrepreneurs and start-ups, whereby 88 percent of these went to women entrepreneurs and 61 percent to start-ups.

The microinsurance company that the national savings bank – Xalq Banki – initiated within the scope of the project is now successfully established on the market. To date, it has concluded more than 44,000 insurance policies worth an average of EUR 680.

The project module designed to raise levels of basic financial literacy in schools succeeded in training more than 100 teachers. In three pilot regions, ‘Business Education’ is now firmly embedded in the schools’ compulsory afternoon teaching programme.

Since the project first started in 2010, the German partner savings bank Saalesparkasse in Halle has continued to provide hands-on assistance on site. Germany’s Federal Ministry for Economic Cooperation and Development (BMZ) is funding project activities.

UZBEKISTAN – NATIONAL FINANCIAL LITERACY STRATEGY

The prime objective of this project launched by Sparkassenstiftung in November 2015 is to map out, and get endorsement for, a national strategy for building up rudimentary financial literacy. This includes the compilation of a catalogue of measures and pertinent budgeting.

The project is part of a new programme by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) in Uzbekistan that aims to improve economic and social framework conditions for the Uzbek people, but especially for micro and small-scale entrepreneurs. As a result, Sparkassenstiftung is coordinating its inputs closely with GIZ’s other activities on site.

Sparkassenstiftung has seconded a team consisting of one international and one national long-term advisor, who are complemented by four short-term advisors.

The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) is financing this project.





World Savings Day in Mozambique. These children from Mozambique thoroughly enjoyed the country's second World Savings Day. In 2015, the event was rolled out for the first time in ten provinces, enabling more than 30,000 children and young people to take part. This project was partnered by the central bank of this East African country.

MOZAMBIQUE – INTRODUCING WORLD SAVINGS DAY

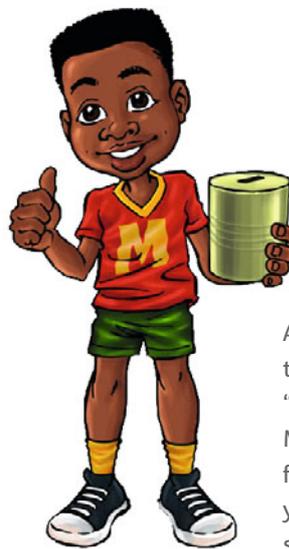
Following the resounding success of Mozambique's first-ever World Savings Day which Sparkassenstiftung helped organise in 2014, this event was subsequently rolled out in ten provinces nationwide. Project partner is Mozambique's central bank – Banco de Moçambique – which initiated World Savings Day as part of its drive to financially educate the Mozambican people. Together with a local consulting company, Sparkassenstiftung assisted the 17 banks taking part to implement a wide range of measures that succeeded in getting more than 120 schools pro-actively involved.

The Mozambican institutions focused their activities in particular on promoting financial education in schools. As part of training for trainers, bank staff underwent coaching to become multipliers, enabling them to pass on financial literacy skills to school teachers.

In addition to lessons on topics such as savings and the responsible handling of money, students were taught the rudiments of finance using a fun-and-game-based approach (e.g. role plays, quizzes and competitions).

In all, more than 30,000 children and young people took part in activities organised as part of World Savings Day in 2014 and 2015, thus sensitising them to the importance of savings and financial literacy.

Right from the outset, this project was only ever designed to run for a two-year period. The Banco de Moçambique is now scheduled to implement World Savings Day independently in the years ahead.



Already for the second time the savings mascot "Moedinhas" is in action in Mozambique. It successfully familiarizes children and young people with the idea of saving in a playful way.





Regional Project for the Caucasus – Responsible Finance

As of March 2015, Sparkassenstiftung is now implementing a regional project in Armenia, Azerbaijan and Georgia. The project corrals the activities from two preceding BMZ-backed projects on financial literacy and savings mobilisation in Armenia, Azerbaijan and Georgia and expands on their thematic focus.

The regional project is all about responsible finance, a concept that aims to achieve a fair balance between financial institutions' interests and those of their customers, employees and business partners as well as their shareholders and donors, too. This requires us to customise and transfer the basic principles that underlie Germany's Sparkassen (savings banks) model – principles that network economic efficiency and consistently sound profits with societal responsibility.

The project therefore targets three levels through which it aims to:

1. Create the necessary institutional framework for responsible finance – in particular this includes regulations designed to protect (potential) consumers of financial services
2. Build up structures to financially educate selected target groups
3. Ensure that financial institutions offer products and financial advice for the aforementioned target groups at fair and transparent conditions

Financial institutions and customers are thus intended to derive equal benefit. An example of such a win-win situation for all three countries is the implementation of a World Savings Day event. To this end, the project is working with a large number of financial institutions, central banks and training institutions but also with other facilities specifically operating as multipliers in rural areas. The core project target group is the population at large, but particularly low to middle-income earners in rural regions.

At the end of 2015, work targeting the creation of job prospects for Syrian refugees in Armenia got underway within the scope of a GIZ project. These activities can harness the materials, approaches and even the contacts generated through project activities to date.

As part of our regional project activities, we attach great importance to region-wide exchanges of experience. In addition to a regional coordinator, two German and one Georgian long-term expert are working in three project offices alongside seven local staff members.

The German savings bank, Sparkasse Iserlohn, is supporting the project with short-term expertise.

The Regional Project for the Caucasus is funded by Germany's Federal Ministry for Economic Cooperation and Development (BMZ).

Highlights

'Development Money' exhibition touring Germany

Since 2013, an exhibition featuring photos from Ghana, Laos and Vietnam has been successfully touring German Sparkassen and other institutions. In 2015, the photos went on display at Sparkasse Essen, the Ostdeutscher Sparkassenverband (East German Savings Banks Association – OSV) – image on the left – and at Germany's Federal Ministry for Economic Cooperation and Development (BMZ) – image on the right.

Towards the end of 2015, photographer Philip Ruopp set off on his second extensive photo-taking journey on behalf of Sparkassenstiftung. This means that, in addition to Africa and Southeast Asia, we now also have a photographic insight into Sparkassenstiftung's project activities in the Caucasus and Central Asia (see page 50 for impressions of Philip Ruopp's photographic travels).



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Highlights

Meeting of regional coordinators and Bonn-based project managers

From 27 through to 29 April 2015, the regional coordinators from Sparkassenstiftung's partner countries came to Bonn for some intensive discussions and one-on-one talks with the project managers about their hands-on experiences and the challenges they face in international project work.



Lively exchange: Here the regional coordinators are pictured together with the project managers from Sparkassenstiftung's Bonn headquarters

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Highlights

Experts' Meeting 2015: Global project tour across 36 countries in Africa, Asia and Latin America

On the occasion of the Experts' Meeting from 1 to 3 September 2015, Sparkassenstiftung organised a presentation event to showcase its work to a high-ranking audience consisting of staff from partner Sparkassen, members of the Board of Trustees and government backers.



An eventful few days: The Experts' Meeting brought Sparkassenstiftung's long-term experts to Bonn to present their project activities to a high-ranking audience. Thomas Silberhorn, Parliamentary State Secretary at the German Federal Ministry for Economic Cooperation and Development (BMZ) – top left – praised the commitment of the 200 or more staff members who work for Sparkassenstiftung on site around the globe.

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Kreis- und Stadtsparkasse Erding-Dorfen
Sparkasse Fürstenfeldbruck
Sparkasse Fürth
Kreissparkasse Garmisch-Partenkirchen
Sparkasse Günzburg-Krumbach
Kreissparkasse Höchstadt
Sparkasse Ingolstadt
Kreis- und Stadtsparkasse Kaufbeuren
Sparkasse Allgäu, Kempten
Sparkasse Kulmbach-Kronach
Sparkasse Memmingen-Lindau-Mindelheim
Kreissparkasse Miesbach-Tegernsee
Kreissparkasse München Starnberg Ebersberg
Stadtsparkasse München
Sparkasse Nürnberg
Sparkasse Rosenheim-Bad Aibling
Sparkasse Mittelfranken-Süd, Roth
Stadt- und Kreissparkasse Rothenburg
Kreissparkasse Schongau
Sparkasse Schweinfurt
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Kreissparkasse Gotha
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 Kreissparkasse Hildburghausen
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 Kreissparkasse Limburg
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 Kreissparkasse Anhalt-Bitterfeld,
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 Stadtparkasse Düsseldorf

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Kreissparkasse Euskirchen
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Change of perspective: Sparkassenstiftung's work in pictures

Retail bank development, financial literacy and savings mobilisation, SME lending, HR development and training, microfinance and financial sector development – these are the key areas commanding the attention of Sparkassenstiftung's 200-plus workforce located both in Germany and in some 37 project countries worldwide. The figures are impressive, but do they reveal anything about the positive impacts of Sparkassenstiftung's work? And what about the rather dry topic of banking – what can be done to enhance its emotional appeal?

In 2013, Sparkassenstiftung decided to try the language of imagery and so proceeded to select three project countries on two continents. During his travels, the Ulm-based photographer Philip Ruopp captured the everyday lives of the very people targeted by development money. The images from Ghana, Laos and Vietnam show unequivocally how financial services can foster the development of individual people, the economy and society. The photo exhibition 'Development Money' has been on display in Sparkassen (savings banks) throughout Germany for the past three years, giving us an insight into Sparkassenstiftung's work from a completely new perspective.

In 2015, Sparkassenstiftung commissioned Philip Ruopp to undertake a second epic journey to photographically document yet more project regions. He returned with some captivating images of the Caucasus and Central Asia, some of which we would like to share with you here:





Around 25 million people live in **Ghana**. At EUR 72 per month, average income here is very low. Sparkassenstiftung has been working on site since 2010 to promote the country's Cooperative Credit Unions Association (CUA).



Laos and Vietnam are neighbouring countries that share a similar history. However, today they are advancing at a different pace. Vietnam, which has almost 90 million inhabitants, is undergoing rapid economic development that is reminiscent of China in terms of its dynamics. With just 6.5 million inhabitants, Laos on the other hand is much smaller and remains heavily reliant on agriculture. Nonetheless, at 65 and 55 EUR respectively, their average monthly incomes are much the same. As part of a regional project that has been ongoing for a number of years now, Sparkassenstiftung is supporting a total of ten microfinance institutions in Laos, Vietnam, Cambodia and Myanmar.



Sparkassenstiftung has been working in the **Caucasus** for more than 10 years now. The people in Armenia, Azerbaijan and Georgia are thrifty. However, in rural areas in particular, people lack confidence in the banking system, especially since their next branch office is so far away and often fails to provide any appropriate financial services. Within the scope of the regional project 'Responsible Finance', Sparkassenstiftung is promoting financial literacy and helping to professionalise the banking sector in the region in order to improve the population's economic situation.



Project cooperation between Sparkassenstiftung and **Central Asia** has been ongoing for many years. Over 50 million people from more than 100 different ethnic groups live in five countries spanning an area that measures almost four million square metres – making Central Asia one of the most sparsely populated areas in the world.

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