



Plenary session on financial inclusion of refugees

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Financial Inclusion of Refugees –
Evidence from Germany and Armenia

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Introduction to SBFIC

- Non-profit organisation, founded in 1992 by the German Sparkassen
- Passing on 200 years of local banking experience
- Promoting Financial Inclusion:
 - *Access to basic financial products everywhere for everyone, Microfinance, SME Finance, Financial/Business Literacy, Network and (Self-)Regulation, Training etc.*
- 25 staff in HQ (Bonn), 250 staff worldwide in 43 countries
- Since 2014, working with refugees



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Sparkassen and Refugees

- 1. Home Market (Germany):** 403 Sparkassen with 14,000 branches
- 2. Guiding Principle:** Public Mandate: Serve Everybody
- 3. The facts:** ca. 800,000 refugees came to Germany in 2015
to receive public benefits, refugees need an account – immediately (...)
Estimate: 75% of refugees opened an account with the local Sparkassen
- 4. Challenges:** language, knowledge (financial literacy, technology), time, costs, dissatisfaction of existing customers ... moving places (Sparkassen are decentralized independent institutions ...)
- 5. Solutions:** ACCEPT THE SITUATION! Information leaflets in different languages, close cooperation with local authorities and NGOs, dedicated branches, extra hours + costs



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SBFIC and Refugees Armenia: Integration of Syrean Refugees into the Armenian Economy (GIZ-funded)

1. **Background:** 70,000 refugees from Syria with link to Armenia
2. **The Approach:**
 - Familiarize the refugees with the Armenian banking sector,
 - identify and train entrepreneurs,
 - prepare local banks to serve refugees (especially with adequate loan products)
3. **Actions:**
 - basic training course for up to 15,000 people,
 - training course for entrepreneurs/start-ups (up to 7,000),
 - introductory training for Syrean refugees as possible staff of Armenian banks,
 - training for regular staff of Armenian banks reg. specifics of refugees
 - analysis of loan process for entrepreneurs in Armenian banks with possible adjustments
 - restructuring of an existing Rotating Credit Fund to meet refugees' needs



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SBFIC and Refugees Armenia: Challenges

Specific challenges for refugees:

1. Language/Cultural Barrier between Refugees and Banks

- Cooperation with specific local NGOs and international organisations
- Identify suitable people from the target group,
- train them and let banks hire them

2. Understand the Local Banking Sectors (Rules and Habits)

- Train refugees through multipliers

3. Missing Collateral for Entrepreneurs

- Design and run a Rotating Credit Fund

General challenge in Armenia:

Lack of understanding and lending products for entrepreneurs ...

- Technical Assistance for Armenian banks