

### 3.3. Sustainable microfinance for people in need

<http://dialog-information-service.blogspot.com/2011/04/sustainable-microfinance-for-people-in.html>

Oikocredit is one of the world's largest sources of private funding to the microfinance sector. It also provides credit to trade cooperatives, fair trade organizations and small-to-medium enterprises (SMEs). Oikocredit lends working capital to microfinance institutions (MFIs) all over the world. In turn, they dispense life-changing loans to the poor and disadvantaged, with a special emphasis on rural areas and women. Oikocredit is owned by members who for 89 % are ordinary people, most of them from Europe. In addition to earning modest financial returns, investors are secure in the knowledge that their money is being used to fight poverty, promote fair trade and respect natural resources.



In Central and Eastern Europe Oikocredit works in [22 countries](#) through 7 offices in Russia, Kirgistan, Slovakia, Bulgaria, Romania, Moldova and Ukraine. TRIALOG talked to **Rahat Uraimova, Deputy Regional Director of Central Asia and Eastern Europe for Oikocredit** about their work in the region.

#### **How does Oikocredit work?**

We have our own social objectives in mind when we find project partners. We find microfinance institutions or cooperatives who provide benefits or improve lives for poor or disadvantaged people, people who don't have access to the ordinary banking services. Our project partners provide them with small loans and with opportunities to start maybe business or support their families with some income generating activities.

#### **What projects do you have in Slovakia, Bulgaria or Romania?**

In Slovakia we have an office that manages the portfolio for the Balkans, so we do work with microfinance companies in Bosnia and Herzegovina, in Kosovo, Albania, Serbia.

In Romania we finance both financial institutions which focus on borrowers or micro entrepreneurs and also businesses, small family run businesses, producing or service businesses. Romania remains one of the poor EU states with a lot of structural problems and people, especially small businesses need access to finance but they cannot find it because they might be too risky for banks. I think private investors like Oikocredit can play a role here because we provide finances to those businesses who need support.

#### **What is special about activities of Oikocredit in the cooperation with your partners?**

What we try to do is essentially to promote innovative ideas, that could be women empowerment and how you would look at that or a special business idea and new approach to it. Our project partners probably also appreciate longer relationships we have.

In Bulgaria for example we work with cooperatives and sometimes some of them do access bank loans but banks have different regulations, thus our finance might be more flexible for their needs. We also hold annual meetings of our member cooperatives and our partners really appreciate this kind of gatherings where they discuss common problems.

When it comes to trainings as accompanying measures we work through partnerships. We have successful partnerships with for example some Dutch institutions or NGOs providing consultancies or trainings and we hope to build similar partnerships in other countries.

For more information on Oikocredit and the projects in the region visit: <http://www.oikocredit.org/en/home>

*Interview: Ulrike Bey*