

December 22, 2010
Moscow

Citi Foundation and Russian Microfinance Center Promote Entrepreneurship in Five Regions of Russia

The Citi Foundation and the Russian Microfinance Center (RMC) have launched a program to support start-up entrepreneurs in five Russian regions. The participating regions will be selected at the beginning of 2011. Within the framework of the program, Citi, RMC and the Financial University under the Government of the Russian Federation will jointly develop a specialized training program that will help emerging entrepreneurs develop sound business plans and make better choices when selecting external sources to finance the development of their businesses.

Through this project, experts from the selected microfinance organizations in five Russian regions will receive training on how to work with start-up entrepreneurs and help them plan their financial operations and identify appropriate microfinance programs. About 900 prospective entrepreneurs are expected to undergo the training by the end of 2011, and the majority of these entrepreneurs will be able to start up their businesses after the training sessions using state subsidies or microloans from microfinance organizations.

Mikhail Mamuta, RMC President, comments: "Implementation of this project is very important for entrepreneurs that are just starting up their businesses and for the entire small business sector. With the support of the Citi Foundation, we plan to take a number of steps to develop the financial and educational infrastructure for business start-ups."

Sergey Korotkov, Retail Banking Business Head at ZAO Citibank, explains: "Citi has been investing in the development of entrepreneurs for many years. The promotion of entrepreneurship is the most efficient tool for improving standards of living and it is also one of the most important components in the country's economic development. Thanks to RMC and the network of microfinance organizations, people in the furthest corners of Russia will receive support."

The government runs a number of programs to support business start-ups. Start-up subsidies provided by the Federal Service for Labor and Employment are particularly important. However, in reality, entrepreneurs starting up their own businesses face a number of significant challenges such as inefficient financial management and a lack of external financing sources. Microfinancing that targets business start-ups may help resolve these issues.

The Russian Microfinance Center (RMC) was founded in July 2002 as a response to the clear need of the sector for an organization that would represent the interests of the entire microfinance community. RMC works as a resource center for the microfinance sector as well as a national forum for interaction with the government, community and investors. RMC facilitates the development of a favorable legal framework, provides professional education and consulting services to microfinance organizations and promotes the introduction of national standards for microfinance operations. More information can be found at www.rmcenter.ru

The Citi Foundation supports organizations that help people improve their living conditions, businesses to grow and communities to prosper around the world. The Citi Foundation focuses on programs in the following fields: 1) microfinance and microentrepreneurship to foster financial independence; 2) small and developing businesses that contribute to economic development and job creation; 3) education that promotes the personal and professional success of young people; 4) financial education that helps people make responsible financial decisions; and 5) environmental protection with a particular focus on support for sustainable enterprises that create new jobs and promote economic growth in environmentally friendly ways. More information can be found at www.citigroupfoundation.org

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