

What is the structure of the EFSE Development Facility?

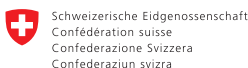
The EFSE Development Facility is set up as a Trust Fund and is overseen by the Development Facility Committee (DFC), consisting of three donor representatives to the Development Facility. The DFC is the ultimate authority with regards to the approval of Development Facility activities and responsible for the management supervision.

Project development and monitoring are carried out by the Fund Advisor, the Frankfurt School of Finance & Management. The EFSE Development Facility is formally managed by Oppenheim Asset Management Services S.à r.l. as the Fund Manager.

Who supports the EFSE Development Facility?

The EFSE Development Facility receives dedicated contributions from:

- The German Ministry for Economic Cooperation and Development (BMZ)
- The Netherlands Development Finance Company (FMO)
- The Swiss Agency for Development and Cooperation (SDC)
- Danish International Development Assistance (DANIDA)
- VR Leasing



Swiss Agency for Development and Cooperation SDC

Sustainable access to funding is ensured through an annual contribution of the Fund's income. The Fund's shareholders are BMZ, KfW, EIF (as trustee for EC), IFC, FMO, EBRD, SDC, EIB, ADA, DANIDA, and Frankfurt School of Finance & Management.

European Fund for Southeast Europe Development Facility



The EFSE Development Facility recently provided assistance to a rural microcredit organization (MCO) with plans to expand to semi-urban areas by introducing a new micro and small enterprise product. Together with the consultant, the MCO developed the product features and lending procedures. The consultant provided classroom training and on-the-job coaching regarding client assessment.

In various institutions, the EFSE Development Facility has supported consulting assignments to enhance asset-liability management and risk management capacity. After reviewing existing processes and procedures, the consultants provided tailor-made training and coaching to asset-liability management and risk committees.

The EFSE Development Facility has supported several product costing exercises to identify areas for improving efficiency. The tool implemented by the consultant also facilitated the preparation of management information for strategic business planning.

In order to foster the concept of Responsible Finance, the EFSE Development Facility supported different initiatives focusing on responsible finance practices, such as a panel discussion event in Serbia and the production of an educational booklet on transparency for microfinance clients. MCO staff was also invited to participate in a training program on social and environmental aspects of microfinance, allowing them to develop a practical system to manage the social and environmental impact of their microfinance activities.

What is the EFSE Development Facility?

The Development Facility of the European Fund for Southeast Europe (EFSE) aims to increase the impact of the Fund's investments in partner institutions within the target region. Ultimately, increasing impact means to increase the outreach of partner institutions to the target group of the Fund, i.e. micro and small enterprises and private households with limited access to financial services.

The Facility complements the Fund's financial assistance with the following non-financial services:

- Technical assistance, consulting and training for EFSE partner institutions
- Feasibility and market studies
- Annual impact studies for the Fund

What are the principles for EFSE Development Facility support?

The provision of technical assistance (TA) and training services is based on the following principles:

- Assistance focuses on key areas or processes in the partner institutions
- A combination of consulting services, training and on-the-job coaching is provided
- Consultants or trainers for implementation are jointly selected by the Facility and the partner institutions
- TA is primarily structured in short-term, intensive intervals that give institutions time to absorb and implement input

The Fund requires that participating institutions share in the assistance costs in order to ensure commitment.

What areas does the EFSE Development Facility support?

The EFSE Development Facility supports technical assistance (TA), consulting and training in the following areas:

- Strategy and transformation
- Product development and up/down-scaling
- Risk management and asset-liability management
- Efficiency management and management accounting
- Internal audit and internal control
- Sales and marketing
- Management Information System (MIS)
- Training of trainers
- Regional and sector specific workshops
- Responsible finance

How can partner institutions access EFSE Development Facility support?

TA, consulting and training services can be initiated in three different ways:

- Prior to an investment after due diligence is completed, e.g. to improve asset-liability management
- Proactively by the Fund, e.g. by promoting a new product or offering a specific training
- Through a partner institution request to the Fund



« We value the approach of the EFSE Development Facility support with regards to joint project planning and consultant selection. The introduced solutions have really contributed to the professionalisation of our organisation. »

« Funds and technical assistance support received from EFSE were critical to further develop our lending facilities and increase our efficiency, enabling us to provide financial services to very low-income entrepreneurs. »