

# EFSE ANNUAL MEETING 2011

## Tirana, 6 to 8 June



Shaping and leveraging the new reality



# The Role of EFSE in Shaping and Leveraging the New Reality

**Dr. Klaus Glaubitt**

Chairman of the EFSE Board of Directors

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# 5 Years EFSE Development Facility

**Monika Beck**

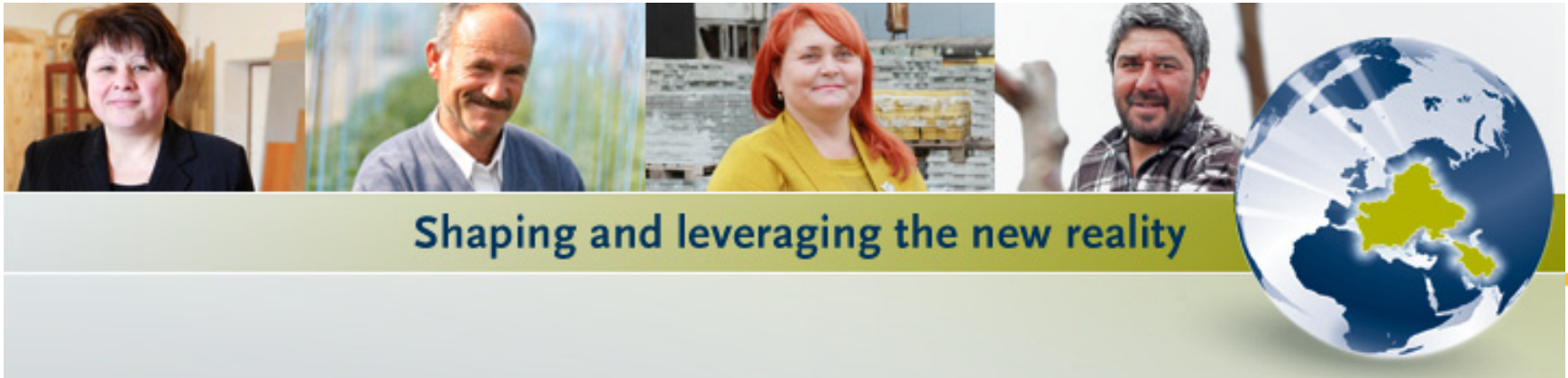
EFSE Director

Chair of the EFSE Development Facility Committee

# The EFSE Development Facility

## Taking development finance to the next level

5 years of enriching partnerships through knowledge sharing and support



# Table of Contents

- I. EFSE and the EFSE Development Facility: Working towards a common goal
  - Objectives
- II. A unique approach: What we do and how we work
  - Instruments and range of activities
  - Organisational set-up and funding sources
- III. 5 years of targeted support: What we have achieved
  - Achievements in figures and highlights
  - Regional outreach
- IV. Outlook: A continued commitment
  - 2011 and beyond
  - Principles guiding our work

# 01 EFSE and the EFSE Development Facility

## Working towards a common goal





# EFSE and the EFSE Development Facility

## Working towards a common goal

### The EFSE DF

Created in 2006 to maximise the impact of EFSE's investment activities

### Objectives

- Increasing sustainable outreach and impact on EFSE's target group of MSE and low-income households
- Mitigating the risk of EFSE's investment portfolio
- Providing relevant market information for financial sector stakeholders
- Strengthening financial systems and foster prosperity in the Fund's target countries

## 02 A unique approach

What we do and how we work





# Diverse instruments to reach our goals

## Complementary support through 3 project types

**Individual technical assistance (TA) and training:** Hands-on support to enhance institutions' ability to serve MSEs and low-income households

- 99 tailor-made projects for financial intermediaries approved since inception
- During last 2 years, TA for credit risk and delinquency management was provided to 11 MFIs in various countries in Southeast Europe

**Financial sector support:** Facilitation of dialogue and sector infrastructure

- 5 Responsible Finance events organised in Albania, Kosovo, BiH, Serbia and Georgia
- Support for creation of debt advice centre for microcredit borrowers in BiH

**Applied research:** Knowledge creation to better address sector needs

- Frontrunner in research on over-indebtedness (BiH, Kosovo, Azerbaijan)
- 3 Development Impact Studies completed: housing finance, employment effects, agricultural finance



## A set of guiding operating principles

Earned us a reputation of speed, pragmatism and demand orientation

**Agile response**

**High impact support**

**Cost-sharing**

**Shared responsibility**

**Comprehensive support**

The EFSE DF: committed to supporting EFSE's partner institutions to serve the financial needs of MSEs and low income households.

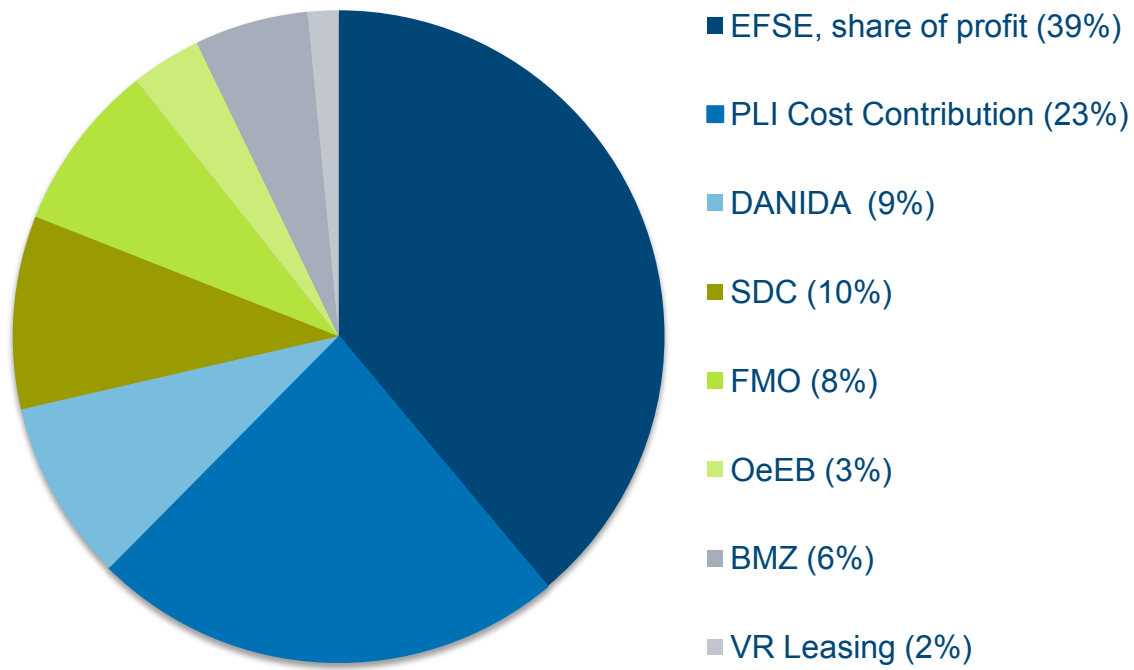


# Development Facility funding sources

## An innovative funding strategy

The EFSE Development Facility has 3 sources of funding: private and public donors, partner lending institutions and share of EFSE profits

- Every year, **EFSE** sets aside a share of its profits for the Development Facility
- Equal contribution of private and public investors through retained dividends
- EFSE share covers 50% of project costs paid by donors

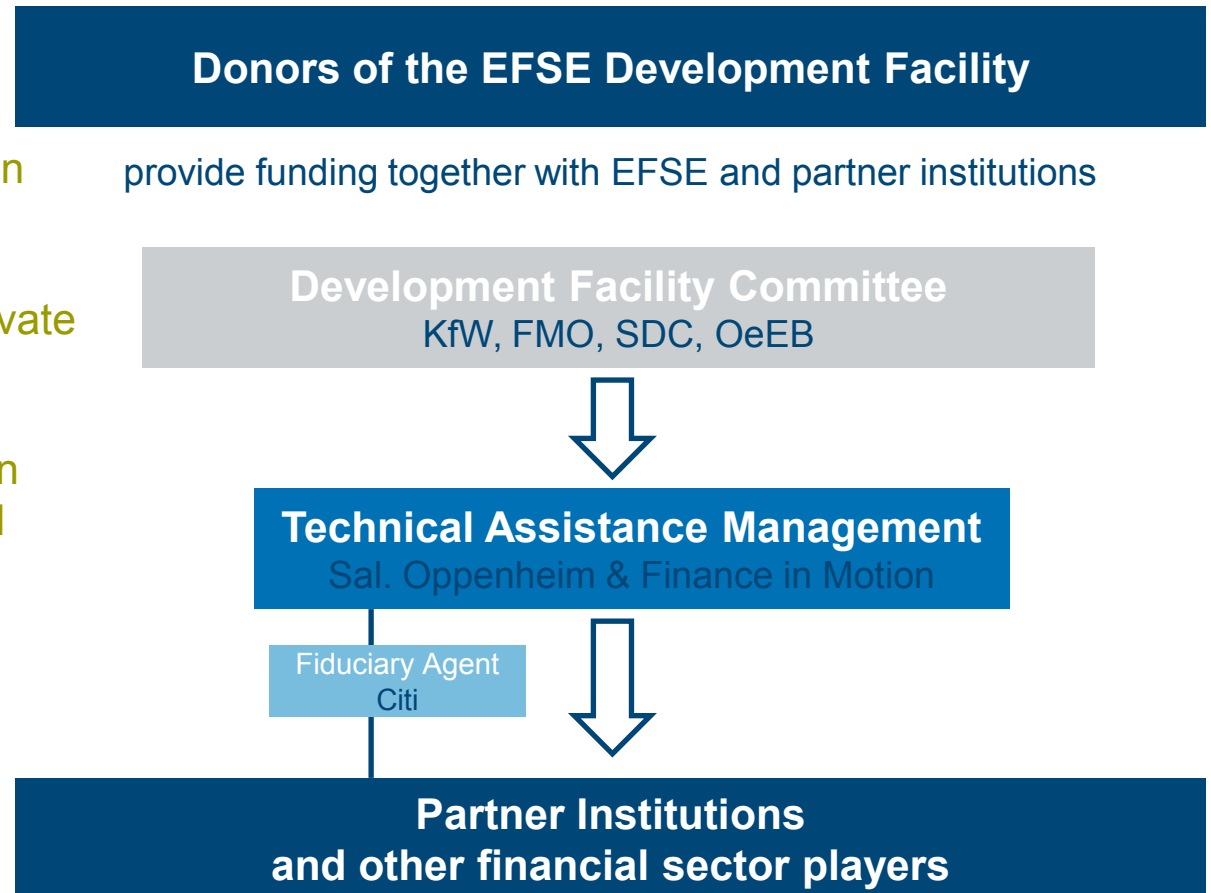


**Innovative funding strategy ensures sustainable access to funds for the Development Facility**



# Organisational structure and governance

- Independent entity
- Transparent governance and independent decision making body
- Efficient operation by private manager
- Strict separation between project development and implementation
- Clear and transparent procurement guidelines for consultant selection
- Pool of over 70 consultants



## **03 Five years of targeted support** What we have achieved so far





# Main achievements in figures

A solid track record since inception in 2006

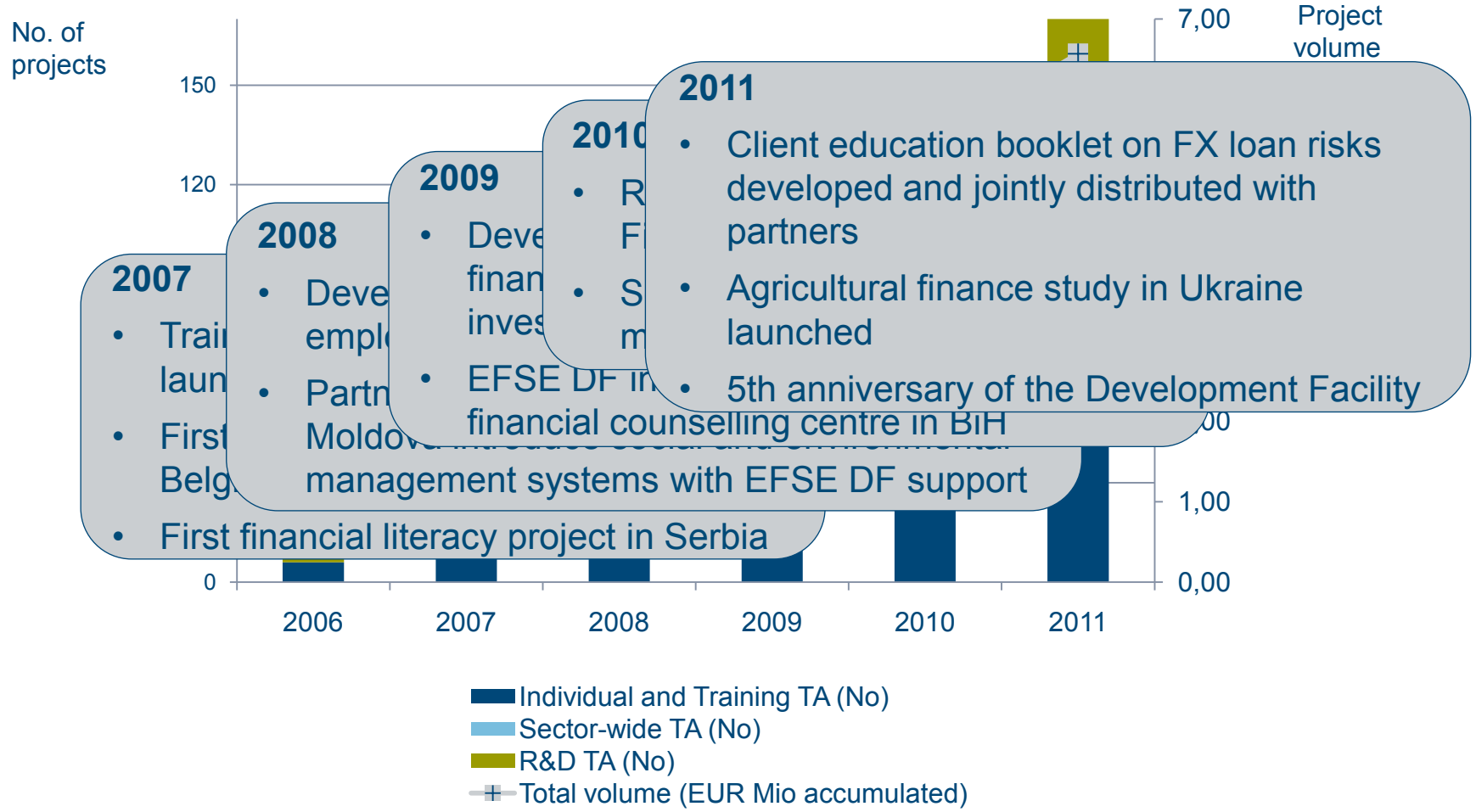
<b>Total project volume approved</b>	EUR 5.7 million
<b>Number of projects approved</b>	146 including 25 studies
<b>Average number of projects per year</b>	31
<b>Number of partner institutions supported</b>	27 MFIs and 15 commercial banks
<b>Beneficiaries</b>	approximately 1,700 staff, 45% female
<b>Average project size</b>	EUR 39,000
<b>Average PLI cost share per TA or training project</b>	29%
<b>Time from TA request to project launch</b>	6-8 weeks

Figures as of Q1/2011



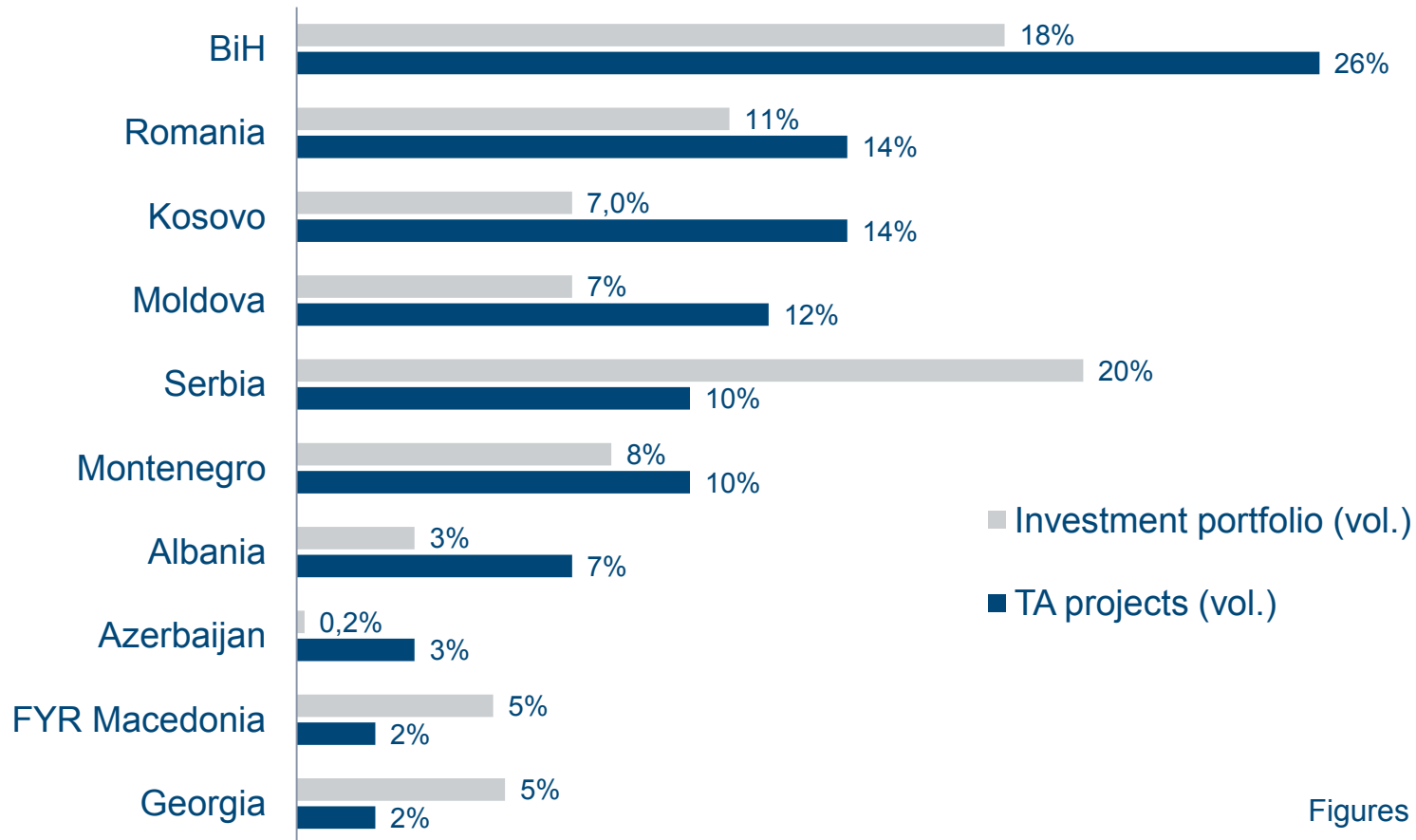
# Building on consistent growth

## With a focus on capacity development



# Regional distribution of support

## Use of funds for technical assistance and training projects per country



Figures as of Q1/2011

## 04 Outlook

A continued committment



## Outlook

### A continued commitment in 2011 and beyond

- Continued focus on individual technical assistance and training projects with an increase in the Caucasus region
- Commitment to sector support, especially to foster Responsible Finance
- Increased focus on research and development: launch of long-term Development Impact Study this year
- Focus areas in 2011:
  - Post crisis restructuring
  - Responsible Finance
  - Local currency lending
  - Rural and agricultural finance
  - Consolidation and transformation
  - SME lending

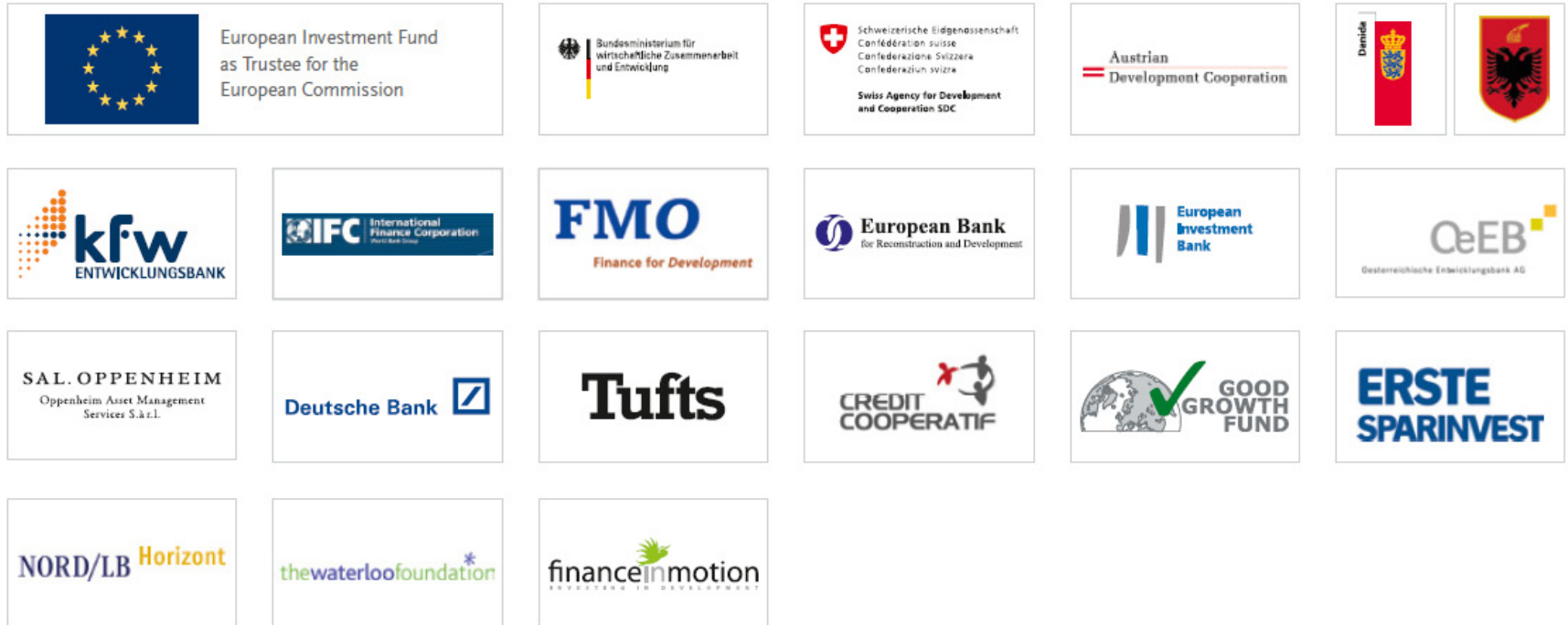
# The faces behind the Development Facility

... the EFSE Development Facility Committee:



... and the Development Facility Management Team:

# Thank you for your attention!



Monika Beck  
Chair Development Facility Committee

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# Signing Ceremony

## New Loan Agreements of EFSE and GGF



**EUROPEAN FUND FOR SOUTHEAST EUROPE**

# SIGNING



**ProCredit Bank**  
*Macedonia*



**Valentina Trajcheva-  
Nikovska**

Chief Financial Officer

**EUR 2.5 million**

**EUR 2.5 million in MKD**

**Senior loans for micro and small enterprises**



EUROPEAN FUND FOR SOUTHEAST EUROPE

**Dr. Christoph Achini  
Franz-Josef Flosbach**

EFSE Directors

# SIGNING



**ProCredit Bank**  
Macedonia



## EFSE partner since 2007

Total Assets	EUR 196.4 mn
Market Share	3.9%
Gross Loan Portfolio	EUR 150.7 mn
Number of Staff	510
MSE Loan Portfolio	63%

## Country Profile

Population	2.1 mn
GDP	EUR 6.9 bn
Assets/GDP	72%
Loans/GDP	44%



EUROPEAN FUND FOR SOUTHEAST EUROPE

# SIGNING



**Radmila Bjeljac**

Director

**EUR 4 million**

**Senior loan for micro and small enterprises**



EUROPEAN FUND FOR SOUTHEAST EUROPE

**Syed Aftab Ahmed**

**Marc Schublin**

EFSE Directors

# SIGNING



## EFSE partner since 2005

Total Assets	EUR 103 mn
Market Share	24.6%
Gross Loan Portfolio	EUR 89.4 mn
Number of Staff	268
MSE Loan Portfolio	40.2%

## Country Profile

Population	3.8 mn
GDP (2010)	EUR 14.7 bn
Assets/GDP	73.3%
Loans/GDP	50.7%



EUROPEAN FUND FOR SOUTHEAST EUROPE

# SIGNING

**ARARATBANK** 



**Ashot Osipyan**

Chairman of the Executive Board

**USD 10 million**

**Senior loan for micro and small enterprises**



EUROPEAN FUND FOR SOUTHEAST EUROPE

**Dr. Christoph Achini**  
**Franz-Josef Flosbach**

EFSE Directors

# SIGNING

**ARARATBANK** 



## EFSE partner since 2010

Total Assets	EUR 139.2 mn
Market Share	4.9%
Gross loan portfolio	EUR 56.1 mn
Number of Staff	416
MSE Loan Portfolio	43.3%

## Country Profile

Population	3.3 mn
GDP	EUR 7.2 bn
Assets/GDP	44.5%
Loans/GDP	26.6%



EUROPEAN FUND FOR SOUTHEAST EUROPE

# SIGNING



**Raiffeisen  
BANK**



**Branko Novaković**

Head of Treasury

**Ljiljana Turopoljac**

Head of Financial Institutions Correspondence Department

**EUR 25 million**  
**Senior loan for housing**



EUROPEAN FUND FOR SOUTHEAST EUROPE

**Syed Aftab Ahmed**

**Marc Schublin**

EFSE Directors

# SIGNING



**Raiffeisen  
BANK**



## EFSE partner since 2011

Total Assets	EUR 1.7 bn
Market Share	7.1%
Gross Loan Portfolio	EUR 896.8 mn
Number of Staff	1,891
Housing Loan Portfolio	23%

## Country Profile

Population	7.5 mn
GDP	EUR 28.8 bn
Assets/GDP	83.3%
Loans/GDP	53.6%



EUROPEAN FUND FOR SOUTHEAST EUROPE

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# GREEN FOR GROWTH FUND

## SOUTHEAST EUROPE

INVESTING IN ENERGY EFFICIENCY  
AND RENEWABLE ENERGY

# SIGNING



**Aleksandar Čalović**

Vice President of the Executive Board

**EUR 5 million**  
**Senior loan for Energy Efficiency**



**GREEN FOR GROWTH FUND**  
SOUTHEAST EUROPE

INVESTING IN ENERGY EFFICIENCY  
AND RENEWABLE ENERGY

**Michael Neumayr**

**Hubert Cottogni**

GGF Directors

# SIGNING



## GGF partner since 2011

Total Assets	EUR 267 mn
Market Share (Assets)	1.1%
Gross Loan Portfolio	EUR 202.1 mn
Number of staff	389
EE Loan Portfolio	2.5%

## Country Profile

Population:	7.5 mn
GDP:	EUR 28.8 bn
Assets/GDP:	83.3%
Loans/GDP:	53.6%



**GREEN FOR GROWTH FUND**  
SOUTHEAST EUROPE

INVESTING IN ENERGY EFFICIENCY  
AND RENEWABLE ENERGY

# SIGNING



**Wolfgang Kröpfl**

Managing Director

**Participation in senior loan of EUR 10 million  
for a small hydro project**



**GREEN FOR GROWTH FUND**  
SOUTHEAST EUROPE

INVESTING IN ENERGY EFFICIENCY  
AND RENEWABLE ENERGY

**Constanze Kreiß**  
**Dominique Courbin**

GGF Directors

# SIGNING



**GGF partner since 2011**

## Country Profile

Population:	2.9 mn
GDP:	EUR 8.2 bn



**GREEN FOR GROWTH FUND**  
SOUTHEAST EUROPE

INVESTING IN ENERGY EFFICIENCY  
AND RENEWABLE ENERGY

# SIGNING

NLB  Razvojna banka



**Radovan Bajić**

Director

**Boris Vodopivec**

Deputy Director

**EUR 5 million**  
**Senior loan for Energy Efficiency**



**GREEN FOR GROWTH FUND**  
SOUTHEAST EUROPE

INVESTING IN ENERGY EFFICIENCY  
AND RENEWABLE ENERGY

**Michael Neumayr**  
**Hubert Cottogni**

GGF Directors

# SIGNING

NLB  Razvojna banka



## GGF partner since 2011

Total Assets	EUR 557 mn
Market Share (Assets)	5.2%
Gross Loan Portfolio	EUR 324,2 mn
Number of staff	503
EE Loan Portfolio	New product

## Country Profile

Population:	3.8 mn
GDP:	EUR 14.7 bn
Assets/GDP:	73.3%
Loans/GDP:	50.7%



**GREEN FOR GROWTH FUND**  
SOUTHEAST EUROPE

INVESTING IN ENERGY EFFICIENCY  
AND RENEWABLE ENERGY

# EFSE Annual Meeting 2011

**Lunch Break**  
13:00 – 14:30



Shaping and leveraging the new reality

## After lunch: Parallel Panel Sessions 14:30 – 16:00



I The New Reality for Financial  
Institutions

Illyria I

II The New Opportunity:  
Energy Efficiency and  
Renewable Energy Lending

Illyria III

