

EFSE and Vitas expand access to local currency financing for Romanian MSEs

Senior loan equivalent of EUR 2 million to be on-lent to underserved local entrepreneurs to sustain small business operations

Luxembourg, 23 December 2020 – The European Fund for Southeast Europe (EFSE) has provided a senior loan in Romanian leu equivalent to EUR 2.0 million to Vitas. The funding is intended to expand local currency financing to micro and small enterprises (MSEs) that may otherwise have difficulty finding a business loan, especially in an economic environment burdened by the coronavirus pandemic.

Vitas is a regional microfinance institution operating in Western Romania with a special focus on reaching financially underserved MSEs. Having first partnered with EFSE in March 2019, Vitas is committed to the fund’s mission of boosting business and economic development in the country by expanding the financial inclusion of local enterprises. With the new facility in Romanian leu, the partners aim not only to continue supplying entrepreneurs with much-needed financing during an economically turbulent period; they will also do so in a sustainable manner that protects borrowers from any fluctuations in the exchange rate that could severely affect their cash flows.



EFSE Board Chairperson Klaus Müller said: “We are delighted to build on the success of our first loan to Vitas and continue this partnership. Access to finance remains a key priority during and after the COVID-19 crisis, and Vitas plays an instrumental role in supporting hard-working entrepreneurs in their ability to sustain operations – and thus also employment and income generation in Romania.”

Cristian Jurma, Vitas General Manager, remarked: “The continuation of this partnership will allow us to support our clients during the second wave of the COVID-19 pandemic, which brought new restrictions that challenge the Romanian economy in general and the MSEs in particular.”

About EFSE

An impact investment fund established in 2005, the European Fund for Southeast Europe (EFSE) aims to foster economic development and prosperity in Southeast Europe and the Eastern Neighbourhood Region by investing in the success of micro and small enterprises as well as improved living conditions for private households. As access to financial services is key to developing this segment, EFSE focuses on helping local financial sectors strengthen their ability to provide responsible financing for this target group. Alongside its investment activities through local partners, EFSE multiplies its impact through the EFSE Development

Facility, which provides technical assistance, training, and other nonfinancial support to entrepreneurs and institutions.

EFSE was initiated by KfW Development Bank with the financial support of the German Federal Ministry for Economic Cooperation and Development (BMZ) and the European Commission. As the first public-private partnership of its kind, EFSE draws its capital from donor agencies, international financial institutions, and private institutional investors.

Finance in Motion GmbH, Germany, serves as EFSE's advisor and Hauck & Aufhäuser Fund Services S.A., Luxembourg, acts as manager.

For more information on the European Fund for Southeast Europe, please visit: www.efse.lu

For more information on Finance in Motion, please visit: www.finance-in-motion.com

About Vitas

Vitas, a member of Vitas Group, is one of the leading microfinance institutions in Western Romania. For more than 20 years, we have been alongside the micro and small entrepreneurs and farmers in Romania in fulfilling their dream of becoming independent or growing their business as well as developing the communities where they live.

Vitas's unique approach focuses on providing tailored, responsible financial products and services that meet the needs of its clients, such as under banked MSEs, individual entrepreneurs, agricultural producers and farmers.

Together with our team of financial specialists located across the region, we have managed to support the growth and development of over 10,000 small businesses, providing over 21,000 loans.

For more information on Vitas, please visit: www.vitasromania.ro

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