

EFSE supports entrepreneurs in building recovery and resilience during crisis

Fund's latest Impact Report details how investments and capacity building resulted in effective, inclusive crisis relief for 40,000 businesses in 2020

Luxembourg, 17 June 2021 – The European Fund for Southeast Europe (EFSE) released its latest Impact Report today. Focusing on [“Solid Partnerships in Challenging Times,”](#) the annual publication provides insights into how the impact investment fund has responded swiftly and forcefully to help micro and small enterprises (MSEs) tackle the economic headwinds of the coronavirus crisis.

EFSE was established in 2005 to fuel business growth, income generation, and employment by investing in the success of MSEs, the backbone of the economy in Southeast Europe and the EU Eastern Neighbourhood Region. Yet the onset of the COVID-19 pandemic presented especially challenging conditions for the operations, and in some cases even continuing existence, of many local businesses. In



response, EFSE has leveraged its blended finance structure – which pools investments from public and private sources for positive impact – to channel resources where they are needed to help entrepreneurs navigate the uncertain environment. This especially involved working through the fund's solid network of local financial intermediaries which provide financing to MSEs, as well as teaming up with regulators and entrepreneurship support organisations on the best strategies for supplying an effective and inclusive crisis relief.

[“Solid Partnerships in Challenging Times”](#) details the fund's activities in 2020 with examples and approaches. Measures enacted by EFSE consisted of approving nearly EUR 280 million in new financing – a large proportion of which in local currency, thus protecting financial institutions and borrowers from exchange rate risk – as well as over 18 technical assistance projects for digitalisation, including e-sales as well as upskilling and reskilling. These activities resulted in support for 91,000 jobs and much-needed financing to 40,000 MSEs across the fund's regions, conveyed through 67 on-the-ground financial institutions.

EFSE Board Chairperson Klaus Müller said: “Collaboration is what enables us to overcome seemingly daunting obstacles. And EFSE is founded on collaborations: with partner financial institutions, investors, regulators, entrepreneurship support organisations, and more. I would like to take this opportunity to thank not only the dedicated financial institutions in our regions who are working tirelessly to support local entrepreneurs, but also our international partners and shareholders for their

unwavering trust and dedication. Together, we will continue making ‘The Entrepreneurship Fund’ a reliable, solid provider of targeted solutions right where entrepreneurs need them most.”

[Click here](#) to read “Solid Partnerships in Challenging Times”: The EFSE Impact Report 2020.

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

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