

THE ENTREPRENEURSHIP FUND THE EFSE BULLETIN

EFSE has been a driving force for the success of micro and small enterprises (MSEs) since 2005. Through smart investments with on-the-ground partners who share the fund's impact goals and the targeted support of the EFSE Development Facility, EFSE creates the environment for entrepreneurs to prosper. Read on for an overview of EFSE's most recent activities in empowering entrepreneurship in the target region.

Welcome Dr. Klaus Müller: New Chairperson of the EFSE Board!

Dr. Klaus Müller joined EFSE as the fund's new Chairperson of the Board in December 2020. Taking the reins from former Chairperson Christoph Tiskens, Dr. Müller brings a wealth of experience through his more than 25 years at KfW development bank, where he is currently Director for the Southeast Europe and Turkey Department. Throughout his career, Klaus gained international experience in Europe and Asia. He holds a PhD in Agricultural Economics from the University of Bonn.



Presenting the new EFSE website

EFSE is pleased to reveal a fresh new look at www.efse.lu. The updated, modern interface offers an easy-to-navigate user experience that is also adaptable to mobile devices. Relevant information is readily available for all stakeholders – investors, both existing and prospective, as well as partners and the general public – on important topics like EFSE's impact, mission, activities, structure, publications, and more. We hope you enjoy exploring the attractive new website.

www.efse.lu

INVESTMENTS

**By the end of Q4 2020,
the EFSE Investment Committee had approved
EUR 279 million in new investments to
66 partner institutions.
57% of the financing for entrepreneurs and households
enabled by this EFSE funding was provided
in local currency.**

The EU invests additional EUR 40 million into EFSE

The European Commission, a longstanding partner of EFSE, has invested an additional EUR 40 million into the fund to enable vital financing, including in local currency, for entrepreneurs in

Southeast Europe and the EU Eastern Neighbourhood Region. A portion of the sum is also earmarked for technical assistance to help institutions and entrepreneurs overcome the operational hurdles posed by the crisis.

PROMOTING RESPONSIBLE FINANCE

EFSE approves record volume of loans to combat COVID-19 crisis

As the COVID-19 crisis affected small enterprises and households alike across EFSE's target regions, the fund approved a record EUR 279 million in loans to local financial institutions in 2020 to help them meet the needs of thousands of entrepreneurs and households. More than 21% of this financing was in local currency,

providing an extra layer of security in uncertain times. The funding was complemented by swift, customized advisory packages by the EFSE Development Facility to 23 financial institutions and 3,600 individual business owners, helping them confront the complex challenges of managing the ongoing pandemic.

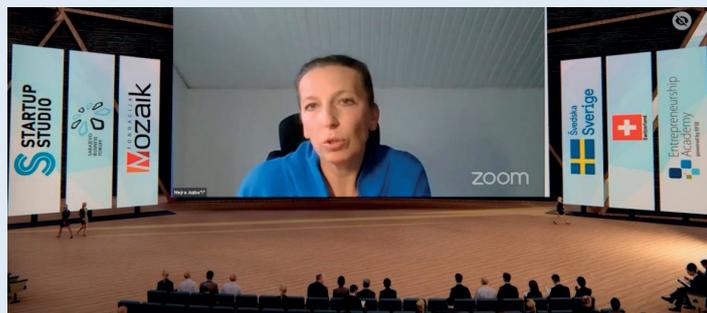
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PROMOTING RESPONSIBLE FINANCE

Local Currency for Local Success: Ukraine Edition

EFSE's campaign to promote the Power of Local Currency continued with a high-level virtual event in March 2021. After past events in Moldova and Belarus, the next installment of the series focused on Ukraine, where former Deputy Governor of the National Bank of Ukraine Oleg Churiy led the discussion on how local currency financing can contribute to sustainable business and economic development. Participants included representatives from finance and regulatory authorities across the EU Eastern Neighbourhood Region, the EU Neighbourhood Policy and Enlargement Negotiations team as well as the EFSE Governance Bodies led by the Board Chairperson Dr. Klaus Müller.

Find out more: bit.ly/30qOeEB



The largest virtual fair in Southeast Europe

In November 2020, the Regional Innovation and Entrepreneurship Fair – or “Sarajevo 2020” – proved the largest virtual fair to date in Southeast Europe. Drawing 1,200 innovators, investors, and business leaders from 32 countries, the conference brought together representatives from across industries and borders to learn about the entrepreneurial ecosystem in the region. Keynote speeches were held by EFSE as well as by the Bosnian Presidency and the Swedish Ambassador, while 230 startups exhibited their businesses to conference goers. Sarajevo 2020 was hosted by Mozaik Foundation and Sarajevo Business Forum, and co-sponsored by the EFSE Development Facility.

THE ENTREPRENEURSHIP ECOSYSTEM

TBC Business Development Program

In a fulfilling tradition each year, the EFSE Development Facility and TBC Bank promote entrepreneurship in Georgia through the bank's Business Development Program. The 2019-2020 cooperation covered three main components: the **TBC Business Awards**, the **Regional Business Forums** and the **Startuperi** to support the

national visibility and business acceleration of local enterprises through a nationwide competition, equip them with valuable information on the business environment, the trends and practices and importantly provide a dedicated platform where startups can access the much-needed financial and non-financial support, including for education and visibility purpose.

Mapping the fintech ecosystem in North Macedonia

Between September and December 2020, the EFSE Development Facility and the National Bank of the Republic of North Macedonia engaged in a joint project to map the Fintech Ecosystem in the country. The development of the Fintech Ecosystem Map is the last

step before laying out the National Fintech Strategy in 2021. Find out more in the results published on the National Bank's website:

<https://bit.ly/3tB7mgB>

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Entrepreneurship  Academy
powered by EFSE

Hero House AI Incubator Demo Day in Armenia

In January 2021, more than 90 tech innovation enthusiasts gathered online for the Hero House Artificial Intelligence Incubator Demo Day to gain a glimpse into tomorrow's technology. The event marked the end of the 6-month Artificial Intelligence Incubator Program, supported by the EFSE Entrepreneurship Academy and Smart-

GateVC Armenia, which matched participants with student research groups supervised by leading professionals from the industry and academia. By developing high-impact, scalable businesses, the programme aimed to contribute to talent retention, employment, and tech advancement in Armenia.

NEXTFintech grand finale in Romania

The fintech ecosystem in Romania got a boost through the NEXT-FinTech programme, a comprehensive twelve-week acceleration initiative for fintech startups supported by the EFSE Development Facility and spearheaded by the national startup organisation Techcelerator. The program concluded in February 2021 with the "NEXTFinTech: The Bridge to Inclusive Finance" event, an exciting online conference that brought together key players from across industries and borders – from venture capital and financial service providers to startup organisations and central bank representatives – to learn about the eleven participants' innovative ideas as part of a bigger exchange on the role of technology in expanding financial inclusion and supporting business growth.



Find out more:
bit.ly/3kToeev

FINANCIAL AND BUSINESS EDUCATION

Financial literacy children's books for schools in Kosovo

The Central Bank of Kosovo and the EFSE Development Facility teamed up to produce inclusive, state-of-the-art learning materials to teach financial literacy to schoolchildren in the form of a story-book series. In September 2020, the Kosovo Ministry of Education formally adopted the story series into its national curriculum, planning to distribute the books to 900 schools across Kosovo.

assessed the potential benefits of "fintech regulatory sandboxes", a framework enabling startups to test their financial technology innovations in a live but controlled environment under the supervision of the regulator. The two-day workshop intended to lay a foundation for future expansion of the fintech ecosystem in Romania.

CEPOR Family Business Forum

Croatia's CEPOR – SMEs and Entrepreneurship Policy Center hosted the Family Business Forum in December 2020 to help entrepreneurs address challenges posed by the ongoing crisis. The online event was co-sponsored by the EFSE Entrepreneurship Academy and brought together family-run businesses, entrepreneurship experts, and consultants to provide mentorship and exchange.

Financial education video for farmers in Georgia

The National Bank of Georgia and the EFSE Development Facility aim to enhance smart financial decision making for agricultural business owners through the release of a comprehensive, step-by-step educational video that tackles questions like: What options are out there for financing the agricultural business? What type of loan should one take – and in what currency?

In Georgian with English subtitles, the video shares useful insights for micro, small, or medium-sized agricultural enterprises across geographies.

Fintech on the rise in Romania

The National Bank of Romania and the EFSE Development Facility explored paths to open the market to fintech innovations through a virtual two-day workshop in December 2020. There, the partners



<https://youtu.be/Otuk-7weleo>

For more information, visit: www.efse.lu