



EFSE supports rural finance capacity of Microinvest in Moldova with EUR 1 million loan

Frankfurt and Chisinau, 8 October 2013 - The European Fund for South Eastern Europe (EFSE) – initiated by KfW Development Bank (KfW) with the financial support of the German Federal Ministry for Economic Cooperation and Development (BMZ) and the European Commission – signed a EUR 1 million senior loan agreement with Microinvest, Moldova’s largest microfinance institution (MFI) in terms of assets. The loan is aimed at strengthening Microinvest’s funding base, enabling it to provide further support to micro and small enterprises (MSE) in the country’s rural areas as well as businesses engaged in agricultural activities.

Microinvest is one of the few Moldovan MFIs to serve micro and small businesses in rural areas, ensuring access to finance for entrepreneurs, agricultural producers and farmers. Microinvest has successfully channelled the previous three rural loan facilities provided by the EFSE, totalling USD 8.9 million, to its core target clients.

“Given the importance of MFIs for providing financial services in the appropriate manner to micro enterprises, the EFSE is keen to strengthen its partnership with Microinvest,” says Monika Beck, Chairperson of the Board of EFSE. “In line with our fund strategy, the new loan to Microinvest will further contribute to the creation of jobs in Moldova’s rural areas by facilitating access to credit.”

“For more than ten years, Microinvest has created optimal conditions for the development of micro and small rural businesses in Moldova. In this endeavour, the EFSE has been one of the most important and reliable partners of Microinvest, and this has been proven by years of support of our activity. Thanks to the partnership with EFSE, we have continuously managed to meet the needs of micro and small clients from rural areas, and implement our strategy to provide them with competitive financial solutions. Consequently, over 65% of our client base originate from rural areas,” states Mr. Paul Panciu, CEO of Microinvest.

About the European Fund for Southeast Europe

The European Fund for Southeast Europe (EFSE) aims to foster economic development and prosperity in Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, former Yugoslav Republic of Macedonia, Kosovo, Georgia, Moldova, Montenegro, Romania, Serbia, Ukraine and Turkey. As access to finance is a key success factor in developing the micro, small and medium enterprise segments, the EFSE focuses on assisting local financial sectors in strengthening their ability to ensure adequate and sustainable financing. The funding the EFSE provides as long-term finance primarily for micro and small enterprises



(MSEs) – but also for private households in the form of home improvement loans – is channelled to these loan customers through local partner lending institutions. Supporting the EFSE’s investment activities is the EFSE Development Facility, which provides partner lending institutions with technical assistance, consulting and training services to build operational capacities and professional management. Initiated by KfW Development Bank (KfW) on 15 December 2005 from four multi-donor programs under its management, the EFSE is the first public-private partnership of its kind and the first privately managed fund in development finance to leverage private funding for MSE finance in the target region. Capital is provided by donor agencies, international financial institutions and private institutional investors, including the German Federal Ministry for Economic Cooperation and Development (BMZ), the European Commission (EC), the Government of Albania, Small and Medium Business Credit Support CJSC (SMBCS), a subsidiary of the Central Bank of Armenia, the Development Bank of Austria (Oesterreichische Entwicklungsbank - OeEB), the Swiss Agency for Development and Cooperation (SDC), the Danish International Development Agency (Danida), KfW as Lead Investor, the International Finance Corporation (IFC), the Netherlands Finance Company (FMO), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), Sal. Oppenheim and Deutsche Bank.

Oppenheim Asset Management Services S.à r.l, Luxembourg, and Finance in Motion GmbH, Germany, are, respectively, the EFSE’s Fund Manager and Fund Advisor.

For more information about the European Fund for Southeast Europe, please visit: <http://www.efse.lu/>

About Microinvest

For over 10 years, Microinvest has been providing competitive financial solutions to micro and small business (sole proprietors, agricultural individual enterprises, cooperatives, Savings and Credit Associations and informal rural groups, i.e.) – all of which fall beyond the scope of the traditional banking due to lack of collateral, insufficient credit track record, and perceived high credit risk.

Microinvest currently operates through a network of 15 fully equipped branches spread throughout the country, and it is the MFI market leader by size with MDL 355.9 million in assets as of 31 December 2012. The company’s competitive advantages are its speed in processing and disbursing loans, individual quality of each of its services, and specialized products for micro and small business.

Microinvest is supported by a strong group of shareholders, such as BFSE Holding, Oikocredit, Soros Foundation Moldova, Soros Economic Development Fund and S.I.D.I. .



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