

Horizonti joins the EFSE's network of partner lending institutions

EFSE financing will support Macedonian small farmers and micro entrepreneurs in rural parts of the country

Frankfurt and Skopje, 17 December 2015 - The European Fund for Southeast Europe (EFSE) continues to expand its network of partner lending institutions by signing its first loan agreement with Macedonian microfinance organisation Horizonti. The EFSE's EUR 500,000 senior loan will enable Horizonti to more effectively address the credit needs of small farmers and micro entrepreneurs in the rural areas of the former Yugoslav Republic of Macedonia.

Horizonti's mission is to provide the country's population with low incomes, primarily women entrepreneurs, but also socially excluded and marginalized groups, with dependable access to finance. In working towards this goal, Horizonti also supports micro-entrepreneurs and small individual farmers located in the rural parts of the country. The EFSE's investment facility will support Horizonti's strategy of expanding operations in remote rural areas to make credit available to the underserved agricultural sector, one of the EFSE's target groups. The cooperation between Horizonti and EFSE began with the EFSE Development Facility providing hands-on technical assistance to enable Horizonti to better analyse the agricultural sector, and hence develop loan products better suited to this market as well as improve lending practices.

"The mission of Horizonti and that of the EFSE are in complete alignment," says Monika Beck, Chairperson of the Board of EFSE. "With its declared mission to support a low-income but economically active segment of the population, Horizonti represents a valuable addition to our network of partner lending institutions and takes us a major step forward in fulfilling our mission of fostering economic development and prosperity."

"For Horizonti, the cooperation with the EFSE means much more than additional funding for portfolio growth," says Vasil Davaliev, Executive Director of Horizonti. "We consider the EFSE as a strategic partner for our further institutional development. We truly rely on the EFSE's expertise and count on long-term support to reach and service more clients in an efficient way."

About the European Fund for Southeast Europe

The European Fund for Southeast Europe (EFSE) was 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. It 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 Horizonti

Horizonti was created in January 2000 as a microfinance program of Catholic Relief Services-USCC in Macedonia. The project primary goal was to provide access to finance to low-income women entrepreneurs. In addition, project long-term goal was to create a professional, sustainable and locally-registered microfinance institution. In July 2005, program spun-off from CRS by registering a local Foundation according to the Law on Citizen's Associations and Foundation in the R. of Macedonia.

In the begging, the program started to operate in the greater Skopje area, and eventually expand its operations in seven other cities throughout the country, having 65-70% national coverage. Currently,

Horizonti provides its services through 8 branch offices located in larger cities in the country, with Head Office based in Skopje. Horizonti provides small loan for income generating activities and for housing. Small business loans are primarily for retail, services, small production and agriculture. Horizonti uses the group and individual lending methodology. Group lending is very common for poorer and disadvantage clients such is Roma population and small rural farmers. Women empowerment and gender equality are strong organization's focus. Almost 97% of Horizonti beneficiaries are women. The initial loan capital was provided by international donor agencies, such: the Founder CRS, Caritas Norway, OSI, CEB, and others.

For more information about the Horizonti, please visit: <http://www.horizonti.org.mk/>

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