

EFSE and MFO Credo join forces to foster economic development in rural regions of Georgia

USD 10 million loan will finance more than 16,000 loans to micro entrepreneurs and low-income households

Luxembourg and Tbilisi, 22 December 2015 - The European Fund for Southeast Europe (EFSE) and MFO Credo have teamed up to provide micro entrepreneurs and low-income households in the rural areas of Georgia with access to credit. The USD 10 million senior loan, which the Fund is providing to Credo for this purpose, will finance more than 16,000 micro loans.



MFO Credo is the leading microfinance organisation in Georgia with a market share of 50% by number of clients. With the majority of its branches located outside Tbilisi, it has a strong focus on agricultural lending and deep outreach to the underserved rural communities.

“With its clear focus towards the EFSE’s target group of micro entrepreneurs and low-income households, MFO Credo is a natural choice for strengthening our network of partner lending institutions,” says Monika Beck, Chairperson of the Board of EFSE.



“We are pleased to start our cooperation with the European Fund for Southeast Europe. The facility will be used to finance micro and small entrepreneurs consequently, further contributing to income growth and enhancing employment opportunities in rural Georgia,” states Credo’s Chief Executive Officer Zaza Pirtskhelava.

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 MFO Credo

Credo is the leading micro finance organization in Georgia in terms of number of clients with countrywide presence. It operates 59 branches and serves more than 190 thousand customers across the country. It offers innovative products, quality services and expertise in agriculture financing. Credo is owned by international shareholders, the social impact investors - Access Microfinance Holding AG (Germany), and funds managed by

responsAbility Investment Management AG (Switzerland) and Triodos Investment Management BV (Netherlands).

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