

EFSE expands cooperation with Kosovo's AFK

EFSE's EUR 2 million senior loan to support further expansion of AFK's rural financing operations

Luxembourg and Peja, Kosovo, 18 August 2016 - The European Fund for Southeast Europe (EFSE) today announced a EUR 2 million senior loan for the Kosovar financial institution Agjencioni për Financim në Kosovë (AFK).

This is the fund's second investment in the partner, which will on-lend the financing to businesses and agricultural clients in rural areas. The fund and AFK are discussing technical assistance options available from the EFSE Development Facility, which in the past has provided training and other services to expand the partner's expertise.

EFSE Board Chairman Christoph Tiskens said: "This additional investment in AFK underlines the success of our ongoing partnership. AFK's loans will continue to support micro- and small businesses and the rural community, which is EFSE's core mandate."

AFK CEO Vahdet Anadolli said: "This funding from EFSE will help AFK further grow and promote its social mission of financial inclusion, particularly in rural areas. Furthermore, technical assistance provided from EFSE's Development Facility is of a vital importance to our Institution's capacity building".

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 acts as the EFSE's Fund Manager and Finance in Motion GmbH, Germany as Advisor. For more information about the European Fund for Southeast Europe, please visit: <http://www.efse.lu/>

ABOUT THE AGENCY FOR FINANCE IN KOSOVO (AFK)

The Agency for Finance in Kosovo (AFK) was established in October 2000 as a development program financed by Mercy Corps, a US-based NGO, with the mission to improve living conditions in Kosovo by providing access to sustainable financial services for micro and small-sized enterprises. In February 2002, AFK was registered as an NGO Foundation with the Ministry of Public Administration. AFK is also licensed by the Central Bank of Kosovo as a Microfinance institution (MFI). AFK is a founder of the Kosovo Credit Information Service (KCIS) and a founding member of the Association of the Microfinance Institutions of Kosovo (AMIK) that aims to promote best practices and industry standards. Through its headquarters located in Peja City, and 17 branches located throughout Kosovo, AFK provide credit to low income individuals with limited or no access to commercial funding sources. As of June 30, 2016, AFK has disbursed 65,000 loans totalling EUR 121 million, 49% of which were disbursed to clients in rural areas, and 51% were disbursed to clients in semi-urban and urban areas in Kosovo. For more information about AFK please visit <http://www.afkonline.org/>

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Press release



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