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EFSE, SEF International partner to fund development in rural Armenia

The EFSE senior loan will allow SEF to expand financing for rural MSEs

Luxembourg and Yerevan, 25 January 2017 -- The European Fund for Southeast Europe (EFSE) has lent the equivalent of USD 2 million in Armenian dram to SEF International, the initial step in their partnership to support small businesses and families in rural Armenia.

The senior loan facility, valued at nearly AMD 970 million, is earmarked for loans to micro and small enterprises, farmers, and agricultural producers. SEF clients will receive loans to grow their businesses in rural areas, which will contribute to developing local communities and improving their quality of life.



EFSE Board Chairman Christoph Tiskens said: "We are excited to start off the new year with a new partner. SEF's work in Armenia has given it the type of experience we seek in the regions we serve, as increasing economic development and access to finance in rural areas are two of our top priorities."

Garegin Gevorgyan, CEO of SEF International, noted: "The partnership with the EFSE is vital for SEF. We are enthused to start working with the fund to help expand our efforts in reaching out to customers with limited access to finance and for strengthening our presence in rural and underserved areas."

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



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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 SEF International

SEF International, a VisionFund microfinance operation in Armenia, is the first licensed microfinance organization in the country and a leader in rural lending. Started in 1997, we now deliver loans to more than 27,000 clients for agriculture, business, education, housing, green and social purposes across Armenia through our 20 branches and a web application.

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