

Leading Impact Investing Fund for Small Business Supports Entrepreneurs

The European Fund for Southeast Europe meets to discuss a stronger startup environment and promoting micro and small enterprises

Split, Croatia, 18 May 2017 - The European Fund for Southeast Europe (EFSE), a microfinance fund with nearly EUR 1 billion in assets under management, is meeting in Split, Croatia on 17-18 May to emphasise its support for entrepreneurs and its unwavering funding of small business in the regions it serves.

The motto of this year's meeting highlights the areas receiving increased EFSE focus: **Enabling Financial inclusion, Startups and Entrepreneurship**. These areas are a natural extension of the fund's focus on small businesses, job creation, and economic growth.

This year's meeting provides a unique forum for high-level discussions about the current challenges facing both the financial industry and entrepreneurs. Guests at the meeting include numerous central bank governors, leading banking and microfinance industry executives, and top managers from national and international development organisations. Topics at the meeting – presented by sector experts – range from how fintech solutions can help micro and small enterprises (MSEs), to methods for strengthening the startup environment.

EFSE Board Chairman Christoph Tiskens said: "Our fund has served a vital role in improving lives in the regions we serve. EFSE financing for MSEs and low-income households promotes local and regional prosperity by supporting those seeking to expand their business or workforce, or improve their living conditions. Our renewed focus on new businesses also bolsters both job creation and economic development in the fund's markets."

The fund and its Development Facility have shown their dedication to new businesses by organising and sponsoring a range of events to support entrepreneurs over the past year. In November, the facility even hosted its first competition for new fintech companies: The inaugural Fincluders Startup Challenge attracted nearly 100 entrants with products for spreading financial inclusion and culminated with 15 finalists pitching their ideas to industry experts in the German capital Berlin.

As the funding catalyst for 860,000 small business and housing loans with a value of EUR 5.9 billion, since its inception the EFSE has directly contributed to improving access to finance for hundreds of thousands of MSEs and low-income households in 16 markets in Southeast Europe and the European Eastern Neighbourhood Region. Since it was created in 2005, the fund has provided loans to nearly 100 partner lending institutions in the regions it serves; on 31 December 2016, the EFSE's outstanding portfolio invested in target countries amounted to EUR 924.3 million, which is currently on-lent to finance more than 160,000 sub-loans with a total volume of EUR 1 billion.

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.



EFSE MEETING 2017

ENABLING
FINANCIAL INCLUSION,
STARTUPS &
ENTREPRENEURSHIP



EUROPEAN FUND FOR SOUTHEAST EUROPE

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

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