



EFSE and Belarusky Narodny Bank expand sustainable financing for local businesses

Fund launches financing in BYN to support micro and small enterprises in Belarus

Luxembourg and Minsk, 11 October 2019 – The European Fund for Southeast Europe (EFSE) has provided its first-ever BYN-denominated loan equivalent to EUR 5 million to Belarusky Narodny Bank, Belarus (BNB) to invest in the development of micro and small enterprises. By expanding the availability of local currency financing for this important sector, the partners aim to support economic growth and employment in the country. The partnership with BNB was confirmed at an EFSE signing ceremony celebrating “The Power of Local Currency Financing” in Chişinău, Moldova, on 10 October.

EFSE Board Chairman Christoph Tiskens said: “BNB stands out as a strong finance provider for micro and small enterprises in Belarus, thanks to its client-tailored and flexible business approach. This makes it an ideal partner for EFSE in pursuing our mission to channel resources to entrepreneurs in Southeast Europe and the Eastern Neighbourhood Region. Together, we will continue supporting the productivity and competitiveness of this important sector by increasing micro and small enterprises’ access to finance in local currency – a responsible financing practice that protects them from exchange rate fluctuations and helps secure their sustainable growth.”

Constantine Tsereteli, CEO of BNB, commented: “We are grateful to our partner, the European Fund for Southeast Europe, for their professionalism and support, which enables us to implement ambitious and creative projects. Raising financing in BYN is an important step in helping to de-dollarize the economy. The deal will ensure the expansion of financial support to small enterprises in high-demand local currency. We are pleased to observe the obvious interest of international financial institutions in providing financing in BYN, which is certain evidence of the growing confidence in the monetary policy of the country and, consequently, the national currency itself.”

EFSE is ramping up its local currency lending activities in the European Eastern Neighbourhood Region thanks to a new capital layer in the fund’s structure designed to absorb exchange rate risk. This new financing instrument was made possible by contributions from the European Union’s “EU4Business” initiative, as well as from the German Federal Ministry for Economic Cooperation and Development.



About EFSE

An impact investment fund established in 2005, the European Fund for Southeast Europe (EFSE) aims to foster economic development and prosperity in Southeast Europe and the Eastern Neighbourhood Region by investing in the success of micro and small enterprises as well as improved living conditions for private households. As access to financial services is key to developing this segment, EFSE focuses on helping local financial sectors strengthen their ability to provide responsible financing for this target group. Alongside its investment activities through local partners, EFSE multiplies its impact through the EFSE Development Facility, which provides technical assistance, training, and other nonfinancial support to entrepreneurs and institutions.

EFSE was initiated by KfW Development Bank with the financial support of the German Federal Ministry for Economic Cooperation and Development (BMZ) and the European Commission. As the first public-private partnership of its kind, EFSE draws its capital from donor agencies, international financial institutions, and private institutional investors.

Finance in Motion GmbH, Germany, serves as EFSE's advisor and Hauck & Aufhäuser Fund Services S.A., Luxembourg, acts as manager.

For more information on the European Fund for Southeast Europe, please visit: www.efse.lu

For more information on Finance in Motion, please visit: www.finance-in-motion.com

About Belarusky Narodny Bank

Belarusky Narodny Bank (BNB) was established in 1992. Its head office is located in Minsk, Niezaleznasci Ave., 87a. Twelve service centres are located in all regional cities of Belarus. The major shareholder is Bank of Georgia (99.98%). BNB provides a wide range of services to legal entities and individuals. Support of micro, small and medium businesses is the major strategic goal of the bank.

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