

EBRD invests additional EUR 25 million in EFSE

Frankfurt and London, 15 November 2013 - The European Fund for Southeast Europe (EFSE) – 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 – and the European Bank for Reconstruction and Development (EBRD) signed an agreement today which provides EFSE with an additional funding of EUR 25 million. The funds will facilitate more than 4,000 new loans to micro and small enterprises (MSEs) in the Fund’s target regions of South Eastern Europe and the European Eastern Neighbourhood Region.

The new capital commitment can be drawn upon in EUR as well as in USD, adding flexibility to the ways in which EFSE can achieve its mission to foster economic development and prosperity in its target region. The Fund at present has total committed capital of EUR 948 million.

Henry E. Russell, Director for Western Balkans, Belarus, Moldova and Ukraine at the EBRD Financial Institutions Group said: “We are pleased to continue and deepen our successful cooperation with EFSE with this new investment. We have been very impressed by the progress which has been achieved both with respect to the quality of EFSE’s portfolio and its continuing efforts to mobilise additional private sector funding. We are fully committed to further support these activities which play a crucial role for businesses and people in the region.”

“This investment in the future reinforces EFSE’s ability to ensure stable and reliable funding to existing and future partner lending institutions”, says Monika Beck, Chairperson of the Board of EFSE. “Thanks to the EBRD’s additional commitment, we can proceed with planning future investments and therefore optimise the development impact of the Fund.”

About the European Fund for Southeast Europe

The European Fund for Southeast Europe (EFSE) 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 the European Bank for Reconstruction and Development (EBRD)

The EBRD, owned by 64 countries and two intergovernmental institutions, is supporting the development of market economies and democracies. Follow us on the [web](#), [Facebook](#) and [Twitter](#).

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