

# OeEB

# Development Report 2016

Creating better living conditions  
through a vibrant economy



OESTERREICHISCHE  
ENTWICKLUNGS-  
BANK AG

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OeEB

Oesterreichische Entwicklungsbank AG

# Financing sustainable development

## We support our clients in creating and preserving jobs:

over 29,000 jobs provided by companies and projects directly (co-)financed by OeEB - and many jobs more in the supply chain of these companies, or at the level of micro-, small- and medium-sized enterprises financed indirectly via OeEB's credit lines provided to local banks

## We provide funding for local micro-, small and medium-sized enterprises (MSME) and help them prosper:

over 60,000 MSMEs reached by on-going projects

## We contribute to mitigating climate change by investing in renewable energy and energy efficiency projects:

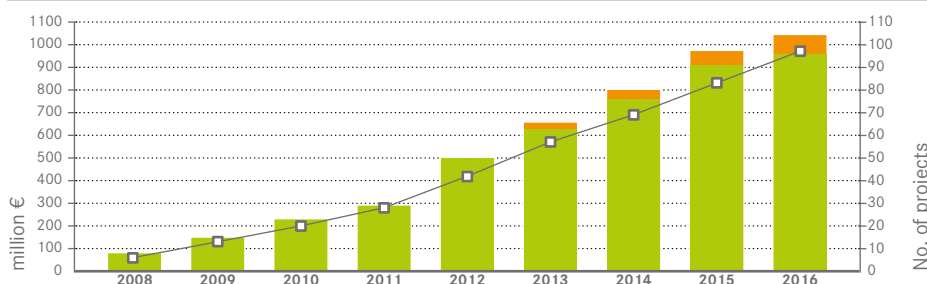
over EUR 450 million invested in on-going climate-friendly projects, 1,370 MW newly installed power generation capacity in on-going OeEB-(co)-financed projects

## We assist our clients in strengthening capacities: training for over 7,800 people directly funded by OeEB in the past years

## We aim at reaching those most in need: EUR 168 million currently invested in Least Developed Countries

## Funding tomorrow's prosperity

### COMMITTED TOTAL PORTFOLIO



At the end of 2016, OeEB had a **committed total portfolio of over EUR 1 bn** – thereof 91.5% invested in lending projects, and 8.5% invested in equity projects.

- Loans in million €
- Equity in million €
- No. of projects



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## Our mission – Our focus

OeEB is the officially mandated Development Bank of Austria. Its mission is to promote economically, environmentally and socially sustainable development through investing in profitable private sector projects in developing and emerging countries. To accomplish its mission, OeEB has three product lines available: investment lending, equity participations and advisory programmes.

OeEB forms part of the Austrian Development Cooperation, and its activities and priorities are reflected in the Three-Year Programme 2016-2018 of the Austrian Development Cooperation.

The Sustainable Development Goals with their overarching goal of ending poverty as enshrined in SDG 1 and further goals such as SDG 7 on affordable and clean energy and SDG 8 on decent work and economic growth, but also SDG 9 on sustainable infrastructure, SDG 10 on reducing inequalities between and within countries and SDG 13 on climate action, serve as the central points of reference for OeEB's strategic positioning. In addition, by

targeting specific groups of beneficiaries, respectively by implementing projects in specific sectors or countries, OeEB also contributes to the achievement of further SDGs such as SDG 2 on zero hunger and SDG 5 on gender equality on the level of individual projects.

OeEB puts particular emphasis on projects in the renewable energy and resource efficiency (including energy efficiency) sectors. Further, OeEB focuses on projects benefiting local micro-, small and medium-sized enterprises (MSME). OeEB considers these three focus sectors as particularly relevant in the context of the private sector's contribution to the implementation of the SDGs.

While OeEB's investments are not tied to the involvement of Austrian entities, OeEB also seeks to develop markets and to accompany Austrian companies in their activities in developing and emerging countries.

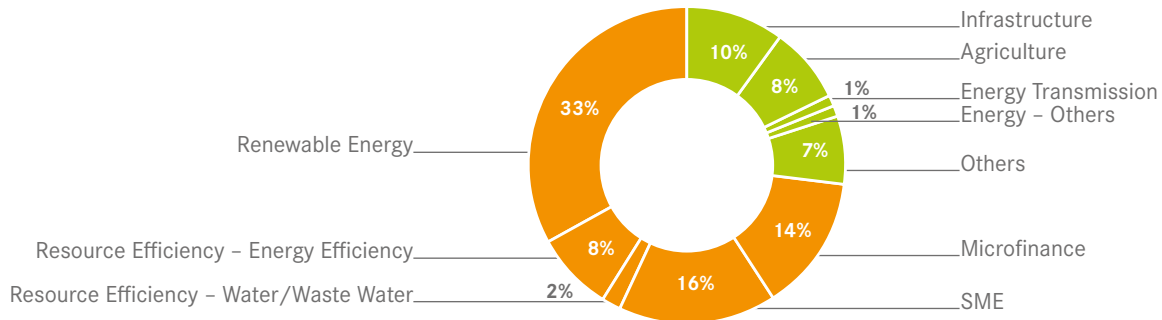
OeEB is a member of the European Development Finance Institutions (EDFI) network and implements many of its projects in close cooperation with other national and international actors working with the private sector.



# Financing sustainable development

## The sectors we focus on

COMMITTED TOTAL PORTFOLIO BY SECTOR (2016) – FOCUS SECTORS IN ORANGE



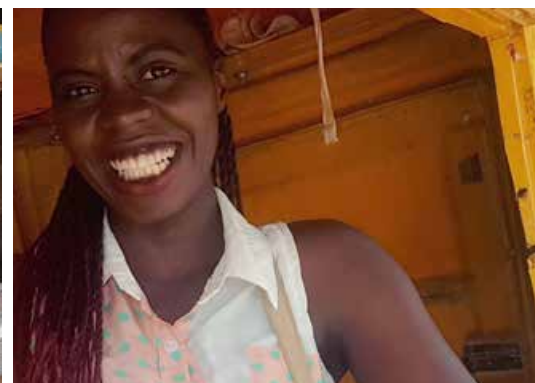
## Mobile Money in Uganda

Sending money home to rural areas is an important step forward for development in Uganda: Most Ugandans with jobs in cities contribute a significant part of their salaries to support their families in more excluded parts of the country. Chims Africa Ltd. is an important facilitator for this and a strong pillar in the distribution process.

Chims is the largest mobile money agent network service provider in Uganda. It has a strong position across the country

managing 260 agents directly and more than 2000 under a master agent agreement – also in rural areas. People who are often excluded from financial services are able to pay school fees or bills using these services. In addition, Chims has more than 10 locations which are strategically positioned near important markets where farmers sell their products. It also serves refugee camps in Northern Uganda, where NGOs use such channels to ensure money is disbursed to refugees.

Chims is an investee company of the Ascent Rift Valley Fund, which focuses on the development of small and medium-sized enterprises in seven East African countries. OeEB invested USD 5 million in this fund to foster economic development in this region.



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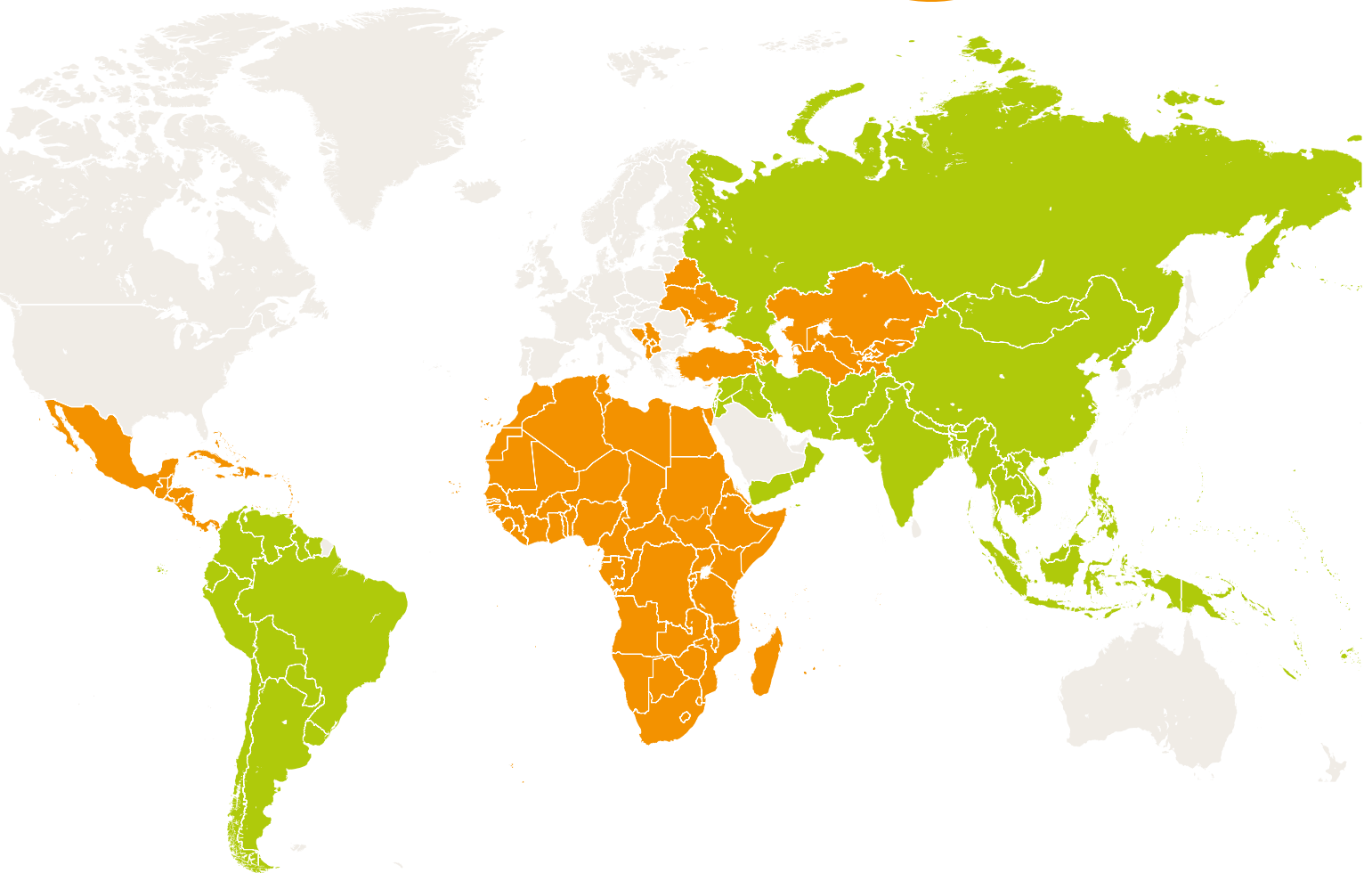
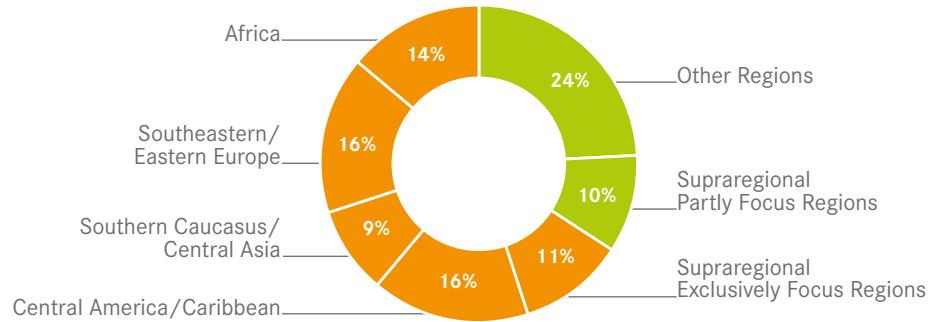
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## Where our clients are located

OeEB's mandate encompasses all countries classified as Developing and Transition Countries by the OECD, plus Russia. These countries are highlighted in green. Within these countries, OeEB puts particular emphasis on implementing projects in its focus regions: Southeastern/Eastern Europe, Southern Caucasus/Central Asia, Africa and Central America/Caribbean. Countries within these focus regions are highlighted in orange.

COMMITTED TOTAL PORTFOLIO BY REGION (2016) – FOCUS REGIONS IN ORANGE



# Financing sustainable development

## How we measure our results

### On portfolio level:

In order to measure progress towards the goals defined in its strategy, OeEB operates a comprehensive Results Framework. The Results Framework encompasses specific indicators and targets and provides a framework for OeEB's management to gauge progress toward the achievement of results.

### On project level:

In order to assess the developmental effects of OeEB's portfolio, all projects are evaluated with an adapted version of the Corporate Policy Project Rating Tool (GPR©), developed by DEG. GPR© enables both ex-ante (at the time a project is approved) and ex-post (actual figures during project implementation and after completion) evaluations and scores projects based on the following four criteria: development effect and sustainability / the particular

strategic role of OeEB / the project's long-term profitability / its contribution margin. These four benchmarks are combined in a GPR total index (GPR score), ranging from 'very good' (grade 1) to 'insufficient' (grade 6). Since the developmental effects play a major role, the development impact score (EPOL score) is reported separately, as well as being computed in the average GPR score. In 2016, the average GPR score of projects in OeEB's portfolio was 1.4 and the average EPOL score was 1.8.

## Clean Energy for Costa Rica

Clean and affordable energy for all is one of the Sustainable Development Goals (SDGs). Financing projects in the renewable energy sector is therefore a major focus in OeEB's strategy.



In developing countries, millions of people still do not have access to electricity. They frequently cook with firewood, have no refrigerator and no light in the evenings. In Costa Rica, OeEB together with partners such as FMO, the Dutch development bank, and Oikocredit finances the Alisios wind farm, which contributes to securing the country's energy supply, reduces the dependence on energy imports and supports the economic development. Costa Rica's energy supply is based almost exclusively on renewable energy. However,

since more than half of the electricity is produced from hydropower, power outages during the dry season are still common and the country continues to depend on energy imports. In order to diversify the energy mix, the Costa Rican Government focuses on wind energy to complement the country's hydro-based energy generation. The 80 MW Alisios wind farm is located in the province of Guanacaste in the north-west of Costa Rica and will support the energy supply particularly during the dry season.



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## Selected indicators at a glance

### JOBS

Jobs provided by companies and projects (co-)financed by OeEB	29,134	(p)
Jobs provided by financial institutions (co-)financed by OeEB	200,531	(p)
Jobs within the supply chain directly dependent on companies and projects (co-)financed by OeEB	at least 24,379	(p)

### MICROBORROWERS AND SMEs

Microborrowers reached by OeEB financing	38,720	(p)
SMEs reached by OeEB financing	21,849	(p)
Total volume of OeEB investment in projects benefiting local micro-, small and medium-sized enterprises percentage of total committed portfolio	EUR 310 million 30%	(p)

### RENEWABLE ENERGY/ENERGY EFFICIENCY

New commitments for renewable energy and resource efficiency projects in 2016 percentage of total volumes committed in 2016	EUR 74 million 38%	(p)
Total newly installed power generation capacity in projects (co-)financed by OeEB	1,370 MW	(p)
Total volume of OeEB investment in projects that contributes to mitigating climate change percentage of total committed portfolio	EUR 458 million 44%	(p)

### CAPACITY BUILDING

Companies and financial institutions supported by OeEB's Advisory Programmes in organization & management, product or project development and environment & social areas	172	(a)
People benefiting from training measures funded directly by OeEB	7,810	(a)

### LEAST DEVELOPED COUNTRIES

Total volume of OeEB investment in Least Developed Countries percentage of total committed portfolio	EUR 168 million 16%	(p)
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### LINKAGES WITH THE AUSTRIAN ECONOMY

Percentage of all investment finance, equity and advisory projects that involve Austrian institutions	32%	(a)
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(p) Committed portfolio figures: ongoing projects as per December 31, 2016

(a) Accumulated figures: ongoing and completed projects as per December 31, 2016



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