



LIVING CREDIT GUARANTEES

Institutional Profile:

LANDT

Introduction

LANDT is an international group of aligned companies with a total of 60 staff members and advisors in Germany, Afghanistan and Tajikistan with further support of international consultants. The group is focused on developing Small and Medium Sized Enterprise (SME) finance through designing, setting-up and managing credit guarantee schemes and providing technical assistance in challenging environments. LANDT also carries out selected short-term consultancy.

The group is managed by Bernd Leidner and Dirk Josef Thiesen, who combined, have over 50 years of experience in the financial sector and worked across the globe.

In response to the specific challenges and market failures in its target countries, LANDT has developed tailor-made design elements for its approach to credit guarantee schemes that comprise:

- Credit guarantee schemes creating a strong strategic match with their primary lending partners, providing hands-on involvement in the lending operations where needed and using a variety of specifically adjusted risk management tools; these interventions generate low loss rates even in relatively risky environments and with lending partners with a challenging track record;
- Comprehensive technical assistance packages that are dedicated to building from scratch and/or strengthening the SME lending capacity of financial institutions (up- or down-scaling) by setting up SME departments, creating the required policies and procedures, training (class room and on the job, coaching), product development, risk management improvements etc.

LANDT's philosophy strives to achieve sustainable impact; empowering its partners and the staff (partners' and own staff) is key in this effort. LANDT's objectives comprise:

- Enabling progress in a challenging environment. LANDT nurtures growth of the financial sector in frontier, crisis and post-crisis markets by mobilizing and deploying funds effectively and sustainably.
- Local impact through local presence. With the support of donors and investors, LANDT provides both the capital and the services necessary to ensure effective implementation. While lean head offices of the guarantee funds managed by LANDT in Germany provide guidance, supervision and ensure compliance, LANDT's strong consulting units in the target countries cater for the required proximity to the markets and the partners. LANDT remains committed in the long-term.
- Sharing expertise. LANDT develops methods, systems, tools and processes which are scalable and transferable to other countries. This is done with the highest consideration of the specific environment and is fine-tuned accordingly.

Track Record and Capacity

LANDT staff has extensive expertise of working on credit guarantee funds at different stages across the globe:

Design of credit guarantee funds:

- ESFD - Economic and Social Fund for Development, Beirut, Lebanon: support for the strategic repositioning of ESFD by introducing a CGF. Carried out feasibility study, designed the scheme,



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presented and negotiated agreements with FIs, developed operations manual, established requirements for MIS. Funded by the European Union.

- EPCGF - European-Palestinian Credit Guarantee Fund, Ramallah, Palestinian Territories: created the successful technical proposal for bidding consulting company. Funded by KfW Group.
- Madagascar Financial Services Project, Antananarivo, Madagascar: led the team for a scoping mission for the design of a CGF and technical assistance. Funded by the World Bank.

Evaluation and diagnosis of credit guarantee funds:

- JLGC - Jordan Loan Guarantee Cooperation, Amman, Jordan: Diagnosis and scoping mission. Funded by International Finance Corporation (IFC).
- CCG - Caisse Centrale des Garanties, Rabat, Morocco: Diagnosis and scoping mission. Funded by IFC.

Trainings and workshops:

- OECD, Kiev, Ukraine: Key expert for the workshop “Establishing Credit Guarantee Schemes for Small and Medium Agricultural Enterprises in Ukraine, A Capacity-building Workshop for Ukraine’s Competitiveness”.
- World Bank Private Sector Forum, Washington DC, US: Panel speaker for “Partial Credit Guarantee Schemes for Financing SMEs”.
- World Bank, Sarajevo, Bosnia and Herzegovina: Key expert for the workshop “Best Practice Credit Guarantee Schemes for SMEs: Key Design Principles and Features”.

LANDT’s primary engagements, however, are two credit guarantee funds: ACGF – Afghan Credit Guarantee Foundation (ACGF) and CGFT – Credit Guarantee Fund Tajikistan GmbH (CGFT).

ACGF – Afghan Credit Guarantee Foundation

ACGF established in 2014 and started its operations in January 2015 as an institutional successor of a successful previous credit guarantee scheme. ACGF was founded by DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH, a member of KfW Group, and by the German Federal Ministry of Economic Cooperation and Development. Capitalized with USD 6m equity and a grant of USD 5 m approved by the World Bank, ACGF is extensively consulted by SCSA – SME Client Support Afghanistan LLC, which is based in Kabul, Afghanistan.

ACGF (and its predecessor) by end of September, 2017 facilitated disbursement of USD 189m guaranteed loans to some 4,680 SMEs and have incurred an average historic loss rate of approx.1.2% p.a. ACGF helped retain more than 49,930 jobs and created 9,070 new jobs.

CGFT – Credit Guarantee Fund Tajikistan GmbH

CGFT was established in 2014 and follows the proven business model in Afghanistan. CGFT is managed by Leidner & Thiesen Tajikistan GmbH (LTT).

LTT is closely advised by Tajik Credit Support Partner LLC (TCSP), a consulting company with offices in Dushanbe and Khujand.

CGFT is owned and financed by three of the most important European development finance institutions:



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- DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH (investment of EUR 5m), a member of KFW Group,
- OeEB – Oesterreichische Entwicklungsbank AG (investment of EUR 5m),
- FMO – Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (investment of EUR 2.5m).

The three investors additionally provide a technical assistance facility of approximately EUR 1m.

CGFT currently cooperates with six leading banks and micro-finance institutions. Since inception of CGFT's operations in 2015 and by the end of September, 2017, USD 24m amount of guaranteed loans were disbursed by Tajik Partner Financial Institutions, 630 SMEs were supported and more than 3,480 jobs retained.