



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 sophisticated consultancy projects.

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. Through its efforts, LANDT seeks to empower the staff of its partners as well as its own staff. LANDT's objectives comprise:

- Enabling progress in a challenging environment. LANDT nurtures growth of the financial sector in frontier, crisis, post-crisis and developing markets by mobilizing and deploying funds effectively and sustainably.
- Local impact through local presence. Defining feature of LANDT's approach is combining international and local expertise. Whereby local experts ensure effective implementation through their specific country knowledge and international experts provide the necessary supervision, coaching and ensure compliance with international best practices. The implementation of this approach can take place in form of a German fund/head office with a strong local consultancy body, establishment of a local credit guarantee fund supported by international expertise based in Germany or various other forms – most importantly all of them are centered around collaboration of local and international experts.
- 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's success story is based on the experience and track record of *Leidner Consulting*, founded by Bernd Leidner and operating since 1997, and *Thiesen Consulting*, founded by Dirk Josef Thiesen and



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operating since 2009. Bernd Leidner and Dirk Josef Thiesen merged their activities into LANDT's holding company Leidner & Thiesen GmbH in 2013. *Leidner Consulting* had carried out more than 10 assignments related to designing, establishing, evaluating and operating credit guarantee funds in various countries. *Thiesen Consulting* had focused its activities on taxation, accounting and regulatory advisory services to financial institutions as well as commercial and non-commercial organizations.

Specific relevant experiences of LANDT include:

Management of credit guarantee funds:

- Ongoing: ACGF – Afghan Credit Guarantee Foundation – design, structuring, operationalization and management of ACGF (and its predecessor Credit Guarantee Facility for Afghanistan (CGF-A)) together with ACGF's local subsidiary in Afghanistan. Continuous management and expansion of ACGF's credit guarantee and technical assistance activities across Afghanistan.
- Ongoing: CGFT – Credit Guarantee Fund Tajikistan GmbH – fundraising, attracting investors, legal, economic and tax structuring, operationalization and management of the credit guarantee fund for Tajikistan; local subsidiary company based in Tajikistan. Continuous management and expansion CGFT's credit guarantee and technical assistance activities across Tajikistan.

Design of credit guarantee funds:

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



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ACGF – Afghan Credit Guarantee Foundation

ACGF was established in 2014 and started its operations in January 2015 as an institutional successor of CGF - A. 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 5.1 m approved by the World Bank, ACGF is extensively consulted by its subsidiary SCSA – SME Client Support Afghanistan LLC based in Kabul and Mazar-i-Sharif, Afghanistan.

ACGF (and its predecessor CGF-A) by end of 2017 facilitated disbursement of approx. USD 200m guaranteed loans to some 4,680 SMEs and have incurred an average historic loss rate of approx. 1.3% 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:

- DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH (investment of EUR 5m),
- 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 2017, approx. USD 25m amount of guaranteed loans were disbursed by Tajik Partner Financial Institutions, 630 SMEs were supported and more than 3,480 jobs retained.