

OeEB

Development Report 2015

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 170,000 jobs provided by companies and financial institutions currently (co-)financed by OeEB

We provide funding for local micro-, small and medium-sized enterprises and help them prosper – over 40,000 MSMEs reached by on-going projects

We contribute to mitigating climate change by investing in renewable energy and energy efficiency projects – over EUR 400 million invested in on-going climate-friendly projects, 957 MW newly installed power generation capacity in on-going OeEB-(co-)financed projects

We assist our clients in strengthening capacities – training for over 7,200 people directly funded by OeEB in the past years

We aim at reaching those most in need – EUR 150 million currently invested in Least Developed Countries



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 newly established 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, will serve as crucial points of reference for the future strategic positioning of OeEB.

OeEB puts particular emphasis on projects in the renewable energy and resource efficiency (including energy efficiency) sectors. Further, OeEB focuses on projects benefitting local micro-, small and medium-sized enterprises (MSME).

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.

Funding tomorrow's prosperity

COMMITTED TOTAL PORTFOLIO



At the end of 2015, OeEB had a committed total portfolio of over EUR 973 m – thereof 93% invested in 73 lending projects, and 7% invested in 10 equity projects.

■ Loans in million €
■ Equity in million €
□ No. of projects



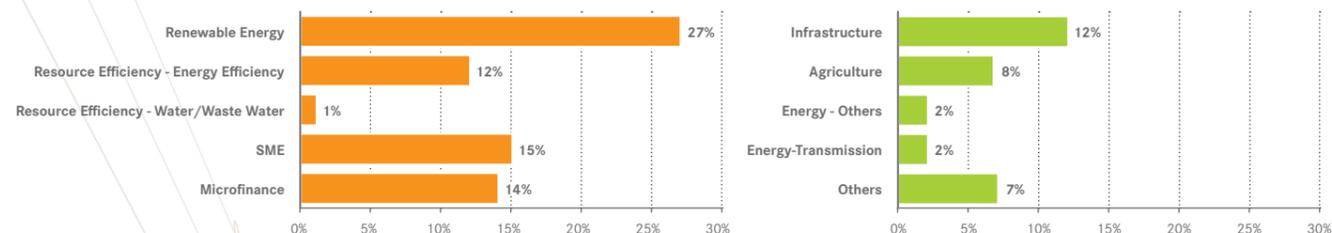
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The sectors we focus on

COMMITTED TOTAL PORTFOLIO BY SECTOR (2015) – FOCUS SECTORS IN ORANGE



Solar Energy for Honduras: Valle Solar

Honduras is one of the poorest countries in Central America, but demand for energy is constantly rising. The country's energy supply is based primarily on imported fossil fuels and hydropower. Especially during drought periods, this often results in power rationing and outages. To address this problem, the Government is committed to expanding the country's energy mix to include solar power – a reliable, sustainable power source.

Against this background, OeEB has contributed USD 25 million for the construction of the photovoltaic solar power plant Valle Solar on Honduras' Pacific coast. The 70 MW plant is expected to generate an average of 122 GWh of electricity per year, which will provide energy for more than 71,000 homes. This contributes to improving Honduras' energy supply and to reducing the country's dependence on imported fossil fuels.

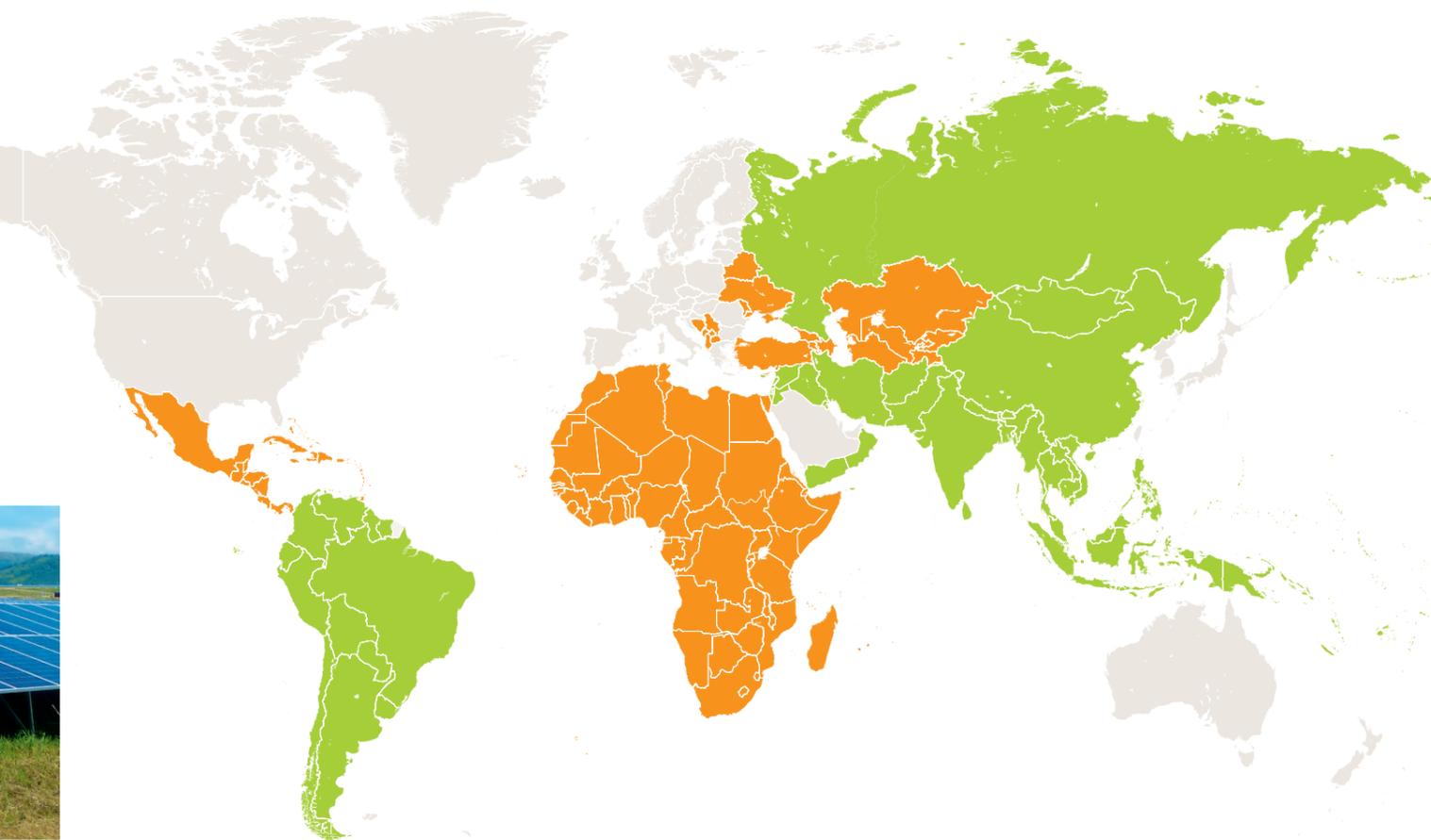
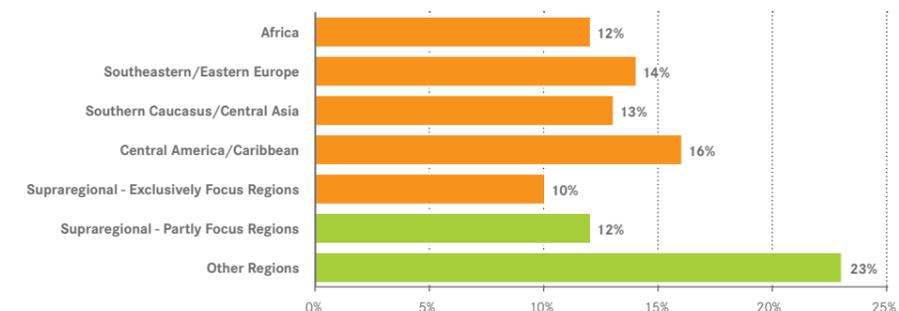
In addition, the project has generated about 300 jobs at the peak of construction and will employ a workforce of 20-30 staff during the operational phase. This USD 120 million project was co-financed by the International Finance Corporation (IFC), Finnfund and the social investor Oikocredit.



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 (2015) – FOCUS REGIONS IN ORANGE



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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 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 2015, the average GPR score of projects in OeEB's portfolio was 1.4 and the average EPOL score was 1.7.

Jobs in a vulnerable region - SANAD

Having a job which secures a stable income is often considered a prerequisite for being able to escape from poverty. This is particularly valid in crisis-affected regions such as the Middle East and Northern Africa. With its EUR 10 million investment in the "SANAD Fund for MSME", OeEB helps facilitate access to financial services and thereby strengthens local micro-, small and

medium-sized enterprises (MSME). Thus, OeEB's engagement contributes to the creation of new jobs and better livelihoods in a vulnerable region affected by conflict and economic instability.

One recipient of SANAD's financing is Taher, the owner of a small enterprise in Jordan. He is a very successful producer of wicker furniture in his own workshop. His business has grown to three employees. As demand for his products is still increasing, he would

like to hire further staff. Therefore, he has applied for a micro-loan from a local microfinance partner of SANAD. Taher, as a successful entrepreneur, is not only able to provide better living conditions for his wife and his four children, but beyond that, also creates jobs for some of his compatriots.

SANAD Fund for MSME was initiated to strengthen the region's private sector and supports local entrepreneurs in the MSME sector.

Selected indicators at a glance

Jobs provided by financial institutions (co-)financed by OeEB	159,154	(p)
Jobs provided by companies and projects (co-)financed by OeEB	12,559	(p)
Jobs within the supply chain directly dependent on companies and projects (co-)financed by OeEB	at least 21,819	(p)
Micro borrowers reached by OeEB financing	32,160	(p)
SMEs reached by OeEB financing	8,753	(p)
New commitments for renewable energy and resource efficiency projects in 2015 / percentage of total volumes committed in 2015	EUR 84 million / 36%	(p)
Total newly installed power generation capacity in projects (co-)financed by OeEB	957 MW	(p)
Total volume of OeEB investment in projects that contributes to mitigating climate change / percentage of total committed portfolio	EUR 411 million / 42%	(p)
Total volume of OeEB investment in projects benefitting local micro-, small and medium-sized enterprises	EUR 282 million / 29%	(p)
Total volume of OeEB investment in Least Developed Countries / percentage of total committed portfolio	EUR 150 million / 15.3%	(p)
Companies and financial institutions supported by OeEB's Advisory Programmes in organization & management, product or project development and environment & social areas	124	(a)
People benefiting from training measures funded directly by OeEB	7,254	(a)
Percentage of all investment finance, equity and advisory projects that involve Austrian institutions	36.1%	(a)

(p) Committed portfolio figures: ongoing projects as per December 31, 2015

(a) Accumulated figures: ongoing and completed projects as per December 31, 2015



Find out more about our work on our website:

www.oe-eb.at



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