



The Albanian Agribusiness Support Facility

MESSAGE FROM THE AASF PROGRAM MANAGEMENT TEAM

After introducing the quarterly AASF Newsletter as an informational channel to inform project stakeholders and interested people from the agricultural and financial sector end of 2018, the AASF team is happy to share the second newsletter edition. This edition gives insights in the ongoing efforts to facilitate access to finance for agribusinesses in Albania and covers the recent AASF activities carried out between October and December 2019.

The Albania Agribusiness Support Facility (AASF) is a financing framework developed by European Bank for Reconstruction and Development (EBRD) in cooperation with and support of the Government of Albania, which started its activity in 2016.

In this second AASF Newsletter, you will learn more about a series of AASF matchmaking events held in Lushnja, Korça, Gjirokastra, Saranda and Malësia

Madhe. Further, the newsletter provides inside views on the continuous capacity building process of Agri-points and Albanian farmers and trainings held with the AASF Partner Financial Institutions (PFIs) on opportunities in financing the Albanian agricultural sector.

One highlight of this last quarter of 2019 was as well the third edition of the two-day fair "Albania Works the Land" in which AASF participated prominently. You will find more information under the section National Fair in the newsletter. In addition, under the section Publications you will be introduced to the AASF Risk Cards, which give an overview about

agriculture-related risks and mitigation strategies in Albania.

AASF aims to support Albanian financial institutions to finance a vital sector of the Albanian economy with widely untapped potential –agriculture and agribusinesses.

Wishing you all a prosperous and happy new year 2020, we hope you will enjoy the second edition of our AASF Newsletter!

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MAIN PROJECT COMPONENTS

First Loss Risk Cover ("FLRC")

a credit enhancement mechanism provided by the Government of Albania, covering the first 20% of losses of the amount of Sub-Loans financed with the proceeds of the Agribusiness Credit Line or Risk Sharing Instrument.



Agribusiness Risk-Sharing Facilities

as unfunded participation in a portfolio –based risk- sharing instrument covering up to 50% of the aggregate amount of a portfolio of outstanding eligible agribusiness Sub-Loans.

Agribusiness Credit Lines

as senior unsecured credit lines to PFIs in Albania for on-lending to agribusiness entities for medium-long term investments.



Technical Assistance:

- a) Capacity Building for Participating Financial Institution
- b) Agribusiness sector-specific Technical Assistance.

01 Matchmaking Events

During October and November 2019, AASF organized a series of informational and matchmaking events. The events took place in the regions of Lushnja, Korça, Saranda and Malësia Madhe. The purpose of these events was to inform Albanian farmers and agribusinesses about the application procedures to obtain financial support under AASF, and the National Support schemes for Agriculture and Rural Development (IPARD II) supported by the European Union. During the meeting, businesses were also introduced to EBRD's "Advice for Small Businesses" (ASB) program, as well as financial products and services offered for agribusinesses by the PFIs.



02 Trainings and Workshops

AASF in cooperation with the Agricultural and Rural Development Agency (ARDA) conducted a series of trainings on technical knowledge and financial support schemes for Albanian agriculture at the end of 2019. All employees of the Agro-Points in the areas covered by ARDA, such as Tirana, Gjirokastra, Pogradec, Fier and Shkodra participated in the training, which had the purpose to explain the AASF and its benefits for agricultural clients and PFIs and equip the Agri-Point staff with the skills to inform potential clients about AASF. The training provided an overview of what farmers and agribusinesses will need to know to apply for financial services provided by



PFIs and the potential role Agri-Points can play in support them in accessing finance.

In addition, AASF Program continued its series of trainings with Raiffeisen Bank, one of AASF's PFIs. The training objective was to summarize all information on the potentials and challenges of the agribusiness sector in Albania. Under this agenda, the training explained how banks can effectively cater the financing needs of Albanian farmers and agribusinesses and covered the associated risks of the sector along with ways and mitigation mechanisms for banks to, ultimately, increase financing in this sector. AASF

presented key figures, trends of the sector, the overall outlook for investment in this area. In addition, AASF introduced the "AASF Technology Cards" as a useful product, which can help the banks to conduct agricultural loan appraisals more efficiently and which can be used by the agribusinesses to optimize their production apply by reducing farm losses or excessive costs.

03 Promotional Events

AASF participated in the 1st edition of the Expo Forum "Agri-Financing and Food Safety in Albania 2019" held in Divjaka. Konfindustria organized the event in cooperation with the Ministry of Agriculture and Rural Development, the Municipality of Divjaka, NFA and ARDA. The forum offered businesses and financial institutions a platform to present their products and services in the fields of agriculture with the aim to promote new business opportunities and cooperation.



04 National Fair

On November 16 and 17, AASF participated in the third edition of the two-day fair "Albania Works the Land", organised by the Ministry of Agriculture and Rural Development in cooperation with the Municipality of Tirana. This year's fair had numerous participants from various fields, including around 400 farmers and agribusinesses from different agricultural sectors like crop production, livestock production, production of medicinal plants, aquaculture and agriculture-related processing. Further, representatives

ACTIVITIES

from the financial institutions that lend to agriculture and agribusinesses took the chance to participate.

During the fair, AASF promoted the AASF Value Chain Studies and AASF Tech Cards as well as informed on the program's financial and technical assistance and the possibility of obtaining loans from PFIs under AASF. "Albania Works the Land" enables farmers to communicate with each other to share experiences, share success stories and a vision of how Albanian agriculture, can be further developed.



PUBLICATIONS

RISK CARDS

At the end of 2019, AASF finished the production of the AASF risk cards, a set of ten informational cards meant as support products for Financial Institutions and agribusinesses. For the ten most important agricultural commodities, the cards give a quick overview about relevant market facts and developments and explain the

most relevant mitigation strategies against risks that can potentially affect the specific product. Covering production risks, marketing and financial risks, legal risks, managerial and policy related risks, the cards can help agribusinesses to take risk-reducing decisions and Financial Institutions to promote financing risk-mitigating investments in agriculture.



OUR PARTNERS

ARDA

The Agricultural and Rural Development Agency (ARDA) is a national state agency aiming to support Albanian entrepreneurs in the agriculture and food sector, preparing the institution to benefit from EU and other donors' funding. ARDA is supporting the sector towards restructuring, modernization and specialization in specific products and markets based on the country's competitive advantages.

AASF is since 2016 collaborating with ARDA to support farmers and agribusiness in Albania through technical assistance and financial support.

Link: <http://azhbr.gov.al>



OUR PARTNERS

Intesa San Paolo

Intesa Sanpaolo Bank is a leading bank in the country that offers a wide range of financial solutions and innovative products & services to corporate clients, institutional and high-income private clients, as well as small and medium-sized businesses and individual customers. Intesa Sanpaolo Bank Albania has a network of 35 branches in different cities of the country and is further expanding strategically throughout Albania. Business innovation and service excellence at Intesa Sanpaolo Bank Albania are inspired by its customers. One of the strategies of the Intesa Sanpaolo Bank in Albania is the expansion of its portfolio in agribusinesses, specifically supporting small businesses and farmers with tailor-made financial solutions.

Link: <https://www.intesasanpaolobank.al/>



Fondi Besa

Fondi Besa, with 80 offices all over Albania, aims to be present where there is need for development, offering access to thousands of people, supporting them with financial services, creating links between clients and possibilities and contributing in a better economic development of the country.

Link: <https://fondibesa.com/>



Pro Credit Bank

ProCredit Bank is a development-oriented commercial bank. The Bank offers excellent customer service to small and medium enterprises and to private individuals who have the capacity to save and who prefer to do their banking through electronic channels. Their focus is on small and medium-sized enterprises, as they are convinced that these businesses create jobs and make a vital contribution to the economies in which they operate. One of the main strategies in lending is to support clients being engaged in production and agriculture.

Link: <https://www.procreditbank.com.al/>



Raiffeisen Bank

Raiffeisen Bank is one of the largest banks in the country and over the last 14 years has completely transformed the old State Bank into a full-service bank serving all sectors of the business and private individual markets. The bank has a product range, processes, systems and a branch infrastructure that compares favourably with 21st century European standards. Raiffeisen Bank offers the full range of banking products and services in the 4 key business sectors in which it operates - private individuals, micro business, small business and corporate business and servers to more the 800,000 customers. Raiffeisen Bank supports agribusiness and farmers in every activity of their business despite its size and position in the industry. Like any other loan, even this one is structured based on the cycle of the agricultural business.

Link: <https://www.raiffeisen.al/>



Otp Bank

OTP Bank as a dominant banking player in Hungary and the Central and Eastern European region provides high quality financial services for its more than 18.5 million private and corporate clients in nine countries through its almost 1500 branches, agent networks, 3900 ATMs, internet and electronic channels. The continued development and expansion of OTP Bank has significantly contributed to the successful and efficient operation of the banking group, which provides high quality services for both the retail and the institutional clients. Despite the intense competition, OTP Bank's market position is stable in several segments, as well as in terms of profitability and stability the bank belongs to the European frontline. Though OTP Bank is new in the Albanian market, the agribusiness sector is one of the major target segments for their financial support.

Link: <https://otpbank.al/>



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