



The Albanian Agribusiness Support Facility

MESSAGE FROM THE AASF MANAGEMENT TEAM

These days have been very difficult for all of us. The extraordinary new challenge coming from the pandemic Covid-19 is the biggest health crisis that the world has ever known for a century now. As per consequence also development cooperation projects like the AASF adapt to the new situation.

Since all physical activities that require direct contact with the participating Financial Institutions or other stakeholders (trainings, workshops, events) are stalled until further notice we are working intensively on providing adapted support through digital channels.

For us at AASF, the health and wellbeing of our experts and partners is the highest priority. Within the project team, we are discussing best possible ways and digital delivery channels to continue to work while complying with our social responsibility and minimizing physical social contact.

After the crisis hit Albania, AASF refocused its technical assistance activities on finalizing those products that are already in the process such as digital tools for agri-client assessments, relevant technical sector publications and studies, to be ready to assist our PFIs and stakeholders as soon as the crisis has passed. In addition, we are working actively with our partners on using digital formats to continue capacity building measures through e-seminars and e-trainings.

At the same time, we are making use of digital communication tools to communicate with our stakeholders and beneficiaries through our online platforms. One of this platform is also The Albania Agribusiness Support Facility (AASF) page where we invite you to follow and stay connected with us.

As our project will continue to work, we invite you to give us your inputs and feedback on sectorial improvement. Meanwhile we are presenting you our new edition of the AASF Newsletter where you will find latest highlights from AASF's activities and events of this first four months of 2020.

We thank everybody for the strong commitment showed during this period by continue to work with us despite this unprecedented situation. Some special thanks go also to Albanian farmers and agribusinesses in general, who despite the virus threat keep the chain of food supply running for the citizens and family in need during this difficult period of time.

AASF is grateful and ensures you that we will do our best to support our teams and our clients in navigating this difficult situation. We are confident that we will weather the storm together!

We wish to all of you and your families all much patience and calmness for the next weeks.

Stay safe and see you soon!

Frieder Woehrmann
Team Leader, AASF

Adela Leka
Deputy Team Leader, AASF

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 Credit Linesas

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

Agribusiness Risk-Sharing Facilitiesas

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.



Technical Assistance

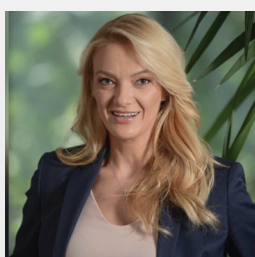
- Capacity Building for Participating Financial Institution.
- Agribusiness sector-specific Technical Assistance.

01 Matchmaking Events

In March, AASF and the municipality of Malësia e Madhe organised an agribusiness matchmaking event at the city hall premises. Malësia e Madhe has a strong tradition in the production and export of Medicinal and Aromatic Plants (MAPs). MAPs are one of the main agri-food products for export purposes. The purpose of this event was to inform Albanian farmers and agribusinesses about the opportunities in accessing finance through AASF and complementary grants through IPARD and national grant schemes. AASF experts introduced the PFIs' offers to agriculture clients and moderated a lively discussion on how



agribusinesses can access the existing services and products from PFIs. Due to high international demand for MAPs, the sector has great investment needs to boost their export capacities.



Monthly Quotes

"Today the farmers and agribusinesses are looking for funding besides grants and technical assistance. They are lacking collateral to get financed by Financial Institutions. That is why the risk-sharing mechanisms of AASF can cover part of the collateral-related risk to increase qualitative and efficient investment in agriculture. AASF offers various support tools to the agricultural sector and other partners in the sector."

Mrs. Adela Leka
Deputy Team Leader of AASF

02 Training and Workshops

During January, AASF supported the seminar "Awareness raising of actors for diversification of activities in Korça Municipality" held in the city of Korça. The event was organized by the Rural Association Support Programme (RASP), within the project "Increasing the Capacity of Farmers and Other Stakeholders in Diversifying Rural Activities", funded by the Food Organization of the United Nations (FAO).

The seminar aimed at awareness creation among farmers and rural agribusinesses for the need of diversification of farms and products. Further, the seminar's objectives were to identify the technical and financial needs of farmers and to support them in diversifying their production and benefiting from EU IPARD funds and national agricultural schemes.

AASF was featured as an additional opportunity for agribusinesses from the region to access finance and technical assistance. Special focus was given to the interlinking of national grant schemes and IPARD with the AASF risk sharing mechanisms through PFIs.



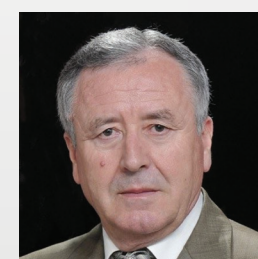
03 Promotional Events

AASF experts introduced the "AASF Risk Mitigation Cards" during the International Workshop: "Agriculture Sector Developments – Between Climate Change and EU Integration" held at the Faculty of Economics and Agribusiness (FEA) of the Agricultural University of Tirana (AUT) this February.

The "AASF Risk Mitigation Cards" are a set of nine informational support cards, which give a quick overview about relevant market facts and explain the most relevant mitigation strategies against risks that can potentially affect

the specific product for AASF PFIs and agribusinesses in Albania.

The event was organised by the Faculty of Economics and Agribusiness and the Ministry of Agriculture and Rural Development, with the support of AASF. As participants, AASF welcomed the Deputy Minister of Agriculture and Rural Development, the Rector of AUT & the Dean of FEA, professors, students, and representatives from AASF PFIs and insurance companies.



Monthly Quotes

"We have the capacity to do good work that will precede the development of agriculture and its challenges. The Tirana University of Agriculture is an added value for government and beyond. Let us promote cooperation between academia and financial institutions for the development of the agricultural sector".

Prof. Dr. Bahri Musabelliu
Rector of AUT

ACTIVITIES

Media Presence

In general, agritourism is widely defined as a type of agro-cultural activity that attracts people and encourages them to visit a farm or another place far from urban centers.

Albania is an agriculture-based country with exceptional geographic location, outstanding landscapes, rich in culinary and gastronomy offerings. Combined with a great tradition for hospitality, Albania has



great potential for agritourism development.

Our Senior Agribusiness Expert, Ilir Pilku, has been part of several TV programs to

discuss about the opportunities and challenges of this sector in Albania. For more info please follow us on our LinkedIn page Albania Agribusiness Support Facility (AASF).

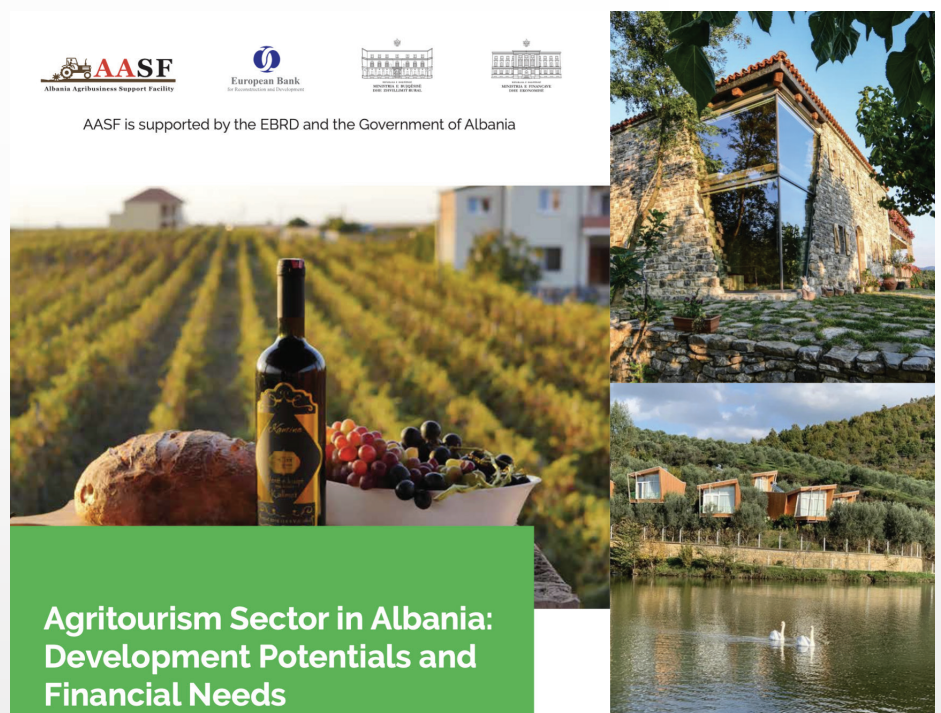
PUBLICATIONS

AASF has elaborated a comprehensive study on "Agritourism in Albania: Development Potentials and Financial needs". The purpose of the document is to encourage PFIs and the financial sector in general to increase financing in Agritourism and increase the number and volume of these investments in their portfolio. AASF can support the PFIs in developing dedicated financing strategies with tailored lending products to meet the sector's financing needs. This study provides information on Agritourism development opportunities in Albania and the sector's financing needs to realise investments.

More specifically, the document sheds light on existing potentials in the Agritourism sector, focusing on different public strategies, recent developments, fiscal and financial incentives and a sector SWOT analysis. In addition, an elaboration of capital demand and supply characteristics for the Agritourism industry was elaborated to provide useful recommendations to PFIs.

To further support the sector and provide information to the PFIs, AASF has completed a sector support study regarding the Agriculture Value Chains in Albania. Study findings hint that the value chain financing approach can be an innovative way to financing the agricultural sector- in this case milk sector. The study should support the banks' decision-making process in financing agricultural clients.

Value chain financing tries to look at the entire agricultural value chain from



a helicopter perspective. The AASF Value Chain Financing Study supports financial institutions in designing financial services and products through mutual three-party agreement. The value chain approach allows a better customer segmentation and the establishment of KPIs with focus on increased efficiency of transactions and cost reduction. Agriculture Value Chain Financing enhances the financial assessment process by using AASF Tech Cards and predefined KPI's. It also facilitates strict control of usage of funds and enhanced repayment monitoring through transactions within the bank accounts of the institution.

To access the full study please visit our website: www.aasf.com.al



Monthly Quotes

"Agriculture sector should not be treated just as a simple patriotic sector but it should be used also for the financial benefit for both villages and the citizen."

Mr. Dhimitër Kote
Deputy minister of Agriculture and Rural Development.

OUR PARTNERS

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/>



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:

Link: <https://www.intesasanpaolobank.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 serves 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:

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

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



ProCredit Bank

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>



AASF

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