



The Albanian Agribusiness Support Facility

MESSAGE FROM THE AASF PROGRAM MANAGEMENT TEAM

We are happy to share with you our fourth AASF Newsletter, which aims at sharing information about AASF's recent and upcoming activities. Just like AASF, this newsletter addresses our stakeholders, banks and micro-finance institutions, farmers, entrepreneurs and companies and individuals that are engaged in Albanian agriculture, for example as producer, processor, trader or agricultural equipment or service provider.

The Albania Agribusiness Support Facility (AASF) is a financing framework developed by European Bank for Reconstruction and Development (EBRD) in cooperation and with support from the Government of Albania, which started its activity in 2016. The objective of the facility is to support Albanian financial institutions to finance a vital sector of the Albanian economy with widely untapped potential –agriculture and agribusinesses. AASF builds on two pillars: Financial Support and Technical Support.

AASF aims to achieve its goals through supporting AASF's Partner Financial Institutions (PFIs) and agribusinesses by providing technical studies and publications, organizing matchmaking events and campaigns as well as offering training and technical know-how.

More than 6000 farmers and agribusinesses in Albania so far have benefited from AASF, and even though this year has been very challenging due to the coronavirus pandemic, the team has continued to fulfil its role by finding new ways of communication and providing studies that assist the industry to overpass the economic downgrade. In parallel, AASF has strongly collaborated with both the Government of Albania and EBRD, to promote also IPARD and National Schemes and ASB program instrumental for agribusiness growing potential. That is why, AASF Program has provided senior unsecured credit lines to PFIs in Albania for on-lending to agribusiness entities for medium-long term investments. So, the business could have the easier access to finance and later be granted with the financial supporting schemes.

In this new edition, you will find an overview on our activities within the last months: Building and improving relations between financial institutions and agribusiness, organizing e-conference meetings and webinars with key stakeholders, aiming at the creating a better understanding for needs and challenges of agribusinesses and promoting AASF's products and publications. Further, we will introduce additional AASF Champions, success stories about agribusinesses that have benefited from the Facility for improved production and sustainable economic development of the Albanian agricultural sector, as well as introduce you with some Government activities and media coverage related to AASF.

Looking forward to share with you AASF's future achievements!

Until then, 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 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.



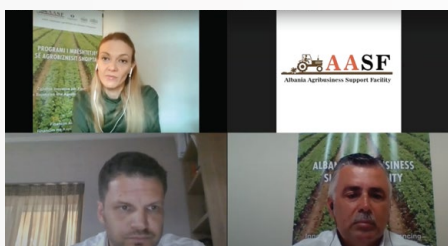
Technical Assistance:

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

01 AASF Webinars

In past months, AASF has organized and participated in a series of webinars featuring the topic of Covid-19 effects on seasonal agriculture products and agribusinesses in Albania.

This communication platform has been useful and effective for presenting key information and case studies on the challenges and potentials of seasonal products during the pandemic to AASF stakeholders and providing an overview



of investment opportunities for Albanian farmers and agribusinesses.

The webinars draw a large number of participants from different sectors and professions, including AASF's technical experts, representatives from Government of Albania and EBRD, other donors, AASF Partner Financial Institutions (Intesa SanPaolo, ProCredit Bank, Raiffeisen Bank, OTP Bank and Fondi Besa), Albanian Producers Union, interested agribusinesses and repre-

sentative agricultural state institutions. The AASF program will continue to organize and participate in additional webinars in the future to promote additional upcoming studies related to coronavirus impact on sectorial agriculture products in Albania.

To see the full series of AASF' webinars please visit our YouTube Channel: [Albania Agribusiness Support Facility](#)



"IPARD, National Schemes and AASF has given a great support to the agricultural production industry by providing them with better access to finance." – Arben Shkodra, General Secretary of Albanian Producers Union.

02 Media Presence

During the pandemic, AASF Senior Experts have been actively engaged in discussions concerning challenges for agribusinesses and agritourism enterprises during and after Covid-19 through media discussion. Like this, AASF contributed to develop sustainable solutions for supporting the complete sector recovery.

Mr. Ilir Pilku, AASF Senior Agribusiness Expert, has been participating in several



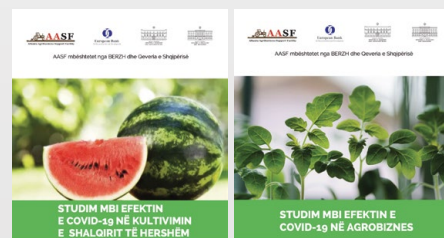
TV programs to discuss about the opportunities and challenges during

and after pandemic period in the agricultural sector in Albania. Mr. Pilku contributed in fostering the public debate and disseminating findings of the recent AASF's studies on impact of Covid-19 on seasonal agribusiness activities in Albania as well as the opportunities that AASF, IPARD and National Schemes, offer to agriculture sector in general in Albania.

For more info please follow our LinkedIn Group page: [The Albania Agribusiness Support Facility \(AASF\)](#).

03 Publications

During the pandemic, AASF experts have closely monitored its impact on the agriculture industry in Albania. Therefore, AASF prepared two studies related to the "Covid-19 Effects on Agribusinesses seasonal products". These studies provide a situational overview of the most relevant seasonal agricultural products in Albania, starting with pandemic-related challenges and potentials for production and marketing of vegetables in greenhouses, strawberries and watermelon. Both studies focus on the pandemic's



impact on different agricultural value chain segments and highlight implications for Financial Institutions and their agribusiness clients. Further, they introduce support mechanisms and risk mitigation strategies to cope with the situation and strengthen businesses' and PFI's resilience.

To have full access on the studies please visit our website: www.aasf.com.al



"The agribusiness sector faced an unusual situation caused by the strict rules induced by the pandemic. On the other hand, we have observed that farmers sometimes fail to meet the planting deadlines. Now it is a moment, to show more carefulness in respecting the planting deadlines for seasonal products at early stage." – Mr. Ilir Pilku, AASF Senior Agribusiness Expert.

AASF CHAMPIONS

The "AASF Champions" are selected agribusinesses, which received technical and financial support under AASF, enabling them to increase their productivity, resource efficiency or value addition. Hence, these agribusinesses can serve as representative best practice examples of how AASF contributes to sustainable economic development of the Albanian agricultural sector.

"Flori sh.p.k", a milk producer located in Lezha, benefited from the financial assistance through AASF and the IPARD scheme between 2016 and 2020. The agribusiness started its activity in 2011, with a total number of 130 cows. Now in its 10th year of operations, the number of cows and heifers has grown to 393 and production of high quality fodder takes place on 11.6 hectares of land. Adding highly productive German milk cows, has led to an overall production increase of more than 150%. Mr. Ndoc Gazulli, the zootechnician



responsible for the farm management and quality assurance says that he got acquainted with AASF and IPARD through AASF's PFIs. AASF and the Agricultural and Rural Development Agency (ARDA) have supported "Flori sh.p.k" through financial and technical assistance to expand its production capacities and to provide better quality service for its customers. Through AASF alone, the agribusiness was enabled to access loans from ProCredit Banka, an AASF partner financial institution, amounting to more than 400,000€ and to become one of the biggest milk distributors in Albania.



"Through AASF and the IPARD grant support, we managed to expand the production capacity and bought new agricultural machinery and equipment needed to accelerate the production process" – Mr. Ndoc Gazulli, zootechnician at "Flori sh.p.k" Farm.



Among agriculture sub-sectors, aquaculture and dairy production are expanding rapidly in Albania in recent years. Both sectors have received attention and support from policy makers and benefited from AASF.

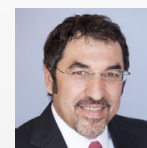
"Alb-Adriatico 2013" is another AASF Champion, located in the city of Vlora, cultivates seabass and other seafood products, commodities highly demanded by local and regional markets.

Mr. Bledi Çuçi, Minister of Agriculture and Rural Development, during a summer tour visiting agriculture and aquaculture businesses all over Albania, has visited "Alb-Adriatico 2013" to discuss the latest aquaculture sector investments and potential future projects.



While, Ms. Anila Denaj, Minister of Finance and Economy of Albania, has visited another AASF's Champions, Gjiofarma, to discuss the latest agribusiness investment and potential future projects. With over 15 years of market presence, Gjiofarma is one of the most recognized Albanian brands in the dairy sector.

Thanks to support from #EBRD and the Government of Albania through AASF program and its Partner Financial Institutions, "Alb-Adriatico 2013" has been able to increase its seafood production capacities and its quality standards, helping the business to enter EU markets. While at the same time Gjiofarma has increased its dairy production capacities and added a new production line for meat processing.



"The Aquaculture industry is a very important sector for the Albanian economy. In the past five months, it has exported 1,200 tons of fish product to the European Union countries alone. It also employs hundreds of people and has potential to grow its annual production up to 10,000 tons." – Mr. Bledi Çuçi Minister of Agriculture and Rural Development.



"We need to interact more closely with each other to incentivize the agribusiness sector, we as the Government, on one hand, financial institutions and farmers themselves through formalization and capacity development, on the other hand. International programs and our partners are ready to assist us at any moment." – Ms. Anila Denaj, Minister of Finance and Economy.

OUR PARTNERS

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: <https://www.raiffeisen.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: <https://www.intesasanpaolobank.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/>



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/>



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/>



AZHBR

The Agricultural and Rural Development Agency (AZHBR) 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>



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