



The Albanian Agribusiness Support Facility

MESSAGE FROM THE AASF PROGRAM MANAGEMENT TEAM

As this difficult year came to an end, AASF's team wants to thank all its partners and stakeholders, for their efforts, collaboration and incredible degree of flexibility showed with regard to the AASF project implementation in 2020. We, as AASF program will continue to support Albanian agribusinesses and financial institutions to finance this vital sector of the Albanian economy with widely untapped potential.

We are sure that the new year will offer a way back to normality including for the agribusiness industry and agriculture in general as an important and growing sector in Albania.

We are happy to share with you our fifth AASF Newsletter, which aims at sharing information about AASF's

recent and upcoming activities. 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, agricultural equipment or service provider.

In this new edition, you will find an overview on our activities within the last months: Building and improving relations between financial institutions and agribusinesses, organizing e-conference meetings and webinars with a diverse set of stakeholders, aiming at creating a better understanding for needs and challenges of agribusinesses and promoting AASF's products and knowledge products. AASF has promoted the third IPARD II call, by contacting existing and new clients, presenting them with publications and knowledge products and informing about the grant schemes and opportunities that this scheme provides for the growth of their businesses. This newsletter introduc-

es additional AASF Champions, success stories of agribusinesses that have benefited from the Facility to improve production and sustainable economic development of the Albanian agricultural sector, as well as introduce some key stakeholders activities and media coverage related to AASF.

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

Until then, we wish you a happy and prosperous year 2021!

Adela Leka
Team Leader, AASF

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.

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 PFLs in Albania for on-lending to agribusiness entities for medium-long term investments.

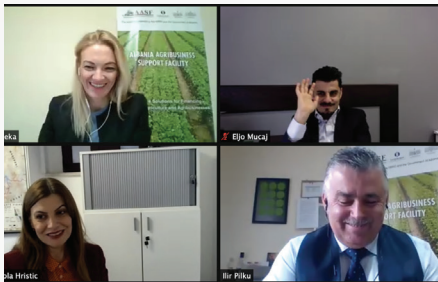


Technical Assistance:

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

01 AASF Webinars

In the past months, AASF has organized and participated in a series of webinars focusing on the challenges and opportunities of Agribusinesses in Albania.

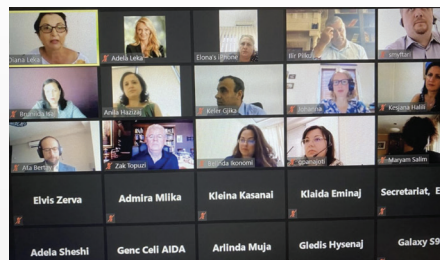


The webinars as communication tool have proven useful and effective for presenting crucial information and case studies on the challenges and potentials of producing and marketing seasonal products during the pandemic to AASF stakeholders. Furthermore, the webinars provided an overview of investment opportunities for Albanian farmers and agribusinesses.

In November, in collaboration with EBRD Advice for Small Businesses (ASB), AASF organized a webinar focusing on fostering sustainable development of the Agritourism sector through AASF's Partner Financial Institutions (PFIs), presenting the participants with the growing potential, available financial support mechanisms and technical



assistance for this sector. In December, AASF in collaboration with ASB and RISI Albania organized a webinar with the topic: "Agribusiness in Albania: From Certifications to Agriculture Contracting", promoting International Certifications in the Agribusiness sector and to discussing the importance of Contract Farming as well as Good Agricultural Practices according to international standards (Global GAP).

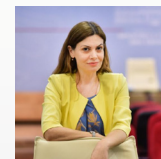


Additional webinars followed the overall program activity, such as the cooperation with the IPARD scheme, aiming at helping to inform and urge the increase of IPARD and AASF disbursements and direct potential clients towards AASF's PFIs. The webinars drew a large number of participants from different sectors and profes-

sions, including AASF's technical experts, representatives from Government of Albania and EBRD, other donors, AASF PFIs (Intesa SanPaolo, ProCredit Bank, Raiffeisen Bank, OTP Bank and Fondi Besa), the Albanian Producers Union, interested agribusinesses and representative agricultural state institutions.

The AASF will continue to organize and participate in webinars to promote state-of-the-art studies and fact sheets related to the impact of the Covid-19 pandemic on sectorial agriculture products in Albania and ways to increase resilience against future shocks.

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



"EBRD's Advice for Small Business Program, offers more than just financial support opportunities for agribusinesses. EBRD provides business advice for small and medium-sized businesses, including business planning, marketing, financial management, HR and quality assurance standards preparatory assistance." -Ardiola Hristic, Principal Manager EBRD Advice for Small Businesses.

02 Media Presence

AASF Senior Experts have been actively engaged in media discussions concerning challenges and opportunities for farmers and agribusinesses enterprises in Albania.

Mr. Ilir Pilku, AASF Senior Agribusiness Expert, participated in several TV programs to discuss about the latest AASF's studies on seasonal products and to talk about our cooperation with IPARD for the benefit of agribusinesses.

Mr. Pilku has introduced the sectorial audiences with the AASF studies on Covid-19 effect on the grape and vine value chain. In addition, AASF's program



opportunity and cooperation with IPARD and national schemes were part of AASF's media outreach. AASF and its experts continue to contribute in fostering the public debate and disseminating findings of AASF knowledge products by attracting financial institutions" and business

interest towards the agricultural and agritourism sectors.

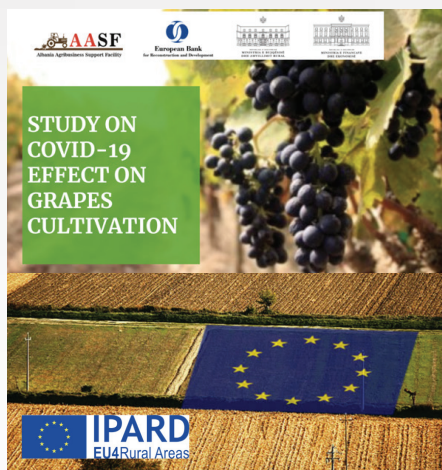
For more information please follow our LinkedIn Group page: [The Albania Agribusiness Support Facility \(AASF\)](#).

In parallel, AASF has strongly collaborated with both the Government of Albania and EBRD, to promote IPARD, the National Grant Schemes and ASB' technical assistance, all instrumental for unleashing the agribusiness sector's potential. At the same time, having covered the first loss risk by the program, PFI have financed more business plans of agribusinesses.

03 Publications

AASF experts have continuously monitored the pandemic's impact on the agriculture industry in Albania and have developed several studies related to the "Covid-19 Effects on Agribusinesses seasonal products".

The latest study provides a situational overview on Covid-19 effects on grapes cultivation and the wine value chain in Albania, starting with pandemic-related challenges and potentials for production and marketing of this seasonal product. The study focuses on the pandemic's impact on a different agricultural value chain segments and highlights implications for Financial Institutions and their agribusiness clients. Further, it



introduces support mechanisms and risk mitigation strategies to cope with the situation and strengthen businesses' and PFIs' resilience.

AASF's has provided also publications and infographics aiming to explain the IPARD third call to attract potential beneficiary and key stakeholder and foster their understanding for the scheme's opportunities through its measures 1 and 3 to investments for agribusinesses in Albania.

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

"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."

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.



Ilia Daka, owner and administrator of an 8.7 acres of greenhouses for vegetables production in Salce, Kozare in Berat benefited from the financial assistance through AASF and the IPARD scheme between 2017 and 2020. Although having more than 20 years of experience working in agriculture, Mr. Daka was able to start his own agribusiness only in 2017. Immediately, he saw success and strong market demand for his products, so he decided to expand his business.

"In order to increase our production capacity, we have built a new greenhouse. This investment could only be realized with the support of AZBHR and Intesa Sanpaolo through AASF. We

have planted mainly tomatoes and peppers for export purposes. The production has been increasing and is of a very good quality." – said Ilia Mr. Daka.



In 2020, after winning an IPARD grant, and in cooperation with AASF's PFI Intesa Sanpaolo, he was able to build his second greenhouse segment, dedicated to tomato production.

AASF and the Agricultural and Rural Development Agency (AZHBR) have supported Mr. Ilia Daka through financial and technical assistance to expand its production capacities and to provide better quality service for its customers. Through AASF, the agribusiness was enabled to access loans up to 65,000 Euro and expand the production and improve distribution of its products.

Founded in 2010 as a dairy sector agribusiness, "Tris Alb" is engaged in trading and transport of agricultural machinery and products and entered in livestock investments in 2012. The business benefited from financial assistance through AASF and the IPARD scheme from 2019 on.

Through AASF and IPARD grant support, "Tris Alb" managed to access financial resources of more than



500,000 Euros, which enabled the company to expand the production capacity through the purchase of new agricultural machinery and equipment, needed to accelerate the production process. In addition, the company was able to expand the farmed area.

Partnering with Intesa Sanpaolo Bank, an AASF's Partner Financial Institution, the company was able to obtain a loan on beneficial conditions, which enabled its access to assets and important investments. These, in return, helped to fulfill all selection criteria to obtain a grant from the IPARD scheme.

As a result, the company employs 23 full-time and 15 seasonal workers and counts 570 cows and heifers and over 340 calves today. It has increased its production capacity from 700 to 12,000 liters of milk per day.

More than 6000 farmers and agribusinesses in Albania so far have benefited from AASF program by benefiting over 60 million euros disbursement, 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.

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/>



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/>



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/>



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>



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/>



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/>



AASF

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The Albania Agribusiness Support Facility (AASF)