

EastAgri Annual Meeting

# BEST FOOD:

HOW TO PRODUCE BOTH QUALITY AND QUANTITY  
IN EUROPE AND CENTRAL ASIA

Belgrade, Serbia - 18-19 June 2014

organized by



**European Bank**  
for Reconstruction and Development



Food and Agriculture Organization  
of the United Nations

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funded by the EBRD, World Bank and FAO

# Round table 2: Financing the modernization of agribusiness SME`s: access to public funds and private sources of credit

## Different fund providers are active in the region

- National administrations
- European Commission IPA - DG Enlargement
- European Bank for Reconstruction and Development
- World Bank/International Finance Corporation
- European Investment Bank
- Bilateral donors (USAID, GIZ, ADA, SIDA etc)
- Others



# Annual allocations from different institutions (2013, EUR mil) - Western Balkans

Country	EBRD	IFC	IPARD	National
Albania			7.50	12.00
Bosnia and Herzegovina	17.00			84.00
Croatia	75.00	15.66	25.00	
Kosovo*				16.49
FYR Macedonia	2.00		20.00	
Montenegro				
Serbia	64.00	167.19		10.45
Total	158.00	182.85	150.00	122.94

\* UNSCR 1244



# Example of Serbia – 2013

## Funds which request co-financing

- IPARD – EUR 25 millions
- National funds (budget) – EUR 10.45 millions
- Part of international/commercial banks funds

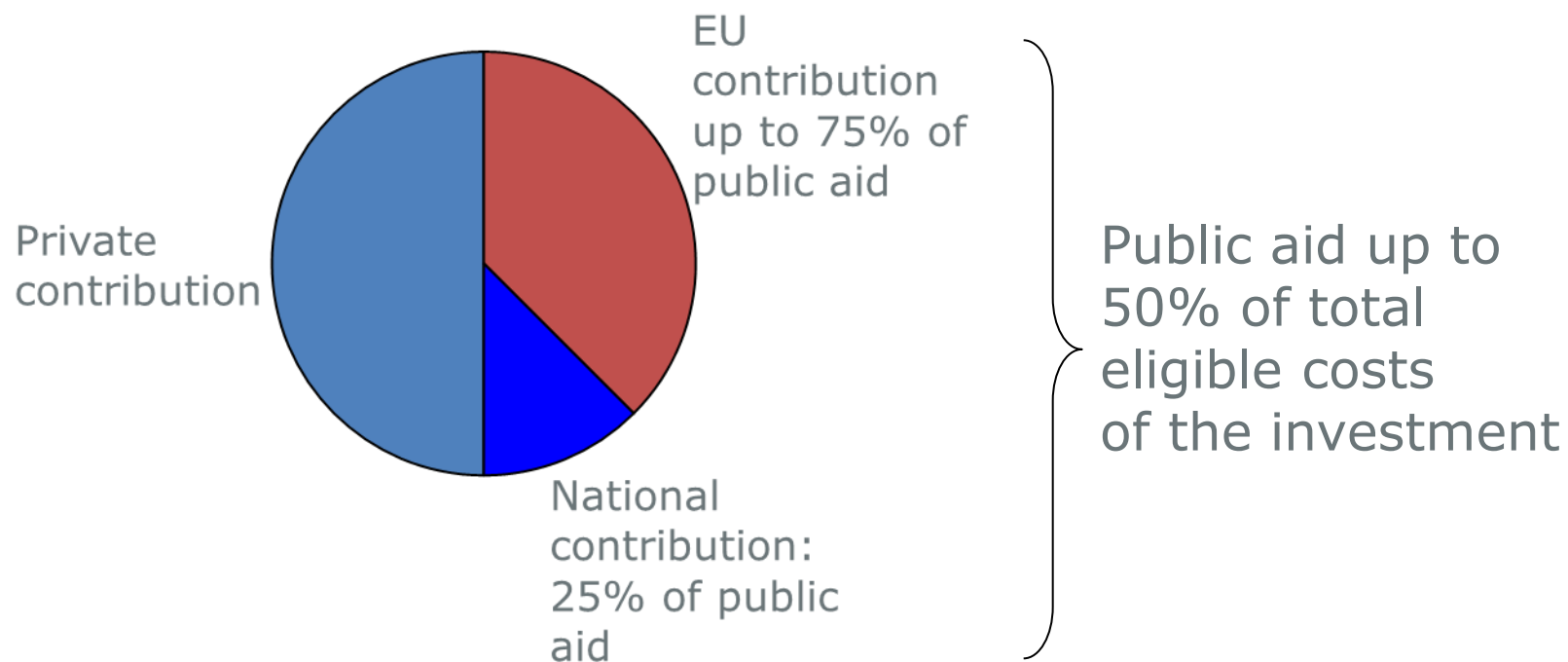
## Needed amount for co-financing

- Total for National and IPARD – around EUR 35 millions



# Co-financing principle I

## SAPARD = IPARD



# Co-financing principle II

- Projected need for 2014-2020 (IPARD exclusively) anticipated at EUR 1 billion
- Can cause failure in using funds/underutilization
- Governments create different instruments for facilitating access to credit
- “Public expenditure shall in principle not exceed a ceiling of 50% of the total eligible cost of the investment” (Commission Regulation 718/2007)
- Different models developed with this regards across region



# Some of the obstacles for potential beneficiaries while using available funds

- Securing investments - guarantees
- High cost of capital
- Access to finances
- Willingness of banks to work with agribusiness SME`s
- Credit history of beneficiaries
- Cash flow
- Weather and other risks in agriculture
- Many others

