

## EFSE and FED Invest channel financing to small-scale farmers in Albania

Partners to provide much-needed liquidity to support rural businesses in confronting challenges of COVID-19 crisis

**Luxembourg and Tirana, 1 February 2021** – The European Fund for Southeast Europe (EFSE) has provided a EUR 3 million loan to specialised agriculture lender FED Invest in Albania to extend much-needed liquidity to farmers in rural areas. Through the investment, the partners aim to tackle the economic challenges facing small-scale agricultural businesses brought about by the COVID-19 crisis.

FED Invest has a strongly development-oriented mission and has been a strategic partner of the fund since 2014. With its origins in local savings and credit associations, FED Invest has today become the leading, and in some places only, source of business financing for small agricultural producers and businesses in rural Albania. This integral role in bridging the finance gap and strong commitment to its client base make FED Invest a key conduit for EFSE to foster economic development by channelling responsible funding to the region's entrepreneurs.

This mission especially pertains to the important economic role played by individual farms in Albania: Agriculture contributes to 20% of the country's GDP and over half of employment. By increasing the availability of loans to agricultural micro and small enterprises, EFSE and FED Invest aim to equip rural farmers with the resources they need to weather the crisis.



EFSE Board Chairperson Klaus Müller said: "Our relationship with FED Invest has been a long and fruitful one. From working together to ramp up the institution's outreach to providing tailored small-business loans to its clients, EFSE and FED Invest have worked tirelessly for years to make financial resources available to the hard-working farmers of Albania. The ongoing COVID crisis makes our collaborative efforts even more pressing, as small businesses grapple with the fallout of the global pandemic. Together, we will continue making a difference for vulnerable groups, while simultaneously boosting economic development in the country."

FED Invest CEO Perlat Sulaj said: "We are proud of further strengthening the relationship with EFSE. The support provided by EFSE has been in providing long-term financing that enables FED Invest to grow its customer base by focusing on small enterprise segment as well as funding and expertise for the transformation and consolidation of FED Invest into a financial cooperative that provides a wide range of financial and non-financial products for its members."

Discover more about FED Invest's transformation in the latest [EFSE Impact Report](#).

### **About EFSE**

An impact investment fund established in 2005, the European Fund for Southeast Europe (EFSE) aims to foster economic development and prosperity in Southeast Europe and the Eastern Neighbourhood Region by investing in the success of micro and small enterprises as well as improved living conditions for private households. As access to financial services is key to developing this segment, EFSE focuses on helping local financial sectors strengthen their ability to provide responsible financing for this target group. Alongside its investment activities through local partners, EFSE multiplies its impact through the EFSE Development Facility, which provides technical assistance, training, and other nonfinancial support to entrepreneurs and institutions.

EFSE was initiated by KfW Development Bank with the financial support of the German Federal Ministry for Economic Cooperation and Development (BMZ) and the European Commission. As the first public-private partnership of its kind, EFSE draws its capital from donor agencies, international financial institutions, and private institutional investors.

Finance in Motion GmbH, Germany, serves as EFSE's advisor and Hauck & Aufhäuser Fund Services S.A., Luxembourg, acts as manager.

For more information on the European Fund for Southeast Europe, please visit: [www.efse.lu](http://www.efse.lu)

For more information on Finance in Motion, please visit: [www.finance-in-motion.com](http://www.finance-in-motion.com)

### **About FED Invest**

FED Invest is the first pioneering microfinance institution established in Albania as a spin-off of a pilot World Bank initiative in 1992. FED Invest represents a financial cooperative organization with more than 75 thousand members served through 60 branches across the country. FED Invest members include farmers, small entrepreneurs, and rural and urban families which are otherwise excluded from financial services. As a leader in providing affordable financial solutions to rural populations, FED Invest has a direct impact on the socio-economic development of Albania, with over 160 thousand loans and half a billion euros injected in the economy throughout its 28 years of existence.

The member-centricity principle has been deeply engrained in the DNA of FED Invest. Throughout transformations over a 28-year span, FED Invest has always remained true and loyal to its members and especially farmers at a time when commercial banks and other MFI doors were closed. Because of its strong grassroots in local communities, its staff goes far beyond the ordinary in terms of delivering strong commitment and tangible financial and social impact to its members in rural areas. Unlike any other financial organisations, FED Invest has provided relief to its members stricken by natural disasters such as floods, draughts, and the recent earthquakes.

Ever since inception, membership remains fundamental to FED Invest and together they only grow wiser. FED Invest has set ambitious objectives to become the leading agribusiness financial provider in the rural



and peri-urban areas. FED Invest shall always be a social financier, with members being the cornerstone, providing exceptional service while boosting membership satisfaction and loyalty.

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