

Agribusinesses in Romania get a boost as EFSE and Agricover Credit expand partnership

Loan equivalent to EUR 10 million in local currency to be on-lent to farmers to help combat economic difficulties of COVID-19 crisis

Luxembourg, 15 December 2020 – The European Fund for Southeast Europe (EFSE) has provided a new senior loan to long-time partner Agricover Credit in Romania. The investment of EUR 10 million equivalent in Romanian leu will support the institution in offering tailored, local currency financing to agricultural businesses, especially as these clients grapple with the economic headwinds of the COVID-19 crisis.

A leading financial institution providing both financing and specialised agricultural services to Romanian farmers, Agricover Credit has been a strategic EFSE ally since 2012 in the fund's mission to promote the success of entrepreneurs in Southeast Europe. Through the new loan, the partners aim to boost the availability of long-term financing that meets the needs of agricultural businesses and farmers across the country. The farmers' ability to take out loans in local currency will additionally protect them from potential exchange rate fluctuations, thus providing an extra layer of security in an environment made difficult by the economic ramifications of the ongoing pandemic.



EFSE Board Chairperson Klaus Müller said: “EFSE is committed to expanding the practice of local currency lending as a key component of sustainable finance for entrepreneurs. By working together on this endeavour with trusted partners like Agricover Credit, we can ensure that agricultural businesses – an important provider of jobs and income in Romania – can stay resilient and strong while they bridge this challenging period.”

Agricover Credit IFN CEO Robert Rekkers said: “Our enduring collaboration with the EFSE confirms the commitment and strength we have to sustainably finance agriculture in Romania. Through this new loan, we will continue supporting Romanian farmers by offering funding for them to invest in infrastructure in addition to specialised agricultural know-how to increase productivity and the efficient use of resources.”

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
For more information on Finance in Motion, please visit: www.finance-in-motion.com

About Agricover Credit

Agricover Credit IFN, part of Agricover Group, is a leading financial institution providing for more than 12 years specialized agricultural financing services and solutions to Romanian farmers.

Agricover Group is a major player in Romanian Agribusiness for more than 20 years. Agricover Holding S.A. is a majority shareholder and investor in the Agri-Business, Agri-Finance, and Agri-Food activities, enrolled through its subsidiaries: Agricover S.A., Agricover Credit IFN, and Abatorul Periș S.A. With a strong integrated and original business model, the Group is the key link supporting the efficiency of the entire value chain in agriculture, offering specialized solutions for the development of farmers' businesses in Romania. The Group services a growing portfolio of 7,000 farmers, working approximately 2.4 million hectares of arable land across Romania.

For more references visit www.agricover.ro

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