

RECOMMENDATIONS

of the second working session on the topic “Crediting in agriculture, agribusiness and rural areas” held on 12 June 2018

1. Efficient information and communication system among the stakeholders for better access to credit in agriculture, agribusiness and rural areas:

- to improve the information about the available offer of financial services from the private and public sector, as well as the demand for agricultural credits;
- to develop communication by building mutual trust and partner relations;
- to involve more actively all actors in joint activities (agricultural producers, agribusiness, agricultural cooperatives, rural population, banking and microfinance institutions, directly or through their associations, providers of advisory services, state institutions).

2. Knowledge and skills of key stakeholders:

- to conduct continuous trainings for: (1) potential beneficiaries of financial services in agriculture, agribusiness and rural areas (financial literacy, knowledge and skills for implementing development and sustainable projects, farm accounting and record keeping); (2) providers of advisory services (selection of appropriate investment, preparation of business plans, funding opportunities, support in the process of farm accounting and record keeping and applying for a credit); (3) financial institutions (specifics of agriculture, agribusiness and rural areas, in order to adjust credit conditions, collateral and payment plan).

3. State support for crediting:

- to maintain and supplement the Agricultural Credit Discount Fund (ACDF);
- to complement the mechanisms for easier access to credit in agriculture, agribusiness and rural areas, such as subsidized interest rates (not only for IPARD projects), favorable commercial credit through the Macedonian Bank for Development Promotion (MBDP), support of insurance and similar measures;
- to more actively support young people and women, as well as agricultural cooperatives, with additional credit benefits.

4. Guarantee Fund:

- to establish a sustainable model of a state fund for guaranteeing part of the collateral of credit beneficiaries in agriculture and agribusiness.

5. Structure of agricultural land:



– to introduce models for supporting the consolidation of agricultural land by the state (providing state guarantees for mortgages and credits for consolidation and reimbursement, treatment of uncultivated land).

6. Contract farming and regular and timely collection of receivables:

– to consistently implement the provisions of the Law on Agriculture and Rural Development and the Law on Financial Discipline.

7. Other financial services related to agriculture, agribusiness and rural areas:

– to provide legal and other conditions for functioning of other financial services (eg. factoring, value chain financing, insurance of receivables, schemes for guaranteeing collateral, etc.);

– to improve the information on alternative ways of financing.