

COOPERATION WITH ASIAN DEVELOPMENT BANK



Loan Agreement of 2, 250,000 USD was signed between “Farm Credit Armenia” UCO CC and Asian Development Bank (ADB) in the frames of “Women’s Entrepreneurship Support Sector Development” project on September 3, 2014. The project financing will be implemented through the German Armenian Fund. The credits under this project will support to the development of women entrepreneurship and women owned, managed or employed SMEs. This is already the third project that FCA is



Asian Development Bank

participating under the management of German-Armenian Fund. The later is implementing different projects in SME financing, housing market, renewable energy, agricultural finance, etc. financed by "KfW Bankengruppe" (Germany), The World Bank, the Asian Development Bank, as well as by the Government of Republic of Armenia (Economy Stabilization Lending).

“FARM CREDIT ARMENIA” TEAM in MONTABAUR, GERMANY



“Farm Credit Armenia” UCO CC team, participated in the study tour organized by the German Academy of Cooperatives (ADG) on August 10-15 in Montabaur, Germany. The FCA team was represented by middle level managers – branch managers, head of departments led by Deputy CEO/chief risk officer and the CEO.

The Academy of German Cooperatives is a Management and Finance Training Institute offering such services as banking training programs, seminars for German and International cooperative associations, as well as international donor organizations. Having greatly contributed to the development of the German-cooperative

banks, now it transfers its more than thirty years experience to the international environment promoting the development of the cooperative financial sector around the world.

During the five-day program the participants had an opportunity to gain not only theoretical, but also practical knowledge on the way agricultural financial cooperatives operate in Germany, which form the basis of the economy.

On the first day of the training the ADG division manager Rudiger Meinster welcomed the participants and presented the activities of



the German financial sector. During his presentation Meinster gave a detailed overview of the German financial system and stressed the importance of the cooperatives, which are the prevalent part of the system, having a great influence on the development of the field. Thoroughly presenting the history of the cooperative development,



Meinster introduced to the participants the characteristic features of the cooperative field, including its working principles, legal framework, as well as financial indicators. He especially highlighted the essential role of ADG in organizing seminars for the beginners as well as professional managers working in the co-operative field, spreading the idea of the co-operative through ADG International.

On the same day, “Farm Credit Armenia” UCO CC Chief Executive Officer Armen Gabrielyan gave a talk on the role and importance of the cooperatives in Armenia. He especially described the “Farm Credit Armenia” UCO CC

scope of activities and nature, mission and prospects for its development. Introducing the history of the establishment of the organization Mr. Gabrielyan explained the spread of the co-operative idea in the rural areas of Armenia, and the activities that are realized by the organization through its branches. At the end, a discussion was led on prospects for cooperation between “Farm Credit Armenia” UCO CC and the ADG.

During the training, other lectures were conducted by Johann Karl on “Successful Factors of Cooperative Management” and “Cooperative Audit and the Role of Cooperative Federations”, during which he introduced the mechanisms of co-operative management, development of strategy and financial planning. Another lecture was conducted by Karl Krug on “Agricultural Value Chain: the Experiences of International Cooperative Projects”. In frames of this lecture the key issues discussed were value chain financing, types of value chain, demand for value chain financing and their financing through co-operatives. He also introduced several practical examples of the value chain financing through cooperatives at the same time providing the participants with useful recommendations.

The training also included field visits to local cooperative banks as well as agricultural cooperatives. Particularly, the participants visited RV Rhein-Hardt bank, as well as Raiffeisen Rhein-Ahr-Eifel. The management of RV Rhein-Hardt bank introduced the operation of the bank – crediting, and its uniqueness as a regional cooperative bank. The commodity department of RV Rhein-Hardt bank deals with processing of its members’ products and selling them to supermarkets, this way securing the connection between its members and the market.

The team visited the Raiffeisen Rhein-Ahr-Eifel cooperative, which is a special institution that sells different agricultural goods, feedstuff, etc, purchased from its member-farmers as well as different kinds of household goods that serve agricultural needs. The cooperative also deals with wheat storage, processing and sale.

In addition to these field trips, the participants visited the Raiffeisen Museum getting a detailed overview of the history and development of the cooperatives.

In general, the study tour was quite informative and educational, which will help “Farm Credit Armenia” UCO CC to further consider the best international experience while accomplishing its mission.



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