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AGRICULTURE DEVELOPMENT CREDIT AUTHORITY FACT SHEET

WHAT IS THE AGRICULTURE DEVELOPMENT CREDIT AUTHORITY PROJECT?

The Agriculture Development Credit Authority (DCA) is an 11-year loan portfolio guaranty (LPG) intended to mitigate the risks faced by five financial institutions (banks and microfinance institutions) in North Macedonia that provide loans for agriculture development and diversification of rural economies. The total loan portfolio that can be covered by this guarantee is \$26 million. The Government of North Macedonia is co-financing this guarantee to increase the utilization of IPARD funding provided by the EU.

The guarantee provides 50 percent coverage for loans up to USD 250,000 and 40 percent coverage for loans between USD 250,001 and USD 500,000. Loans are intended to support capital investments for agriculture and rural development. The targeted borrowers are primarily farmers, cooperatives, sole traders, and micro-, small-, and medium-sized private enterprises operating in primary agricultural production, food processing, as well as any non-agriculture sector with operations in rural areas, including rural tourism, craftsmen, and processing facilities.

With this partnership, USAID is further strengthening the relationship between individual farmers and food processors and the country's financial sector. Increased trust among these stakeholders will ensure a long-term increase in agricultural lending.

WHAT HAS BEEN ACCOMPLISHED?

In the last three and a half years (October 2015 – March 2019), this guarantee program supported 481 loans valued at \$5,109,032. As a result of the improved trust between the financial institutions and agricultural borrowers, interest rates and collateral requirements are gradually decreasing.