

## **EMN Peer to Peer Visit Report**

### ***AgroInvest Fond (Serbia) visited Banca Popolare Etica (Italy)***

**19-21 June 2017**

#### **Background of the meeting and the visiting delegation:**

Caroline Tsilikounas, CEO AgroInvest Holding, and Tatjana Antic Drca, Communication / Fundraising Manager AgroInvest Serbia were invited by Banca Etica for a peer-to-peer visit. Given the size of the organisations and the fact that the mission of the two organisations are similar, the visit was approved.

AgroInvest is planning to introduce new products and to review operations model and is looking to get involved in joint lobbying efforts and fundraising. All these were reasons for the peer-to-peer visit.

#### **Lessons learnt during the visit:**

The visit was very intense. Firstly, we were introduced to every department of the bank and we were told how their system works, as well as how each separate unit works.

As we had expressed an interest in funding, we had a more in-depth meeting with those responsible for funding. We were given more detailed information on how they do this in the bank. Given the fact that we operate in an EU-candidate country and that we just recently started to apply for EU funding, we learnt that there are more funding possibilities for equity, capacity building and BDS, which we will further explore. We might also consider joint applications, which are to be discussed further with the bank.

Furthermore, we had a chance to hear about the banks experience in lobbying and agreed that we will try to work together, if possible. This would show regulators at EU level that ethical lending and microfinance have a future on different levels, in different countries.

Moreover, we had the chance to meet some of Banca Etica's clients who are using their programme for group lending and we will definitely try to start something similar in AgroInvest. We have been very hesitant about the group lending and this was the first time we could see its impact and how it functions. Unfortunately, we did not have the chance to explore all the details and we will continue exchanges after the visit.

We intend to continue our discussions and our respective product development departments are in contact in order to adapt products in agricultural lending to the local market in Serbia. We are working on establishing a new product line for start-ups. This is something new, not only for agriculture, but also for a different target group.

Furthermore, we discussed Banca Etica's restructuring experience. In fact, AgrolInvest is considering to introduce organisational changes as of next year to its Holding company which is going to be liquidated and as a result two companies will be created. Furthermore, we will restructure our marketing department, where we will divide our operations into several units and the Country Director will report to a supervisory body that will be formed of several members. We will also introduce an international relations department. All these changes are in progress and/or are being discussed at board level. Thanks to the visit to Banca Etica and the information received, we were able to report on new ideas and views to our HR department and the board. The process is ongoing and the outcome will be known by the end of this year. The bank's organisational structure was recognised as useful and might influence the further development of the organisation.

### **The visiting organisation's plans to adapt some key lessons to its own organisation:**

- AgrolInvest is planning to introduce new products in agricultural lending, inspired by Banca Etica's lending for agriculture model. During the visit we realised that their model seems very innovative and applicable to our organisation, although further research is needed. We are considering to organise another visit for our Operations team. For now, we are in contact with the Product Development department in order to gather all the data we need related to how to conduct market research, how to define the target audience for the new product line, how to define the loan purpose. We want to work on a new product line for production of organic food. Thus, we will continue our collaboration with Banca Etica to learn more.
- AgrolInvest agreed to try work jointly with reference to lobbying for microfinance in Europe. Banca Etica operates in Italy, an EU member state, and AgrolInvest operates in Serbia, an EU candidate country. AgrolInvest believes that the joint efforts in lobbying can show the regulators on our local level that the need for ethical banking and microfinance is very important. Further, on an EU level, if we join together in lobbying, we can show that the industry is not small. Consequently, we expect to have more funding.
- To copy some organisational changes – we will divide our operations into several units and the Country Director will report to a supervisory body that will be formed of several members. We will also introduce an international relations department. This work is ongoing and some has already been introduced and AgrolInvest is already going through organisational changes. Seeing how Banca Etica works gave us ideas that will can implement.