



# APRACA Newsletter

*Acknowledged leader in rural and agricultural finance* | Vol. 2 Issue 2



Photo Credit: IFAD

*Global Forum on Remittances and Development 2015 Meeting Held in Milan, Italy During 16-18 June 2015*

## International Day of Family Remittances Celebrated 16 June 2015 in Milan, Italy

The opening of the Global Forum coincided with the first celebration of the International Day of Family Remittances, launched by IFAD. The purpose of this observance was to recognize and raise global awareness of the fundamental contributions made by migrant workers to the well-being of their families and communities of origin, and ways to promote policies and organization to maximize the development impact of these private flows.

Remittances has been increasingly important and their impact on agricultural investment and rural development as rural roads, warehouses, cold storage, rural complex, primary processing units has been developed to boost the value chain and all players in the chain.

### Remittances: Impact on Agricultural Investment and Rural Development

Over 230 Million people live outside the country they call home. According to International Fund for Agricultural Development (IFAD), officially recorded remittances to developing counties are expected to reach half a trillion dollars this year, representing significantly more than all

### *In this Issue....*

<b>International Day of Family Remittances Celebrated 16 June 2015 in Milan, Italy</b>	1
<b>Remittances: Impact on Agricultural Investment and Rural Development</b>	1
<b>APRACA Secretariat Activity</b>	2
• APRACA welcomes 4 new members	2
• Tanzania Agricultural Development Bank Officers visit APRACA	3
• UNDP-BRH and APRACA work together for technical partnership on people empowerment and community development	4
<b>Activities of IFAD Grant Projects</b>	4
<b>1. FinServAccess Activities</b>	4
• Basic Business Entrepreneurship and Finance Training for 3A VTF Bangladesh Women Farmers Conducted	4
• Risk Management and Agricultural Insurance Policies formulated to support better Cambodia Rural Finance	5
• APRACA's continuing approach to strengthening knowledge partnership on Myanmar Rural Finance	5
• IFAD-APRACA FinServAccess Project orchestrates exposure study visit on financial risk management and agricultural insurance	6
<b>2. RuFBep Project</b>	7
• Phase-2 of RuFBep Project: Pilot testing of Rural Finance products and services	7
• Participation in International Conference on Innovative Agricultural Finance	7
• Regional Training of Trainers (ToT) on Agricultural Value Chain Finance (AgVCF)	8
<b>New APRACA Publications</b>	8

foreign direct investment to developing countries, and over three times larger than official development assistance. Remittances are an extremely important and stable source of private inflows to developing countries, helping to sustain the well-being and future prospects of millions of families.

The Global Forum on Remittances and Development 2015 was organized by IFAD, World Bank, and European Commission (EU) on 16-19 June 2015 in Milan, Italy with the following objectives

- Support national governments in adopting favorable regulatory frameworks that promote low-cost remittances and greater financial inclusion
- Highlight and demonstrate the importance of international and domestic remittances, particularly their impact when linked to other financial services such as savings, insurance and loans
- Exchange worldwide best practices and market oriented models
- Promote the scaling-up of successful initiatives involving the private sector as agents of innovation

- Contribute to the discussion and the thematic review of the post-2015 development agenda in the context of remittances, migration and development

GFRD 2015 brought together over 200 experts and stakeholders including those of APRACA member institutions to discuss and evaluate the great potential of remittances to and from Europe, and its global impact and implications.



Mr. Chamnong Siriwongyotha, Secretary General of APRACA with Michael Hamp, Rural Finance Adviser, IFAD and Dr. Prasun Das, Project Manager of APRACA at GFRD 2015

## APRACA Secretariat Activity

### • APRACA welcomes 4 new members

As APRACA continues to be proactive and take leadership in the region's rural and agricultural finance and development, four new members are welcomed to its growing association. These are the China Foundation for Poverty Alleviation (CFPA) – Microfinance Institution, Basix Social Enterprise Group in Hyderabad, India; Agricultural Guarantee Fund Pool (AGFP) of the Philippines and the Bangladesh Krishi Bank located in Dhaka, Bangladesh. These latest members work intensively with rural poor people especially those engaged in agriculture and fishery activities and rural development with focus on poverty alleviation and inclusive growth towards increased productivity, profitability and sustainable development.

Also, they will be officially welcomed during the 66<sup>th</sup> APRACA Executive Committee Meeting hosted by the Bank Keshavarzi to be held on 8-9 October 2015 at Babolsar, Iran. During the activity, the new members will be presented with certificate of membership as a manifesto of their engagement and participation to all APRACA activities.

#### 1. China Foundation for Poverty Alleviation (CFPA)

China Foundation for Poverty Alleviation (CFPA) was established in March, 1989. Since its founding, CFPA has raised near 900 million yuan of funds for more than 200 poverty reduction projects, directly helping 2 million poor people. CFPA is currently implementing five poverty reduction projects including Microfinance, Maternal and Infant Health, New Great Wall, Project Angel and Disaster Relief.

With the strong support from the LGOP, CFPA began its microfinance projects in 1996. Over the past decade, CFPA has

cumulatively disbursed nearly 300 million RMB of microfinance loans to 130,000 poor households, directly benefiting more than 500,000 poor people. In 2007, CFPA disbursed 38,000 loans valued at approximately RMB 118 million, surpassing its historical high of RMB 100 million. The project partners include: Danone, Nike, Shell, Nuskim, Cisco, Microsoft, United Way International, Tsinghua University, Hong Kong, Kadoorie Charitable Foundation, the National Development Bank, Standard Chartered Bank, Bayer, Corning (China), JP Morgan Chase, Give 2 Asia, PlaNet Finance China, Mercy Corps.

#### 2. Basix Social Enterprise Group

The Holding Company of the BASIX Group is called Bhartiya Samruddhi Investments and Consulting Services (BASICS Ltd.) which started operations in 1996 as India's first "new generation livelihood promotion institution". It set up two fund based companies – Bhartiya Samruddhi Finance Ltd., a micro-finance NBFC in 1996 and Krishna Bhima Samruddhi Local Area Bank Ltd. in 2001. Both were among the first in class.

BASICS Ltd. also started providing fee-based business right from the outset by offering consulting services in microfinance and livelihood promotion, training, HRD and institutional development (ID) and information technology (IT) applications for microfinance and livelihoods.

Indian Grameen Services, Section 25 not for profit company forms the research and development arm of BASIX. Besides carrying out research and development in the area of livelihood promotion, it also designs and develops financial products for extending credit, evolving distribution channels for delivery of its

services and developing necessary systems for service delivery such as accounting and MIS.

Institute of Livelihood Research and Training (ILRT) is an independent society promoted for knowledge building and training of livelihood professionals in NGOs, government agencies, banks and MFIs. It also provides training to BASIX staff. It is involved in building the knowledge base required for supporting livelihoods and disseminating the knowledge so generated for building the implementation capabilities of various organizations playing a critical role in supporting livelihoods.

The fund-based, fee-based and social businesses of the BASIX group have a tremendous synergy and contribute to each other's growth and prosperity. The credit business enables customer acquisition, while the insurance business mitigates customer and credit risk, and the AGBIDS business enables customer retention by enhancing their incomes. The consulting and IT business allows BASIX to earn revenues from offering services that it needs for itself anyway. The social businesses enable research and development and knowledge building.

### 3. *Agricultural Guarantee Fund Pool (AGFP)*

The Agricultural Guarantee Fund Pool (AGFP) is a Department of Agriculture led program that was established by virtue of Administrative Order 225-A signed by the President of the Philippines on May 26, 2008. The AO mandated government-owned and controlled corporations and government financial institutions to allocate five percent (5%) of their 2007 surplus for projects in rice and other food production and as contribution to the AGFP.

It mandated that, the AGFP shall be used to mitigate the risks involved in agricultural lending, thereby facilitating the provision of credit in the agricultural sector. The Fund was placed in trust with the Land Bank of the Philippines for the purpose of providing guarantee cover to participating financial institutions extending credit to small farmers and fisherfolk. Landbank is the institutional program manager for AGFP.

The AGFP aims to encourage financial institutions and other credit conduits to expand their outreach to new small farmer and fisherfolk (SFF) borrowers and/or increase lending to existing SFF borrowers by providing guarantee coverage to: 1.) Unsecured loans/financing extended by financial institutions and other parties, 2.) To small farmers and fisherfolk, and 3.) Engaged in rice and/or other food production projects/activities.

Only loans that are not covered by any collateral, whether by real estate mortgage or chattel mortgage can be enrolled for AGFP guarantee. Through this feature, small farmers and fisherfolk who have not been able to access credit from formal financial institutions are now given the chance to acquire much need loans to finance their farming activities.

### 4. *Bangladesh Krishi Bank*

Bangladesh Krishi Bank (BKB) has been established under the Bangladesh Krishi Bank order 1973 (President's Order No 27 of 1973). BKB is a Banking Company under the Banking Company Act-1991. Its head office is located at Krishi Bank Bhaban, 83-85 Motijheel Commercial Area, Dhaka-1000, Bangladesh. The primary objective of BKB is to provide credit facilities to the farmers for the development of agriculture i.e. Crop production, Fish culture, Animal Husbandry etc, entrepreneurs engaged in development of agro-based and cottage industries.

The Bank is guided in accordance with the policies and principles of the Government of the People's Republic of Bangladesh. It started commercial functioning since 1977 to generate more loanable fund from the idle rural and urban savings and invest them for the betterment of our economy. The Bank operates its function through its 1029 branches (except Rajshahi Division). It has 16 foreign exchange (Authorized dealer) branches. In the field level, the Bank has 9 Divisional, 29 Chief Regional and 24 Regional offices for close supervision of the branch activities.

For smooth operation, as a part of internal control and compliance system, the bank has also 63 field level audit offices of which 9 at Divisional and 54 at Regional levels. In the Head Office, the Bank has 4 Divisions headed by General Managers, 28 Departments and a Training Institute headed by Deputy General Managers. Local Principal Office of BKB is headed by a General Manager. The existing strength of Bank's manpower is 9430; 11 members of the Board of Directors. The Board is headed by the Chairman. The Board Chairman is generally an experienced professional/ex-professional who has wide acceptability and rapport. The Directors represent both public and private sectors and are appointed by the Government. The Managing Director is the Chief Executive of the Bank with two posts of Deputy Managing Directors and 14 posts of General Managers, all are appointed by the Government.

## ● **Tanzania Agricultural Development Bank Officers visit APRACA**

On May 22, 2015, APRACA welcomed five Tanzania Agricultural Development Bank (TADB) officers to its Bangkok secretariat office. The visit is part of TADB's effort to establish partnerships with Asia's leading agricultural development banks and institutions. The TADB first visits include the National Bank for Rural Development (NABARD) in India and the Bank for Agriculture and Agricultural Cooperatives (BAAC) in Thailand.

The visiting officers include Mr. Severin Ndaskoi, director for Finance and Administration, Mr. Anacleti Kashuliza, member of the TADB Board of Directors, Geoffrey Mtawa, manager of the business development manager, Ms Neer Christina John, Legal counsel, and Mr. Robert Pascal. The group was welcomed by Mr. Chamnong Siriwongyotha, Secretary General of APRACA and Dr. Marlowe U. Aquino, IFAD-APRACA FinServAccess Project Manager.

During the TADB visit, APRACA's vision-mission-goal-objectives including its experiences, programs and operational strategies were presented and discussed. Also, the on-going projects, FinServAccess and the Rural Finance Best Practices were shared particularly on the lessons learned and the process in supporting rural people and communities on sustainable rural financing and management. Among the concerns emphasized include the coordinative functions of APRACA along value chain finance, microfinance, risk management, women empowerment and development, agricultural insurance, financial knowledge management and financial inclusion and literacy.

Through the TADB visit, it enabled APRACA once again to strengthen and foster its partnership reach to other institutions from other rural and agricultural credit associations across the globe. TADB's future visits in Asia include the Philippines' Agricultural Credit Policy Council (ACPC), Land Bank of the Philippines (LBP), China's Agricultural Development Bank (ADB), Japan's Finance Development Corporation (JFDC), Malaysia's



*Mr. Chamnong Siriwongyotha (center) and Dr. Marlowe Aquino (2<sup>nd</sup> from left) presenting the gift and publications to the TADB Team headed by Mr. Anacleti Kashuliza, Board of Director-TADB (3<sup>rd</sup> from right) during their visit to APRACA Secretariat Office in Bangkok, Thailand*

Agrobank, and Pakistan's Central Bank to name a few. APRACA Secretariat role is requested to link TADB to its members for future knowledge partnership and institutional development in the coming years.

- **UNDP-BRH and APRACA work together for technical partnership on people empowerment and community development**

This year, APRACA's vision to expand stronger partnership with local and international organizations has taken toll with the inclusion of the United Nations Development Program – Bangkok Regional Hub (UNDP-BRH) located at the UN-Economic and Social Commission in Asia and the Pacific Complex in Bangkok, Thailand. Specifically, the partnership focuses on the provision of technical assistance on people empowerment and community development for APRACA member institutions.

## Activities of IFAD Grant Projects

### 1. FinServAccess Project

- **Basic Business Entrepreneurship and Finance Training for 3A VTF Bangladesh Women Farmers Conducted**

Enhancing the capacities of rural people especially women is an exciting and challenging task. This was revealed in the recently concluded training of Bangladesh women farmers particularly those engaged in vegetable nursery operation. Fifteen active women farmers under the 3A Vegetable Techno-Finance partnership between the Asian Vegetable Research and Development Center – The World Vegetable Center (AVRDC-WVC), ASA International and APRACA were invited to attend the ASA-Bangladesh led training on business entrepreneurship and financial management on 21 to 23 April 2013 at the Family Training Center in Jessore, Bangladesh.

During the training, the women farmers were introduced with basic knowledge and financial skills enhancement in making their vegetable nursery productive and profitable. Strategies of savings and business operation techniques were discussed by Mr. Md Hamidul Islam, deputy operations director and Mr. MA Salam, director of agriculture of ASA-Bangladesh who also facilitated the learning activities through the different topics complemented by practical exercises in enticing the farmers to be more financially literate.

Started with UNDP-BRH through its Regional Policy and Programme Support during the launching of APRACA's Center of Excellence on Women Empowerment held on September 2014 in Zanjan Province, Iran, the APRACA Center of Excellence – Bank Keshavarzi (ACE-BK) orchestrated the holding of a women's forum in the region. The UNDP-BRH provided initial fund to help develop an Asian/Pacific people empowerment perspective that enables all stakeholders to have a unified understanding how Asian/Pacific rural women are placed in mainstream development.

The objectives of the partnership include to intensify the application of people empowerment especially women in the development of sustainable rural development programs, by strengthening the capacities of women groups in ensuring viable and economic ventures towards sustainable rural development, developing and operationalizing financial models applicable to marginalized groups including women engaged in agriculture and fishery activities as well as processing and marketing activities, and disseminating knowledge packages gained in the process of implementation and to create productive and profitable groups of farmers/fisherfolk and their communities; improve the system of alleviating rural poverty, inclusive growth; and promote systematic and organized financial institutions working for the development of rural and agricultural communities with empowerment of the marginalized and indigenous groups met.

It will be implemented and supported by all stakeholders of across the region and the members of APRACA for sustainable rural and agricultural development in the coming years especially that Asia and the Pacific is becoming the focus of socio-economic development in relation to the impacts of climate change, inclusive growth and financial inclusion.



*The Bangladesh women vegetable nursery owners/participants together with Mr. Md. Mahidul Islam, Deputy Director for Operation (seated, extreme right) and Mr. MA Salma, Director for Agriculture (standing, extreme left) of ASA during the opening day of the training*



*Dr. Marlowe Aquino, IFAD-APRACA FinServAccess Project Management and Mr. Md. Mahidul Islam of ASA (seated in front) conducting the focus group discussion with the members of the vegetable community in Jessor, Bangladesh*

In addition, the participants also visited nearby vegetable producing areas to exchange ideas with other male farmers who are active in vegetable operation. Aside from this, a focus group discussion was conducted to determine the response of women regarding social mobilization and empowerment necessary in sustaining the operation of the vegetable nursery and production.

Results should that the women's groups need strong leadership and regular technical assistance from non-government organizations especially in strengthening the group to be more productive, profitable and financially stable. Furthermore, the women expressed the need for better technologies like quality seeds, improved production techniques and simple yet practical financial skills supported by proper decision making strategies in making their nursery operation sustainable.

The lessons learned by the participants will be shared to other interested local women especially that others are now showing interest not only for the nursery operation but also in vegetable production and marketing. The second phase of the training will be held in the coming months as the women farmers immerse into maximum and full-time scale operation in the next cropping cycle which will start July 2015.

## ● Risk Management and Agricultural Insurance Policies formulated to support better Cambodia Rural Finance

One of the important aspects in insuring stable rural finance operations is the development and formulation of appropriate policies for institutions as well as for the benefit of the clients and customers. This was done during the Cambodia policy forum on financial risk management and agricultural insurance held on 7-8 May 2015 at Sunway Hotel, Phnom Penh, Cambodia. Thirty-five (35) participants from Cambodia's financial sector attended and participate in the formulation of the policies that would improve the condition of farmers especially that they are in dire need for a functional and effective agricultural insurance. Among the financial institutions present include the National Bank of Cambodia, which supported the formulation of policies, Rural Development Bank (RDB), PRASAC MFI, Sathapana Limited, Hattha Kaksekar Limited, AMK, AMRET, IPR, AEON, SAMIC, CHAMROEUN, Sambat Finance and APRACA member countries from Thailand's Bank for Agriculture and Agricultural Cooperatives (BAAC) and the Philippines' Agricultural Credit Policy Council (ACPC).

Three progressive countries like India, Philippines and Thailand were invited to share their experiences in operating and managing a well-defined and effective agricultural insurance system. These

were supported and complemented by strategies and approaches that helped the farmers to be advantageous when they are engaged in agricultural and fishery production.

Mr. Anuj Kumbhat, executive director of the Weather Risk Management Services Limited (WRMSL) Uttra Pradesh, India shared their experiences on weather index-insurance applied and used to support Indian farmers. Dr. Ramon Yedra, deputy executive director of the ACPC shared the Philippine Agricultural Insurance Program together with the Agricultural Guarantee Poo Fund (AGPF) which are government-led programs supporting the welfare of farmers especially during natural disaster and calamities. In addition, Dr. Suwit Poolsilp, senior vice president of BAAC, discussed and presented three strategies, Agricultural Marketing Cooperative, Funeral Association and Weather-Index Insurance for Paddy for Thai farmers. All presenters discussed the advantage and benefits derived from agricultural insurance for farmers.



*The participants, resource speakers and IFAD-APRACA officers during the closing program of the Cambodia Policy Forum on 8 May 2015*

Among the policies identified and developed to address the issues and concerns related to agriculture and fishery development vis-à-vis unified agricultural insurance include provision of continuous technical trainings on crop and livestock production, establish crop and non-crop insurance program for small farmers and fishers to be subsidized by the government, set up new Credit Guarantee Program, set-up government supported credit scheme/delivery mechanism responsive to the needs to the farmers, institutionalize continuous infrastructure development necessary for agriculture and fishery development, aggressive promotion in the use of modern agricultural technologies for farmers, improve market channels and strategies, establish price stabilization program, appropriate capability building programs for farmers and fishers, adopt an agribusiness framework, provision of credit funds at special rates, provide tax incentives/subsidies for farm inputs, and access to donor funds for agriculture and rural development.

These developed policies will be further discussed and presented to the government particularly the Ministry of Agriculture and Fisheries, Ministry of Economy and Finance and the Cambodia Microfinance Association to be properly endorsed for the formulation of rules and regulations necessary for sustainable rural development in the countryside of Cambodia.

## ● APRACA's continuing approach to strengthening knowledge partnership on Myanmar Rural Finance

As part of APRACA coordinative function and enhancement efforts to its members, Mr. Chamnong Siritwongyotha, Secretary General and

Dr. Marlowe Aquino, FinServAccess Project Manager visited Myanmar particularly the Ministry of Agriculture and Irrigation (MOAI) and the Myanmar Agricultural Development Bank (MADB) to expand its support in linking its members to other APRACA member institutions on knowledge partnerships.

The visit was conducted on 14 to 17 May 2015 in Yangon and Nay Phi Taw, Myanmar which was attended by Dr. Tin Htut, Director General for Planning and Development of MOAI, Mr. Sein Hla Tun, General Manager of MADB, Mr. Khin Maung Lwin, Deputy General Manager for Operations, Mr. Nyan Win, Deputy General Manager – Administration, Mr. Win Naing, Manager, Mr. Moe Thidar, Supervisor, Ms. Nilar Shwe, Assistant Manager – Finance, Ms. Nwe New Yin, Assistant Manager – Credit Lending, Ms. Maung Maung Swe Thein, Assistant Manager – Administration and Ms. Nilar Win, Assistant Manager – R&D and Training.

During the visit, both parties discussed the participation of Myanmar in the lined-up activities of APRACA such as the conduct of the assessment of the Myanmar Financial Condition for Sustainable Development, Myanmar Agricultural Value Chain Finance, and People Empowerment, Financial Access and Community Development. These studies will enable Myanmar to review and evaluate its programs especially that they are in the process of institutional reforms and human resource development.

Aside from these, Myanmar as active member of APRACA is invited to participate in various activities under the IFAD-APRACA FinServAccess Project like exposure study visit on agricultural insurance, trainings and capacity building on financial risk management and agricultural insurance, agricultural value chain finance and research conferences. All of these are vital in enhancing the knowledge exchange and understanding for Myanmar with the

rest of the APRACA member institutions in strengthening its partnerships across the region.

- **IFAD-APRACA FinServAccess Project orchestrates exposure study visit on financial risk management and agricultural insurance**

On June 22-25, 2015, the FinServAccess Project in coordination with the APRACA-CENTRAB and the Agricultural Credit Policy Council (ACPC) in the Philippines conducted the exposure study visit on financial risk management and agricultural insurance in Quezon City, Batangas City and Calamba City, Philippines for 19 participants coming from APRACA member countries. The participants include Bangladesh (4), Bhutan (1), Cambodia (7), Myanmar (3), Lao PDR (1), Philippines (1), Sri Lanka (1) and Vietnam (1). The group was headed by Dr. Marlowe Aquino, project manager who brought the participants to learn and understand the overall program of the Philippines on financial risk management, agricultural insurance and R&D on climate change mitigation and adaptation and sustainable rural development.

The activities aimed to exposure and share the participants on the practices, experiences and policies and management of the Philippines in managing financial risks and more importantly the inclusion of agricultural insurance in the overall financial system of the country. Discussions were focused on the Philippine agricultural insurance and the agricultural guarantee pool fund supportive to rural people especially those engaged in agricultural and fisheries activities.



*Mr. Chamnong Siriwongyotha (center) and Dr. Marlowe Aquino (3<sup>rd</sup> from right) together with the MADB Myothit Township branch officers in Nay Phi Taw, Myanmar. The Myothit Branch is the oldest operating branch in the country for over 56 years*



*The participants from the member of APRACA during the Exposure Study Visit on Financial Risk Management and Agricultural Insurance during the opening program held on 22-25 June 2015 at Brentwood Suites, Quezon City, Philippines*



*Mr. Chamnong Siriwongyotha (center) and Dr. Marlowe Aquino (2<sup>nd</sup> from right) together with the MADB Management Officers headed by Ms. Sein Hla Tun, General Manager (4<sup>th</sup> from left) during their visit at the MADB Main office in Yangon, Myanmar*



*The participants during their field visit and discussion with the Sorosoro Ibaba Development Cooperative (SIDC) in Batangas City, Philippines. The SIDC is a well-established cooperative helping the local people on swine production and other financial support services*

The participants visited and exchanged ideas and experiences with the officers of the Land Bank of the Philippines, Agricultural Guarantee Pool Fund, Philippine Crop Insurance Corporation, Department of Agriculture's Bureau of Agricultural Research for Climate Change Mitigation and Adaptation R&D Program, Asian Federation of Farmers and Okios Garden on Organic Agriculture, Sorosoro Ibaba Development Cooperative in Batangas City and the Calamba Rice Growers Multi-purpose Cooperative, Calamba City, Philippines.

During the closing ceremonies held at the ACPC conference room In Ortigas Center, Pasig City, the participants noted and identified the influencing factors of having a comprehensive and successful agricultural insurance and guarantee pool fund for farmers and fisherfolk. One important factor is the support extended by the government particularly on policies and programs that enhance stakeholders to be attuned with latest technologies and financial support in making productive and profitable production activities.

Through this exposure study visits, all the participants particularly the Lao PDR, Myanmar, Cambodia, Vietnam and Bangladesh mentioned that they will invite the Philippine technical experts to further share their experiences and help establish an effective and working agricultural insurance program for the rural people and communities of their countries.

## 2. RuFBEP Project

### ● Phase-2 of RuFBEP Project: Pilot testing of Rural Finance products and services

The dissemination workshop held in Manila during 4-6 March 2015 was fruitful and there were detailed discussions on the various best practices documented by the country working groups from 5 countries and other countries present in the workshop. The China report documented three best practices relating to mobile banking product, downscaling of commercial banks and a pro-poor MFI group of guarantee business model. The Philippine report identified 4 good practices, involving delivery model of employing micro banking offices (MBOs) to expand outreach, guarantee facility to leverage credit, value chain financing for smallholding producers and micro-insurance for smallholders and poor farmers. The India report documented 10 good practices mostly relating to community based/targeted multi-purpose groups and their linkage with banks, bank card products, The Indonesia report documented five good practices and rated them through mutual comparison. They are either community-initiative based or government sponsored rural financial service models to promote group based lending and saving services to clients who are not able to access formal financial services. The Thailand country study identified two good practices by BAAC related to community financial institution model and pension type of saving product called Thaweesook deposit.

The stakeholders from 5 countries had shown their keen interest on the pilot testing which were also discussed in details. However, due to the budgetary constraints, it was decided that already identified 3 countries (China, Indonesia and Philippines) will be supported during the Phase 2. These 3 countries met separately on the side line of the workshop to finalize the strategies for pilot testing. It was decided that the country working groups will meet again in their respective countries and send the detailed proposal to APRACA and IFAD for consideration. Out of the 3 countries (China, Indonesia and Philippines) where pilot testing will be undertaken, Indonesia and Philippines have already identified the rural finance good practices they will be piloting and the participating institutions have also been

finalized. The Country Working Group (CWG) meetings have already been convened to finalize the modalities of pilot testing in these countries. APRACA is in constant touch with the CWG of China to finalize the pilot testing protocol of the country. The detailed guidelines on the process and deliverables for pilot testing phase have already been circulated among the 3 country. The guidelines contain the draft ToR for the pilot testing, the time line and the pilot testing protocol. The strategies of pilot testing will be finalized in the upcoming meetings of the CWG in the 2 countries and expected to be notified to APRACA soon.

As per the decision taken in the dissemination workshop, APRACA will be publishing 5 country reports and 1 synthesis report on the global good practices. We have already identified the of peer reviewers for this and some preliminary discussions were already made with the rural finance experts of IFAD and some other experts from academia and we are expecting to complete the process of publication before the close of the 3<sup>rd</sup> quarter on 2015-2016.

### ● Participation in International conference on Innovative Agricultural Finance

The State Bank of Pakistan (SBP), one of the APRACA Ex-Com members from Pakistan invited Dr. Prasun Kumar Das, RuFBEP Project Manager as a speaker for the International Conference on Innovative Agricultural Finance". The conference was organized in collaboration with Food and Agriculture Organization (FAO) of the United Nations in Islamabad, Pakistan during 28-29 April 2015. This International Conference brought together the FAO, Federal Government, Central Bank, Commercial banks, microfinance Institutions, civil society organizations, rural finance networks and academia to share innovative strategies and solutions to augment financing to agriculture and its sub-sector with particular reference to the smallholder farmers through value chain financing, warehouse receipts financing, mitigation of risk in this sector and application of information and communication technologies.

The major achievement of the conference was to bring the relevant partners and stakeholders together to share learning and build networks in order to transform agricultural lending in our member country Pakistan and introduce improved practices for agricultural finance, application of ICTs, increased investment in research and the development of financial products and services to reach out to the approached for reaching small farmers. In order to achieve this, it is important that the banking sector plays a larger role in stimulating sustainable agriculture improvement in Pakistan.



*Dr. Prasun Kumar Das of APRACA speaking on 'Value Chain Finance-Asian Experiences' during the International Conference on "Innovative Agricultural Finance" held in Islamabad, Pakistan during 29-30 April 2015*

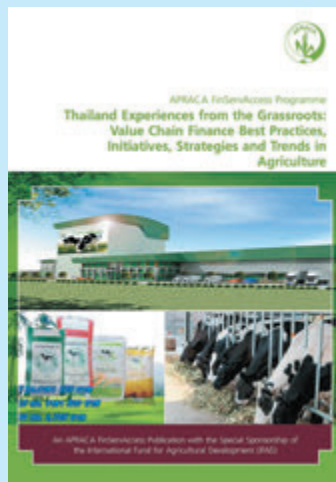
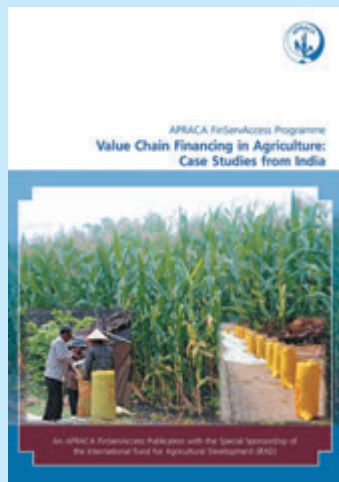
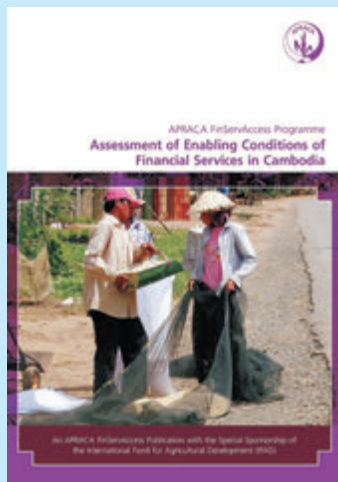
- **Regional Training of Trainers (ToT) on Agricultural Value Chain Finance (AgVCF)**

The five day Training of Trainers (ToT) Programme during 5-8 May 2015 held in Islamabad, Pakistan was led by Mr. Calvin Miller, Senior Officer of FAO, Rome and assisted by Dr. Prasun Kumar Das, Project Manager, APRACA. The training was aimed to equip the top/middle management of the leading banks in Pakistan with the technical knowledge and innovative models backed global practices to match the fast-growing profitable agricultural finance to and along the value chains. The course for the ToT was specifically designed for the future trainers of the commercial and microfinance banks to build the capacity of their staff members to explore innovative agricultural lending products and expanding their portfolio to the agricultural sector for improving delivery of agricultural and rural finance services across the regions of Pakistan.



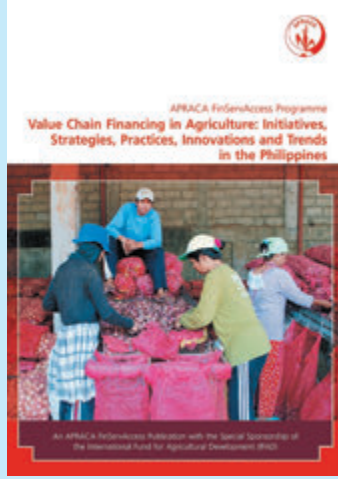
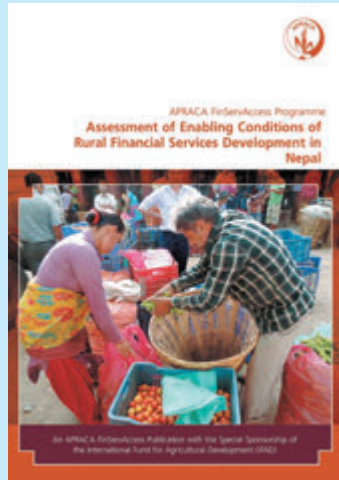
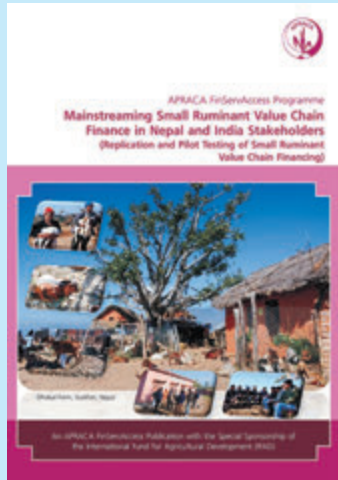
Mr. Calvin Miller of FAO, Mr. Nadeem Khanzada of SBP and Dr. Prasun Kumar Das of APRACA with the participants of Regional Training of Trainers (ToT) programme on Agricultural Value Chain Finance in Islamabad, Pakistan during 4-8 May 2015

## New APRACA Publications



“There has never been a more important time to address rural poverty in developing countries. It looks likely that global food security and climate change will be among the key issues of the 21<sup>st</sup> century. As agricultural producers and custodians of a large share of the world’s natural resources, poor rural people have key roles to play, contributing not only to global food security and economic growth, but also to climate change mitigation efforts.”

*Kanayo Nwanze, President of the International Fund for Agricultural Development*



**Asia-Pacific Rural and Agricultural Credit Association**

*Acknowledged leader in rural and agricultural finance*

Room A303, Bank for Agriculture and Agricultural Cooperatives (BAAC)  
469 Nakhonsawan Rd., Bangkok 10300, Thailand  
Tel: (662) 280-0195, 282-1365 Fax: (662) 280-1524  
E-mail: [apraca@apraca.org](mailto:apraca@apraca.org), [sofia@apraca.org](mailto:sofia@apraca.org)

**WWW.apraca.org**