

CONCEPT NOTE & PROGRAMME

Nepal Rural Finance Training Programme (Training of Trainers)

Dates: 24-28 February 2025

Venue: Hotel Ambassador, Lazimpat Road, Kathmandu 44600, Nepal

1. Background:

The Food and Agriculture Organization of the United Nations (FAO) for Asia and the Pacific (FAO-RAP) is implementing a Technical Cooperation Programme in collaboration with the Asia-Pacific Rural and Agricultural Credit Association (APRACA) to facilitate the delivery of effective and inclusive rural financial services in Nepal. During the scoping study in Nepal, it was generally observed that there is a significant gap in financing the rural and agricultural enterprises due to various factors both related to demand and supply side of the ecosystem. The other highlights of the assessment are limited financial infrastructure, a nascent digital finance landscape, and significant gaps in financial literacy and access in rural communities. However, one major issue flagged by the financial institutions that there is need to impart knowledge about best practices in rural and agricultural finance and transmit skills to support the farmers/agribusiness companies. Keeping in view the expressed needs of banks and financial institutions, a five-day training programmes has been planned in Nepal to learn from both the sides on the issues and challenges to reduce the gaps in financing. The Nepal Country Investment Roundtable (NCIR) are also being proposed in conjunction with the training of trainers to expose the participants to join the policy level discussion and learn about the areas need further attention.

2. Goal and Objectives:

The main goal of the training is to improve the capacity of rural finance institutions to provide effective and inclusive finance to rural livelihoods with a focus on food system transformation. The specific objective for this training is to expose the participants on governance and regulatory issues pertinent to demand and supply side of rural finance; agri value chain financing; use of new financial instruments to mobilise capital; green and climate finance; and application of digital finance. The training programme will encourage participants to share their own institutional and personal experience in promoting access to finance and challenges faced in their own work.

3. Methodology:

The training of trainer's programme will use a variety of teaching tools including lectures, case studies, problem-solving, sharing of reflections etc. The subject matter of the training is divided in five (5) modules. Each module contains the training material, Presentations (PPTs) and additional reading suggested, followed by interactive exercises. Each module will be introduced by the facilitators covering the critical issues and description of key areas of discussion which are potentially important in process development. The proposed training course uses case examples, and case studies to analyse what works and what does not. Some of these cases are done 'off-line' to expedite the time needed for facilitation.

4. Expected outcomes:

Apart from the standard outcomes of building capacity of individuals in the financial sector, the expected outcomes of this trainer's training are linked with the landscape report of the rural and digital finance in Nepal with the following specific outcomes:

- Develop institutional capacities for their sustainable rural and digital finance portfolio.
- Appreciate emerging financial instruments and its applicability.
- Establish effective institutional arrangements to support rural clientele.
- Adopt technological innovations in the rural finance space.

5. Target audiences:

It is expected that there will be 20 participants from the stakeholders of agricultural finance and rural business development (NRB, SKBBL, Chhimek, Prabhu Bank, NCBL, NMBA, ADBL, FAO-Nepal etc.). Please note that this training programme is aimed at the following target group of audiences:

- Senior management (including board members) and knowledge managers, of financial institutions in Nepal.
- Middle level officials in financial institutions in Nepal who have decision-making responsibilities
- Financial product developers, loan officers and field office leaders of financial institutions.
- Digital Finance Service providers or Digital Finance departments in the financial institutions.
- Knowledge managers of financial institutions and non-governmental organizations (NGOs) who work with financing and/or agricultural value chains.

Note: The selection of participants will be made by the agencies based on their work experience in lending agriculture and basic understanding of the concept of agriculture and value chains as well as financial services to agriculture and rural areas.

6. Training Modules:

The proposed training will be delivered through 5 broad Modules (including one Module on participation of trainees in providing their views). **Each module would have lecture (power point presentation deck), case examples, process, interactive exercises, Reading list and handouts.**

Module 1: Governance, Regulatory Framework, Institutional Arrangements, Key functions for enabling environment

M 1.1: Policy and Regulatory Framework in financial institutions- the roles and responsibilities of different actors.

M 1.2: Supply side issues (Institutional arrangement, infrastructure, digital finance, financial instruments, processes).

Module 2: Financial Instruments for mobilizing investment in sustainable agriculture

M 2.1: Financial instruments for mitigation and adaptation of climate change.

M 2.2: Green bonds to support low-cost lending to agrifood sector

M 2.3: Blended finance: A catalytic capital to invest in agrifood sector

Module 3: Value Chain Financing: introduction, assessments, business models and applications

M 3.1: Introduction to Agriculture Value Chain Finance and assessment techniques

M 3.2: Business models of Agri Value Chain Financing and risk management

M 3.3: Case discussions on value chain finance from neighbouring countries

Module 4: Digital financial services and its role in improving access to finance

M 4.1: Regulatory framework in Nepal: Institutions and Infrastructure

M 4.2: Key technological advancement in digital financial services: instruments and process

M 4.3: Role of DFS in facilitating access to finance: business cases

Module 5: Sharing of experience by participants

M 5.1: Sharing of experiences by the participants

M 5.2: Panel discussions among participants on way forward regarding next steps

7. Logistical Arrangements:

The rural finance training programme (24-28 February 2025) will be preceded by the Nepal country investment roundtable on 23 February 2025. **The training programme will be conducted as day-boarding and no registration fee is required. The organizers will provide the lunch, tea and snacks during all 5 days.** We encourage the nominating institutions to select their trainees from Kathmandu valley area and advise them to arrange their own transports to **Hotel Ambassador, Lazimpat, Kathmandu-44600** during the training period.

8. Language:

Training will be delivered in English language.

9. Contact Persons:

Organization	Contact Details
APRACA Secretariat,	1. Mr. Kittisak Mom-Moh , Administrative and Programme Coordinating Officer, APRACA: E-mail: kittisak@apraca.org 2. Dr. Prasun Kumar Das , Secretary General, APRACA E-mail: prasun@apraca.org
Nepal Rastra Bank	1. Mr. Laxmi Tamrakar ; Dy. Director, BTC, Email: laxmitamrakar@nrb.org.np 2. Mr. Saourav Pokhrail ; Dy. Director, HRMD; Email: hrmt@nrb.org.np
FAO-Nepal	1. Mr. Deepak Tuladhar ; Email: Deepak.Tuladhar@fao.org 2. Ms. Ashmita Goutam ; Email: Ashmita.Gautam@fao.org

(Draft dated 4.02.2025)

ROGRAMME DETAILS

Rural Finance and Investment Training Programme

Date: 24-28 February 2025

Venue: Hotel Ambassador, Lazimpat Road, Kathmandu 44600, Nepal

Schedule	Detailed programme
DAY 1 (Monday, 24 February 2025)	
09.00 – 09.30	Registration by the delegates
09.30 – 10.00	Setting the Tone <i>Facilitator: representative from Host Organization (TBC)</i> <ul style="list-style-type: none"> Welcoming the participants: Mr. Bam Bahadur Mishra, Deputy Governor, Nepal Rastra Bank (TBC) Keynote address: FAO-Nepal Country Office Representative (TBC) Introduction to the training, objectives and how the training will be conducted: Mr. Aziz Arya, Policy Officer, FAO-RAP and Dr. Prasun Kumar Das, Secretary General, APRACA
Module 1: Governance, Regulatory Framework, Institutional Arrangements for rural and agricultural finance in Nepal	
10.00 - 11.00	M 1.1: Policy and Regulatory Framework - the roles and responsibilities of different actors <i>Facilitator: Dr. Prasun K. Das, APRACA</i> <ul style="list-style-type: none"> Introduction to regulatory framework for Rural and Agriculture Finance in Nepal - Dr. Manab Chakraborty, APRACA Invited speaker: Dr. Gunakar Bhatta, Executive Director, Economic Research Department, Nepal Rastra Bank (TBC) Invited Speaker – Representative from Ministry of Finance, Government of Nepal (TBC) Invited Speaker – Representative from Ministry of Agriculture Government of Nepal (TBC)
11.30 -11.45	Tea/Coffee break
11.45 - 12.45	M 1.2: Supply side issues (Institutional arrangement, infrastructures, digital financial service, financial instruments, processes) <i>Facilitator: Mr. Suthee Visitwarakorn, Sr. Vice President, BAAC</i> <ul style="list-style-type: none"> Supply side issues as per the assessment report, providing some important good practices in neighboring countries– Dr. Prasun Kumar Das, APRACA Perspective of the Agriculture Development Bank Ltd, Nepal.: (ADBL)- Mr. Govinda Gurung, CEO (TBC) Perspective of the Sana Kisan Bikas Laghubitta Bittiyasanstha Ltd.: (SKBBL)- Dr Shiv Ram Prasad Koirala, CEO (TBC)
12.45 - 14.00	Lunch Break

Schedule	Detailed programme
DAY 1 (Monday, 24 February 2025)	
Module 1: Governance, Regulatory Framework, Institutional Arrangements for rural and agricultural finance in Nepal	
14.00 -15.30	M 1.2 (Contd.....) <ul style="list-style-type: none"> • <i>Case Study on</i> ‘Farmer Producer Organization (FPO) Financing and Farmer Credit Card (KCC) Case Study on Financing Fish Farmer Producer Organizations in Assam’ by Punjab National Bank, India- Dr. Manab Chakraborty, APRACA.
15.30- 16.00	Tea/Coffee break
16.00 – 16.30	M 1.2 (Contd.): Supply side issues (Institutional arrangement, infrastructures, digital financial service, financial instruments, processes) Facilitator: Mr. Raju Shrestha, APRACA <ul style="list-style-type: none"> • Perspective of Prabhu Bank Ltd.: Mr. Ashok Sherchan, CEO (TBC); • Perspective of Chhimek Laghubitta Bittiyasanstha: Mr Deepak Nidhi Tiwari, CEO (TBC);
16.30 – 17.00	Identification and formation of groups among the participants for group exercise- Prasun Kumar Das, APRACA
DAY 2 (Tuesday, 25 February 2025)	
09.30 – 10.00	<ul style="list-style-type: none"> • Recap of Day 1: Dr. Prasun Kumar Das, APRACA
Module 2: Financial Instruments for mobilizing investment in sustainable agriculture and rural development	
10.00 - 11.00	M 2.1: Financial products and instruments for lending to agriculture and rural development Facilitator: Mr. Suthee Visitwarakorn, BAAC, Thailand <ul style="list-style-type: none"> • Introduction to issues, how to design instruments, manage the process – Dr. Manab Chakraborty, APRACA • Sources and funds for Agriculture lending – Dr. Prasun Kumar Das, APRACA • Quiz on sustainable finance- Dr. Manab Chakraborty, APRACA
11.00 – 11.30	Tea/Coffee break
11.30 - 12.30	M 2.2: Green and Climate Finance to agrifood Sector: Green Bond as a facilitator Facilitator: Dr. Manab Chakraborty, APRACA <ul style="list-style-type: none"> • Issuing Green Bond to support agricultural finance - Mr. Suthee Visitwarakorn, BAAC • Introduction to green finance to the agrifood sector and various instruments used to extend green finance- Dr. Prasun Kumar Das, APRACA • Policies of Nepal Rastra Bank in extending green finance to agrifood sector- Mr. Bimal Raj Khanal, Micro-Finance Institutions Supervision Department; Nepal Rastra Bank (TBC)
12.30 – 13.30	Lunch Break

Schedule	Detailed programme
DAY 2 (Tuesday, 25 February 2025)	
Module 2: Financial Instruments for mobilizing investment in sustainable agriculture and rural development	
13.30 - 15.00	M 2.3 Blended Finance: A catalytic capital to invest in agrifood sector Facilitator: Mr. Suthee Visitwarakorn, BAAC <ul style="list-style-type: none"> Innovative financial products and services to support rural and agricultural enterprises in Nepal: Mr. Kiran Pandit, Acting Executive Director, Payment Systems Department, Nepal Rastra Bank (TBC) How blended finance can support risk management in sustainable agricultural lending- Dr. Manab Chakraborty, APRACA
15.00 -15.30	Tea/Coffee break
15.30 -17.00	M 2.4: Mobilizing capital for rural and agricultural business Facilitator: Dr. Manab Chakraborty, APRACA <ul style="list-style-type: none"> Development Finance Institution – Mr. Roshan Cooke/Representative from IFAD, Nepal (TBC) International Development Agency: Mr. Pranjit Talukdar, Heifer International, Nepal (TBC) Multilateral Bank: Mr. Arnaud Cauchois /Representative from Asian Development Bank, Nepal (TBC) Microfinance Institutions (MFIs)– Mr. Ram Bahadur Yadav, President, Nepal Micro-finance Banker’s Association (NMBA) (TBC)
DAY 3 (Thursday, 26 February 2025)	
Module 3: Value Chain Finance: Introduction, Business Models and applications in Nepal	
09.30- 10.00	Recap of Day 2 Dr. Prasun Kumar Das, APRACA
10.00 – 11.00	M 3.1 Introduction to agriculture value chain finance and its assessment techniques Facilitator: Dr. Manab Chakraborty, APRACA <ul style="list-style-type: none"> Defining agriculture value chains finance (AVCF) and assessment techniques -Dr. Prasun Kumar Das, APRACA How AVCF is different than standard agricultural finance-Dr. Manab Chakraborty, APRACA How BAAC developed its Value Chain Finance Programme in Thailand-Mr. Suthee Visitwarakorn, BAAC
11.00 – 11.30	Tea/Coffee break
11.30 – 12.30	M 3.2 Business models and financial instruments in agri value chain finance Facilitator: Dr. Prasun Kumar Das, APRACA <ul style="list-style-type: none"> Introduction to business models in value chain finance - Dr. Prasun K. Das, APRACA Rural and Agricultural Finance assessment system and how to improve the system: Dr Gunakar Bhatta, Executive Director, Economic Research Department, Nepal Rastra Bank.
12.30 – 13.30	Lunch Break

Schedule	Detailed programme
DAY 3 (Thursday, 26 February 2025)	
Module 3: Value Chain Finance: Introduction, Business Models and applications in Nepal	
13.30 – 15.00	M 3.3 Case study and discussions on agri value chains Facilitator: Mr. Raju Shrestha, APRACA <ul style="list-style-type: none"> Dairy Value Chain financing -Dr. Manab Chakraborty, APRACA (What is value chain financing, what are the risks and how it is managed) Value Chain Finance models in BAAC, Thailand – Mr. Suthee Visitwarakorn, BAAC
15.00 – 15.30	Tea/Coffee Break
15.30 – 16.30	M 3.3 (Contd....) Value Chain finance Case from Nepal Facilitator: Dr. Manab Chakraborty, APRACA Video show: How HDFC Bank India downscaled to finance dairy farmers
16.30 – 17.00	Discussions on the group topics for sharing experiences Facilitators: Dr. Manab Chakraborty, APRACA <ul style="list-style-type: none"> Discussions on finalizing the group presentations and panel discussion
DAY 4 (Thursday, 27 February 2025)	
Module 3: Value Chain Finance ... (Contd..)	
09.30 – 10.00	Recap of Day 3 Dr. Prasun Kumar Das, APRACA
10.00 -11.00	M 3.3: (Contd...) Case examples of Value Chain Financing Facilitator & Presenter: Dr. Manab Chakraborty, APRACA Case study on Foreign Direct Investment (FDI) in agricultural value chains- Patanjali Ayurveda Ltd. <ul style="list-style-type: none"> Distribution of the case study Role play on Patanjali Ayurveda. Observations on the case study by participants. Sum up by the Facilitator
11.00 -11.30	Tea/Coffee break
11.30 – 12.30	M 3.3 (Contd...) Special Session: Group exercise on financing a large food company Facilitator: Dr. Manab Chakraborty, APRACA <ul style="list-style-type: none"> What are the considerations financial Institutions take on board? Distribution of exercise sheet Work on small groups Presentation by small groups Sum up by the Facilitator
12.30 -13.30	Lunch Break
Module 4: Digital Financial Services and its role in improving access to finance in Nepal	
13.30- 14.15	M 4.1: Regulatory framework: Institutions and infrastructure Facilitator and Presenter: Mr. Raju Shrestha, APRACA <ul style="list-style-type: none"> Key findings on digital finance landscape in Nepal: Regulatory framework and government initiatives in promoting digital finance in Nepal

Schedule	Detailed programme
DAY 4 (Thursday, 27 February 2025)	
Module 4: Digital Financial Services and its role in improving access to finance in Nepal	
14.15 – 15.00	M 4.2 Key technological Advancement in digital financial services: Instruments and Process Facilitator and Presenter: Mr. Raju Shrestha, APRACA <ul style="list-style-type: none"> • Technological advancements and collaboration to support DFS in agricultural finance. • Payment settlement process, system and its implications
15.00-16.00	Tea/Coffee break
16.00 – 17.00	M 4.3 Role of DFS in facilitating Access to Finance Facilitator and Presenter: Raju Shrestha, APRACA <ul style="list-style-type: none"> • Digital Financial services and its role in improving financial inclusion and access to finance by agri commodity chain actors. • Consumer behavior and market development for DFS to support finance in agriculture with special reference to value chain development.
DAY 5 (Friday, 28 February 2025)	
Module 4: Digital Financial Services and its role in improving access to finance in Nepal (Contd....)	
09.00 – 09.30	Recap of Day 3 <i>Dr. Prasun Kumar Das, APRACA</i>
09.30 – 10.45	M 4.3 Contd..... Case discussions Facilitator: Raju Shrestha, APRACA <ul style="list-style-type: none"> • Digital financial services supported by UNCDF • Experience sharing by the participants
10.45 – 11.15	Tea/Coffee break
11.15 - 12.30	M 4.3 Contd.... Experience sharing by the industry experts Facilitator: Raju Shrestha, APRACA <ul style="list-style-type: none"> • Innovative financing to startups in Nepal: Experience sharing by Industry <i>(Note: Mr. Raju Shrestha will provide the name, contact mail of 3 agencies)</i>
12.30- 13.30	Lunch Break
Module 5: Sharing Experiences by the participants	
13.30 – 15.00	M 5.1: Experience sharing by the participants Facilitator: Dr. Prasun Kumar Das <ul style="list-style-type: none"> • Agriculture finance and regulatory framework (Group A) • Agri value chain financing (Group B) • Techniques on loan proposal assessment (Group C) • Digitization of business processes (Group D)
15.00 -15.30	Tea/Coffee Break
15.30 -16.30	M 5.2: Panel discussion by the participants on way Forward Facilitator: Dr. Manab Chakraborty, APRACA <ul style="list-style-type: none"> • Issues and challenges at the supply side (Group A and B) • Issues and Challenges of the demand side (Group C and D)

Schedule	Detailed programme
DAY 5 (Friday, 28 February 2025)	
16.30 - 17.00	Wrap-up Session: Facilitator: Dr. Prasun Kumar Das, APRACA <ul style="list-style-type: none">• Vote of thanks by one representative of the Participants• Representative from FAO-Nepal