

Welcome Remarks
Mr. Kim Vada, Interim Chairman of APRACA
and Director General of Banking Supervision, National Bank of Cambodia
During the Opening Ceremony of the FinServAccess Project Inception workshop
Amari Watergate Hotel, March 28, 2013
Bangkok, Thailand

Dr. Ganesh B. Thapa Regional Economist, IFAD Asia and the Pacific Division

Ms. Poonsuk Musiklad Senior Executive Vice President, Bank for Agriculture and Agricultural Cooperatives (BAAC), Thailand

Dr. Prakash Bakshi NABARD Chairman and Member of the APRACA Executive Committee

Mr. Won-Sik Noh APRACA Secretary General

Distinguished resource speakers from FAO, ESCAP, CEAFFRED, ASA and BAAC

Representatives of participating central banks, financial institutions, projects and NGO partners;

Ladies and Gentlemen

Good morning.

On behalf of APRACA and the National Bank of Cambodia, I wish to convey our warmest greetings and welcome to you all on the occasion of this two-day inception workshop of the IFAD-APRACA Regional Project on Enhancing the Access of Rural Poor to Sustainable Financial Services through Policy Dialogue, Capacity Building and Knowledge Sharing in Rural Finance or the FinServAccess Project. This three-year IFAD grant project, covering the period 2013- 2015 is the third collaboration between IFAD and APRACA beginning with the MICROSERV Programme in 1996- 2001 and the FinPower Programme in 2006- 2011.

The FinServAccess project aims at providing avenues for critical assessment of rural finance, enhanced policy dialogue, replication of best practices, capacity building and knowledge sharing. I am happy to know that in addition to core functions of rural policy making and implementation, the project shall also focus on such themes as value chain financing, risk management strategies, renewable energy financing and microfinance for agriculture.

As this workshop is the first in a series of related activities, we are here to further clarify the project goals and objectives, methodology of participation, activity contents as well as to fine-tune venues, dates, hosting and other administrative arrangements.

Representatives of the four project countries of Bangladesh, Cambodia, Myanmar and Nepal are gathered here today, consisting of central banks, financial institutions, NGO partners and selected IFAD-supported investment projects. I am sure that, in this workshop, each country will share their significant roles and functions as well as their prospective collaboration and contribution to the project.

Cambodia, on its part, is represented by the National Bank of Cambodia, the Rural Development Bank, two MFIs- Sathapana and Prasac - and the IFAD country presence officer.

Briefly, the National Bank of Cambodia has over the years regulated and supervised microfinance institutions to ensure its soundness and consumer protection. This at the end contributes to poverty reduction as set by the Royal Government of Cambodia's strategy and policy.

As of December 2012, the MFIs sector in Cambodia consists of 35 licensed MFIs in which 7 have been allowed to take deposit from public. The total loan outstanding at the same period of time amounts USD 885 million given to 1.3 million borrowers and the total deposit amount is approximately USD 300 million with nearly 700,000 depositors. The average solvency ratio is 21% above the NBC's requirement of 15%. Not surprisingly, the sector manages its NPLs of below 0.5%.

As in Cambodia, much work still must be done. Hence, I likewise welcome our counterparts from the other countries of Bangladesh, Myanmar and Nepal and would like to listen to their sharing.

I am pleased to acknowledge the presence of our international development partners, first and foremost from the International Fund for Agricultural Development (IFAD) led by Dr. Ganesh B. Thapa, IFAD Asia and the Pacific Regional Economist.

I am certain that the project will also be able to tap mature APRACA member institutions as sources of unparalleled expertise. I wish to welcome the dynamic leaders of two of these mature institutions: NABARD Chairman Dr. Prakash Bakhshi, and BAAC Vice President Ms. Poonsuk Musiklad.

Our workshop likewise becomes more significant with the gracious presence and sharing by international development partners through their experts in their respective fields of prominence. I therefore also welcome our distinguished resource speakers:

- Dr. Hari Upadhyaya, Executive Chairman, Center for Environment and Agricultural Policy Research, Extension and Development (CEAPRED), Nepal, who will talk on Financing Small Scale Commercial Agriculture in the Hills of Nepal;
- Dr. Calvin Miller, Senior Officer, UN-FAO (Rome), who will share on Value Chain Finance in Agriculture;
- Dr. Hongpeng Liu, Chief, Energy Security and Water Resources Section, ESCAP, who will energize us with the topic, Access to Finance of Renewable Energy for Rural Poor;
- Mr. Sudhir Kumar Sinha, Assistant Director of ASA Research and Documentation Section, Bangladesh, who will delve on Bangladesh's experiences in Microfinance for Agriculture; and
- Mr. Surasak Sompadung, Assistant Director, Office of Customer Products Marketing Development, BAAC, Thailand, who will share the bank's policies and strategies on Risk Management.

Finally, I wish to highlight the tremendous behind-the-scenes efforts of Mr. Won-Sik Noh, APRACA Secretary General and the newly appointed Project Manager, Mr. Marlowe Aquino as well as the APRACA Secretariat staff in preparing for and realizing this first FinServAccess project activity.

I look forward to a very meaningful interaction and to your wholesome stay in Thailand.

Thank you very much.