



APRACA Newsletter

Acknowledged leader in rural and agricultural finance | Vol. 1 Issue 2



Delegates of the 18th APRACA General Assembly, 31 May 2012, Siem Reap, Cambodia

The 19th General Assembly of APRACA will be held on 19 May 2014

All the members of APRACA have been invited to attend the 19th General Assembly on 19 May 2014 at Radisson Blue Water Garden Hotel in Dhaka, Bangladesh. The event is hosted by the Central Bank of Bangladesh, Bangladesh Bank. As the most important statutory meeting of APRACA, the General Assembly is convened every two years to discuss and decide on important issues of the Association. These include, among others, APRACA's biennial work plan and budget. The forthcoming Assembly will also elect the new Chairman, Vice-Chairman, and Executive Committee Members of APRACA whose tenure begins in July 2014 and ends in June 2016.

In conjunction with the General Assembly, the 64th Executive Committee Meeting of APRACA will be held on 18 May 2014. The Committee will review and adopt the agenda items to be discussed and/or decided on at the General Assembly. The Executive Committee will also nominate a candidate for the post of the new Secretary General for approval by the General Assembly.

In addition, the Regional Policy Forum on Risk Management for Smallholder Farmers and Communities will be held on 20 May as part of the activities of the IFAD-supported "Regional Project on Enhancing the Access of Poor Rural People to Sustainable Financial Services through Policy Dialogue, Capacity-Building and

Knowledge-Sharing in Rural Finance". After these meetings, the participants will attend a one-day field visit to a Bangladesh agricultural finance project on 21 May 2014.

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New IFAD Grant Project Focuses on Global Best Practices in Rural Finance

The Asia-Pacific Rural and Agricultural Credit Association (APRACA) recently obtained a project worth US\$1.1 million from International Fund for Agricultural Development (IFAD). The Large Grant Agreement was signed by IFAD President and APRACA Secretary General on 28th February 2014.

The project on “Documenting Global Best Practices on Sustainable Models of Pro-Poor Rural Financial Services in Developing Countries” is a four-year project which officially started on 10th March 2014 through December 2017 with financial counterpart worth US\$ 0.423 million from APRACA and its member institutions. It will be implemented in five participating member countries of APRACA particularly People’s Republic of China, India, Indonesia, the Philippines, and Thailand.



The overall goal of the project is to sustainably reduce rural poverty and improve food security for rural communities in the Asia-Pacific region. The purpose of the project is to assist rural finance providers and the national governments extend financial services on a sustainable basis, through the application of best practices suitable to their unique operating environments. More specifically, its immediate objectives are to identify study, critically review, and selectively pilot the adaptation of various best practices that can be replicated and successfully scaled up by IFAD and others. The following immediate objectives will be accomplished on implementation of the project:

- Global best practices in the identified themes are selected and rated in terms of appropriateness to the Asia-Pacific region.
- The best practices will be piloted and scaled up to test their effectiveness in projects sponsored by governments, IFAD, and other funders.
- A systematic structure for encouraging dialogue amongst the various policy makers on promoting the best practices in providing financial services to the rural poor will be created.
- Sharing of these best practices through workshops, conferences and knowledge hubs within APRACA network and outside.

The focal countries for the project have been selected for the study, based on the expectation that they offer a broad range of financial services being of interest for the study. The detailed pilot studies will be carried out in P.R. China, Indonesia, and the Philippines, again for the same reason of

providing opportunities for covering a range of possible financial services. The initial target groups are the service providers of rural financial services and various stakeholders. These include Self Help Groups (SHGs), rural banks, cooperatives, MFIs and commercial banks.

- The ultimate target group are the rural poor people, who benefit of the provision of services and adopt the best practices. The rural poor will profit from the increased outreach and scaling up of financial services provided on a sustainable basis, a broader range of services, and more innovative and tailored methodologies for providing rural finance.
- The beneficiaries include small holder families, small rural businesses, participants in value chains, and in particular women and youth. A third target group is a range of government agencies, which benefit from a clearer understanding of how to further augment the performance of the rural finance sector, as well as from a more viable and prosperous agricultural sector.
- Finally, both IFAD and APRACA will benefit from the successful conclusion of the project, since it will reinforce their reputations throughout the Asia-Pacific region as knowledge centres.

The expected outputs of the project as envisaged are as under:

- The study and documentation of rural finance best practices and the experiences of their implementation, both within the Asia-Pacific region and globally.
- A series of workshops and conferences that will identify key best practices to be included in the study. These will be critically examined for relevance, effectiveness and viability.
- Piloting of many of these best practices, the results of which will be shared amongst all interested parties.
- A set of recommendations for promoting, scaling up, and replicating agreed upon best practices.
- The publication of the proceedings, and results, of the different activities and knowledge sharing events organized under the study.

The APRACA-IFAD selection committee unanimously agreed to appoint Dr. Prasun Kumar Das, an Indian citizen as the Project Manager and the project inception workshop will be held during 15-16 May, 2014 in Bangkok, Thailand.

Replication of SRVCF supports local goat industry in Nepal

Working with farmers is a challenging task of most development officers especially when it comes to providing the appropriate technologies and support services in increasing productivity, profitability, sustaining operation to uplift the quality of life. One of the identified support services is the provision and access of financial needs of farmers.

In Nepal, the Agricultural Development Bank Limited (ADBL) is always confronted with requests and challenges in providing appropriate financial services to farmers. These services usually in the form of financial products services as basis of gauging quality delivery and access opportunity where farmers can avail especially when it comes to their agricultural production activities particularly on crops, livestock and poultry, inland fishery, storage and post production and processing.



This year, one of the best practices on agricultural value chain finance particularly the Small Ruminant Value Chain Finance (SRVCF) scheme from India will be pilot tested and replicated in Surkhet, Nepal. The SRVCF replication activity aims to encourage massive participation and empowerment of key players and stakeholders of Nepal's livestock production, processing and marketing activities. Together with the technical experiences of the Ministry of Agricultural Development (MoAD), Regional Livestock Development Office (RLDO), and the International Fund for Agricultural Development – High Value Agriculture Project (IFAD-HVAP), it will boost the engagement of goat raisers/farmers, traders including entrepreneurs, hill tribes and communities in improving the state of the local goat industry in a sustainable manner.

“...encourage massive participation and empowerment of key players and stakeholders of Nepal..”



The SRVCF scheme replication activity has two implementation phases; Phase I – the assessment of the local situation and condition of the goat industry in the area and Phase II – exposure study visit to learn further the scheme. Phase I was conducted last 9 to 14 February 2014 by Dr. Prasun Kumar Das, technical expert on AVCF, Dr. Marlowe U. Aquino, FinServAccess Project Manager, ADBL Staff, Mr. Ghuran Thakur and IFAD-HVAP Team led by Mr. Rajendra Bhari. Phase II will be conducted on 18-22 August 2013 in India for cross-cultural and techno-financial exposure study visit of the key players and stakeholders.

Based on the initial observations and findings, the Surkhet goat industry has a great potential for expansion as the SRVCF scheme is believed to enhance financial service access and exchange goat raising technology management services to local stakeholders. The scheme is also strongly supported by the MoAD and RLDO through the livestock Public-Private Partnership strategy which the APRACA-FinServAccess Project is also advocating. Lessons and experiences will be properly documented which will be circulated as part of APRACA's knowledge exchange and partnership strategy among APRACA members and partners.



APRACA Secretary General Visits Nepal

Mr. Won-Sik Noh, APRACA Secretary General during his mission trip to Nepal on 12-16 February 2014 met all members and partners to share updates of APRACA development. The visit was the first for Mr. Noh travel to the "Land of Lord Buddha" birthplace experiencing the beautiful scenery and discussing with APRACA Nepal members its plan in relation to the Strategic Plan (2013-2018).

Mr. Noh visited the Nepal Rastra Bank – Microfinance Promotion and Supervision Department and were met by Deputy Governor, Mr. Kaphle and Mr. Narayan Prasad Paudel; ADBL staff headed by Mr. Sagar Chandra Joshi, Deputy General Manager for Human Resource Department and his team, and Mr. Krishna Prasad Sharma of the Rastriya Banijya Bank, and Dr. Bishwo Mohan Acharya, director of the National Cooperative Development Board.



Mr. Noh (3rd from left) with APRACA Project Managers – Dr. Marlowe Aquino (extreme left) and Dr. Prasun Kumar Das (2nd left) with the Nepal Rasta Bank Officials – Mr. Kaphle (3rd from right), Mr. Narayan Prasad Paudel (2nd from right) and Dr. Bama Dev Sigdel (extreme right).

During his visit, Mr. Noh shared the APRACA strategic development it is undergoing for its members including the FinServAccess Project activities with the financial institutions to actively participate. These include capability building activities in the form of exposure study visits, trainings on thematic areas in rural and agricultural

development, policy and dissemination forums and exchange of expertise.



Mr. Noh (3rd from right) with the Agricultural Development Bank Staff

At the same time, he also briefed the result of the APRACA Secretariat Assessment in response to the reforms it will be implementing in relation to the challenges and concerns faced by its members within the region.



Mr. Noh with Mr. Krishna Prasad Sharma (left) of Rastriya Banijya Bank

Overall, Mr. Noh's Nepal visit was very fruitful with a glimpse of Nepali culture from food to songs and dances including a sight-seeing of some famous tourist destination in the country.

Regional Risk Management Policy Forum for Smallholder Farmers set in Bangladesh

One of the emerging concerns of financial institutions and development-oriented organizations is the prevalence of risks encountered in rural and agricultural development caused by erratic climatic condition and natural calamities. Because of these, increasing concerns to manage them and also provision of services to minimize effects on the part of the agricultural stakeholders is necessary.

Through the APRACA-FinServAccess Project, the Regional Policy Forum on Risk Management for Smallholder Farmers and Communities will be conducted on 20-21 May 2014 in Dhaka, Bangladesh. The forum will be the appropriate avenue to identify and discuss issues, constraints and

strategies of managing risks encountered by rural and agriculture stakeholders and provide policy directions and strategic actions to government and non-government organizations especially those engaged in development and financial management.

There will be interesting presentations of technical experts on risk management and financial management across the region and cases/experiences will be shared from countries with defined and sustainable programs on risk management for farmers from India, Philippines, Indonesia and Thailand.

During the event, APRACA is expecting more than 75 attendees which coincide with the 19th APRACA General Assembly a day before the event. More importantly, a field trip to local Bangladesh projects supported by financial institutions will be done to complete the whole learning and knowledge exchange process. Policies presented and identified will be developed into APRACA initiated policy

advocacy will be developed as a platform for supporting rural and agricultural stakeholders manage properly risks encountered during their operations. Also, these policies will be a basis for further e-discussions/forum between and among APRACA members, its partners and other interest groups in the Asia-Pacific region.

APRACA-AVRDC-WVC to set-up Vegetable Exchange and Financing Scheme

In a fitting strategy to continuously enhance stronger partnerships of development-oriented institutions and financial institutions in the region, APRACA and the Asian Vegetable Research and Development Center – World Vegetable Center (AVRDC-WVC) in Tainan, Taiwan is setting up a new techno-financial model in Bangladesh.

Originally conceptualized for research and development (R&D) institutions and local communities to test vegetable technologies adaptation through vegetable seed exchange program by AVRDC-WVC in some countries in Southeast Asia like the Philippines, Thailand, Cambodia and Vietnam, the program is now seen as a new opportunity to mainstream women farmers in Bangladesh through appropriate financial support services. The integration of financial services will be the first for AVRDC-WVC to work with financial institutions to start an innovative and evolving vegetable exchange and financing scheme (VEFS). This initiative was done through the Global Vegetable Network representative, Ms. Mandy Lin and APRACA FinServAccess Project Manager, Dr. Marlowe Aquino, who were good friends supporting and advocating the AVRDC-WVC Vegetable Technology Exchange Program through time.

In response to a challenge shared by Ms. Lin on techno-financial need particularly to sustain vegetable operation of Bangladesh women farmers and nursery operators, the need to have a financial scheme is necessary to maintain continuous vegetable supply became a challenge to both. Considering that Bangladesh is one of the target countries of IFAD-APRACA FinServAccess Project, Dr. Aquino accepted the challenge and willing explore the possibility of a joint complementation and collaboration activity. With some exchange of ideas and experiences, the concept was developed by Ms. Lin and Dr. Aquino which was later on shared with Mr. Fayzer Rahman, executive vice president of Bangladesh ASA Bank.

In view of this development, ASA Bank invited Ms. Lin and her team to a meeting on 14-18 April 2014 and start putting some strategic methodologies and processes to implement the VEFS. The meeting will eventually serve as the take-off point in maintaining and sustaining a lasting partnership between the two institutions as both have strong networks working for smallholder farmers and communities.



APRACA CENTRAB kicks off its 2014 activities in New Zealand



In partnership with Massey University, New Zealand's defining university because of its forward-thinking spirit, research led teaching and cutting edge discoveries making it a renowned institution for more than 80 years now, CENTRAB conducted an International Exposure Visit Program on Rural Banking and Finance in New Zealand which was held in Wellington, New Zealand on January 27-31, 2014 exclusive of travel time. This training program provided a comprehensive overview on rural banking and finance in New Zealand and gained learning from the

institutions and farms visited. Mrs. Gilda E. Pico, President and CEO, Land Bank of the Philippines who is among the eight (8) participants, has this to say of the program, "It's a very good program, very comprehensively designed with a good mix of classroom and field exposure; very effective indeed!"

On 13-20 February 2014, the International Exposure Visit (IEV) Program on Agricultural Finance and Credit Business Cooperatives was held in Tokyo, Hiroshima and Osaka, Japan in collaboration with Japan Finance Corporation. The IEV Program was participated by nine (9) APRACA member institutions from Bangladesh, India, Iran, Nepal and Sri Lanka. It showcased Japan's agriculture, agricultural finance, the multiple functions of agricultural cooperatives including marketing and credit as well as the role of Japan Finance Corporation in complementing agricultural cooperatives and business farmers.

APRACA Strategic Plan (2013-2018)

Vision:

APRACA is the organization on rural and agricultural finance that helps promote productivity, inclusive growth, self-reliance, and welfare of the rural poor in the Asia-Pacific region.

Mission:

To promote the efficiency and effectiveness of rural finance and improve access to financial services through a network of knowledge sharing and learning, capacity-building, research and exchange of expertise

Core Values

- **Clear organizational direction** – carry out programs and activities that will contribute to the achievement of the organization's defined vision, mission and objectives;
- **Unity and cohesion** – support and implement mutually agreed upon activities, and individually and collectively uphold the integrity of the organization;
- **Quality service** – commitment to delivering quality service to member institutions; and
- **Cooperation** – seek sustainable partnerships aimed at empowering rural and agricultural communities in Asia-Pacific region.

Strategic objectives

1. Foster collaborative sharing of innovations, best practices and knowledge solutions in agricultural financing and rural development;
2. Promote better understanding of financial, monetary, banking and economic development issues particularly as they relate to agriculture and rural sectors through training and research;
3. Facilitate mobilization and deployment of experts from APRACA members and non-member institutions for the conduct of consultancy services in support of the APRACA's objectives and programs;
4. Encourage greater dissemination and use of high-quality knowledge on rural and agricultural finance through publications;
5. Enhance partnerships and networks for expanded sharing, learning and dissemination of knowledge on agricultural finance and rural development; and
6. Strengthen APRACA's organizational and financial capacity for effective, efficient and sustainable operations.

2014 APRACA-CENTRAB Activity Plan

Dates	Event	Venue
13-18 January	International Study Visit Program on Client Protection Principle for Philippine Microfinance	Manila, Philippines
20-26 January	International Study Visit Program on the Operations and Management of Microfinance Institutions	Jakarta and Bali, Indonesia
20-24 January	International Study Visit Program on the Landscape of Corporate Governance and Risk Management of Banks	Manila, Philippines
21-24 January	International Program on Out-of-the-Box Thinking and Problem Solving with PRISM	Singapore, Singapore
27-31 January	International Study Visit Program on Rural Banking and Finance in New Zealand	Wellington, New Zealand
27 January – 1 February	International Study Visit Program on Empowering Women: Legal and Economic Rights and Opportunities in Philippine Context	Manila, Philippines
9-13 February	International Program on Leading Change	Manila, Philippines
11-14 February	International Program on Creative Brainstorming Techniques Using Mind Maps	Singapore, Singapore
13-20 February	International Exposure Visit Program on Agricultural Finance and Credit Business Cooperatives	Tokyo, Hiroshima and Osaka Japan
17-23 February	International Study Visit Program on Promoting Micro, Small and Medium Enterprises	Jakarta, Bandung, and Yogyakarta
24 February – 1 March	International Program on Agri Value Chain Finance	Manila, Philippines
3-6 March	International Program on Critical Thinking for Leadership Role	Singapore, Singapore
17- 21 March	Training Program on PEARLS Monitoring System	Bali, Indonesia
24-30 March	International Study Visit Program on Agri Insurance Protection and Guarantee Programs for Farmers	Manila, Philippines
7-12 April	International Study Visit Program on High Land Agricultural Production and Financing	Kathmandu, Nepal
21-27 April	International Study Visit Program on Savings Mobilization	Jakarta and Bandung, Indonesia
24-27 April	International Program on Transforming Performance: The Road to Organizational Effectiveness	Singapore, Singapore
28 April – 3 May	International Study Visit Program on Mobile Banking for Micro Business Finance	Manila, Philippines
8-11 May	International Program on 21st Century Leadership	Singapore, Singapore
12-16 May	International Study Visit Program on Agricultural Value Chain Financing	Kathmandu, Nepal
18-24 May	International Study Visit Program on Micro, Small and Medium Enterprise Finance, the Japanese Way	Tokyo, Japan
19-25 May	International Study Visit Program on the Development of Rural Bank Industry	Jakarta and Bali, Indonesia
26 May – 1 June	International Study Visit Program on Building Understanding towards Implementing Client Protection Principles for the Poor	Manila, Philippines
16-22 June	International Study Visit Program on the Innovations of Agribusiness Development Programs	Jakarta and Yogyakarta, Indonesia
23-26 June	International Program on Performance Coaching	Singapore, Singapore
29 June – 2 July	International Program on Leading Change	Manila, Philippines
10-13 July	International Program on Leading High Performance Team	Singapore, Singapore
20-25 July	International Study Visit Program on the Impact of Climate Change to Rural and Agricultural Finance Sector	Manila, Philippines
17-22 August	International Program on Work Life Balance Strategy	Manila, Philippines
21-24 August	International Program on Creative Problem Solving for Leadership Role	Singapore, Singapore
24-30 August	International Study Visit Program on the Economic, Social and Political Perspectives of Agriculture in Japan	Tokyo, Japan
8-12 September	International Study Visit Program on Micro Finance in the Highland	Kathmandu, Nepal
22-28 September	International Study Visit Program on the Innovations of Retail Banking Development	Jakarta and Bali, Indonesia
25-28 September	International Program on Talent Management: Recruitment, Retention and Development for the Future	Singapore, Singapore
14-18 September	International Program on Inspiring Leader	Manila, Philippines
16-19 October	International Program on Supervisory Skills for the New Supervisors	Singapore, Singapore
19-23 October	International Program on Delegation and Decision Making	Manila, Philippines
13-20 October	International Training Program on Micro, Small and Medium Enterprise Development, Management, and Financing	Jakarta and Bandung, Indonesia
10-13 November	International Program on Essential Managerial Skills	Singapore, Singapore
16-22 November	International Study Visit Program on Risk Management Practices of Agriculture in Japan	Tokyo, Japan
17-23 November	International Study Visit Program on the Community Empowerment Programs for Poverty Alleviation	Jakarta and Yogyakarta, Indonesia
18-23 November	International Study Visit Program on Promoting Pro Poor Growth of Rural Sector	Manila, Philippines
1-4 December	International Program on Team Management Skills	Singapore, Singapore
15-20 December	International Study Visit Program on Micro, Small and Medium Enterprise (MSME) Financing Programs	Manila, Philippines

2014 APRACA Consultancy Services (ACS) Activity Plan

Dates	Event	Venue
17-21 March	International Course Program PEARLS Monitoring System	Bali – Indonesia
April and July	2 National level training programs on e-commerce for MSMEs	Makassar and Banjarmasin, Indonesia
19-25 May	International Study Visit Program on Developing Rural Bank Industry	Jakarta & Bali – Indonesia
16-22 June	International Study Visit Program on the Innovations of Agri-business Development	Jakarta & Yogyakarta, Indonesia
18-24 August	International Study Visit Program on the Operations and Management of MFIs	Jakarta-Bandung-Bali, Indonesia
22-28 September	International Study Visit Program on Retail Banking	Jakarta & Bali, Indonesia
13-20 October	International Training Program on Micro and Small Enterprise Development, Management and Financing	Jakarta & Bandung, Indonesia
17-23 November	International Study Visit Program on Community Empowerment Programs for Poverty Alleviation	Jakarta & Yogyakarta, Indonesia

Feedback from APRACA Members and Partners

"I think the newsletter is great – informative and shares key messages about all the activities and initiatives going on in the region. I suggest in the coming issues, it would be interesting to have an interview section in each newsletter, where the different focal person of association members (maybe even their beneficiaries/farmers?) about their experiences on the thematic areas of rural and agricultural finance be highlighted or featured."

Khadija Ali
Research Analyst
Pakistan Microfinance Network

"This is a good start! We are happy that APRACA is showing interest and is attuned in enhancing knowledge exchange. We hope that more feature articles especially best practices on agricultural finance and other areas being addressed by APRACA and its members be shared."

David Khem
Vice President
Communications and Marketing
PRASAC Microfinance Institution
Cambodia

" Congratulations! Kindly include the Editorial Team of the APRACA Newsletter. The Newsletter should expand to boarder thematic areas with up-to-date feature articles, best practices and featured institutional members for other individuals to learn from APRACA and its members works."

Kimiko Jose Lorenzo
Researcher,
Freelance Nature Photographer and Development Advocate
Suva, Fiji

"This is very helpful in spreading APRACA activities. Nowadays, email newsletter has become a trend in spreading news, events and feature articles with several advantages. It would be nice to see selected programs of rural and agricultural finance owned by members be included in the coming issues."

Agus Gunawan
Managing Director
APRACA-Consulting Services
Bank of Indonesia



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, sofia@apraca.org

WWW.apraca.org