

Responses from APRACA Members	Issues, challenges and responses by APRACA members to COVID-19 Pandemic			
	1. What is the impact of COVID-19 that you are expecting on the agricultural sector in your country (macro level)	2. How the supply of finance to agriculture and allied sectors are being impacted due to COVID-19 (both Macro and micro level)	3. What are the responses by your organization to reach out to your customers engaged in agriculture and allied business?	4. What are the policy measures taken by the national government and central banks to ease the impact of COVID-19 on agricultural finance?
<b>PHILIPPINES</b>				
<p><b>1. Agriculture Credit Policy Council (ACPC), Philippines</b></p>	<p>The Covid-19 pandemic will have a serious impact on food security if measures are not put in place, largely due to mobility restrictions and food transportation from place of production to point of consumption.</p> <p>b) Food security is the urgent issue for Philippines as production and circulation of agricultural goods stagnate in numerous places, and countries are increasingly buying and hoarding foods.</p>	<p>a) Mid- term: Measures taken by the National government and BSP (Central Bank) to support the economy to keep rolling under the current situation. Some of the mid-term measures are injecting capital to the economy through infrastructures and monetary reliefs.</p> <p>b) Long term: The long-term measures undertaken by the National government to provide relief packages for the agriculture sector and MSMEs to continue their business. The Expert and import companies are also receiving the government relief packages.</p>	<p>a) For the agricultural sector, the ACPC is implementing the nation-wide programme to ensure that the farmers and fishers including MSEs would continue to have access to financing to help them cope with the impact of COVID 19.</p> <p>b) ACPC launched the 'SURE AID' &amp; 'COVID and Recovery' schemes. Every farmer/fisher can borrow USD500 without any interest and 10 years to repay while MSEs can borrow up to USD180,000 at no interest in 5 years to pay. This will help them to recover their losses and business continuity.</p>	<p>a) So far, the government is putting importance on supply of finance to help the different sectors to cope with the situation. The Central Bank has even eased up KYC procedures.</p> <p>b) Government financial institutions like Land Bank also supporting their clientele through different programme. The Philippine Guarantee Corporation also increased its guaranty coverage from 85% to 90% and has reduced its guarantee fee to 0.50%.</p>

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<b>2. KMBI (MFI) Philippines</b>	<p>a) During the ensuing harvesting period, limited number of farmers could able to harvest and the greatest challenge at the moment, is how to transport the harvested products (grains, maize, even vegetables) from the farm gate to the physical markets and eventually to the final users of those products. In several instances, the farmers literally throwing their vegetables and some fruits as those cannot be brought to the market.</p> <p>b) The logistics of supply chain is badly affected and the government and private sector players trying to ensure safe, cost effective, and immediate ways to bring those produce to the ultimate users.</p>	<p>a) Mid-term: Most of the microfinance institutions re members of two largest networks in the Philippines, i.e., the Microfinance Council of the Philippines (MCPI) and the Alliance of Philippines Partners in Enterprise Development (APPEND) who opined that government and the private sector need to collaborate closely along with the donor agencies, then the microfinance sector might take at least next 4-6 months to recover.</p> <p>b) Long term: The staff members of the microfinance institutions (MFIs) are being provided with the salaries which may continue. However, MFIs may reduce their salaries between 25-50 percent after negotiating with the staff members. Investment rural development programme will be extremely affected unless government join to bail out the MFIs. The incomes of the MFIs from the interests as well as the return of the principal will be greatly affected, both in actual losses or liquidity crunch.</p>	<p>a) KMBI will continue to lend funds, both to the microentrepreneurs and to the tillers/farmers. The challenge right now: most of the micro entrepreneurs and farmers/fisherfolks have already used their working capital to buy the basic necessities for their respective families, even as the government assistance is now slowly trickling to these very poor folks.</p> <p>b) The moratorium of payment of loans and interests that started from 12 March to 12 April, are being extended up to end April or mid-May (till the lockdown continues).</p> <p>c) The MFIs under the APPEND and MCPI umbrellas would be needing around PhP27.00 billion or USD5540.00 to rehabilitate/sustain/save the microfinance sector.</p>	<p>a) The Central Bank, Land Bank of the Philippines, the Small Business Corporation, the Development Bank of the Philippines, the Department of Trade and Industry, the Department of Agriculture through the ACPC are all working closely and collaborating to arrive at programs and products that would immediately respond to the requirements of the Microfinance NGOs, Banks and Cooperatives so that the needed resources, both at the institutional level as well as to the ultimate users of funds.</p> <p>b) The above national level institutions are meeting on a regular basis along with the private sector representatives to think through how to immediately address the big resources needed at the various levels of the supply and production chain.</p>