



Webinar Series 'FINSMART'

Topic: Post-COVID19 financing strategies to smallholder and rural clients

Date: 19 November 2020; Time: 14.00 to 15.15 hrs. (Bangkok time, GMT +7.00 hrs.)

1. BACKGROUND:

The impact of COVID-19 is highly evident which is causing major disruptions in agricultural supply chains and the most affected actors are the smallholders and agri-SMEs due to the changes in demand matrix, followed by disruptions to the flow of agricultural goods¹, information, and supply of capital to the business. It is estimated that some 500 million households globally are dependent on agriculture for their livelihoods, disruptions to demand and sales will not only have a catastrophic impact on their current financial positions, but will also hinder their ability to plan and invest in the next farming cycle. Smallholder farmers, who produce and sell nearly 70 percent of food consumed worldwide, are already extremely vulnerable to changes in market dynamics and now they are facing new and exacerbated challenges that have arisen due to this global pandemic. In general, the experiences of the countries in Asia-Pacific region displayed that the due to the higher demand for the staple food commodities, the businesses around these might have been benefitted which however is not true for other small agri-businesses enterprises², as the supply chain disruptions yielded negative effect.

This unprecedented trying time of global disruption highlighted some critical and existing loopholes in functioning of the agricultural value chains. Investments in developing soft and hard infrastructures and access to finance for the actors in the value chains emerged as the most challenged resources for the enterprises in the hinterlands. Some of the countries in the region have done exceedingly well with the support of the financial sector and technical agencies at the national level and some countries are still trying to recover. APRACA, as a network of financial service providers, need to disseminate the practical solutions that would be able to improve this situation and improve the agility of these value chains to help support local markets and improve the resilience of rural communities so they are better equipped to withstand this type of shocks. In this connection, APRACA already put together some of the emerging insights found based on the survey done on the disruptions caused by Covid-19 which are: (a) Mobile money is key in reaching rural and agricultural communities in the time of crisis; (b) E-commerce in agricultural products emerging as important can become the new normal; (c) There is an opportunity to improve and strengthen value chains; (d) There is an urgent need to improve location-based services; (e) There are many challenges faced by the small holder farmers to meet their financial need and continue livelihoods.

2. RATIONALE:

The above situation is a wakeup call for the financial institutions for the post COVID 19 situations to prepare right strategies to reach out to the agricultural value chain actors in the most convenient pathways to provide financial services to their doorstep and ensure to contribute in the growth of national and regional economy.

¹ Country borders are closed, international demand for agricultural goods is falling and both local and international logistics have been severely impacted.

² The markets of floriculture and processed food for example facing the hardest-hit and recovery chances are very low.



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The financial service sector remains extremely active during this global pandemic COVID-19 and continuously supporting their national governments in extending financial services and reaching out to the last mile through various innovative techniques and strategies. APRACA believes that the interactions among the policy makers, governments, financial service providers, private sectors and rural people will definitely provide some workable solutions to develop right strategies for the financial institutions. In this direction APRACA received excellent responses from the member institutions and learned about their unique strategies in financing smallholders and other clientele in the rural areas. It was felt that these excellent strategies need to be discussed among the member institutions and check whether there are elements of similarities and workable solutions which could be scaled up through discussions and mutual cooperation within APRACA membership.

3. WHAT WILL BE COVERED:

The discussions in the webinar will broadly cover:

- 'New Normal' in extending financial services to transform local economy and competitiveness of community business entity;
- Re-emergence of group lending as the new business models in the development finance sub-sector.

4. OBJECTIVES:

The overarching objective of the webinar is to discuss the strategies used by the major and systemically important financial institutions addressing the all-round development of agriculture with maximum positive impact under the current COVID19 crisis.

5. SPEAKERS:

- Speakers:
1. **Mr. Anil Kumar Upadhyay**, CEO, ADBL, Nepal: ***'innovative strategies to extend financial services for agricultural development in Nepal' (10 minutes).***
 2. **Mr. C S R Murthy**, General Manager, NABARD, India: ***'Post-COVID19 strategies and extension of innovative financial services adopted by NABARD to support smallholders' (10 minutes).***
 3. **Mr. Shahid Reza**, Deputy General Manager, Bangladesh Bank, Bangladesh: ***'Role of Central Bank to provide necessary guidelines to financial service sector to support agriculture in Bangladesh' (10 minutes).***
 4. **Mr. Pen Sovannsoksitha**, Vice President, PRASAC, Cambodia: ***'Financial solutions to support small and medium agricultural clients of PRASAC in Cambodia' (10 minutes).***
- Moderator: **Dr. Prasun Kumar Das**, Secretary General, APRACA: ***Introduce the topic and speakers of the Webinar (5 minutes).***



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6. SCHEDULE:

Date: 19 November 2020

Time: 14.00-15.15 hrs. Bangkok time (GMT + 7.00 hrs.)

7. REGISTRATION

Registration:

Online registration available at <https://forms.gle/iRZNfbxnNHPtxoWD7>

Join the meeting:

[Click here to join the webinar](#) at 'Microsoft Team Meeting'

Notes:

- The Webinar will be delivered in English language. The questions may be asked in English
- Please feel free to extend the invitation to any of your team members who may benefit from joining the webinar.
- For any questions on the logistics of the Webinar, please contact Mr. Kittisak Mommoh (kittisak@apraca.org) and Ms. Sofia Champanand (sofia@apraca.org).