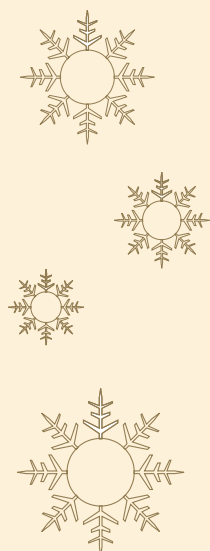




APRACA Newsletter

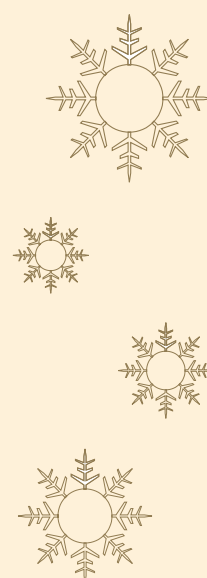
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WISHES YOU AND YOUR COLLEAGUES

**MERRY CHRISTMAS
& HAPPY NEW YEAR**

2021



From the Desk of Secretary General:

The Year 2020: Challenges vis-à-vis Responses

The global pandemic COVID-19 has already placed unprecedented burden on global agricultural and food value chains and affected most countries in the Asian continent. Due to the restricted movements of food items due to less availability of transports during the early days of the lockdown, there was a huge shift in demand for food and food services which however were challenged due to the bottlenecks in inputs, agriculture production, food processing etc. This situation also led to significant contraction in economic activities of the countries in the region resulted in less flow of finance and investment capital to all the sectors of the economy including agriculture. The challenges to the central banks and governments were to provide stimulating policies and packages so as to attract the financial sector for injecting capital to revive agri-food system that stimulate the immediate needs of the smallholders and rural enterprises.

We have learned from various discussions during the year that the pandemic has disproportionately

In this Issue....

■ From the Desk of Secretary General: The Year 2020: Challenges vis-à-vis Responses	1
■ APRACA unveils the FINSMART series of Webinars to continue the knowledge exchange events for member institutions	2
■ Activities of APRACA Secretariat	3
– APRACA Secretary General meet with representatives from Numer8 and AquaConnect to discuss possible partnership to improve flow of finance to small scale fishers on 6 and 7 October, 2020	3
– APRACA organized meeting with the FAO team and ACPC, Philippines to discuss establishment of a national level SSF network in Philippines	3
– APRACA SG participated on the panel discussions on 'Digital Technology as an enabler to strategic innovations in Agri-SME finance' during the 4 th Annual Plenary Meeting of SAFIN	4
– Secretary General was invited by IFAD to join the preparatory meeting with the Public Development Banks (PDBs) to finalize the common vision and common action to be pitched during 'Finance in Common' summit	4
– APRACA joined the meeting with the Public Development Banks during 'Finance in Common' summit organized by IFAD and Government of France	5
– APRACA Secretary General was invited by Mekong Institute to deliver lecture on 'Microfinance for SME Development' on 5 November 2020	5
– APRACA Webinar on 'Agricultural Value Chain Finance: A paradigm shift in financial services delivery' organized under FINSMART event	6
– Secretary General of APRACA was invited by North Luzon Quadrangle Education, Research and Development Consortium, Philippines to deliver lecture on 'Influences of Rural and Agricultural finance for Sustainable Community Development'	6
– APRACA Webinar on 'Post-COVID19 financing strategies to smallholder and rural clients' organized under FINSMART event on 19 November 2020	7
– APRACA and Global Agribusiness Alliance (GAA) exploring the possibilities of partnership to leverage the e-platform to access the global fund for the agribusiness companies in the region	7
– APRACA Webinar on 'Financial Services to small and medium agro-enterprises (SMAEs): Experiences from Asia' organized under FINSMART event on 26 November 2020	8
– APRACA Webinar on 'Financial Services to small-scale fishers and their cooperatives' organized under FINSMART event on 9 December 2020	8
– APRACA Webinar on 'Green and Climate Finance to Agriculture and Allied Sector' organized under FINSMART event on 17 December 2020	9

impacted the financial services industry due to different level of approach in adopting digital finance in their mainstream banking and changed behaviour of the clientele. We are sure that all APRACA member institutions will emphasize on innovative services delivery methods and APRACA Secretariat will facilitate the learnings from across the region. Across the region, countries have enacted significant fiscal programme to promote agricultural production and employment generation at the rural areas which resulted the economic recovery which has been relatively strong in a number of economies. Some economies have run the risk of not providing adequate fiscal stimulus, especially some emerging markets economies. The Central banks in the region have provided even greater monetary policy support, undertaking a range of policies to support financial services to the agri-food sector through promoting private sector investments. Overall, the strategies and approaches of the financial service sector to support

rural and agricultural development is praiseworthy which however need more attention to employment generation at the rural areas to reduce future migration.

APRACA Secretariat is committed to support all efforts of our member institutions to mitigate the significant disruptions of the COVID-19 pandemic while extending financial services. The Secretariat and arms of APRACA are equally committed to promote and foster the knowledge exchanges in diverse ways to support the activities undertaken to improve livelihoods for the teeming millions of smallholders in the region. We also vow to support policy engagements in evidence-based decision making for adoption of innovative instruments and business models to improve client outreach by the member institution.

APRACA Secretariat wishes all a happy and prosperous New Year 2021

APRACA unveils the FINSMART series of Webinars to continue the knowledge exchange events for member institutions

While APRACA member institutions across the region are not compromising in extending financial services, they are relentlessly strategizing their outreach to the last mile clients during the tough times which is immensely commendable and these efforts are worth mentioning as '*solidarity towards humanity*'. As member institutions are effectively engaged with their rural customers, APRACA Secretariat responded to this unique situation by reaching out to all relevant stakeholders as the leading and extensive network of financial institutions to provide knowledge support to their frontline staff members in order to enhance their capacity to deal with the current situation and ensure access to and seamless flow of finance. Keeping this in mind the Secretariat planned six (6) webinars on the main theme **Financing Smallholder Agriculture for Rural Transformation (FINSMART)** which was designed to provide a real time stock taking on the impact of this pandemic, good practices adopted by peer group financial institutions in the region and to recommend pathways to respond to the demand of rural and agricultural finance in the region.

The overarching objectives of the webinar series FINSMART hosted by APRACA jointly with other national/international agencies were aimed to build the capacity of financial institutions in the Asia-Pacific

region engaged with the smallholders and downstream actors in the agricultural value chains so as to ensure efficient strategies and measures are being taken to challenge the post-COVID19 situation and seamless flow of finance and investments in to the sector.

The webinar series are also envisioned to provide an avenue for knowledge sharing by the stakeholders on concrete innovative actions/strategies/pathways on the ground along APRACA strategic objectives 2019-2024 via technology-mediated social platforms that would directly benefit the financial institutions/investors/agribusiness companies and smallholders engaged in agricultural and rural development. The six (6) webinars as proposed and approved by the APRACA management committee are extremely relevant keeping in view understanding the action taken by the peer members which may be scalable at the local/country/regional level:

1. Agricultural Value Chain Finance: A Paradigm shift in financial service delivery.
2. Post-COVID19 financing strategies to smallholder and rural clients.
3. Financial Services to Small and medium agro-enterprises (SMAEs).

4. Financial services to small scale fishers and their cooperatives.
5. Green and climate smart finance to agriculture and allied sectors.
6. Suitable digital technology solutions to promote smallholder finance in Asia.

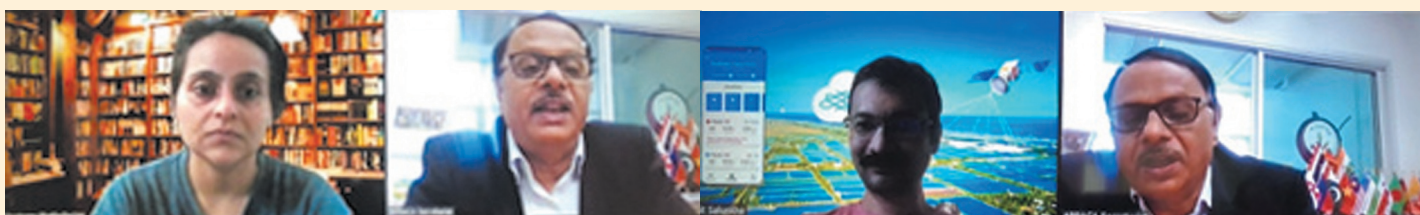
The expected outcome of the webinar series is to (a) contribute and highlights the issues and challenges of the region to the ongoing global dialogue and (b) to support the financial institutions, national governments in the region to undertake the right strategies and measures to deal with the on-going pandemic and its aftershock.

Activities of APRACA Secretariat

- APRACA Secretary General meet with representatives from Numer8 and AquaConnect to discuss possible partnership to improve flow of finance to small scale fishers on 6 and 7 October, 2020

APRACA Secretary General met the representatives from Numer8 and AquaConnect to discuss the possible partnership to support small-scale fishers in the Asia-Pacific region in access to finance. The Numer8 is

a geo-data science company helping the seafood industry to be traceable, sustainable by reducing operational cost and support the fisher folk to sell their catch directly to an end consumer. The Aquaconnect is an AI powered mobile application able to transform real-time data collected from the farms to impactful insights and provide end-to-end services like farm management assistance, on-ground support, formal finance, access to market leveraging players on the value chain. The meeting with both the organization was extremely helpful to explore the possible partnership with APRACA member institutions.



APRACA Secretary General meeting with Ms. Devleena Bhattacharjee and Mr. Amit Salunkhe from Numer8 and AquaConnect, respectively and discussed possible partnership to improve flow of finance to small scale fishers.

- APRACA organized meeting with the FAO team and ACPC, Philippines to discuss establishment of a national level SSF network in Philippines

APRACA Secretariat organized a meeting with the Fisheries division of FAO, Rome with the ACPC team of Philippines on 12 October 2020 to discuss the progress on the establishment of the national level network of SSFs. The team ACPC detailed the progress of establishment of the nation-wide network and the baseline study for piloting the programme in the country. The discussions on the proposed work plan for establishment of the network and building the capacity of the SSFs were finalized. The FAO team confirmed their continuous support during the process of establishment of the network and builds its capacity.



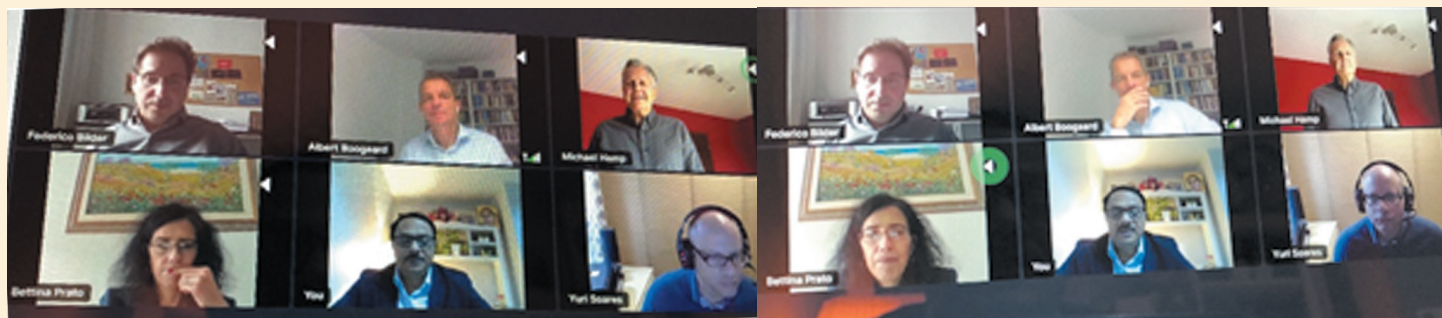
The members from the FAO team and ACPC, Philippines discussing with SG on developing a national level network of SSFs in Philippines.



- APRACA SG participated on the panel discussions on 'Digital Technology as an enabler to strategic innovations in Agri-SME finance' during the 4th Annual Plenary Meeting of SAFIN

The Secretary General of APRACA being a member of the Steering Committee of SAFIN participated in the 4th Annual Plenary Meeting held during 19-23 October

2020 on virtual mode. Dr. Prasun kumar Das was one of the 4 panellists for the session on 'Digital Technology as an enabler to strategic innovations in Agri-SME finance'. In this cross-regional learning session, speakers reflected on the areas of application of technology in agri-SME finance with the highest impact potential, with a focus on digital technology. APRACA presented the case examples from Asian continent on the use of digital solutions in supply chain management, risk management, and the delivery of finance.



Panel Discussions on Digital Technology as an enabler to strategic innovations in Agri-SME finance' during the 3rd Annual General Meeting of SAFIN.

- Secretary General was invited by IFAD to join the preparatory meeting with the Public Development Banks (PDBs) to finalize the common vision and common action to be pitched during 'Finance in Common' summit

Dr. Prasun Kumar Das, SG of APRACA joined the preparatory meeting hosted by IFAD to prepare for the joint declaration to be made by the members of the special group to support the financial ecosystem for

food and agriculture which needs to effectively enable the smallholder farmers, agri-SMEs, and other operators in the sector to invest more and in ways that contribute to the realization of the 2030 Agenda and Paris Agreement, as well as to advance progress on all elements of the agenda of the Food System Summit. It was envisaged that both the agendas of combating climate change and that of recovery from the COVID-19 pandemic can bring new momentum to the role of the PDBs in the coming days. In this context, PDBs can be key investors as well as catalysts of investments that are conducive to realizing the objectives set under these agreements.



A preparatory meeting organized by IFAD with Public Development Banks to finalize the common vision and common action to be pitched during Finance in Common summit.

- **APRACA joined the meeting with the Public Development Banks during 'Finance in Common' summit organized by IFAD and Government of France**

APRACA and its member institutions joined the 'Finance in Common' Summit held during 10-12 November 2020. The Summit aimed to recognize the critical role of PDBs in financing and supporting investments that contribute to the realization of the 2030 Agenda and the Paris

Agreement across all sectors. In this context and with a focus on accelerating progress towards Sustainable Development Goals 1 and 2, eradicating poverty and hunger, a group of PDBs dedicated to agriculture or the rural sector in different regions of the world have been convened by the International Fund for Agricultural Development (IFAD) to form an "Agriculture Cluster." Participants in the Cluster have agreed to put forth a joint contribution to the Summit, and to continue their collaboration beyond the Summit through a Working Group on Financing Sustainable Food Systems.



APRACA Secretary General in the meeting with the Public Development Banks during 'Finance in Common Summit' organized by IFAD and Government of France.

- **APRACA Secretary General was invited by Mekong Institute to deliver lecture on 'Microfinance for SME Development' on 5 November 2020**

The Secretary General of APRACA was invited by the Mekong Institute (MI) to deliver lecture on Microfinance for SME Development on 5 November 2020. The Mekong Institute in collaboration with the Thailand International Cooperation Agency (TICA) organized the International Training Course on "Sufficiency Economy in Microfinance for SMEs Development" to introduce the concept and share information on Sufficiency Economy

Philosophy (SEP) and latest developments in the field of microfinance programme to bolster sustainable SME development. The training was aimed to equip the participants with the knowledge and skills on sufficiency economy and microfinance by enhancing their capacity development, fostering and sharing of relevant experience and information. The session was attended by 42 mid/senior level officials from the academic institutions and members of financial business associations from 32 countries of South Asia, South East Asia, African States and countries of the Pacific Islands involved in microcredit / microfinance and banking sectors.

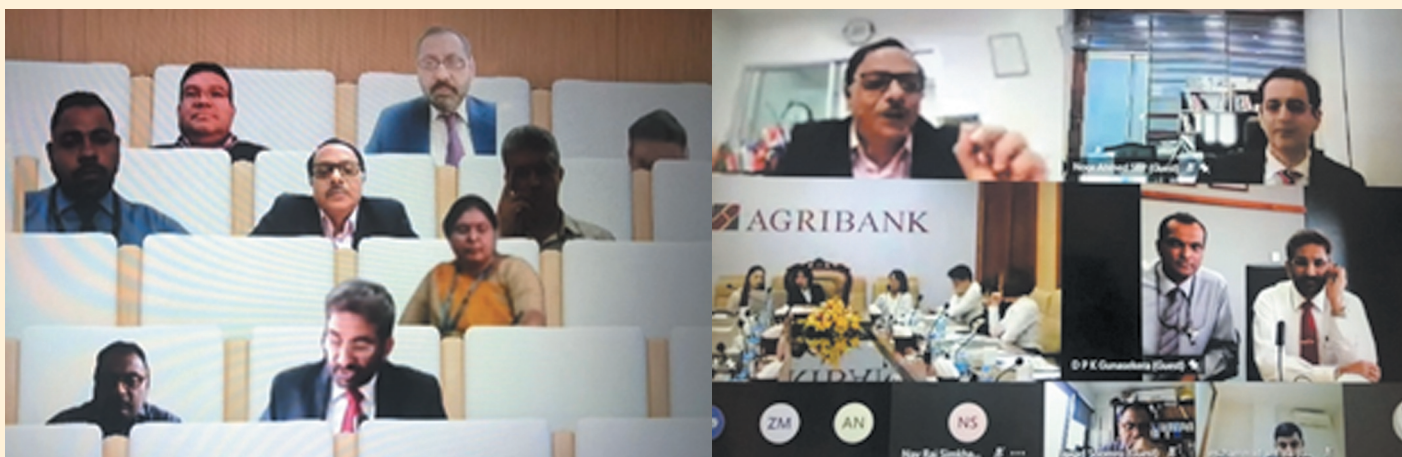


Dr. Prasun Kumar Das delivering lecture on Microfinance and private sector participation organized by Mekong Institute and participated by representatives from 32 countries.

- **APRACA Webinar on 'Agricultural Value Chain Finance: A paradigm shift in financial services delivery' organized under FINSMART event**

APRACA organized the first Webinar in "FINSMART" series on 12 November 2020 with an objective to discuss how AgVCF can be applied for maximum positive impact through the global pandemic crisis. The Webinar was inaugurated by Mr. DPK Gunasekera, APRACA Chairman and CEO of Bank of Ceylon and addressed by the eminent speakers like Mr. Noor Ahmed from State Bank of Pakistan, Ms. Jocelyn Alma R Badiola from ACPC, Philippines, Dr. Nav Raj Simkhada from SKBBL, Nepal and

Ms. Nguyen Thi Thu Ha from VBARD, Vietnam. The webinar was moderated by the Secretary general of APRACA. The discussions during the Webinar were on how efficiently the APRACA member institutions were using the knowledge and connectivity to extend credit to agriculture and its value chain actors during the period of disruptions and lockdown across the region. The speakers accepted the fact that the value chain finance approach proved to be the most potential in injecting liquidity into creaking markets which however, is no magic bullet to the economic shocks caused by this crisis. The webinar was attended by 56 participants from APRACA member institutions and other partner institutions.



APRACA Webinar on 'Agricultural Value Chain Finance: A paradigm shift in financial services delivery' organized under FINSMART event on 12 November 2020.

- **Secretary General of APRACA was invited by North Luzon Quadrangle Education, Research and Development Consortium, Philippines to deliver lecture on 'Influences of Rural and Agricultural finance for Sustainable Community Development'**

APRACA Secretary general Dr. Prasun Kumar Das was invited by the Mariano Marcos State University (MMSU) and the ASCU SN, Philippines on behalf of North Luzon Quadrangle Education, Research and Development Consortium, Philippines as a resource person on to deliver a lecture on Influences of Rural and Agricultural finance for Sustainable Community Development on 17 November 2020. The presentation was very timely and relevant to the member Universities/institutions especially given the current challenges of using information and communications technology for teaching-learning delivery in the "new normal". The session was attended by the University professors and research students and appreciated the discussions.



Secretary General of APRACA was invited by North Luzon Quadrangle Education, Research and Development Consortium, Philippines to deliver lecture on 'Influences of Rural and Agricultural finance for Sustainable Community Development'.

- **APRACA Webinar on 'Post-COVID19 financing strategies to smallholder and rural clients' organized under FINSMART event on 19 November 2020**

APRACA organized the second Webinar in "FINSMART" series on 19 November 2020 with an objective to discuss on 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. The Webinar was moderated by Dr. Prasun Kumar Das, Secretary General of APRACA and addressed by the eminent

speakers like Mr. Anil Kumar Upadhyay, CEO, ADBL, Nepal, Mr. C S R Murthy, General Manager, NABARD, India, Mr. Shahid Reza, Deputy General Manager, Bangladesh Bank and Mr. PEN Sovannoksitha from PRASAC Microfinance of Cambodia. The discussions during the Webinar were on the impact of the 'New Normal' in extending financial services to transform local economy and competitiveness of community business entity and re-emergence of group lending as the new business models in the development finance subsector. The webinar was attended by 72 participants from APRACA member institutions and other partner institutions.

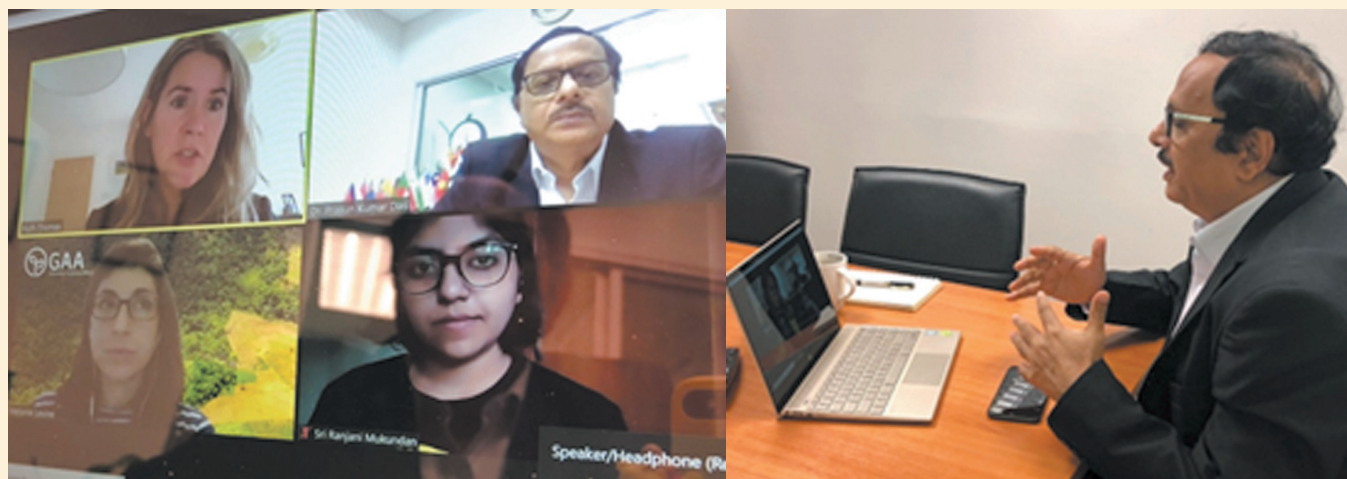


APRACA Webinar on 'Post-COVID19 financing strategies to smallholder and rural clients' organized under FINSMART event on 19 November 2020.

- **APRACA and Global Agribusiness Alliance (GAA) exploring the possibilities of partnership to leverage the e-platform to access the global fund for the agribusiness companies in the region**

The Global Agribusiness Alliance (GAA) and APRACA Secretariat hold an e-meeting to explore the possibilities

of partnership in disseminating the new facilities introduced by the GAA to access to new funding by the agricultural SMEs in the region. The discussions were extremely fruitful as the Agri-SMEs in the region are still short of the funding they need to accelerate their business and support the smallholders. It was also discussed that how the APRACA member banks can access to this fund to support the targeted agribusiness companies they are financing through their normal banking operation.



APRACA and Global Agribusiness Alliance (GAA) exploring the possibilities of partnership to leverage the e-platform to access the global fund for the agribusiness companies in the region.

■ **APRACA Webinar on 'Financial Services to small and medium agro-enterprises (SMAEs): Experiences from Asia' organized under FINSMART event on 26 November 2020**

APRACA organized the third Webinar in "FINSMART" series on 26 November 2020 on 'Financial services to small and medium agro-enterprises (SMAEs)' with a broad objective to discuss on practical experiences, innovations and good practices being followed at the regional and global level to extend financial services to the sub-sector. The Webinar was addressed by the eminent speakers like Ms. Marise Blom, COO of SCOPEinsight from Utrecht, Netherlands, Mr. Tim Liu, Executive Director and Senior Research Fellow, Chinese Academy for Financial Inclusion (CAFI), China and Mr. Chab Kongmon, Senior Vice President, Bank for

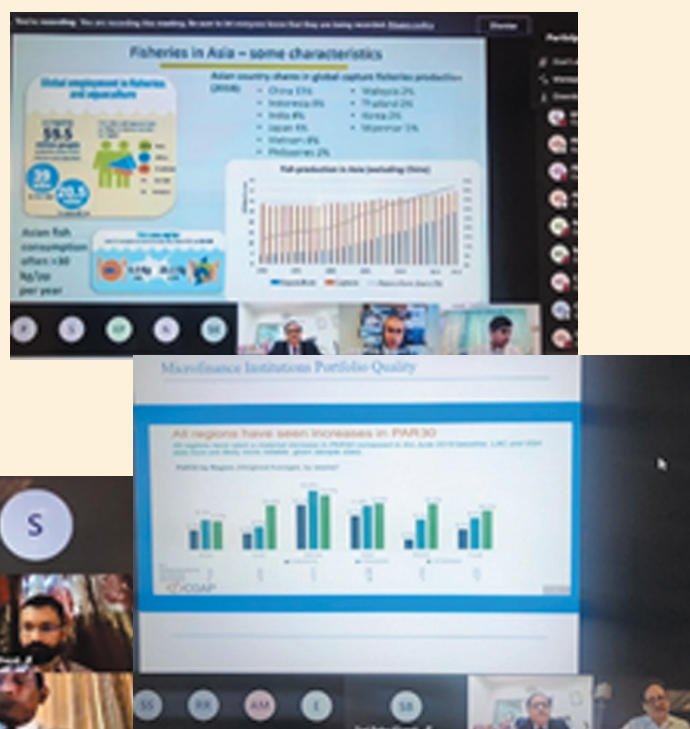
Agriculture and Agriculture Cooperatives (BAAC), Thailand. The webinar was moderated by the Secretary General of APRACA. During the discussions the presenters highlighted the main issues and challenges that Agri-SMEs are facing post COVID-19 and its impact on financing business. The panellists also provided examples on the ways the financial institutions are supporting Agri-SMEs in the face of the COVID-19 fallout by using the innovative financial instruments/products/services which includes digital financial services. The issues raised by the participants on how the innovations in the new business models could be leveraged to support Agri-SMEs in times of crisis was address by the panellists by providing examples on how and market forces paving the way for new transformative models in Agri-SME financing. The webinar was attended by 74 participants from APRACA member institutions and other partner institutions.



APRACA Webinar on 'Financial Services to small and medium agro-enterprises (SMAEs): Experiences from Asia' organized under FINSMART event on 26 November 2020.

■ **APRACA Webinar on 'Financial Services to small-scale fishers and their cooperatives' organized under FINSMART event on 9 December 2020**

APRACA organized the 4th Webinar in "FINSMART" series on 9 December 2020 with an objective to discuss the strategies used by the major and systemically important financial institutions and international agencies in addressing the challenges of access to the financial services for all-round development of agriculture with maximum positive impact under the current COVID19 crisis. The lead speaker of the webinar was Dr. Raymon van Anrooy, Senior Fishery Officer in Fisheries Division (NFI) Food and Agriculture Organization of the United Nations (FAO) and addressed by the eminent speakers like



APRACA Webinar on 'Financial Services to small-scale fishers and their cooperatives' organized under FINSMART event on 9 December 2020.

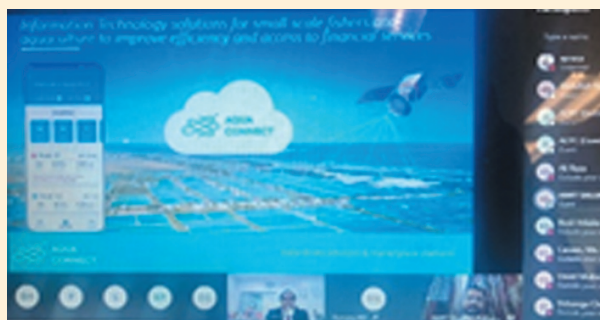
Mr. Dhammika Nanayakkara, Assistant Governor, Central Bank of Sri Lanka, Ms. Emmalyn J. Guinto, Chief, Communications and Public Affairs Division, Agricultural Credit Policy Council (ACPC), Philippines, Mr. N V Ramana, Advisor, Samunnati Financial Services and Mr. Amit Salunkhe, Vice President, Aqua Connect. The webinar was moderated by the Secretary General of APRACA. The panellists discussed regarding access to finance to fisheries and aquaculture value chains in

developing countries of Asia, the new partnerships and networks for fisheries development. They also deliberated on some specific efforts undertaken by the APRACA member institutions to facilitate access to financial services, in particular for the small-scale operators and the local grass-root organisations that support these small-scale operators. The webinar was attended by 68 participants from APRACA member institutions and other partner institutions.

■ APRACA Webinar on 'Green and Climate Finance to Agriculture and Allied Sector' organized under FINSMART event on 17 December 2020

APRACA organized the fifth Webinar in "FINSMART" series on 17 December 2020 on 'Green & Climate Finance to Agriculture and Allied Sector'. The overarching objective of the webinar was to discuss the strategies used by the experts and officials from the major and systemically important financial institutions and international agencies in addressing the requirements of green and climate finance to agriculture and allied sector and the challenges faced while delivering this specialized finance. The Webinar was moderated by Dr. Prasun Kumar Das, Secretary General of APRACA and addressed by the eminent speakers like Ms. Emellie Tamayo, First Vice President, LANDBANK of

the Philippines, Mr. B. Suri Babu, General Manager, FSPD, NABARD, India: and Mr. Yossef Zahar, Independent consultant on green and climate finance, The Stockholm Environment Institute (SEI). The panellists discussed the mechanisms of supporting the Nationally Determined Contribution (NDCs) commitments that address climate change challenges through reorienting agricultural finance, potentials of long-term investments in agriculture by adopting green finance approach to mitigate the risks of climate change and ensure food security. There were deliberations on global and regional efforts to support smallholders and value chain actors in agri-food system through climate-focused operations leveraging innovations in private-sector and information technology to tackle climate change-related challenges. The webinar was attended by 71 participants from APRACA member institutions and other partner institutions.



APRACA Webinar on 'Green and Climate Finance to Agriculture and Allied Sector' organized under FINSMART event on 17 December 2020.



APRACA and NABARD Organizers
Regional Policy Forum, 73 rd EXCOM meeting
&
22 nd General Assembly of APRACA
In 'Virtual Mode'

Dates to be Announced Soon.



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Agricultural Credit Association**

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