

Voluntary Guidelines for Securing Sustainable Small-Scale Fisheries in the Context of Food Security and Poverty Eradication

Home	Background	SSF Guidelines	Where we work	Illuminating Hidden Harvests	Implementation	News and Events	Resources
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IYFA: Interview with Dr. Prasun Kumar Das, Secretary General of APRACA (Asia-Pacific Rural and Agricultural credit Association), on the economic sustainability of fishers, fish farmers and fish workers

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Access to financial services, one of the themes highlighted in Pillar 2 of IYFA's [Global Action Plan](#) on economic sustainability, is often an obstacle for small-scale fishers, fish farmers and fish workers. We interviewed Dr. Prasun Kumar Das, Secretary General of APRACA, to learn more about his experience in this area.

Pillar 2 of the IYFA Global Action Plan is about economic sustainability. From your experience, how could small-scale producers in fisheries and aquaculture collaborate with financial institutions to increase their access to financial services?

We need to understand the market ecosystem both from a socio-economic and a technological point of view to design financial services for small-scale producers (SSPs) in fisheries and aquaculture. Some areas that are commonly found to require more attention are:

- The small-scale of the capital needed by the fishing communities and the volatility of the fishing business. These characteristics require tailor made financial products and services, which often do not exist.
- We need more long-term financial support by financial service providers (FSPs) to help improve the management of fisheries' ecosystems and to establish adaptability to climate events. The benefits of such long-term investments might sometimes not be visible immediately.
- The collaboration of FSPs and SSPs must contribute to gender equality in fishing communities. For example, primary producers in fishing activities are generally men while women are mainstays of fish processing, marketing and distribution systems. These women require tailor-made financial support as we could observe in self-help groups (SHGs) in India, joint liability groups in Thailand, women fishing groups in Cambodia etc.

Our experiences in the region show that networks of SSPs provide an effective platform for negotiating terms with FSPs and the government line departments for enhancing their access to finance. For example, PhilNet-SSF, a national network of Fishers SSPs and other stakeholders involved in the sector in the Philippines provides knowledge support and engages with policy forums for improved access to finance

Access to markets is key for small-scale fishers and aquaculture farmers. Can you please describe some ways in which financial service providers can facilitate access to markets for small-scale producers?

Access to financial services is critical to provide funds for investments and improve household cash flow. However, financial services are no end in itself and you rightly point out that SSPs need access to markets to develop their business. We find that financial services might help to create market access in several ways.

- Taking into account fishery trade information services, while designing financial products, potentially can support the price discovery mechanism and better price realization by the actors in the value chain. For example, CMIE in India (<https://www.cmie.com/>) provides trade information for business, services, and the agriculture sector, which helps financial institutions to shape their portfolio accordingly.
- Accessing financial services often requires improving the business, managerial and technical skills of the SSPs. The process of applying for financial services can help strengthen the SSPs skills and contribute to their work efficiency and loan repayment capacity. Whenever the SSPs are unable to improve the skills on their own, FSPs should support them through trainings. Financial education and empowerment facilitate also vertical integration of SSPs in the value chain.
- Mobile delivery systems are an important tool for facilitating access to financial services in areas that are underserved by the financial institutions. Digital tools allow fisherfolks to access the formal financial market more easily and help banks to better address their needs. For example, the digital financial service architecture of 'Aquaconnect' in India represents a model of embedded financial services based on a relationship with local banks and insurance companies. Aquaconnect's AquaCRED platform helps banks to manage the entire aquaculture lending portfolio throughout the loan lifecycle. Aquaconnect uses cutting edge machine learning algorithms and satellite remote sensing analytics, to provide a near-real time view of the portfolio.

Finally, in a connected marketplace, investments by FSPs in improved logistics in the value chain (e.g. cold chains and marketing infrastructures) indirectly also enhance the productivity of SSPs.



APRACA membership includes various Central Banks and finance regulatory bodies in the Asia Pacific region. Can you give an example of how one of your members has developed and implements enabling policies for increasing access of small-scale producers to loans?

Engaging with financial regulators and policy influencers is high on the priority list of APRACA's strategic objectives. APRACA-members have been involved both in developing and implementing policies to enhance access to financial services for SSPs at national and regional level. Some examples are:

- In 2015, the EU issued a “yellow card” concerning Illegal, Unreported and Unregulated (IUU) fishing to Thailand, which banned some SSPs from fishing. The Bank for Agriculture and Agricultural Cooperative (BAAC) in Thailand designed a financial product to support the national government's endeavour to rehabilitate SSPs in a sustainable manner. Thanks to concerted rehabilitation efforts, among other things, the yellow card was eventually retracted in 2019. BAAC developed another financial product to help small-scale fishers affected by the COVID-19 pandemic, which was implemented in 20 provinces in the country.
- In order to provide short-term credit to the fishery sector, the Reserve Bank of India (APRACA founding member) in its policy guidelines of 2019 allowed the banks to issue a Kisan (Farmer) Credit Card also to small-scale fishers (SSFs). The Kisan Credit Card holders receive the benefits of an interest subsidization scheme from the Government of India. This scheme supported cash liquidity among the SSFs for operating during the COVID19 pandemic. The Vietnam Bank for Agriculture and Rural Development (VBARD) and the Vietnam Bank for Social Policies (VBSP) together with the Women's Unions of Vietnam implemented an investment programme for developing small-scale aquaculture with an overarching objective to reduce poverty and enhance local food security among poor ethnic fishing communities.

The International Year of Artisanal Fisheries and Aquaculture (IYAFA 2022) aims to contribute also to empowerment of small-scale fishers and the development of partnerships.

How do you see the role of APRACA membership in IYAFA implementation and partnership development with fishers and aquaculture farmers organizations?

APRACA joined the FAO-initiated and -supported 'Global network for capacity building to increase access of small-scale fisheries to financial services' (CAFI-SSF Network) as its regional partner for the Asia-Pacific. APRACA is actively participating in the studies/webinars/workshops, organized within the Network, which are aimed to build the capacity of small-scale fishers and to develop partnerships in the region. APRACA uses its extensive network of members to increase the outreach of activities in support of fishers and aquaculture farmers. The communication between APRACA, its members and FAO is ongoing constantly:

- APRACA member financial institutions from 24 countries of the Asia-Pacific region joined the CAFI-SSF network and are actively participating in its activities.
- APRACA in collaboration with the Agriculture Credit Policy Council (Agency of the Department of Agriculture), Government of Philippines and the Bank for Agriculture and Agricultural Cooperatives (BAAC), in Thailand established national networks for the small-scale fishers in both the countries (PhilNet SSF and ThaiNet SSF, respectively). These national networks are also linked with the CAFI-SSF.
- APRACA organized three technical webinars in collaboration with CAFI-SSF during 2021 and more of such events are planned for 2022.

Related Publications

- [Blue finance guidance notes by FAO;](#)
- [Guidelines for microfinance and credit Services of small-scale fishers in Asia by FAO and APRACA;](#)
- [Financing small-scale fisheries in the Philippines: A policy brief by FAO, ACPC and APRACA.](#)
- [APRACA website](#)

Biography

Prasun Kumar Das is the Secretary General of the Asia-Pacific Rural and Agricultural Credit Association (APRACA), with its headquarters in Bangkok, Thailand. Prior to this assignment he worked as Project Manager for IFAD, as a Rural Finance specialist for FAO, Research Director for DFID and as an Associate Professor at the KIIT University (Agribusiness & Finance). He has also held a senior position in a public sector bank (Allahabad Bank) and served as an advisor on rural and agricultural development to the Government of India. Prasun also served as the organizing secretary of the 6th World Congress on Agricultural Finance held in 2019. He holds a Doctoral Degree in Agricultural Sciences (Agronomy) from WB State Agriculture University, an MBA with specialization in Financial Management from Jadavpur University and is a certified professional in banking and finance (CAIIB).

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