

41 years of service to develop rural and  
agriculture finance in Asia-Pacific Region



# ASIA-PACIFIC RURAL AND AGRICULTURAL CREDIT ASSOCIATION (APRACA)

AN OVERVIEW

OUR WARMEST CONGRATULATIONS TO



■ CONFEDERATIONS OF

**SOUTHERN TAGALOG & CENTRAL LUZON RURAL BANKERS**

For mustering yourselves to a very relevant issue and concern  
of the time

**DIGITALIZATION**

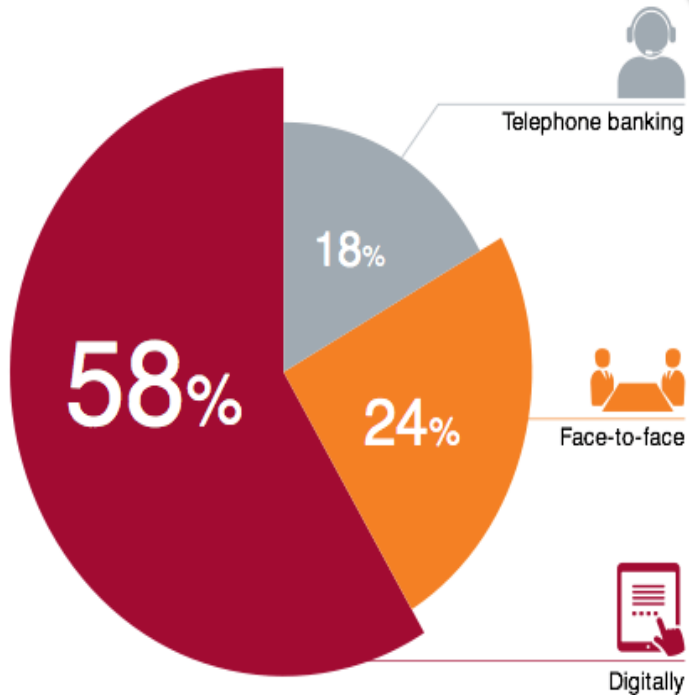
■ With the theme:

**“RURAL BANKS: STRENGTH IN NUMBERS THRU DIGITAL  
BANKING”**



# CHALLENGES...

How would you like your services to be delivered?



E-Cash or E Wallet



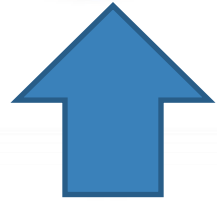
# CHALLENGES...



## The Call...



■ We may be able to hold the world in our hand nowadays, but with the many issues and concerns, the call is still for us to cling on together and muster our collective strength and purposive spirit to overcome challenges and make the most of the opportunities for growth and advancement...







# The Business World Today

## Constant change!

- Technology
- Society
- Environment
- Competition
- Diversity

"Companies fail when they become complacent and imagine that they will always be successful. So we are always challenging ourselves. Even the most successful companies must constantly reinvent themselves."

Bill Gates  
Chairman and Chief Software Architect  
Microsoft



# CHALLENGES...





## APRACA 360°

- A Regional Member Based Association of Development Financial Institutions Dedicated to Ensure Access to Finance by the Farmers, Fisherfolks, MSMEs and Rural communities through Research, Capacity Building, Advisory and Knowledge Management;
- Member of the Global community (AFRACA, NENARACA, ALIDE and CICA) to take Rural and Agriculture Finance to the last mile to achieve Sustainable Development Goals







## BRIEF ABOUT APRACA

Establishment of a Regional Associations that could promote research, cooperation and facilitate mutual exchange of information and expertise in the area of rural and agricultural finance was first proposed at the Food and Agriculture Organization of the United Nations (FAO) in October 1974.

Subsequently under the auspices of FAO, central banks, rural finance and agricultural credit institutions in the region formally established Asia-Pacific Rural and Agricultural Credit Association) during its first General Assembly meeting held in **New Delhi, India, on October 14, 1977** in conjunction with the third FAO Asian Conference on 'Agricultural Credit and Cooperatives'. A total of 37 institutions from 16 countries joined the APRACA as founding members.

## CURRENT MEMBERSHIP MATRIX (24 Countries 84 Member Institutions)

<input type="checkbox"/> Azerbaijan	<input type="checkbox"/> Iran IR	<input type="checkbox"/> Pakistan
<input type="checkbox"/> Bangladesh	<input type="checkbox"/> Japan	<input type="checkbox"/> Philippines
<input type="checkbox"/> Bhutan	<input type="checkbox"/> Korea (South)	<input type="checkbox"/> Russia
<input type="checkbox"/> Cambodia	<input type="checkbox"/> Lao PDR	<input type="checkbox"/> Singapore
<input type="checkbox"/> China P R	<input type="checkbox"/> Malaysia	<input type="checkbox"/> Sri Lanka
<input type="checkbox"/> Fiji	<input type="checkbox"/> Myanmar	<input type="checkbox"/> Thailand
<input type="checkbox"/> India	<input type="checkbox"/> Nepal	<input type="checkbox"/> Uzbekistan
<input type="checkbox"/> Indonesia	<input type="checkbox"/> Papua New Guinea	<input type="checkbox"/> Vietnam

- ☐ **Central Banks –11**
- ☐ **Agricultural/Rural Development Banks – 23**
- ☐ **Agri Focussed Commercial Banks – 11**
- ☐ **Cooperative Banks/Federations and Cooperatives- 8**
- ☐ **Agri-finance related government agencies – 7**
- ☐ **Micro Finance Institutions – 18**
- ☐ **Banking Associations/Institutes/Foundations– 5**
- ☐ **Social Investment Fund -2**



# VISION, MISSION & CORE VALUES

## 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 OF APRACA

- ❑ **SO 1: Foster collaborative sharing** of innovations, best practices and knowledge solutions in agricultural financing and rural development;
- ❑ **SO 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;
- ❑ **SO 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;
- ❑ **SO 4: Encourage greater dissemination** and use of high-quality knowledge on rural and agricultural finance through publications;
- ❑ **SO 5: Enhance partnerships** and networks for expanded sharing, learning and dissemination of knowledge on agricultural finance and rural development; and
- ❑ **SO 6: Strengthen APRACA's Capacity** both in terms of organizational and financial front for effective, efficient and sustainable operations.



According to the Constitution of APRACA , there is three tire structure of governance organs of APRACA:

- ❑ **The General Assembly:** Highest decision-making body which is made up of all member institutions meets biennially. All member institutions are participating in the deliberations.
- ❑ **The Executive Committee:** The Executive Committee (EXCOM) consists of 17 members who are elected during the General Assembly for a 2 year tenure term which is also renewable. They are assisted by 2 Ex-Officio members (Secretary General and FAO representative) The EXCOM meet once in every 8 months.
- ❑ **The General Secretariat:** Manages the day-to-day activities of the Association and provide support services to the member institutions.





# APRACA MANAGEMENT



**CHAIRMAN: Mr. Shiba Raj Shrestha**  
Deputy Governor,  
Nepal Rastra Bank (Central Bank of Nepal)



**VICE CHAIRMAN: Mr. Senarath Bandara**  
Chief Executive Officer,  
Bank of Ceylon



**SECRETARY GENERAL: Dr. Prasun Kumar Das**  
Also functioning as IFAD Project Manager

## APRACA Executive Committee Members (17):

- ☐ Food & Agriculture Organization of the United Nations (FAO)
- ☐ Agricultural Development Bank of China,
- ☐ National Bank for Agriculture and Rural Development, India
- ☐ Bangladesh Bank
- ☐ Bank of Indonesia
- ☐ National Bank of Cambodia
- ☐ Bank Keshavarzi (Agricultural Bank) , Iran
- ☐ Japan Finance Corporation
- ☐ National Agricultural Cooperative Federation (NACF), Korea
- ☐ State Bank of Pakistan
- ☐ ASA, Bangladesh
- ☐ Bank Pertanian Malaysia Berhad (Agrobank), Malaysia
- ☐ Land Bank of the Philippines, Philippines
- ☐ Bank for Agriculture and Agricultural Cooperatives, Thailand
- ☐ "Agrobank" (OJSCB Agrobank) , Uzbekistan
- ☐ Vietnam Bank for Agriculture and Rural Development
- ☐ Secretary General, APRACA



## APRACA Offices

- ❑ **APRACA SECRETARIAT** – The General Secretariat of APRACA is based in Bangkok housed in the Office of the Food and Agriculture Organization of the United Nations (FAO), Regional Office of the Asia-Pacific, which handles the technical services, member servicing and knowledge management.
- ❑ **APRACA CENTRAB** – based in Manila, Philippines handles training and research activities and promotes better understanding of rural and agricultural banking as well as microfinancing.
- ❑ **APRACA Consultancy Services** – based in Jakarta, Indonesia provides consulting services and deploys experts in rural development and poverty alleviation as well as rural finance policy reforms and innovations
- ❑ **APRACA Publications** – based in Mumbai, India publishes the APRACA quarterly development communication “Asia-Pacific Rural Finance”





## APRACA CENTRE OF EXCELLENCE (ACEs)

- ❑ **ACE-NABARD on Linkage Banking** housed in BIRD, Lucknow, India established and started operating on 29 March 2010.
- ❑ **ACE-BI on Islamic Banking** housed in Bank Indonesia, Jakarta, Indonesia established and started operating on 29 March 2010.
- ❑ **ACE-BRI on MSME Banking** housed in Bank Rakyat Indonesia in Jakarta, Indonesia established and started operating on 29 March 2010.
- ❑ **ACE-BK on Women Empowerment** housed in Bank Keshavarzi, Tehran, Iran established and started operating on 27 September 2013.

## FIVE (5 ) PILLARS

### Pillar 1

#### **Policy Engagement and Dissemination**

- ❑ Provide platform for policy dialogue at National and Regional levels on:
  - Risk Management,
  - Credit enhancement,
  - Value Chain finance,
  - Climate & Nutrition Smart Finance &
  - MSME finance

### Pillar 2

#### **Capacity & Institution Building**

- ❑ Organizing Trainings/Conferences /Seminars,
- ❑ Exposure Visits/ Professional Exchange of Expertise;
- ❑ Handholding MFIs to build their capacity;
- ❑ Design coaching programme

### Pillar 3

#### **Project Implementation Services**

- ❑ Project initiation and Designing
- ❑ Field Project implementation
- ❑ Project Monitoring and evaluation;
- ❑ Assessment and Reporting

### Pillar 4

#### **Research, Development & Advisory Services Policy Researches**

- ❑ Documenting innovations & best practices,
- ❑ Field research to develop country reports
- ❑ Action Research and Replication /Pilot Testing Studies

### Pillar 5

#### **Knowledge Management Services**

- ❑ Technical and Research publication
- ❑ Knowledge Services provision and management
- ❑ e-learning/Webinar series
- ❑ e- Library exchange /sharing





## MAJOR PROJECTS IMPLEMENTED BY APRACA: ONGOING

- 1. APRACA-IFAD RuFBeP Project:** APRACA is currently implementing a grant project funded by the International Fund for Agricultural Development (IFAD) on ***“Documenting Global Best Practices on Sustainable Models of Pro-Poor Rural Financial Services in Developing Countries”***. During the four year duration (March 2014 till March 2019) the project will cover five target countries: China, India, Indonesia, the Philippines and Thailand.
- 2. APRACA-IFAD FinServAccess Project** (2012-2018): A project on ***“Enhancing the Access of Poor Rural People to Sustainable Financial Services through Policy Dialogue, Capacity-Building and Knowledge-Sharing in Rural Finance”*** implemented in 4 countries (Nepal, Bangladesh, Cambodia and Myanmar).



## MAJOR PROJECTS IMPLEMENTED BY APRACA: COMPLETED

- ❑ **APRACA-UNCDF Warehouse Receipt Finance Project** (2016-2017): A project on study of Warehouse Receipt Finance in Nepal;
- ❑ **APRACA-IFAD “FinPower” Programme** (2007-2011) on Accelerating the Financial Empowerment of Poor Rural Communities;
- ❑ **APRACA-IFAD “MICROSERV”** (1996-2011) : A Programme for Strengthening Financial Services for Rural Poor ;
- ❑ **APRACA-ILO-SDC** (1998-2001): Regional Programme on implementation of Collateral Substitutes in select countries;
- ❑ **APRACA-GIZ** (1995-1997): Regional Programme on Linkage Banking and Grassroots Financial Systems Development;
- ❑ **APRACA-GIZ** (1994-1998): Regional Programme on Linkage Banking and Grassroots Financial Systems Development
- ❑ **APRACA-GIZ** (1987-1993): programme on Promotion of Supraregional Rural Credit Associations;



## DEVELOPMENT PARTNERS OF APRACA

- ☐ Food & Agriculture Organization of the United Nations (FAO)
- ☐ International Fund for Agricultural Development (IFAD)
- ☐ United Nations Capital Development Fund (UNCDF)
- ☐ United Nations Development Programme (UNDP)
- ☐ International Labour Organizations (ILO)
- ☐ World Bank Group (AgrFin facility and CGAP)
- ☐ Asian Development Bank (ADB)
- ☐ Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)

- APRACA publication ranges from Macro studies at country level on the policies and prospects on rural and agricultural finance; Case documentation on value chain development & finance, rural finance best practices and potential instruments to support climate/nutrition smart finance ; Governance in cooperatives, MFIs, Community Financial Institutions (CFIs) etc.
- APRACA jointly publishes documents with IFAD and FAO and are also available in the websites of FAO, IFAD and World Bank.





## MAJOR PUBLICATIONS

2013	2013/1	◆ Assessment of Enabling Conditions of Financial Services in CAMBODIA
	2013/2	◆ Assessment of Enabling Conditions of Rural Financial Service Development in NEPAL
	2013/3	◆ THAILAND Experiences from the Grassroots: Value Chain Finance Best Practices, Initiatives, Strategies and Trends in Agriculture
	2013/4	◆ Value Chain Financing in Agriculture: Case Studies from INDIA
	2013/5	◆ Value Chain Financing in Agriculture: Experiences of the Agricultural Cooperatives in SOUTH KOREA
	2013/6	◆ Value Chain Financing in Agriculture: Initiatives, Strategies, Practices, Innovations and Trends in the PHILIPPINES
2014	2014/1	◆ Mainstreaming Small Ruminant Value Chain Finance in NEPAL and INDIA Stakeholders
	2014/5	◆ Rural and Agricultural Finance Development in Asia and the Pacific: Challenges, Opportunities, Threats and Future Directions
	2014/6	◆ The Microfinance in Agriculture of Selected Asian Countries: Updates, Scenarios, Conditions, Challenges, Opportunities and Future Directions
	2014/7	◆ Agricultural Insurance of Selected Asian Countries: Current Status, Experiences, Strategies and Challenges
2015	2015/1	◆ Assessment of Enabling Condition of Rural Financial Services Development in BANGLADESH
	2015/2	◆ Report on Best Practices for Sustainable Models of Pro-Poor Rural Financial Services in INDIA
	2015/3	◆ Training Resources and guide book for bankers on Financing Agricultural Value Chains
	2015/4	◆ Training Modules on Risk Management in Agricultural Finance
	2015/5	◆ Report on Best Practices for Sustainable Models of Pro-Poor Rural Financial Services in CHINA
	2015/6	◆ Value Chain Financing Agriculture: Conditions, Strategies, Practices and Experiences in NEPAL
	2015/7	◆ Report on Best Practices for Sustainable Models of Pro-Poor Rural Financial Services in PHILIPPINES
	2015/8	◆ Value Chain Financing in Agriculture: Condition, Strategies and Practices of LAO PDR
	2015/9	◆ Value Chain Financing Agriculture: Best Practices, Strategies, Models, and Trends in PAKISTAN
	2015/10	◆ Report on Best Practices for Sustainable Models of Pro-Poor Rural Financial Services in INDONESIA
2016	2016/1	◆ Value Chain Financing Agriculture: Best Practices, Innovations and Experiences in BANGLADESH
	2016/2	◆ Report on Best Practices for Sustainable Models of Pro-Poor Rural Financial Services in THAILAND
	2016/3	◆ Bringing Inclusive Rural Financial Services in the Asia Region to Centre Stage: Cases of Good Practices from China, India, Indonesia, Philippines and Thailand
	2016/4	◆ Documenting the process undertaken for Pilot testing of rural finance good practices in CHINA, INDONESIA and PHILIPPINES
2017	2017/1	◆ Value Chain Financing Agriculture: Best Practices, Strategies, Models, and Trends in MALAYSIA
	2017/2	◆ Report on Monitoring and Evaluation of Pilot testing of Innovative rural finance good practices in CHINA, INDONESIA and PHILIPPINES
	2017/3	◆ Impact Assessment Report of Piloting Innovative Rural Finance Products and Services in PHILIPPINES and INDONESIA

## Benefits of Joining...

- Your institution becomes a part of a diverse league of leading institutions – central banks, agricultural and development banks, finance-related government agencies, commercial banks with rural financing programmes, microfinance institutions, cooperative federations and institutes.
- Your senior management avails of the avenues of interaction with other top-notch leaders through CEO forums and conferences on current and emerging thematic issues.
- Your institution is offered a unique opportunity to further enhance its human resource capacity from the sharing and learning platforms of members with considerable experience and unparalleled wealth of knowledge through cross learning, twinning arrangements and other sharing and learning modalities

## Benefits...

- Your institution draws deep knowledge from the rich repository of rural and agricultural financing studies and researches, training and technical guides and other materials at regional and national levels.
- Your institution likewise acquires knowledge from the expansive showcases of rural and agricultural finance innovations and best practices through centers of excellence, farmers' field schools, and demonstration farms of members.
- Your institution counts on members' in-house resource persons to provide expertise in replicating best practices in your country.
- Your institution receives unlimited access to user-friendly multimedia such as the regular APRACA newsletter, the quarterly Asia-Pacific Rural Finance Journal Series and the continuing publication of research results, best practices and rural finance strategies of various countries.
- Your institution aligns itself with like-minded MFI members, now numbering 18, on various advocacies relating to pro-poor policies, environmental responsibility, women empowerment, value chain financing and others.

## 13 SHOCKING AND IMPORTANT FACTS ABOUT POVERTY IN ASIA

■ Asia is the **largest continent** in the world, covering 17,139,445 square miles with a population of 4,406,273,633 people. Despite widespread economic success, Asia remains the worst continent for global hunger and contains more than half of the world's poorest people. Below are 13 facts about poverty in Asia that everyone should know.

### ■ Urban Poor

A reported **75 million** people were living below the poverty line of \$3.10 in 2017, placing them at high disaster risk. China, Indonesia and the Philippines make up the most of East Asia's **urban poor**.

### ■ Hunger

About **519.6 million** people do not have enough food to eat in Asia, and a prominent **70 percent** of world's malnourished children live on the eastern continent. Due to lack of proper nutrients, 100 million children in Asia are stunted, **28 percent** of the total youth population.

### ■ Average Income

In 2017, Afghanistan had the **lowest** annual average income in the world at \$1,100.

### ■ Sanitation

The **second biggest** cause of death among children under five years old in more than 60 percent of East Asia is diarrhoeal diseases. About two out of every five people in East Asia do not have proper sanitation facilities. Open defecation is still practiced by 130 million people throughout countries in the region.

### ■ Women

Representing **two-thirds** of the poor due to discrimination in education and employment, women make up a significant amount of the people in poverty in Asia.



#### ■ Natural Disaster and Climate Change

Natural disasters such as floods, earthquakes, extreme temperatures, storms, wildfires and droughts affect agriculture in Asia.

According to [World Vision](#), Asia Pacific is the most disaster-prone region in the world.

#### ■ Government

In 2015, over 60 percent of Asian Pacific countries scored below 50 on Transparency International's Corruption Perceptions Index. This indicates a serious corruption problem. Poverty, corruption and development are interrelated issues.

#### ■ Organic Farming

Offering a means of generating more income, [organic farming](#) presents opportunity, but for those who can afford it. For small farmers, certification is costly and is not in the name or control of the farmer who is paying for the form. This diminishes potential commitment or interest in organic farming.

#### ■ Rural Poor

In many regions across Asia, up to [90 percent](#) of poor people live in rural areas. Poor rural households usually have larger families who are underemployed and are less educated. Access to credit and technology is limited.

#### ■ Minorities

In Vietnam, ethnic groups make up around [12 million](#) of the 90 million population, but account for over two-fifths of the country's poverty. These inequalities fuel the poverty in Asia.

# RURAL FINANCE IS SUCH A BEAUTIFUL MISSION.



You Can Find us at [www.apraca.org](http://www.apraca.org)

## APRACA Secretariat

BAAC Building; 4<sup>th</sup> Floor;  
469 Nakhonsawan Rd, Dusit, Bangkok 10300, Thailand

**Tel :** (662) 282-0693, 282-1365

**Fax :** (662) 280-1524

**E-mail:** [prasun@apraca.org](mailto:prasun@apraca.org)/[apraca@apraca.org](mailto:apraca@apraca.org)



*Ms. Bing Juarez*