FOREWORD

Barely a year after taking over the helm at the AFRACA's secretariat, I reflect on a rather eventful year full of learning opportunities, partnerships and networking with a wide range of partners. Indeed, the learning has been overwhelming. Being in Nairobi I was privileged to be immersed in a unique learning space of disruptive technologies applied in the rural finance sector. This is a clear manifestation of the dynamic environment our member institutions operate in. While these emerging innovations are well appreciated, a lot of questions continue to linger, particularly questions regarding impact on smallholders in the overall agenda of financial inclusion.

Nonetheless, our Strategic direction continues to take shape, following member recommendations during the Annual General Meeting held in Togo, 11-13 February 2019. A number of recommendations were raised by members for consideration into the new plan which includes reorganizing the sub-regional workshops to enhance
policy and advocacy activities and expanding capacity building and knowledge management services. Members were also keen to access more business opportunities through the Network. Together with the AFRACA Executive Committee chaired by Dr. Basary Toure, we remain at your service and fully committed to implementing these recommendations. I extend my sincere appreciation to Reserve Bank of Zimbabwe, Bank of Zambia and Central Bank of Nigeria (Nigeria Chapter) for taking the lead in convening sub-regional meetings in line with the recommendations. We expect the trend to continue this year among other sub-regions.

This Newsletter edition covers brief highlights of programme activities that were undertaken during the period. Traditionally, the main activities of AFRACA revolved around its mandate and in line with its strategic pillars. Notable activities that took place during the period included AFRACA Best Practice Conference on: Rural and Agricultural Finance, 30 September - 3 October 2019, Nairobi, Kenya, The 4th SAM Conference in Burkina Faso, 21-25 October 2019 and the 6th World Congress on: Rural and Agricultural Finance 12-13 November 2019. The activities were highly impactful, learning-wise, but most importantly were the strategic partnerships and synergies that were forged during these events which would go a long way in shaping AFRACA’s future activities.

I remain optimistic for the new year. Just to mention a few expectations for the year, there are prospects in partnerships we have struck with the African Development Bank, Mastercard Foundation, World Wide Fund and Rabobank Foundation which we believe will enhance our operations for the benefit of our members. I look forward to more collaborative work with AGRA and African Development Finance Institutions and also with FAO and SAFIN to develop a training curriculum on “Blended Finance” as a response to recommendations from our “Best Practice Conference” in 2019.

Also, issues on Risk-Sharing in Agricultural Finance and Climate Change and its impact on Africa’s financial sector will receive strong focus. At the AFRACA Secretariat, there will be a strong focus on Knowledge Management in 2020 as we conclude on the foundational work with FAO.

I appreciate your continued support for our programmes over the years and invite you to be part of AFRACA’s programme of activities this year.

Thomas T. Essel
Secretary General, AFRACA

The 6th World Congress on Rural and Agricultural Finance, New Delhi, 12 - 13 November 2019

The Triennial Congress is a learning gathering of rural and agricultural finance practitioners across the globe mobilized through sister networks called RACAs. It comprises APRACA in Asia Pacific, Alide in Latin America, CICA in Europe, NENARACA in the near East and North Africa and AFRACA. Traditionally, the technical contribution of networks during the workshop aims to showcase new innovations and models within the various regional settings. After successive planning meetings, the two day 6th World Congress was successfully hosted by APRACA in New Delhi. The Conference was graced and officially commissioned by the Indian Finance Minister, Hon. Smt. Nirmala Sitharaman. The Programme was structured in business sessions with all RACAs designing and conducting their sessions as required. AFRACA’s Business Session four (4) was premised around its most recent work with the FAO/CABFIN partnership that resulted in the publication on Agricultural value chain finance innovations and lessons. Case studies in Africa. The case studies provided
from AFRACA member institutions and partners.

The session was moderated by the Secretary General Mr. Thomas Essel who also featured as a panelist and provided contributions on Bank of Ghana’s GIRSAL initiative. Member institutions that were present included, Bank of Uganda, Bank of Tanzania, Farm Concern International, Kenya, Groupe Crédit Agricole du Maroc (GCAM), Kenya Commercial Bank, Central Bank of Sudan, Bank of Industry Nigeria, Agricultural Finance Corporation (AFC) among others.

The 4th African Microfinance Week (SAM), 21 - 25 October 2019, International Conference Centre, Ouagadougou, Burkina Faso

AFRACA in collaboration with the Luxembourg-based ADA, MAIN, MTN and other partners collaborated in convening the 4th African Microfinance Week (SAM) in Burkina Faso. SAM is a key knowledge sharing platform targeting Microfinance practitioners and stakeholders in the continent. The Forum was well attended with over eight hundred delegates taking part in the conference, including AFRACA member institutions. A number of broad thematic areas that were discussed during the plenary and breakout sessions all aligned to broader global commitments like the SDG’s.

AFRACA was represented by the Secretary General during the session on Blended Finance, moderated by FAO. The session examined how blended finance instruments can increase access to capital for MFIs and most importantly how it can actually transform MFIs capacity to leverage commercial capital. Other topical issues that were widely discussed included the Impact of climate change on financial investments, crop insurance and financial digital innovations that address financial inclusion constraints.

During the mission, the Secretary General took the opportunity to visit member institutions in Burkina Faso such as Coris Bank, Ecobank, Prodia and FCPB, who welcomed the Secretary General to the network but also asserted their commitment to continue working closely with AFRACA in the coming years.

2nd AFRACA International Conference On Best Practices In Rural and Agricultural Finance
30 September – 3 October 2019, Nairobi, Kenya

During this edition, AFRACA joined efforts with several partners and stakeholders to offer delegates a rich learning experience. With support from SAFIN, OECD, and Convergence, the event featured a series of learning events on Blended Finance in Agriculture, AFRACA’s most recent work with FAO and CABFIN partnership. These resulted in revised publication on ‘Agricultural Value Chain Finance Innovations and Lessons: Case Studies in Africa,’ which was also featured in one of the plenaries. The case studies covered in the publication, provided lessons on the successes and challenges of a variety of agricultural value chain models and financing tools within the African context with major contributions from AFRACA member institutions and partners. Support from WWF was also critical in facilitating dialogue on Sustainable Finance.
Capacity Building & Training Activities

**Training of Trainers Workshop on Agricultural Value Chain Finance, Residence La Falaise d’Akwa, Douala, Cameroon, 24 - 28, June 2019 (Francophone)**

The five-day training was held in Douala, Cameroon at Residence La Falaise d’Akwa, Douala. The training attracted fifteen participants mainly from AFRACA member Institutions in Cameroon. Other participants came from Benin and Senegal through partial scholarships offered by AFRACA and FAO. Most of the participants worked under the Agricultural/SME units of their institutions which fitted the profile of the target participants. The training programme followed the general prescribed structure of the training, which was delivered through structured sessions, group discussions and experience-sharing.

Expectations from participants during the start of the training, suggested the need to incorporate a field visit that would demonstrate a practical case of AVCF. It was gratifying to have one of the financial institutions-MUPECI, volunteer to guide participants to a ‘Soya value Chain’ Finance project that was supported by the institution. This was scheduled for day three of the training. Overall the training managed to fulfill its objectives based on the positive evaluation by participants.

**Training of Trainers Workshop on Agricultural Value Chain Finance, Coconut Grove Regency Hotel, Accra, Ghana, 6 - 10 May 2019**

The training went ahead as scheduled and was successfully convened. AFRACA acknowledges the financial support from Bank of Ghana and their assistance in mobilizing participants. We also acknowledge the support by management of ARB Apex Bank who identified and mobilized other participants from the Rural Banks in Ghana. The training convened at the Coconut Grove Regency Hotel and was officially commissioned by Mr. Eric Koranteng, Director, Bank of Ghana. Twenty-five (25) participants from diverse institutions were represented. Some of the institutions represented included Central Bank of Nigeria, National Youth Development Agency (NYDA) South Africa, Bank of Ghana, Sterling Bank, Nigeria and the National Agricultural Insurance Corporation (NAIC). Feedback was positive.

Centenary Bank Uganda Staff, Fred Migadde (right) and Steven Namunyala (left), Supervisors in the Agribusiness for putting their learning into practice and convening Centenary Banks’ inaugural internal staff training on Agricultural Value Chain Finance (AgVCF)
After much review from a wide range of stakeholders, we look forward to the final publication of the Agricultural Value Chain Financing Innovations and Lessons: Case Studies in Africa which is based on first hand research prepared for AFRACA and FAO in late 2017 to early 2018. The document comprises 22 case experiences, including four highlight case studies, 12 shorter case studies and six case examples. These cases portray an array of business models, financial instruments and partnerships. Many of the cases involve some form of a contract or partnership between one or multiple value chain partners in order to secure or facilitate the financing.

Members will be updated on the availability of the publication in due course.

The Pathways to Prosperity (State of the Rural and Agricultural Finance Sector report 2019) follow up the Inflection Point Report in 2016 by ISF\textsuperscript{14} advisors and RAF\textsuperscript{15} learning lab. It introduces new thinking by applying the ‘Pathways Model’ to help funders channel capital more efficiently towards rural service provision and guide rural planners to transform agriculture.

https://pathways.raflearning.org/

Blog-Seventy First Principles for Reimaging Financial Services by David Cracknell, Finance Expert, First Principles Consulting.

As C level executives we must plan for the digital future, the pace of change is electrifying. Today the capacity to manage change is probably the most important institutional asset we have. The ability to rethink financial services comes a close second. This blog outlines an approach to reimagining financial services.

1 AFRACA · African Rural and Agricultural Credit Association
2 AGRA · Alliance for a Green Revolution in Africa
3 FAO · Food and Agriculture Organization of the United Nations
4 SAFIN · Smallholder and Agri-SME Finance and Investment Network
5 RACA · Rural and Agricultural Credit Association
6 AFRACA · Asia-Pacific Rural and Agricultural Credit Association
7 Alide · Latin American Association of Development Financing Institutions
8 CICA · The International Confederation of Agricultural Credit
9 NENARACA · Near East and North Africa Regional Agricultural Credit Association
10 CABFIN · Improving Capacity Building in Rural Finance
11 GIRSAL · Ghana Incentive-based Risk Sharing System for Agricultural Lending
12 OECD · Organisation for Economic Co-operation and Development
13 WWF · World Wide Fund for Nature
14 ISF · Initiative for Smallholder Finance Advisors
15 RAF · Rural and Agricultural Finance

What we are planning | March - April 2020

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Events in Pictures

The Secretary General, Mr. Thomas T. Essel making the opening remarks during AFRACA’s Business Session at the 6th World Congress in New Delhi, India.

Participants during their first meeting in Nairobi, Kenya.

Participants during the field trip visit to a soya value chain plant organised by MUPECI, Cameroun.

The Best Practice Conference was graced by Dr. Patrick Njoroge (Centre) who made the keynote address. Also in attendance was Central Bank of Gambia Deputy Governor, Dr. Seckou Jaabi, who made the opening remarks.

Ms. Joanita Kamuli Babumba, Bank of Uganda, following proceedings during the Best practice Conference.

The Central Bank of Kenya, Governor, Dr. Patrick Njoroge (Third from left) and his Deputy Mrs. Sheila M’Mbuijewe (second from right) welcomed AFRACA Secretariat staff at his office.

Special Training on Agriculture insurance - a risk management tool and smart revenue, 24-28 June 2019 in Nairobi, Kenya.