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ADFIAP

# DevTalks

MAGAZINE



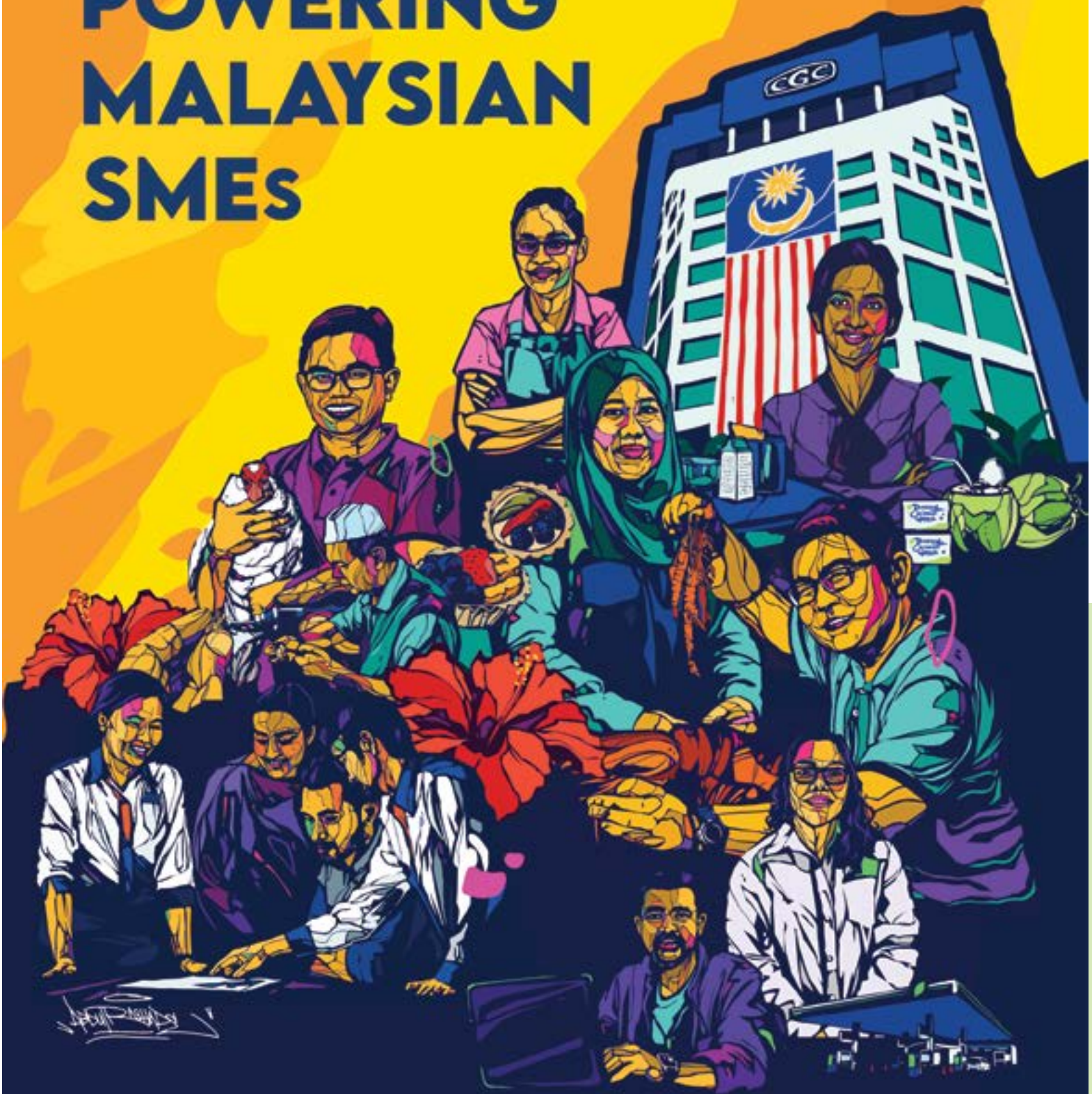
## POWERING INNOVATION

Future-Proofing DFIs  
for Sustainable Development





# POWERING MALAYSIAN SMEs



TALK TO US



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## EDITORIAL

I'm excited to present our latest issue of DevTalk Magazine as we gather our member-development finance institutions (DFIs) to this year's 48th ADFIAP Annual Meetings in Muscat, Oman, hosted by the Development Bank.

Despite the tough economic times for many, we have managed to sustain this special publication (formerly called ADVANCE Magazine) for the past 12 years since it was launched at the 37th ADFIAP Annual Meeting in Moscow, Russia on April 23-25, 2014. Thanks to our members which support this endeavor through advertising (for this issue: Credit Guarantee Corporation Malaysia Berhad, Eurasian Development Bank, and Land Bank of the Philippines), as well as to Writers Edge, which co-publishes this magazine and has been a long-time partner of ADFIAP in its sustainability reports.

In this issue, we showcase the pioneering innovations in our field, including the groundbreaking ADFIAPNET digital transformation platform we recently launched with our partners. The stories you will read are also aligned with the theme of our ADFIAP 48th Annual Meetings, "Economic Gardening and Development."

Happy reading!

ENRIQUE I. FLORENCIO  
ADFIAP Secretary General





## ADFIAP chair at global forum on greening financial systems

ADFIAP Chairman Dr. Kao Thach was one of the speakers at the High-Level Roundtable Discussion on “Greening Financial Systems: Unlocking Capital for Climate and Development” during the Finance in Common (FICs) 2025 Summit in Cape Town, South Africa held 26–28 February 2025.

Dr. Thach presented the strategies of ADFIAP in driving the transition towards greener economies by showcasing the initiatives of ADFIAP’s member-DFIs, namely: green financial and sustainable investment, policy advocacy, capacity building and knowledge sharing, climate risk management and ESG integration, green SMEs financing and inclusive growth, partnership and collaboration, research and development, and monitoring and reporting.

The high-level forum engaged stakeholders in a discussion on the strategies, financial and regulatory instruments, and collaborative approaches required for systemic changes to the financial system to align and catalyze financial flows to climate and development objectives. It also offered a venue to raise political attention to the initiatives encouraging other actors to join, build new connections and partnership across the greening financial system agenda with PDBs, and promote an exchange between ministries of finance, central banks, public development banks and private financial stakeholders on areas of mutual support and collaboration and feed into G20 finance track discussions, among others.



### EDB to strengthen Islamic finance in Central Asia and beyond

The Eurasian Development Bank (EDB) has become a member of the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) as part of its efforts to promote financial inclusion and diversification of the financial market, and support the development of Islamic finance products across its member states and in Central Asia as a whole.

The EDB’s partnership with AAOIFI is integral to fostering the adoption and integration of Islamic finance standards in its region of operations, strengthening cooperation and partnerships of financial markets globally.

By promoting standardized practices, the collaboration will facilitate cross-border transactions, attract investments, and enhance capacity building within the Islamic finance sector. The EDB plans to establish an Islamic banking window in 2025. It is poised to become a major player in advancing Islamic finance in Central Asia by actively leveraging innovative tools such as Sukuk.

# CGC Group to boost MSME financing

Credit Guarantee Corp. Malaysia Bhd (CGC Group) signed a three-year memorandum of understanding (MoU) with the Securities Commission to enhance access for Malaysian micro, small and medium enterprises (MSMEs) and mid-tier companies (MTCs) to capital-market financing solutions.

This collaboration leverages CGC Group's expertise in financing guarantees. It aims to improve MSME and MTCs' access to capital market financing via CGC's imSME platform, which matches them with peer-to-peer financing platforms. Additionally, the initiative supports MSME and MTC de-risking by providing and extending credit guarantees.

Since 1972, CGC has facilitated over RM98.31 billion in guarantees and financing, benefiting over 538,000 MSMEs. SC chairman Datuk Mohammad Faiz Azmi emphasized that this collaboration aims to connect MSMEs and MTCs with tailored capital market solutions.



## Upcoming Events 2025

- **June 16-20:** ADFIAP Career Credentialing Program Level I – Certificate in Development Bank Associate (CDBA)
- **July 14-18:** Risk Management and Compliance in Financial Institutions
- **August 25-29:** ADFIAP Career Credentialing Program Level II – Certificate in Development Bank Executive (CDBE)
- **October 20-21:** Development Finance Fellowship Program (DFFP)
- **October 22-24:** ADFIAP-AADFI Joint International CEO Forum, Macao, China

**For more information, contact ADFIAP:**  
[inquiries@adfiap.org](mailto:inquiries@adfiap.org)

# DBP wins International Sustainability Award

The Development Bank of the Philippines (DBP) has received the Green Initiatives Award for its pioneering sustainability efforts.

DBP President and CEO Michael O. de Jesus accepted the Asia Corporate Excellence and Sustainability (ACES) Awards 2024 award, organized by MORS Group. The award recognizes DBP's commitment to sustainable financing and its leadership in adopting green practices.

The ACES Awards honor companies and leaders in Asia for integrating ESG principles. In 2024, 100 companies from 22 countries were recognized.



# ADFIAP AWARDS

**N**ow on its 28th year, the ADFIAP Awards has been shining the spotlight on individuals and institutions which have contributed significantly to the socio-economic progress of their countries.

Launched in 1997 at the Summit on Development Finance in Manila, the ADFIAP Awards has given annual recognition to ADFIAP member-institutions that have created a positive impact on areas such as the environment, small and medium enterprises (SME) development, infrastructure, technology, trade, local economy, corporate governance, and corporate social responsibility.

The ADFIAP Awards is one of the highlights of the 48th ADFIAP Annual Meetings in Muscat, Oman. Congratulations to all the winners!



## 2025 ADFIAP CEO of the Year

Mr. Nikolai Podguzov

Chairman of the Management Board, Eurasian Development Bank, Kazakhstan

Mr. Nikolai Podguzov, Chairman of the Eurasian Development Bank (EDB), was chosen as the recipient of the ADFIAP 2025 CEO of the Year Award in recognition of his visionary leadership and transformative impact on Central Asian regional development.

Under his stewardship, the EDB has become a driving force for economic integration, sustainable growth, and innovation across Eurasia, with a particular emphasis on Central Asia.

In 2024, the EDB recorded a cumulative investment portfolio exceeding US\$16.5 billion, accounting for 41% of the total non-sovereign investment in Central Asia from all multilateral development banks in 2022 to 2024.

Central Asia has been a focal point of the EDB's efforts, with Mr. Podguzov championing renewable energy projects to enhance energy security and sustainability.

The EDB's support for critical infrastructure, including cross-border transportation corridors and water-energy systems, has strengthened regional connectivity and economic cooperation.

During his five-year leadership, he has prioritized the development of Central Asia's economies, with the EDB's project portfolio in Armenia, Kyrgyzstan, and Tajikistan reaching a historic US\$435 million in 2024—a 50% year-on-year increase.



The EDB Think Tank, reformed under his guidance, has produced groundbreaking research on water scarcity and transport networks, shaping international programs such as the United Nations Development Programme's 2024–2030 Umbrella Water Programme.

Mr. Podguzov's main goal is to create more investment opportunities in Central Asia, drawing more funding to the region's sustainability, while staying committed to transparency and innovation, cementing the EDB's role as a trusted partner in Central Asia's development.



## Most Distinguished Person of the Year 2025

Mr. Mohd Zamree Mohd Ishak  
President & Chief Executive Officer  
Credit Guarantee Corporation  
(CGC), Malaysia



ADFIAP named Mr. Mohd Zamree Mohd Ishak as the recipient of its Most Distinguished Person of the Year 2025 Award for being a visionary leader that has been leading the transformation of Malaysia's micro, small, and medium enterprise (MSME) ecosystem.

With over 35 years of experience in financial services, he has led the Credit Guarantee Corporation Malaysia Berhad (CGC) for a decade, guiding it through challenges with strategic foresight and resilience.

This commitment to financial inclusion has empowered unserved and underserved communities, aligning CGC's initiatives with Malaysia's economic goals. He championed programs supporting MSME growth and sustainability, ensuring broader access to financing.

His leadership was especially pivotal during the COVID-19 pandemic when CGC offered innovative solutions to help businesses in securing funding to survive and rebuild. Under his guidance, CGC emerged stronger, reinforcing its mission of fostering economic resilience.

Mr. Zamree exemplifies resilience, agility, and integrity—qualities essential for success.

His dedication and innovation have left a lasting impact on Malaysia's financial landscape, driving accessibility and empowerment. As an industry leader, he inspires through adaptability and ethical principles, cementing his legacy as a transformative force in the financial sector.

ADFIAP AWARDS



## INSTITUTIONAL AWARDS

### Human Capital Development

#### Winner

**Credit Guarantee Corporation (CGC) Malaysia Berhad**  
The Leadership Development Programme (LDP)

#### Merit Awardees

- **SME Bank Malaysia Berhad**  
SME BANK Graduate Talent Programme (GTP)
- **State Development Corporation «VEB.RF»**  
Pilot Program of Social Impact Projects
- **DFCC Bank PLC**  
OMMM Committee Initiatives

### Environmental Development

#### Winners

- **Development Bank of Mongolia**  
Ulaanbaatar Green Affordable Housing and Resilient Urban Renewal Sector Project
- **Export-Import Bank of India**  
Sustainable Finance Programme

#### Merit Awardees

- **China Development Bank**  
China Guangdong Nuclear Power Corporation (CGNPC) New Energy ESG Project
- **PT Sarana Multi Infrastruktur (Persero)**  
Empowering Sustainability: The Tembesi Floating Photovoltaic Power Project – A Model for Clean Energy, Environmental Stewardship, and Economic Growth
- **SME Bank Malaysia Berhad**  
SME Bank Sustainability Journey

### SME Development

#### Winners

- **Bank Simpanan Nasional**  
Collaboration and MOU with Mesin Kira
- **SME Bank Malaysia Berhad**  
SME Bank Sandbox Swiss Innovation Challenge 2024

#### Merit Awardees

- **Credit Guarantee Corporation (CGC) Malaysia Berhad**  
Portfolio Guarantee (PG) Business Credit Card
- **Export Development Bank of Iran**  
Financing Access and Technical Assistance to Local SMEs
- **Bank of Industry and Mine**  
Lend-Tech Platform-Empowering Small Businesses

### Infrastructure Development

#### Winners

- **Development Bank of Kazakhstan**  
Rehabilitation of Public Roads of National Significance
- **National Bank for Agriculture and Rural Development**  
Rural Infrastructure Development Fund (RIDF)

#### Merit Awardees

- **Eurasian Development Bank**  
Research Programme on Water and Energy Complex in Central Asia
- **Land Bank of the Philippines**  
H2OPE – Water Program for Everyone
- **DS Finance Corporation**  
DS Global Corporate Center
- **National Housing Bank, India**  
Urban Infrastructure Development Fund (UIDF)

## Technology Development

### Winners

- **Small Business Corporation (SBCorp)** Expected Credit Loss Model
- **SME Bank Malaysia Berhad**  
Enterprise Lifecycle Scoring Assessment (ELSA)

### Merit Awardees

- **Development Bank of Japan Inc. (DBJ)** Investment in Qolab.inc
- **Eurasian Development Bank** • Fund for Digital Initiatives – ATTILAN
- **Pag-IBIG Fund (Home Development Mutual Fund)** • Pag-IBIG Fund  
Online Public Auction (OPA): Affordable Homes Now Sold Online

## Trade Development

### Winner

**PT Sarana Multi Infrastruktur (Persero)**

A Groundbreaking Strategic Partnership Between Indonesia and Canada to Support Infrastructure and Energy Transition in Indonesia

### Merit Awardee

**Agricultural and Rural Development Bank (ARDB)**

Special Vehicle for Strategic Agriculture Commodities Financing Program – Government Intervention

## Local Economic Development

### Winners

- **PT Sarana Multi Infrastruktur (Persero)**  
Empowering Cultural Tourism Villages with Bangun Dusun Unggul (BDU) Program
- **Development Bank of Japan Inc. (DBJ)** Investment in Aikawa Kurumaza Co., Ltd.
- **Fiji Development Bank (FDB)**  
The Fiji Development Bank Leveraging its Financial Instruments through stakeholder collaboration

### Merit Awardees

- **State Development Corporation «VEB.RF»**  
“Hospitable Cities” Educational Programme
- **New Rural Bank of San Leonardo, Inc.**  
Bundled Financial Solutions in favor of Small-Scale Rice Farmers for Climate-risk Adaptation
- **Alalay Sa Kaunlaran Microfinance Social Development Inc.**  
Empowering Women and Youth-led Microenterprises through Microentrepreneurship and Green Energy Adoption

### Financial Inclusion

#### Winners

- **Bank Pertanian Malaysia Berhad (AGROBANK)**  
Structured Community Development Programme
- **National Bank for Agriculture and Rural Development**  
Financial Support to Rural Cooperative Banks for Deploying Micro-ATMs at Cooperative Milk Societies and Other Cooperative Societies

#### Merit Awardees

- **Development Bank of the Philippines**  
*Agri-Puhunan at Pantawid Program (APPP)*
- **Perbadanan Usahawan Nasional Berhad**  
Jom Jadi Perantis PUNB (JumPER)
- **Land Bank of the Philippines**  
AGRISENSO Plus and ASCEND

### Corporate Governance

#### Winners

- **Development Bank**  
Year of Governance
- **International Bank for Economic Co-operation**  
IBEC Sustainability Assessment Framework

### Merit Awardees

- **Bank Simpanan Nasional**  
Sustainability Framework
- **TEKUN Nasional**  
Certification of ISO 22301:2019 Business Continuity Management System (BCMS)
- **Philippine Guarantee Corporation**  
PhilGuarantee’s Sustainable Strategic Direction

### Corporate Social Responsibility

#### Winners

- **IPDC Finance PLC.** • Child Marriage Prevention Loan (CMPL)
- **Sabah Credit Corporation** • Rural Hostel for Kuala Salong Primary School, Nabawan, Sabah

#### Merit Awardees

- **Development Bank of the Philippines**  
Sustaining Peace Through Environmental Protection and Preservation: Mindanao State University (MSU)-Buug Forest Project
- **PT Sarana Multi Infrastruktur (Persero)**  
Rebuilding the Reef: Restoring Coral and Empowering Communities in Misool
- **Development Bank**  
Karwa Project
- **Bank of Industry and Mine**  
Establishment of a Specialized Hemodialysis Center in Sistan and Baluchistan

## SPECIAL AWARDS

### Best Sustainability Report

**Bank Simpanan Nasional**  
Upholding Aspirations, Across Generations

### Best Website

**PT Sarana Multi Infrastruktur**

### First Payor

**National Bank for Agriculture and Rural Development**

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# Central Asia: Where Glocalization Powers Eurasian Economic Transformation

**By Nikolai Podguzov**

Chairman of the Board

Eurasian Development Bank (EDB)

**T**he economic transformation of Eurasia is being rewritten, with Central Asia emerging as its dynamic epicenter.

At the Eurasian Development Bank (EDB), we see this moment as a unique opportunity to demonstrate how glocalization—the strategic fusion of global partnerships with local solutions—can unlock sustainable growth.

The region's success hinges on our collective ability to attract diverse international actors while ensuring every investment and innovation is deeply rooted in Central Asia's specific needs and potential.

The EDB's latest data reveals the powerful results of this approach: the total stock of direct investments from China, Türkiye, Iran, and the Gulf states in the Eurasian region (CIS, Georgia, Ukraine, Mongolia) have reached US\$90.4 billion in the first half of 2024, with Central Asia capturing 51% of this total—a striking 25% increase in a year and a half. This achievement stems from carefully structured collaborations that respect both global standards and local contexts.

### Four Pillars of Glocalized Development

- 1. Water-Energy and Food Security Nexus:** We're bridging global expertise with regional knowledge to address Central Asia's most pressing challenges. Our support for modern irrigation systems combines international technology with traditional water management practices, while projects like the Kulanak hydropower plant in Kyrgyzstan integrate global engineering solutions with local environmental considerations. Cross-border water management initiatives now actively involve all regional stakeholders to optimize shared river systems.
- 2. Eurasian Transport Network:** The EDB is financing critical infrastructure that reduces transit times while boosting local economies. Our investments in roads, railways and airport construction apply international best practices to regional logistics needs. Simultaneously, we are supporting the digital transformation of customs systems—implementing global digital trade standards while ensuring compatibility with business processes.
- 3. Islamic Finance Innovation:** Our groundbreaking research partnership with the Islamic Development Bank Institute and the London Stock Exchange Group exemplifies



glocalization in financial markets. By adapting global Sharia-compliant mechanisms to Central Asian contexts, we are unlocking access to the US\$4.5-trillion Islamic finance market while respecting regional financial cultures. This approach is aimed to mobilize capital for projects ranging from SME financing to major infrastructure development and connect regional businesses initiatives with the global Islamic finance market.

4. **Digital Transformation:** We are facilitating technology transfers that combine global innovations with local implementation strategies. Our digital infrastructure projects prioritize solutions that can be maintained and scaled by regional talent, ensuring long-term sustainability.

The challenges ahead—from climate adaptation to technological advancements—require even deeper collaboration.

The remarkable 50% growth in investment from the Gulf states into the Eurasian region (reaching US\$16.1 billion in the first half of 2024) in a year and a half, with 90% directed to Central Asia, proves the effectiveness of our glocalized approach. Similarly, growing engagement from European and Asian partners demonstrates the region’s rising strategic importance.

This is more than economic development; it is about creating an ecosystem where global financial instruments empower local entrepreneurs, international infrastructure standards serve regional connectivity needs and worldwide expertise strengthens community resilience.

The EDB invites more partners to join this transformative journey. Together, we can build a Central Asia that is fully integrated into global systems while preserving and enhancing its unique economic character. Our shared future depends on this balanced approach—one that recognizes glocalization not as a strategy, but as the essential paradigm for Eurasian prosperity.

#### About the Author

Mr. Nikolai Podguzov is Chairman of the Eurasian Development Bank (EDB). Under his stewardship, the EDB has become a driving force for economic integration, sustainable growth, and innovation across Eurasia, with a particular emphasis on Central Asia.



# From Countryside to Countrywide

## LANDBANK Powers Inclusive and Sustainable Development

**By Lynette V. Ortiz**

President and CEO

Land Bank of the Philippines (LANDBANK)

**M**ore than 60 years since its founding to support the Philippines' agrarian reform efforts, the Land Bank of the Philippines (LANDBANK) has grown into the country's largest government financial institution.

Anchored on its mandate to promote countryside development and serve the needs of the agriculture sector, LANDBANK today operates at the intersection of financial stability and national development, contributing to every pillar of the Philippine economy.

As a policy bank with a universal banking license, LANDBANK upholds the same prudential rigor as private banks while directing our financial resources toward sectors critical to inclusive growth. We continue to strike a balance between financial sustainability and our development mandate — empowering underserved communities, advancing rural development, expanding financial access, and accelerating our nation's socio-economic transformation.

### Accelerating Agricultural Growth and Rural Progress

LANDBANK's most profound and enduring impact is in agriculture and rural development. As of end-2024, it maintained an outstanding loan portfolio of PHP824.3 billion (US\$14.36 billion), covering the entire agricultural value chain — from production and mechanization to post-harvest infrastructure and market access. This extensive reach has enabled us to support and uplift over four million farmers and fishers nationwide.

Yet agriculture is changing, and we are evolving with it. We are equipping farmers to become agribusiness entrepreneurs — backed by capital, technology, value chain linkages, and market connectivity. Our AGRISENSO Plus Lending Program designed to provide concessional financing alongside training, capacity- building, and market support, aims to help farmers, fishers, and agribusinesses expand their operations and enhance their participation in the agricultural value chain.

### Bridging the Digital Divide in Hard-to-Reach Areas

With over 7,600 islands, the Philippines faces distinct geographic and digital connectivity challenges. Many communities remain financially underserved due to digital and logistical barriers.





LANDBANK is closing these gaps through a “phygital” approach—seamlessly integrating digital innovation with a strong physical presence on the ground.

In 2024 alone, we facilitated more than 162 million digital transactions, amounting to PHP3.38 trillion (US\$58.88 billion), highlighting our commitment to fast, secure, and inclusive digital banking. At the same time, we expanded our physical reach to cover 88.6% of cities and municipalities, including remote and disadvantaged areas. Through our agent banking program, LANDBANKasama, we are enabling partner cooperatives, micro-entrepreneurs, and even neighborhood sari-sari stores — small family-run convenience shops — to serve as local banking touchpoints, bringing essential financial services closer to where they are most needed.

### **Beyond Banking: A Partner in Nation Building**

LANDBANK’s developmental role goes far beyond traditional banking. As the country’s largest government- owned corporation and government financial institution, we provide essential banking services to national agencies, local government units, and public servants. We also support the implementation of social protection programs by ensuring the timely and secure disbursement of financial aid to millions of beneficiaries.

We are a key player in financing the country’s economic recovery and public investment priorities. As the largest lender to local governments, we help build infrastructure that directly benefits Filipino communities—hospitals, farm-to-market roads, schools, and transport systems. In parallel, we are scaling up investments in renewable energy, electric mobility, and other infrastructure, in alignment with the Philippines’ sustainable development goals and climate commitments.

At LANDBANK, we are not merely adapting to change—we are shaping it. We are redefining the role of a 21st century development bank: one that uplifts, includes, and empowers. One inclusive solution—and one empowered community—at a time.

#### **About the Author**

Ma. Lynette V. Ortiz is a highly accomplished banking and finance professional, currently serving as the Vice Chairperson of the Land Bank of the Philippines Board of Directors and its President and CEO. She brings extensive leadership experience to her position, with a robust background in corporate and institutional banking.



# Driving Digital Transformation

ADFIAP launches groundbreaking platform to empower DFI members



**A**DFIAP's digital transformation initiative, ADFIAPNET is a groundbreaking platform designed to empower development finance institutions (DFIs) in the Asia-Pacific region by providing cutting-edge tools and solutions that drive efficiency, sustainability, and innovation.

ADFIAPNET is a comprehensive ecosystem that equips DFIs to navigate the complexities of the modern financial landscape and deliver impactful results for their communities.

### Key Services of ADFIAPNET

#### ABANX Core Banking System

The ABANX Core Banking System is a state-of-the-art digital platform designed to revolutionize how DFIs manage their operations. It integrates all core banking functions such as loans, payments, and risk management, into a single, user-friendly system.



The ABANX Core Banking System is more than just a tool; it's a game changer that enables DFIs to operate more efficiently, save costs, and deliver greater impact in their communities.

#### Key Features

- **Streamlined Operations:** ABANX consolidates multiple banking functions into one platform, reducing the need for costly and fragmented systems.
- **Cost Efficiency:** By removing the expensive costs of acquiring and maintaining multiple core banking systems, ABANX significantly lowers operational expenses.
- **Real-Time Data Analytics:** Enhances risk management and compliance through advanced analytics and reporting tools.
- **Scalability:** Designed to meet the needs of both small and large DFIs, ensuring flexibility as institutions grow.



#### Key Benefits

- **Improved Operational Efficiency:** DFIs can focus more on their mission-driven projects, as ABANX simplifies and automates routine tasks.
- **Cost Savings:** By eliminating the need for expensive, outdated, or fragmented systems, ABANX reduces both upfront and ongoing maintenance costs.
- **Digital Transformation:** Provides a robust, future-proof foundation for DFIs to embrace digital transformation and stay competitive in a rapidly evolving financial landscape.
- **Enhanced Service Delivery:** With streamlined processes and real-time insights, DFIs can offer faster, more reliable services to their clients and stakeholders.

#### ESG Credit Scoring System

The ESG Credit Scoring System is a pioneering tool that helps DFIs assess the environmental, social, and governance (ESG) performance of their projects and investments.





# LET'S TALK TECH

## Key Features

- Evaluates projects based on sustainability criteria, such as carbon footprint, social impact, and governance practices.
- Provides actionable insights to improve ESG performance and align with global sustainability goals.

## Key Benefits

- Enables DFIs to make more informed, responsible investment decisions.
- Attracts socially conscious investors and funding opportunities.
- Strengthens the credibility and reputation of DFIs as leaders in sustainable finance.

## Seed2Market Agri-Tech Platform

The Seed2Market platform is an innovative agri-tech solution designed to connect smallholder farmers with investors, markets, and resources.



## Key Features

- Facilitates access to capital, technology, and markets for small and medium-sized enterprises (SMEs) in the agricultural sector.
- Includes traceability tools to ensure transparency and quality throughout the supply chain.
- Scalable to other sectors, such as logistics and manufacturing.

## Key Benefits

- Supports rural development by empowering farmers and agri-businesses.
- Promotes food security and sustainable agricultural practices.
- Creates new opportunities for DFIs to invest in high-impact, community-driven projects.

## Impact of ADFIAPNET to Members

ADFIAPNET is transforming the way DFIs operate, enabling them to achieve greater efficiency, sustainability and impact.

Here's how:

- **Enhanced Operational Efficiency:** By adopting tools like ABANX, DFIs can cut the cost of maintaining and upgrading a core banking system, streamline their processes, reduce costs, and improve service delivery.
- **Sustainable Development:** The ESG Credit Scoring System ensures that DFIs prioritize projects that align with global sustainability goals, such as the UN Sustainable Development Goals (SDGs).
- **Empowered Communities:** Platforms like Seed2Market connect underserved populations with resources and opportunities, driving inclusive growth and economic development.
- **Increased Competitiveness:** ADFIAPNET equips DFIs with the tools they need to stay ahead in a rapidly evolving financial sector.

## A Vision for the Future

ADFIAPNET is more than just a digital initiative; it's a vision for the future of development finance. By leveraging technology, ADFIAP is empowering its members to tackle global challenges, from climate change to food security, and create a more sustainable and equitable world.

As ADFIAP continues to expand and refine ADFIAPNET, its members can look forward to even more innovative solutions that drive growth, resilience, and impact. Together, we are building a future where development finance institutions are not just responders to change, but leaders of transformation.

# Enabling the Shift

## How a Cost-Efficient Core Banking System Lays the Groundwork for AI and Data-Driven Digital Transformation

**By Vindya Solangaarachchi**  
Chief Information Officer  
DFCC Bank, Sri Lanka

### Introducing ABANX: A Smarter Core for a Smarter Future

Digital transformation begins at the core. For finance institutions (FIs), modernizing core infrastructure has often been held back by high costs and legacy constraints. That's where ABANX comes in—a next-generation, affordable core banking system, purpose-built for FIs and now ready for deployment.

Introduced in collaboration with ADFIAP, ABANX addresses the critical needs of institutions seeking cost-efficient, scalable, and modular solutions. It provides the digital backbone necessary to support essential banking functions today—while laying the foundation for AI-driven transformation tomorrow.

### Introduced in Partnership with ADFIAP

ABANX was introduced in strategic partnership with ADFIAP to support the evolving digital needs of its member institutions. This collaboration has enabled a deep understanding of the operational and regulatory environments across a diverse set of finance institutions in the Asia and the Pacific region.



The partnership also ensures alignment with ADFIAP's broader initiatives—such as the Open Finance and ESG Integration programs—positioning ABANX as a practical enabler of digital transformation within the context of sustainable development and financial inclusion.

### The Core of ABANX

At its foundation, ABANX is a modular core banking system that supports key functions including customer onboarding, loan and deposit management, transaction processing, and reporting. Built on open standards, it ensures seamless integration with national payment systems, fintech platforms, e-wallets, and mobile channels. *Continued on page 21*



## The Future of Credit Scoring

Why ESG matters and how A-ESG is leading the way

**By Enrique I. Florencio**  
Secretary General, ADFIAP

In an era where sustainability is no longer a buzzword but a business imperative, financial institutions are rethinking traditional credit scoring models.

Integrating Environmental, Social, and Governance (ESG) factors into credit assessments has emerged as a game changer, enabling lenders to assess risks better, align with global sustainability goals, and meet evolving stakeholder expectations.

At the forefront of this transformative movement is the **ADFIAPNET A-ESG Credit Scoring System**, a groundbreaking tool designed to revolutionize how financial institutions evaluate borrowers' sustainability performance alongside their financial health.

### Why ESG Integration Matters

Traditional credit scoring models have long relied on financial metrics such as income, debt levels, and repayment history to assess creditworthiness. However, these models often overlook critical non-financial risks that can significantly impact borrowers' ability to repay loans. Enter ESG factors—encompassing environmental, social, and governance considerations—that provide a more comprehensive view of risk and opportunity.

- Enhanced Risk Assessment:** Climate change, labor disputes, and poor corporate governance can disrupt operations and lead to defaults. By incorporating ESG metrics, lenders gain deeper insights into potential vulnerabilities.
- Regulatory Compliance:** With regulators worldwide mandating ESG disclosures, integrating these factors ensures that



institutions stay ahead of compliance requirements.

3. **Portfolio Resilience:** Companies with strong ESG practices are better equipped to navigate long-term challenges, reducing default rates and enhancing portfolio stability.
4. **Stakeholder Expectations:** Investors and clients increasingly demand sustainable practices. Financial institutions that prioritize ESG demonstrate their commitment to responsible lending.

### ADFIAPNET A-ESG Credit Scoring System

Developed by the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP), in collaboration with Infivex IT Solutions Inc., the ADFIAPNET A-ESG Credit Scoring System is a pioneering solution for development financing institutions (DFIs). It combines traditional credit risk metrics with robust ESG analytics, providing a comprehensive framework for assessing borrowers' sustainability performance.

What makes A-ESG stand out?

1. **Tailored for Development Financing:** Unlike generic ESG tools, A-ESG is specifically designed to address the unique needs of DFIs. It supports projects that promote sustainable economic growth, poverty alleviation, and inclusive development.
2. **Standardized Framework:** One of the biggest hurdles in ESG integration is the lack of standardized metrics. A-ESG provides a structured methodology that harmonizes ESG considerations with traditional credit risk assessments, simplifying adoption.
3. **Regional Relevance:** Leveraging regional expertise, the system addresses Asia-Pacific-specific challenges, including water scarcity, deforestation, and labor rights issues. This ensures that credit scoring reflects local realities while addressing global sustainability goals.

4. **Alignment with SDGs:** The A-ESG system is aligned with the United Nations Sustainable Development Goals (SDGs), enabling financial institutions to contribute directly to global efforts such as clean energy, sustainable cities, and responsible consumption.
5. **Transparency and Accountability:** By requiring borrowers to disclose ESG data, the system fosters transparency and encourages companies to improve their sustainability practices. This reduces information asymmetry and builds trust between lenders and borrowers.

### Benefits for Financial Institutions

Adopting the ADFIAPNET A-ESG Credit Scoring System offers numerous advantages for financial institutions:

- **Improved Risk-Adjusted Returns:** Borrowers with strong ESG performance are often more resilient, leading to lower default rates and better returns for lenders.
- **Reputation Enhancement:** Institutions that adopt A-ESG demonstrate their commitment to sustainability, strengthening their reputation as responsible and forward-thinking organizations.
- **Access to New Markets:** The system supports green loans, sustainability-linked loans, and other forms of sustainable financing, allowing institutions to capitalize on the growing demand for eco-friendly financial products.
- **Driving Innovation:** By integrating advanced ESG analytics, A-ESG positions institutions as innovators in credit risk management.

### How A-ESG Drives Systemic Change

Beyond its immediate benefits, the ADFIAPNET A-ESG system plays a crucial role in driving systemic change. Incentivizing borrowers to enhance their ESG performance fosters a positive

feedback loop that encourages sustainable practices across industries. For example, companies with higher ESG scores may receive preferential terms, such as lower interest rates or extended repayment periods. This encourages businesses to adopt greener technologies, enhance labor standards, and strengthen governance structures.

Moreover, the system empowers financial institutions to contribute to broader societal goals, such as combating climate change, reducing inequality, and fostering inclusive growth. In doing so, it aligns lending practices with the urgent need for sustainable development.

## Steps to Promote A-ESG Adoption

To fully realize the potential of the ADFIAPNET A-ESG Credit Scoring System, financial institutions can take the following steps:

1. **Training and Capacity Building:** Equip staff with the knowledge and skills to effectively use the system and interpret ESG data.
2. **Awareness Campaigns:** Educate clients and stakeholders about the benefits of A-ESG and its support for sustainable development.
3. **Pilot Programs:** Launch pilot projects to test the system's effectiveness and showcase its value to internal and external stakeholders.
4. **Partnerships:** Collaborate with ADFIAP and other organizations to refine the system and promote its adoption across the financial industry.

## A Call to Action

As the world grapples with unprecedented environmental and social challenges, the role of financial institutions in driving sustainable development has never been more critical. By adopting the ADFIAPNET A-ESG Credit Scoring System, lenders can go beyond profit-making to become catalysts for positive change.

Incorporating ESG into credit scoring is not just a trend, it's a necessity. With tools like A-ESG, financial institutions can help shape a more sustainable, equitable, and resilient future.

## Final Thought

The ADFIAPNET A-ESG Credit Scoring System is more than a tool—it's a pathway to a better tomorrow. By embracing it, financial institutions can redefine credit scoring, support global sustainability goals, and pave the way for a greener economy. Are you ready to join the movement?

### About the Author

Enrique Florencio is the Secretary General of the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP). He is a Certified Sustainability Assurance Practitioner and was ADFIAP's Knowledge Management Executive & Sustainability Officer of ADFIAP prior to his position.



## ENABLING THE SHIFT (Continued from page 17)

Designed to be AI-ready and data-optimized, ABANX structures and captures data in a way that allows future technologies—such as credit scoring engines, behavioral analytics, and fraud detection—to be integrated without major disruption.

### Key Benefits for FIs

1. **Low Cost of Entry:** With a subscription-based licensing model and flexible deployment options, ABANX eliminates the need for large upfront capital expenditure.
2. **Modular and Scalable:** Institutions can activate only the modules they need, with the ability to scale operations as demand grows.
3. **Integration-Ready:** The system supports connectivity with national ID systems, e-KYC platforms, local payment switches, and regional gateways.
4. **User-Centric Design:** ABANX is built with a strong focus on usability—offering intuitive interfaces for both staff and customers, reducing training time and improving operational efficiency.
5. **Future-Proof Architecture:** ABANX is designed to seamlessly support advanced AI and analytics capabilities, enabling institutions to adopt emerging technologies as their digital maturity evolves.

## A Foundation for Future Transformation

ABANX is not just a system upgrade—it represents a strategic step toward long-term digital growth. It enables FIs to prepare for a future where AI assists in underwriting, predictive analytics enhances customer engagement, and real-time data dashboards guide decision-making and ESG tracking.

### Community-Driven Innovation

The development and refinement of ABANX have been shaped by insights from ADFIAP member institutions and regional stakeholders. This collaborative, feedback-driven approach ensures that the platform remains responsive to evolving needs and real-world challenges.

### The Journey Starts at the Core

With AI becoming mainstream, regulatory landscapes shifting, and customer expectations rising, the need for strong digital infrastructure has never been greater.

ABANX offers FIs a practical and future-ready platform to begin their digital transformation journey—with confidence and clarity.

#### About the Author

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# Revolutionizing Agrifinance in the Digital Age

**By Maxime Dedecker**  
Senior Consultant  
Agri-Tech, ADFIAPNET

**T**he agricultural and food sectors, while vital to global economies, faces persistent challenges that hinder their growth and sustainability. Traditional financing models struggle to address the complexities of the industry, including fragmented supply chains, unpredictable yields due to climate change, and increasing pressure to meet stringent environmental and social governance (ESG) standards.

Smallholder farmers, who form the backbone of many agricultural economies, often lack access to formal financial services. This exclusion stems from several factors: limited credit history, lack of collateral, and the high transaction costs associated with serving remote and dispersed communities. On the other hand, financial institutions are hesitant to lend to the agricultural sector due to the perceived high risks, lack of reliable data, and difficulty in monitoring loan performance. This creates a significant financing gap, leaving vast agricultural potential untapped.

## Seed2Market: A Comprehensive Solution

In collaboration with ADFIAP for its ADFIAPNET agri-fintech project, Seed2Market emerges as a transformative solution to these pressing challenges. By leveraging digital technology and data analytics, Seed2Market offers a comprehensive platform that connects all stakeholders in the agricultural value chain—from farmers and input suppliers to processors, distributors, and financial institutions.

## Key Features and Benefits

- **Data-Driven Decision Making:** Seed2Market's platform captures and analyzes real-time data from across the agricultural value chain. This data includes information on crop yields, soil conditions, weather patterns, market prices, and farmer financial profiles. By providing access to this data, Seed2Market enables farmers to make informed decisions about their operations, while also facilitating risk assessment and credit scoring for financial institutions.
- **Enhanced Access to Finance:** Seed2Market's data-driven approach significantly reduces the information asymmetry between farmers and lenders. By providing transparent and verifiable



data on farm performance and creditworthiness, the platform enables financial institutions to offer tailored financial products to farmers at competitive rates. This includes not only traditional loans but also innovative financing models such as revenue-based financing and crop insurance.

- **Improved Supply Chain Efficiency:** By connecting all actors in the agricultural value chain, Seed2Market promotes greater transparency and traceability. This allows for better coordination and optimization of supply chain activities, reducing waste, improving quality, and enhancing market access for farmers.
- **Sustainability and Impact Measurement:** Seed2Market's platform incorporates tools for tracking and measuring environmental and social impacts. This enables farmers to adopt sustainable practices and access premium markets, while also allowing financial institutions to integrate ESG considerations into their lending decisions.

## Why Now is the Time

The urgency for solutions like Seed2Market is underscored by several converging trends:

- **Climate Change:** The increasing frequency and severity of extreme weather events are disrupting agricultural production and exacerbating risks for farmers and lenders. Seed2Market's data-driven approach enables proactive risk management and climate-smart agriculture.
- **Regulatory Pressures:** Governments and consumers are demanding greater sustainability and traceability in the food system. Seed2Market's platform facilitates compliance with regulatory requirements and supports sustainable sourcing practices.

- **Technological Advancements:** Advances in digital technology, including satellite imagery, remote sensing, and blockchain, are creating new opportunities for data-driven agriculture and financial inclusion. Seed2Market harnesses these technologies to drive innovation and efficiency in the sector.
- **Shifting Consumer Preferences:** Consumers are increasingly conscious of the origin and sustainability of their food. Seed2Market's traceability features enable transparency and build trust between producers and consumers.

## The Path Forward

The successful implementation of ADFIAPNET's Seed2Market requires collaboration and partnerships among various stakeholders, including governments, financial institutions, agribusinesses, technology providers, and farmer organizations. By working together, these actors can create an enabling environment for digital agriculture and inclusive finance.

Seed2Market represents a paradigm shift in agrifinance, harnessing the power of data and technology to drive sustainable and inclusive growth in the agricultural sector. By addressing the challenges faced by farmers and financial institutions, Seed2Market is unlocking the full potential of agriculture and paving the way for a more resilient and equitable food system.

### About the Author

Maxime Dedecker is a dedicated professional driving sustainable impact in agriculture, combining expertise in science and business with a Master of Science in Bio-engineering and a Master in Business Economics. He founded Tracee, a digital platform fostering transparency and fairness across supply chains.





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Eurasian Development Bank

# A Leading Multilateral Development Bank in Eurasia

The EDB is a multilateral development bank with a cumulative portfolio of **305 projects** totalling **US\$16.5 billion** invested and the mission to promote economic growth in its member states, expand their trade and other economic ties and foster Eurasian integration through investment.

The key sources of funding for the EDB's lending and investment activities are long-term borrowings in capital markets and its own resources.

## THE EDB MISSION:

- Promoting the development of a market economy
- Facilitating sustainable development
- Spurring the expansion of trade and other economic ties

## We focus on:

- 01 Infrastructure
- 02 Megaprojects
- 03 International trade
- 04 Mutual investment
- 05 Green financing & ESG
- 06 Islamic Financing

## Our approach includes:

- Expanding the Bank's membership with new member states and partnering with international organisations
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- Interacting with DFIs, MDBs and IOs
- Interacting with governments and international organisations

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