

# AD<math>\gt</math>ANCE

ADFIAP The Magazine for Sustainable Development Finance



## HOT ISSUE: HOW CAN WE TURN THE CLOCK ON CLIMATE CHANGE?

- ALSO INSIDE:**  
>> ADFIAP 39<sup>TH</sup> ANNUAL MEETINGS  
>> GO SAMOA  
>> MEET THE 'CEO OF THE YEAR'  
>> CEOS TACKLE CLIMATE CHANGE  
>> ADFIAP AWARDS 2016 WINNERS



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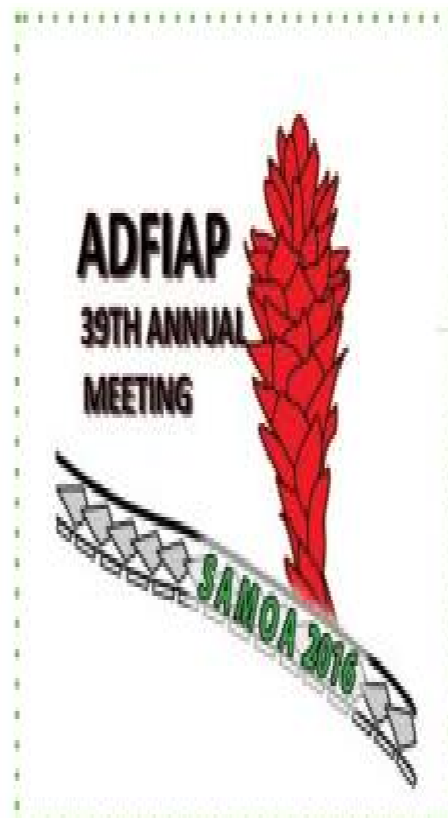
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EDITORIAL BOX

**ADANCE Magazine** is a co-publication of the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) and Writers Edge, Inc. It comes out annually or semi-annually, and is distributed for free to ADFIAP members during ADFIAP Annual Meetings.

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# Today's 'hot' issue

Dear **ADVANCE** readers,

Barely six months ago, 195 countries gathered at the 2015 United Nations Climate Change Conference (COP21) in Paris and signed the first-ever universal and legally binding global climate deal. The agreement sets out a global action plan to put the world on track to avoid dangerous climate change by limiting global warming to well below 2°C.

A central part of the talks was on how to unlock finance in support of developing countries' low-carbon and climate-resilient development.

In this special issue of **ADVANCE Magazine**, we tackle the role development finance institutions (DFIs) play as key drivers of the climate finance system. It is but fitting that we are gathering over 100 ADFIAP member-DFIs and partners in Samoa for the 39<sup>th</sup> ADFIAP Annual Meetings. As you know, this small island country in the Pacific region is extremely vulnerable to climate change and sea level rise, given that 70% of its population and infrastructure are located on low-lying coastal areas.

This is why this magazine issue carries the theme of our annual conference, "DFIs: Building Partnerships for Climate Change Resilience."

We also drew insights on this 'hot' topic from our ADFIAP-member CEOs who offered their institutions' wealth of expertise and experience on climate change mitigation.

We wish you a great time in this friendly island nation of Samoa while reading this issue!

Happy reading!

*Bobby*

**BOBBY PERALTA**  
Secretary General  
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 Philippines

**Nov. 28-  
 Dec. 9**  
 SME Banker Program  
 Manila, Philippines

For more information about the ADFIAP Asia-Pacific Institute of Development Finance programs and other events, go to: [www.adfiap.org](http://www.adfiap.org)

## ADFIAP gets regional award for 'Best Sustainability Report' in 2015

The Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) won at the Asia Sustainability Reporting Awards (ASRA) 2015 for "Best Sustainability Report 2015" (SME category).

ASRA recognizes and honors sustainability reporting leaders in Asia and was organized by CSRWorks Events, a unit of CSRWorks International, Singapore's leading sustainability firm.

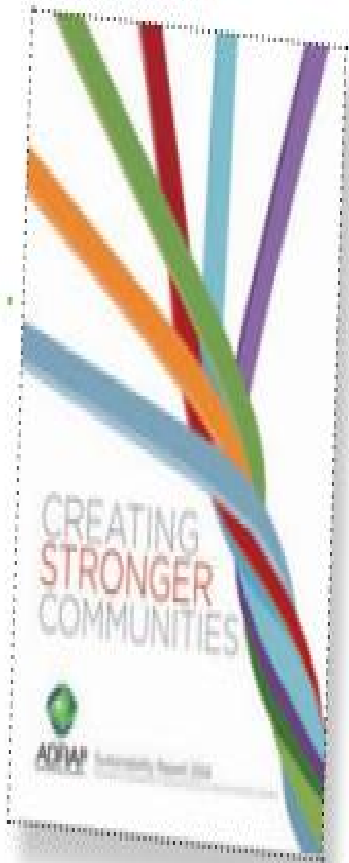
Eighty-six organizations from the Asia-Pacific region entered the 15-category awards administered by an independent panel of judges with distinguished backgrounds.

The awards ceremony, held at the Eden Hall, the official residence of

the British High Commissioner in Singapore, was attended by dignitaries from diverse fields, including business, non-profit, embassies, trade associations, advocacy organisations and academics.

Themed "Creating Stronger Communities," ADFIAP's 2014 Sustainability Report was honored for "clearly demonstrating its understanding of the material topics, stakeholder importance, and how it considers sustainability risks and opportunities to become a better business."

ADFIAP started publishing its sustainability report in 2008 using the Global Reporting Initiative (GRI) guidelines.



## Asia cleantech financing for MSMEs launched

A consortium of Asian and German development-oriented organizations recently launched the Asia Cleantech Micro, Small and Medium Enterprises Financing Network (ACMFN) in New Delhi, India.

The four-year project is funded by the European Union through its SWITCH Asia Programme. It aims to build a cleantech financing ecosystem, improve access to finance for Asian cleantech MSMEs, and enhance sustainable consumption and production patterns in Asia, initially in China, Indonesia, and India.

The consortium is composed of ADFIAP, Germany's Adelphi, the Confederation of Indian Industry (CII), Pupuk of Indonesia, CEESTA, and Green Start Ups of China.



# HOT ISSUE: HOW CAN WE TURN THE CLOCK ON CLIMATE CHANGE?

When the Pacific island of Samoa hosted the United Nations's third International Conference on Small Island Developing States (SIDS) in September 2014, the entire island was decorated with flags and banners that declare: "There is hope."

This time around, when Samoa plays host to the 39<sup>th</sup> Annual Meetings of the Association of Development Financing Institution of the Asia and the Pacific Region (ADFIAP), more than a hundred delegates will bear witness to how the independent island nation has risen from the devastating tsunami in 2009 that claimed hundreds of lives in the Pacific.

Samoa has been thrust into the global stage since nations started sounding the alarm on climate change. And with good reason: not only does climate change threaten to undo years of progress in small islands like itself, but also potentially erase whole countries and cultures. Writing in the London-based publication *The Guardian* in August 2014, Samoan Prime Minister Tuilaepa Aiono Sailele Malielegaoi said simply: "We are drowning."

#### Building partnerships

It is in this recognition of Samoa's central role that the Development Bank of Samoa, the Samoa Housing Corporation, and the Samoa National Provident Fund, co-hosts of the Annual Meetings, had chosen the theme, "DFIs: Building Partnerships for Climate Change Resilience."

"Our world, our regions, are standing in unity to find solutions to enhance climate change development and resilience. We welcome and embrace the commitment of world leaders at the COP21 held in Paris in November 2015. We support the United Nations 2030 Agenda for Sustainable Development. We as development financing institutions (DFIs) play a critical role to support and enhance sustainable development that will secure a better world, a better future for generations to come," the Samoan DFIs said in their joint message to delegates.

#### Role of DFIs in climate change mitigation

While the private sector provides the majority of total investment flows to countries, DFIs are able to bridge viability gaps and cover risks that private actors are unable or unwilling to bear.

According to the Climate Policy Initiative's *Global Landscape of Climate Finance 2014* study, DFIs play an important role in financing low-carbon and climate-resilient development, with commitments reaching USD126 billion in 2013, or 38% of total climate finance flows. Of the total, national DFIs, such as the Chinese Development Bank, contributed USD69 billion (or 55% of all DFI flows).

Beyond the north-south or rich-poor divide, nations must come together to forge lasting partnerships that mitigate the impacts of climate change.

After all, the Prime Minister of Samoa said, these are shared problems. "While we in sea-locked nations represent a small physical land mass and population, our surroundings — the oceans — cover three-quarters of the planet. The seas bring us together, not simply in terms of the bad news that is the global rise in sea level, but as an asset whose sustainable development binds us together and can contribute to our collective wealth as nations," he said.

ADFIAP member-DFIs and partners aim to arrive at solutions to some of the most pressing problems to meet the challenges of climate change. And, during the course of the two-day event, they will hopefully echo Samoa's battle cry: "There is hope."

# Samoa

## 'Treasured Islands of the South Pacific'



Imagine a picture-perfect South Pacific location, and Samoa would pretty much be it. With its reef-bordered beaches, rainforested interiors with gorges and waterfalls, colorful culture and history,

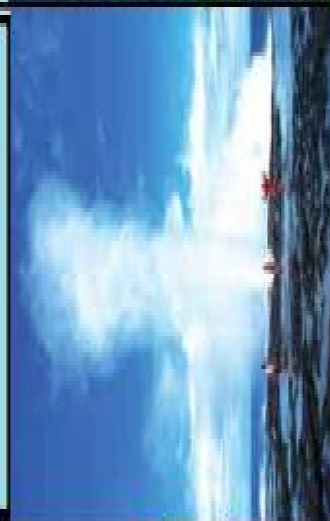
Samoa carries a heavyweight reputation of being the "Treasured Islands of the South Pacific." Discover this independent nation comprised of the westernmost group of the Samoan Islands, in Polynesia.



ALEAIPATA WATERFALLS



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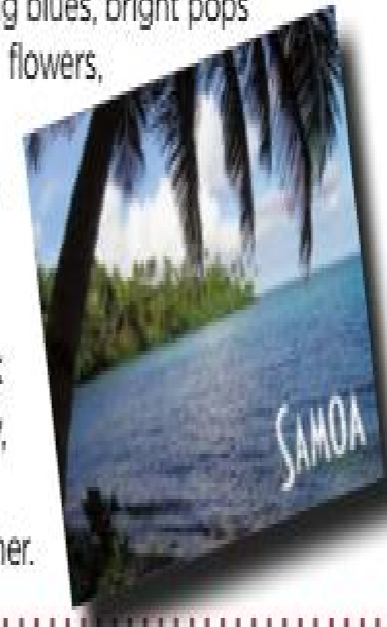


VISITING

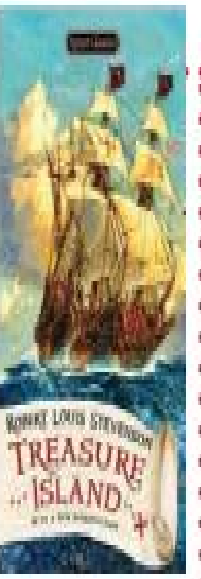
JUST

## Wander and wonder Find the treasure

Wake up to a perfect postcard picture of lush greens, stunning blues, bright pops of colourful tropical flowers, crystal-blue waters, sandy beaches, rich green valleys and rainforests, lagoons and waterfalls. Soak up Samoa's scenery, one breathtaking moment after another.



Arriving in Samoa, chances are your first stop will be in Upolu, its most populous island. Its capital and main commercial center, Apia, lies on the beautiful north coast. It was here in Upolu that popular Scottish author Robert Louis Stevenson spent his remaining years until his death in 1894. Visit his former mansion, which has been converted into a museum in Apia.



## Swim into a big hole Go slow with turtles

This Samoan icon wasn't dubbed "the most magical swimming pool in the world" for nothing! To Sua Ocean Trench (literally, "big hole") is a mesmerizing pool, almost 100-feet deep, in Lotofaga village on the volcanic island of Upolu. Visitors can enjoy crystal-clear waters populated with tropical fish and a sandy bed. A steep ladder leads down to the water, with tourists using it to dive into the pool. (See photo on page 8)

Visit the Auala Green Turtle Conservation, where guides show you turtles before they are released back into the wild. If you're lucky you could also get the chance to swim with these gentle giants under the supervision of guides.



## Go to paradise

Witness the most beautiful part of Samoa: the Aleipata district, which has a landscape dominated by waterfalls, white sandy beaches and traditional villages. Snorkel and swim in its beaches, which are among the most spellbindingly beautiful in the world. (See photo on page 8)



## Have a Lu'au

This famous Samoan dish tastes so good, it is truly divine. Its main ingredient are the leaves of the taro plant (a staple of the Samoan diet) and the taro root with coconut cream. They wrap everything up in the leaves and cook them in an *umu* (traditional hole-in-the-ground oven that uses embers and hot stones to cook). Unwrap and enjoy.



## Enjoy a Vailima

"Vailima" (literally translated as "water in hand") has its origin in a Samoan folktale in which a woman revives her dying lover by carrying water to him in her hands. In modern day, Vailima is a German-type lager beer, called after a village in Samoa and being brewed by Samoa Breweries, owned by Coca-Cola.



## See Samoa's sunset

Hike to the Falealupo Rainforest Preserve to experience breathtaking views and walking trails. Then watch the sun go down in the village of Falealupo, which has been described as the "last village in the world to see the sunset of each day," as it is just 32 kilometers from the International Dateline before it was moved east of Samoa in 2011.



MEET THE  
2016 ADFIAP  
OUTSTANDING  
CEO AWARDEE  
DATUK MOHD  
RADZIF BIN  
MOHD YUNUS



**D**atuk Mohd Radzif bin Mohd Yunus is a man who came from a diverse background before being appointed as Group Managing Director of SME Development Bank (Malaysia) two years ago. His experience in the academe and his entrepreneurial spirit came in handy when he was called to serve a higher purpose: to help fuel the growth of Malaysian SMEs.

In this interview with AD>ANCE Magazine, Prof. Yunus talks about his banking career of more than two decades and his life's purpose and passion.

How did you become a banker? Was it always what you were aspiring for in life?

Prof. Yunus: I started my career as a banker in the eighties, functioning in the service support departments. From there, I moved on to heading the project financing department, which included the construction, infrastructure, and property development sectors. We were the pioneers in introducing contract financing packages for developers and construction companies. This provided me the opportunity to get into and understand the technical aspects of banking and how financial intermediation can assist in the success and failure of projects.

I then moved on and worked with various local conglomerates in the property, construction, highway concessions, and services sectors. It was during this time that I had the opportunity to learn how to manage businesses. My second tour in banking started when I joined SME Bank in July 2010.

I have always aspired to take charge of organizations and I've been blessed for being given the opportunities to lead.

What is your motto in life?

Prof. Yunus: My motto in life is, "There is no shortcut to success except for hard work." One needs to stay focused and ensure a balance between work and personal aspirations.

How long have you been with SME Bank?

Prof. Yunus: I joined SME Bank in July 2010 and this is the sixth year I am with the Bank.

How would you describe your term at SME Bank?

Prof. Yunus: It has been a very challenging journey. Running a development bank in comparison to a commercial bank is totally different. One has to understand the complexity in balancing the three main key performance indicators, which are ensuring financial sustainability, fulfilling the mandated role that is prescribed by the Government, as well as the need to fulfill our obligations to and aspirations of the stakeholders.



**THE TRANSFORMATION OF AN ORGANIZATION CAN NEVER BE ACHIEVED BY THE WORK DONE BY ONE PERSON. I'VE BEEN BLESSED TO BE SUPPORTED AND SURROUNDED BY A GROUP OF CAPABLE AND DEDICATED COLLEAGUES IN ALL THE ORGANIZATIONS THAT I'VE BEEN PART OF.**

What were the toughest challenges you've faced as a bank CEO?

**Prof. Yunus:** Striking a balance in ensuring the bank is financially sustainable while supporting the un-served and underserved SME markets has been one of the bigger challenges.

In addition, changing the mindset of the SME entrepreneurs to move up the value chain has been challenging due to the fact that many are of them are stuck in low value-added strata. This requires constant engagement and intervention to assist.

Internally, the challenge is to bring everybody on the same page and comprehend what we want to do and achieve. Changing the mindset of employees is not an easy task as people are accustomed to what they have been doing and most of the time are reluctant to change. Thus, we need all the patience, understanding and persistence to effect the required change.

What made you decide to shift to Islamic banking principles?

**Prof. Yunus:** The tenets of Islam emphasizes on fairness to all God's creations and in the area of conducting business, the intent is not solely on profit making, but rather ensuring the growth of the business will contribute towards the betterment of society at large.

What major changes did you implement in SME Bank to adopt to Islamic principles?

**Prof. Yunus:** Firstly, the charging and receiving of interest is strictly forbidden, as Islam emphasizes on the well being of society. Secondly, Islamic principle emphasizes practising ethical standards where money must be invested in real and wholesome economic activities and not based on speculative activities. In addition to these, we adopt the principle of sharing of both risk and profit with the clients.

You have been called "Mr. Transformer." When you took on the job of transforming the organization, what were your priority considerations?

**Prof. Yunus:** Firstly, I believe "Mr. Transformer" is an over-statement. The transformation of an organization can never be achieved by the work done by one person. I've been blessed to be supported and surrounded by a group of capable and dedicated colleagues in all the organizations that I've been part of.

In general, transforming organizations from insolvent into solvent requires thorough and detailed understanding of the real issues and who are the players directly involved in them. The next step is to reach out and engage them wholeheartedly when the turnaround plans are being drafted and upon them being executed. Continuous and clear communications are vital in ensuring the intended results are achieved.

**THE TENETS OF ISLAM EMPHASIZES FAIRNESS TO ALL GOD'S CREATIONS. IN THE AREA OF CONDUCTING BUSINESS, THE INTENT IS NOT SOLELY ON PROFIT MAKING, BUT RATHER ENSURING THE GROWTH OF THE BUSINESS WILL CONTRIBUTE TO THE BETTERMENT OF SOCIETY AT LARGE.**



What do you think made you a successful "Mr. Transformer"?

- a) Ability to find the root cause, gaps and obtain feedback from staff.
- b) The ability to get the buy-in from the staff is vital in any transformation programs.
- c) Working collectively as a team and combining existing staff with new talents with the objective of moving the organization forward.
- d) Creating a harmonious working environment.
- e) Providing clear direction.
- f) Cascading down the intents to all levels of employees.
- g) Informing all staff constantly as to where we are in our transformation journey.





What are the things that you could have done differently if you were given a chance to change it?

Prof. Yunus: Understanding the difficulties the organization was facing and what had caused it to be in that position. The information would be able to assist me in coming out with better and more speedy solutions thus making the turnaround efforts quicker.

This would also enable me to evaluate pockets of people who were truly committed and passionate to see the organization improved, thus allowing me to better manage the voluntary separation scheme that was offered to the staff.

What would you consider as your best accomplishment as a CEO?

Prof. Yunus: Turning around the Bank within 1.5 years, coupled with the recognition given by the SME community at large for all the efforts that we have taken to nurture and develop the SMEs in Malaysia.

SME Bank has won several major awards and these include the National Friendship SME Recognition Award from 2011 to 2015 given by the SME Association of Malaysia, The Silver Award for the Employer of Choice category 2015 by the Malaysian Institute of Human Resource Management, "Most Preferred Brand in Banking" from the Brand Laureate SMEs Best Brand Awards in 2012, Plaque of Merit for Young Entrepreneur Innovation Programme (Y-Biz Challenge, which is SME Bank's key signature CSR program) in 2014, and the Plaque of Merit on SME Development for IQ-Dagang in 2011, both given by ADFIAP.

How did your membership in ADFIAP help your institution?

Prof. Yunus: ADFIAP is a progressive organization. SME Bank has benefitted greatly through the sharing of knowledge and information, and interfacing with the other members in the Asia-Pacific region has also allowed us to be exposed to new developments and happenings in the development banking landscape internationally. In addition, we are also able to collaborate and provide training opportunities to SME Bank's staff and vice versa.

What other awards have you won as a CEO?

Prof. Yunus: I have won the Malaysian Business Leadership Award for Healthcare in 2009.

How different is this CEO award from ADFIAP?

Prof. Yunus: The award is similar with ADFIAP. The difference is in the industry. I won the Healthcare Award when I was the CEO of Malaysia's National Heart Institute.

How do you think you are able to contribute to making the world better in your professional capacity?

Prof. Yunus: Firstly, I am proud to be associated with SME Bank and I thank God the Almighty for giving me the opportunity to serve in various industries. I believe my greatest contribution is being able to ensure the economic livelihood of the people whom we served have helped to create stability and a better place for them to live in harmony, especially in a world plagued by poverty, dispute, war and destruction.

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TRENDWATCHING

## BUILDING CLIMATE CHANGE-RESILIENT DFIs



Promoting and supporting climate-resilient development is essential to the sustainability of investments. By integrating climate resilience and adaptation into their investments, operations and initiatives, development financing institutions (DFIs) are able to sustain their financial commitments that help countries prepare for and build resilience to the impacts of climate change.

In this Q&A interview, *AD>ANCE Magazine* sought the responses of DFCC Bank Chief Executive Officer Arjun Fernando, and Development Bank of the Philippines (DBP) CEO Gil A. Buenaventura on the burning issue of climate change.

crops, such as potatoes, will not be possible in areas such as Nuwara-Eliya, where they have been grown for years, due to the rising temperatures. Climate variability and sea-level rise directly affect the overall abundance and security of endemic species within Sri Lanka as well.

### How is climate change affecting your country?



**Mr. Arjun Fernando (DFCC Bank):**

Sri Lanka is an island nation in South Asia, located 32 kilometers southwest of India, with a population of 21 million. Island states such as Sri Lanka are vulnerable to climate change as the sea level is predicted to rise due to global warming.

Being an island of 65,610 square kilometers, climate change will drastically alter the climate conditions of Sri Lanka. For example, Sri Lanka now experiences unusual heavy rains and longer period of droughts on a regular basis. These types of weather patterns are expected to continue in the future.

Sri Lanka's climate variability has also increased. The night temperature in some parts of the country (e.g., Nuwara-Eliya) has increased. As per the Centre for Climate Change Studies, Meteorological Department of Sri Lanka, cultivation of certain

Droughts caused by climate change in certain parts of the country have reduced the amount of water available for irrigation, resulting in poor harvest. Droughts have also become a social concern due to the large number of people getting displaced, as well as turning into environmental hazards.

Climate change has also caused increase in storms and floods, inundating houses and agricultural land, resulting in deaths, destruction to houses and crops. Thus, this has become a major setback to the society, environment and the economy of the country.

Destruction of crops due to either drought or floods has also created social issues, as farmers have to find alternative means of living.

Although temperatures have gone up over the years, Sri Lanka has not faced any serious heat waves, resulting in deaths. However, extreme heat has resulted in illnesses such as heat cramps, heat strokes, etc.

With the increase in temperatures, there has been an increase in diseases spread by mosquitoes, such as dengue, which has become a major national health issue in Sri Lanka.



**Mr. Gil A. Buenaventura**  
(Development Bank of the Philippines):

The Philippines, an archipelagic country, is one of the countries in the world that is highly susceptible to the effects of climate change and natural hazards due to its geographical

features and location. Extreme weather occurrences and unpredictable weather patterns have become a common and damaging Filipino experience in recent years. Exposure of the country to natural hazards such as tropical cyclones, flooding, earthquakes, and droughts threatens the people's livelihoods, natural habitat, health, food and water security, etc. The ability to prepare and respond to natural disasters is not yet fully established nationwide.

**How do you see your role as a DFI in mitigating climate change?**

**Mr. Fernando:** As a DFI with more than 60 years of existence, DFCC Bank has directly and indirectly contributed to the social and economic development of the country at national, provincial, and local community levels. Corporate, social and environmental responsibility is embedded in our values and informs how we conduct business, develop products and services, and deliver on our goals and commitments.

Thus, DFCC Bank has to play a pioneering role in mitigating climate change so that it can lead from the front and set examples for the others to follow.

In this context, DFCC Bank has played a pioneering role in mitigating climate change through green financing. By financing Sri Lanka's first private sector grid-connected mini-hydro power project in 1994, first private sector grid-connected wind power project in 2010, and the first private sector grid-connected solar power project in 2014.

To date, the Bank has financed 70 mini hydro projects, three wind power projects, two solar power projects, and a biomass project with a cumulative capacity of more than 150MW feeding the national grid, with total loans exceeding Rs 8.0 Billion (USD57 million).

DFCC Bank has been a steady partner of the Non-Conventional Renewable Energy (NCRE) industry of Sri Lanka since its humble beginnings in 1994. The NCRE industry contributes approximately 10% to the country's electricity generation today, and the government envisages the NCRE industry to play an even greater role in the years to come.

**TO DATE, DFCC BANK HAS FINANCED 70 MINI HYDRO PROJECTS, 3 WIND POWER PROJECTS, 2 SOLAR POWER PROJECTS, AND A BIOMASS PROJECT WITH A CUMULATIVE CAPACITY OF MORE THAN 150MW FEEDING THE NATIONAL GRID, WITH TOTAL LOANS EXCEEDING RS 8 BILLION (US\$57M).**

**Mr. Buenaventura:** Climate financing is one of the breakthrough goals of the Development Bank of the Philippines (DBP) for 2016 to 2022. Priority will be given to climate change mitigation projects: renewable energy, green transport, energy efficiency, solid waste management, green building, sewerage, septage, and industrial pollution control facilities, as well as climate adaptation projects (flood control, erosion control, seawalls and storm surge barriers, and reforestation).

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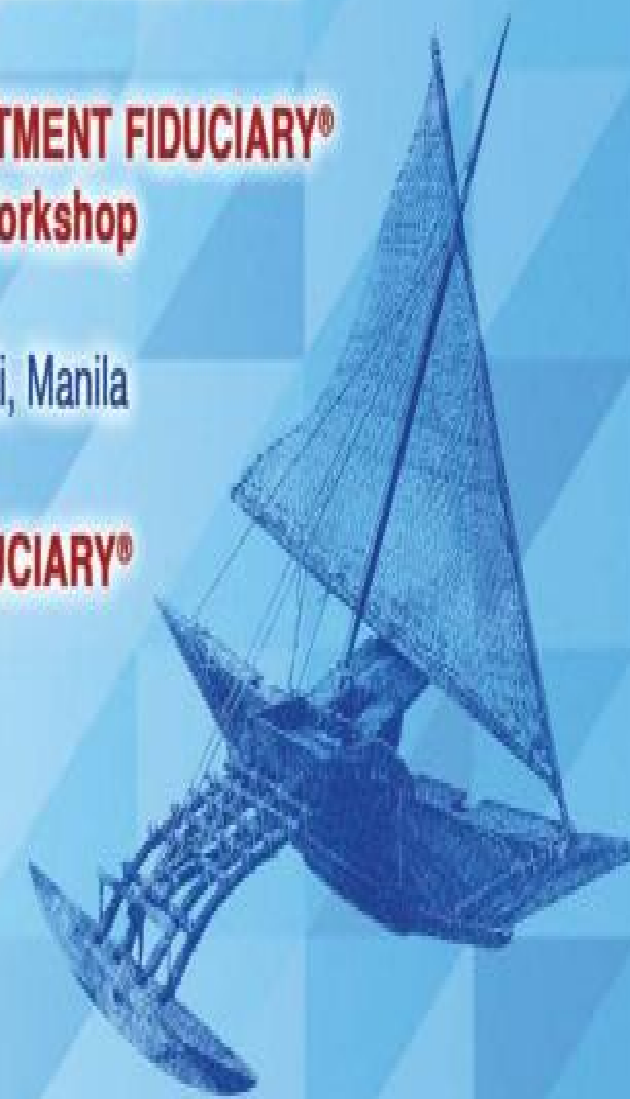
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Climate financing aims at reducing carbon emissions of greenhouse gases, enhancing carbon sinks, and increasing climate resilience of human and ecological systems.

DBP addresses the issue of climate change through integration and implementation of environmental considerations into all aspects of its operation and services, asset management and business decisions. DBP strongly supports policies designed to promote environmental protection and a low-carbon economy. The four priority development thrusts that have been the focus of the Bank's financing programs – Environment, Infrastructure and Logistics, Social Services, and Micro, Small & Medium Enterprises (mSMEs) – support developmental programs and advocacies of the Philippine Government in line with the Philippine Development Plan, the Millennium Development Goals and the new Sustainable Development Goals (SDG).

The Bank has been financing climate mitigation projects with assistance from various Overseas Development Assistance funds since 1996 with the JBIC-Environmental Infrastructure Support Credit Program (EISCP I and II), followed by KfW-Industrial Pollution Control Loan Project (IPCLP I and II), and KfW-Credit Line for Solid Waste Management (CLSWM).

DBP's environmental programs are supported by the JICA-Environmental Development Project (EDP), which is about Php10.7 billion. To date, there are 84 EDP-approved projects amounting to Php21.1 billion, with loan releases of about Php9.3 billion.

**What programs have you initiated to help your country and institutions become resilient to climate change?**

**Mr. Fernando:** DFCC Bank has adopted Sustainable Banking Principles, which were developed through a Sustainable Finance Initiative. This is the first step in a process that will make Sri Lanka part of a growing group of emerging countries where banks and governments are creating sustainable finance frameworks and incentives. Some of these principles, such as 'Minimizing Environmental and Social Footprint, Promoting Ethical Finance, Promoting Green Economy Growth', etc. has a direct impact on climate change.

This Sustainable Finance Initiative, facilitated by Sri Lanka Banks' Association and co-funded by DEG of Germany, is a move forward to create a joint initiative that promotes best practices in sustainable finance. This will also build industry-wide capacity in the area of environmental and social risk management.

In addition to the adaptation of Sustainable Banking Principles, DFCC Bank is also advocating "Green Financing" and as explained above, has made a big impact, especially with regard to financing of renewable energy projects.

**Mr. Buenaventura:** DBP's environmental policy was institutionalized in 1997. Environmental programs and credit facilities were established as part of the Bank's efforts to support sustainable development, of which ecological protection is a big component. These programs are ongoing and are continually assessed and improved to address recent developments and to cater to all possible sectors and industries. Promotion and implementation are done in close partnership with relevant government agencies, private organizations, and industry associations.

A climate-resilient approach to project financing has recently been institutionalized by incorporating climate change adaptation and mitigation (CCA/M) and disaster risk reduction (DRR) considerations in the due diligence process and implementation of all DBP-funded projects. This approach forms part of the credit process, specifically in the assessment of projects in terms of their technical, environmental, and social aspects including good governance.

Likewise, the Bank undertakes environmental performance monitoring on funded projects.

The Green Financing Program (GFP) was established as DBP's umbrella program for the Banks' environment lending initiatives and as support to the Philippines' green growth strategy. Through the GFP, DBP continues to play a catalytic role in stimulating environmental investments in priority sectors and industries, specifically air and water pollution prevention and control, proper waste management, resource conservation, resource efficiency, cleaner production, renewable energy, CCA/M, and DRR measures. GFP supports the implementation of



the major Philippine environmental laws and the Philippine Development Plan 2011-2016 objectives of an improved environmental quality for a healthier and cleaner environment, as well as improved adaptive capacities of human communities. GFP is funded by the JICA-EDP credit facility and Bank funds.

The DBP Forest Program was launched in April 2005 after the tragedy in Infanta, Quezon. It is an initiative of the Bank to protect the country's watershed areas. It aims to develop downstream industries in the rural areas by supporting and encouraging the forestation of open areas through the planting of high value fruit trees and other useful species like bamboo and ylang-ylang. Coastal rehabilitation is also pursued through planting of mangroves.

Priority Forest Project Areas are disaster-prone areas with critical watershed/river basins that are within disaster prone areas; areas where watersheds for restoration under the General Program of Action are located; areas covering critical watersheds that support irrigation systems as identified by the National Irrigation Administration (NIA); urban tree parks; and typhoon stricken areas that needed rehabilitation/ reforestation.

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## OUR ROLES

- Franchise Investment
- Franchise Financing
- Franchise Development
- Franchise Training
- Equity Investment



## ADFIAP AWARDS

The ADFIAP Awards is recognized for its prestige in honoring individuals and institutions who have contributed significantly to the development of their respective countries. Now on its 19th year, the Awards continue its tradition of excellence with this year's batch of awardees.



## OUTSTANDING DEVELOPMENT PROJECTS

### Category 1: Human Capital Development

#### SME Bank Malaysia

Graduate Entrepreneur Fund or Tabung Usahawan Siswazah (TUS)

#### Alalay sa Kaunlaran, Inc.

Employing the Out-of-School Youth through Microfinance Technology Program

#### Merit Award:

#### Credit Guarantee Corporation Malaysia Berhad

BisWanita-i: Financing for Women Entrepreneurs

#### Development Bank of Samoa

Development Partnership: Development Bank of Samoa & Samoa Business Enterprise Centre (SBEC)

### Category 2: Environmental Development

#### Bank of Industry and Mine

Rah Pooyan Saleh Company

#### Land Bank of the Philippines

Talayan Sewage Treatment Plant

#### Merit Award:

#### Development Bank of Turkey

Renewable Energy & Energy Efficiency Projects Co2 Reduction

#### FSM Development Bank

Establishment of HELP Program (HELP - Home, Energy, Loan Program)

### Category 3: SME Development

#### National Small Industries Corporation

Raw Material Distribution-Benefit Cost Reduction for MSMEs

#### Perbadanan Nasional Berhad

Business in Transformation (BIT): PNS Program to Enhance the Potential of Small Businesses

### Category 4: Infrastructure Development

#### Bank Pembangunan Malaysia Berhad

Private Finance Initiatives (PFI) in Education Sector Perdana Putra High Performance Green Building

#### Vnesheconombank

Boguchany Hydroelectric Power Plant

### Category 5: Technology Development

#### IDBI Bank Ltd.

ABHAY Card Mobile App

#### Oman Development Bank

Business Intelligent System

#### Merit Award:

#### RCBC Savings Bank

AccessOne Revamped:  
1) Retail Internet Banking  
2) AccessOne Corporate

#### Zarai Taraqati Bank Limited

Farmers' Training Pilot Project

### Category 6: Trade Development

#### Export- Import Bank of India

Nyaborongo Hydropower Plant

### Category 7: Local Economic Development

#### Development Bank of the Philippines

Province of Oriental Mindoro: Sustainable Rural Electrification

#### Tekun Nasional

Program Mentor-Mentee

#### Merit Award:

#### Ba Ria-Vung Tau Development Investment Fund

Phu My Surface Water Plant Project Stage 1

#### DFCC Bank

DFCC Bank Finances a Coconut-Based Products Facility in Sri Lanka

### Category 8: Financial Inclusion

#### Agrobank

Financial Inclusion: Agriculture Community & Underserved Segment

#### Small Industries Development Bank of India

MUDRA (Micro Units Development & Refinance Agency Limited)

#### Merit Award:

#### Tonga Development Bank

ADB-JFPR Microfinance Revolving Fund

#### Samoa National Provident Fund

Investment Loans for Community & Business Growth

### Category 9: Corporate Governance

#### Pag-IBIG Fund

- Improved Terms of Pag-IBIG Fund's Insurance Coverage for Home Borrowers
- Promotion of Integrity Practices & Good Governance among Pag-IBIG Fund's Stakeholders
- Promotion of Good Governance through Proper Maintenance of Acquired Assets

#### Merit Award:

#### Employees Provident Fund

EPF Good Governance

### Category 10: Corporate Social Responsibility

#### Business Development Bank of Canada

Helping Grow an Exciting Entrepreneurial Movement: Certified Beneficial Corporation (B Corps)

#### Development Bank of the Republic of Belarus

National Cancer Centre Modernization

#### Merit Award:

#### Samoa Housing Corporation

HAS Build Project

## INDIVIDUAL AWARDS



#### Outstanding CEO Award

Datuk Mohd Radzif bin Mohd Yunus  
Group Managing Director  
SME Bank Malaysia



#### Distinguished Person of the Year Award

Mr. Toru Hashimoto  
Senior Advisor  
Development Bank of Japan, Inc.

## SPECIAL AWARDS

#### Best Sustainability Report

SME Bank Malaysia

#### Best Website

Credit Guarantee Corporation Malaysia Berhad  
www.cgc.com.my

#### First Payor

China Development Bank

#### Best in Membership Recruitment

Parsian Farda Investment and Financial Counsellors Institute



As of December 31, 2015, there are 44 projects financed with a total planted area of 5,538.72 hectares.

The DBP Tree Plantation Financing Program, meanwhile, is a credit assistance program for the expansion, harvesting, maintenance, and protection of existing tree plantations with at least four-year-old standing trees in at least 1% of the plantation area of qualified private and public land. The program aims to promote the development and maintenance of tree plantations, to boost Philippine wood-based industries, improve communities' socio-economic conditions by addressing food sufficiency and health requirements, arrest rapid deforestation, and reduce the susceptibility of communities to natural disasters such as flooding and mudslides.

**What kind of challenges do you see in building climate change-resilient institutions?**

**Mr. Fernando:** Having to forego certain business opportunities is one. When building climate change-resilient institutions, you will have to forego some businesses which will contradict with your principles, e.g., financing of thermal power projects or any other project which will result adversely on the climate. However, your competitors may fund these. Therefore, the challenge is to beat the competition by increasing your business through climate financing.

Educating the employees is another. Changing the traditional bankers' mindset of employees to a socially and environmentally friendly mindset so that they will adhere to the Sustainable Principles adopted by the Bank is a challenging task. It is difficult to build a climate change-resilient institution without the genuine commitment of the employees towards sustainable principles.

Another is customer resistance. Building a climate change-resilient institution requires strict adherence to sustainable principles adopted by the Bank. Implementing these principles sometimes necessitates obtaining detailed information from customers, as well as losing flexibility in some issues, e.g., strict adherence to rules stipulated in environmental approvals being made as a pre-disbursement condition. This will lead to customer resistance, as some banks will not enforce any of

these conditions. Thus, it is a challenge to retain the goodwill of the customers, whilst building a climate change-resilient institution.

**Mr. Buenaventura:** Strict implementation of environmental policies and regulations, as well as provision of adequate incentives, is imperative in encouraging potential investors to build climate-resilient institutions. At the moment, green technologies and innovations are not as established as they should be due to the high investment cost.

**What opportunities do you see in climate change-related partnerships?**

**Mr. Fernando:** Climate change-related partnerships provide opportunities as follows:

- Access to low-cost funds for climate financing — Most of the projects coming under climate financing are not feasible/marginally feasible when financed under normal market rates. Also, some project promoters commence environmentally friendly projects only if there is low cost funding. Thus, access to low-cost funds is a distinct advantage to a DFI engaged in climate financing.
- Enhancing knowledge on climate financing and related issues — Obtaining/enhancing knowledge on sustainability principles and other social and environment-related issues pertaining to climate financing.
- Provides leads to more business on 'climate-financing' — Partnerships will ensure more contact with project promoters, enabling to make more business on climate financing.
- Provides more visibility to your organization — A strategic alliance with the right partner will provide more visibility to the organization.
- Adds value/can provide a better service — As you are teaming up with people/organizations with different expertise, the partnership can add more value or provide a better service.

**Mr. Buenaventura:** In line with DBP's commitment as a signatory of Climate Change Actions and in support to the implementation of the SDG, the country's Intended Nationally Determined Contributions, as well as Philippine environmental laws, the Bank partners with regulatory agencies, local governments, water/power service providers, and non-governmental organizations in pushing

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To the Filipino people and our country.

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We're about growing a nation and its people from the ground up.

We're about sustainable development and preserving the environment.

We're about empowering the countryside, helping farmers, fishers and small entrepreneurs.

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DEVELOPMENT  
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