



Association of National Development  
Finance Institutions in Member Countries of  
The Islamic Development Bank

## **AIDE MEMOIRE**

**for**

**ADFIMI Regional Seminar on**

**“Islamic financing opportunities for Agricultural Sector:  
Role of Islamic Microfinance & Fintech”**

Co-Sponsored by Islamic Development Bank (IDB)



Supported by



Agrarian Credit Corporation



Fund for Financial Support of  
Agriculture

**Holiday Inn Hotel  
Almaty, Kazakhstan  
18<sup>th</sup> – 19<sup>th</sup> September 2017**

## **Background:**

Islamic Micro and Agricultural Finance is an emerging industry around the globe and a recognized tool of financial inclusion and social development, but its importance become more when we linked it with the financial technology, so there is an immediate need to educate, train and conduct market study and awareness campaigns on this subject. This is to provide edification and training to Microfinance Institutions (MFIs) with an additional opportunity for their educational uplift under Islamic financial system.

Fintech is a shiny attractor for impact investors. Emerging financial technologies shimmer with disruptive potential for the delivery of a wide array of financial, educational, health, and social services for the poor. While microfinance still makes up a major share of impact investing portfolios, many investors appear to have moved on to Fintech, the next wave of creative destruction. Rather than be toppled by it, MFIs look to ride that wave too, to extend reach, reduce costs and prices, improve and deepen client services, and improve risk management. Technology is playing an increasingly dominant role in the financial service industry, empowering existing players and threatening to obviate business models of entire sectors within the industry.

The agriculture sector lacks financial resources, due to which small-scale farmers are facing a lot of problems, consequently affecting the agriculture and livestock sector. But in Muslim countries including Central Asian Countries, the primary reason behind the lack of financial inclusion in the agricultural sector is unavailability of such financial products that are in correlation with the religious and social belief of the Muslims and if we want to promote agriculture and livestock, then we have to introduce such financial products which are in accordance with their religious beliefs, therefore, the use of Islamic Agriculture Finance is necessary for the development of rural economy especially in Central Asian Countries.

The seminar is meant to expose the attendees to this fast-growing and exciting intersection between technology and finance while emphasizing on the role of Islamic Microfinance. It will introduce the participants to the concept of Islamic Microfinance and Microtakaful which essentially deal with the developmental needs of the unbankable members of the society; particularly their financial needs and those related to social security. The seminar addresses these needs comparatively from the conventional and Islamic perspectives and is enriched by discussions on Fintech and Islamic Microfinance issues related to contemporary business practices and cases.

The seminar is also expected to enhance the capabilities of the participants holding various positions particularly in the banking and finance sectors, and equip them with the necessary tools of Islamic social financing. The seminar is organized for the benefit of Central Asian Region.

## **Expected Outcome:**

Participants will be able to gain a comprehensive overview of the following topics:

- Latest Development of Islamic Micro and Agricultural Finance
- Fintech as an Emerging Financial Services Technology
- New Fintech Markets and Opportunities
- Modes of Shariah-Compliance Transactions
- Microfinance & its Product Mechanism
- Islamic Agri/Rural Finance Product Mechanism.
- Islamic Microfinance, Agri. Finance & MicroTakaful

**SCHEDULE**  
**ADFIMI Regional Seminar on “Islamic financing opportunities for Agricultural Sector: Role of Islamic Microfinance & Fintech”, Co-Sponsored by Islamic Development Bank (IDB) supported by Agrarian Credit Corporation & Fund for Financial Support of Agriculture Holiday Inn Almaty, Kazakhstan, 18-19 September 2017**

Seminar to be managed by  
 Mr. Muhammad Zubair Mughal  
 Chief Executive Officer – Alhuda CIBE (Pvt.) Limited – Pakistan

*Schedule v.4*

**Day 1: Monday, 18<sup>th</sup> September, 2017**

Session	Time	Topic
Registration	09.00 – 09.30	
Opening Session	09.30 – 09.50	<ul style="list-style-type: none"> <li>• Opening Remarks by FFSA/ACC</li> </ul>
	09.50– 10.00	<ul style="list-style-type: none"> <li>• Opening Remarks by ADFIMI</li> </ul>
Keynote Address	10.00 – 10.40	<b>Financing Agricultural Projects</b> by Mr Turgut Boz, Deputy CEO of Türkiye Ekonomı Bankası (Turkish Economy Bank-TEB)
Session 1	10.40-12.00	<b>Latest Development of Islamic Microfinance</b> <ul style="list-style-type: none"> <li>• Introduction of Islamic Microfinance and Its Global presence.</li> <li>• Islamic Microfinance and its beneficial linkage with Financial Technology (Fintech).</li> <li>• Deference between Islamic Microfinance &amp; conventional Microfinance mechanism</li> <li>• Lessons learned in other countries.</li> <li>• Role of IDB in Islamic Microfinance</li> <li>• Challenges and Opportunities for Islamic Microfinance Institutions</li> </ul>
Coffee Break & Group Photo	12.00-12.30	
Session 2	12.30-13.30	<b>Islamic Financing Opportunities for Agricultural and Rural Finance</b> <ul style="list-style-type: none"> <li>• Why Islamic Agricultural and Rural Finance?</li> <li>• Source of Islamic Agricultural and Rural Finance Products</li> <li>• Compatibility of Islamic Financial Products with Conventional Rural Credit Lending Models.</li> <li>• Financing need for agricultural production cycle – Stages &amp; Activities</li> <li>• Islamic Area of Financing:               <ul style="list-style-type: none"> <li>○ Working Capital for crop production, Dairy, poultry &amp; Fish forming, Liquidity Management etc.</li> <li>○ Term Financing (Short or long term ) for Farm Mechanization, Transport, livestock, irrigation, forest development and enhancement, seed, milk, fruits, vegetable processing etc.</li> </ul> </li> <li>• Utilization of Fintech in Islamic Agricultural and Rural Finance.</li> </ul>
Lunch Break	13.30-14.30	
Session 3	14.30-16.00	<b>Fintech as an Emerging Financial Services Technology</b> <ul style="list-style-type: none"> <li>• Introduction to the FinTech – ‘What is FinTech?’</li> <li>• Understanding the fundamentals of technologies for Islamic Micro &amp; Agricultural Finance.</li> <li>• Use of Fintech for different operations of Islamic Microfinance:</li> </ul>

		<ul style="list-style-type: none"> <li>• Money Transfers</li> <li>• Remittances</li> <li>• Credit History Verifications</li> <li>• Cashless Payments</li> <li>• Deferred Payment Plans</li> <li>• Micro-Takaful</li> <li>• Monitoring</li> </ul>
<i>Coffee Break</i>	<i>16.00-16.30</i>	
<b>Session 4</b>	<b>16.30-17.30</b>	<b>Modes of Shariah – Compliance Transactions</b> <ul style="list-style-type: none"> <li>• Introduction to Islamic modes of transactions</li> <li>• Non-participatory modes of finance</li> <li>• Participatory modes of finance</li> </ul>

**Day 2: Tuesday, 19<sup>th</sup>September, 2017**

<b>Session</b>	<b>Time</b>	<b>Topic</b>
<b>Session 5</b>	<b>09.30-11.00</b>	<b>Islamic Microfinance &amp; its Product Mechanism</b> <ul style="list-style-type: none"> <li>• Islamic Micro Financial Products mechanisms &amp; compatibility with conventional Microfinance Products</li> <li>• Trade Based Modes of Islamic Microfinance (Murabaha, Salam, Istina etc.)</li> <li>• Mechanism of Trade Based Product (Murabaha, Salam &amp; Istina)</li> </ul>
<i>Coffee Break</i>	<i>11.00-11.30</i>	
<b>Session 6</b>	<b>11.30-12.30</b>	<b>Islamic Microfinance and Fintech Future</b> <ul style="list-style-type: none"> <li>• Impacts of Fintech on Islamic Microfinance</li> <li>• Fintech as an emerging market</li> <li>• Building co-relation of Islamic microfinance and Fintech to gain the best results</li> <li>• How Islamic Microfinance Institutions can utilize Fintech</li> <li>• Intermediation, disintermediation and re-intermediation</li> <li>• Financial, legal and regulatory frameworks</li> <li>• Block Chain Technologies and crypto currencies</li> </ul>
<i>Lunch Break</i>	<i>12.30-13.30</i>	
<b>Session 7</b>	<b>13.30-15.00</b>	<b>Micro-Takaful for Islamic Micro &amp; Agri Finance</b> <ul style="list-style-type: none"> <li>• What is Takaful (Islamic Insurance)?</li> <li>• Micro-Takaful and its operations</li> <li>• Micro-Takaful Products for Micro, Rural and Agricultural.</li> <li>• Bancka-Takaful &amp; Re-Takaful</li> <li>• Product Mechanism of Micro-Takaful</li> </ul>
<i>Coffee Break</i>	<i>15.00-15.30</i>	
<b>Closing Session</b>	<b>15.30-16.30</b>	<ul style="list-style-type: none"> <li>• <b>Quiz</b></li> <li>• <b>Certificates</b></li> <li>• <b>Closing Ceremony</b></li> </ul>



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**GENERAL CONDITIONS**

Candidates should be in good health. Participants are expected to take **medical insurance** coverage in their home countries to cover their travel and stay in **Kazakhstan**.

It will be the responsibility of the participants to make their own arrangements to secure visas for entry into **Kazakhstan**. Therefore, the participants are urged to check with the relevant authority for their visa requirements and apply as soon as possible. ACC may assist participants in the issuance of visas.

**VENUE**

The meeting will take place at Holiday Inn Almaty. This is a 4 star hotel. For those participants requiring accommodation; accommodation rates at Holiday Inn Hotel (event venue) are given below. You are kindly advised to mention ADFIMI-ACC’s Programme in order to be entitled for the rates below. Participants wishing to stay at the mentioned hotel are requested to contact the hotel directly for room bookings. Obviously, participants wishing to stay elsewhere may do so at their discretion.

**NUMBER OF PARTICIPANTS**

Up to 50 persons

**APPLICATION**

Applications should be made by filling the **ONLINE APPLICATION FORM** or by sending the attached form and submitting it to ADFIMI’s e-mail address below preferably before **25.08.2017**.

**SEMINAR EXPENSES**

- i) Members: Seminar is free for ADFIMI Members
- ii) Non Members: Shall pay USD 100 for registration.

Participants will be entitled to the following:

- Softcopies of Seminar notes (in USB Flash drive/e-mail)
- Lunches and coffee breaks during the seminar
- Transfers between the airport and the hotel (only for ADFIMI Members)

You are requested to inform ADFIMI of your flight details by filling in the nomination form and sending it to ADFIMI as soon as possible.

<b>Hotel Contact Details</b>		
<b>Name of Hotel</b>	<b>Holiday Inn Almaty (Event Venue)</b>	
Room Prices	Single Standard Room	USD 113* per room per night
	Double Room	USD 129* per room per night
Contact Person	Mr. Galim Bekmuhamedov (Reservations Manager)	
Contact Telephone	+7 (727) 244 0 256	
Contact Fax	+7 (727) 244 0 277	
Contact Email	<a href="mailto:galim.bekmuhamedov@ihg.com">galim.bekmuhamedov@ihg.com</a>	

\*The prices include breakfast, WiFi, bottle of water and 12% VAT

If you have any questions regarding the seminar, or the nomination and selection procedures, please do not hesitate to contact ADFIMI.



Nuri Birtek  
Secretary General

<b><u>ADFIMI's Contact Details:</u></b> Address: Saka Mehmet Sk, No:13, Kat: 2, Sultanhamam, Eminönü, 34116, İstanbul, Turkey Web site: <a href="http://www.adfimi.org">http://www.adfimi.org</a> E-mail: <a href="mailto:adfimi@adfimi.org">adfimi@adfimi.org</a> , <a href="mailto:info@adfimi.org">info@adfimi.org</a> Phone: + 90.212.526 51 26 – 27 Fax: + 90.212.526 51 28	<b><u>ADFIMI's US Dollar Account Details:</u></b> Account No: 53000734 IBAN:TR92 0001 2009 8480 0053 000 734 Bank: Turkiye Halk Bankası Sultanhamam Branch (Code: 848) Address: Eminönü, İstanbul, Turkey SWIFT: TRHBTR2A (Head Office)
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