

Glimpse



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First ever National Microfinance Members' Summit held in Nepal

"Entrepreneurship Development, the Way towards Poverty Alleviation"

For the first time in the history of microfinance in Nepal, and unheard of in the global context, a national level conference catering to the need of the hour and giving voice to unheard clients who are the heart of the microfinance sector, 'National Microfinance Members' Summit' was held from May 15 – 16, 2016 in the capital city, Kathmandu. The two-day event witnessed a gathering of over 500 women microfinance members representing all the districts of Nepal from Mechi to Mahakali and diverse backgrounds, and above 150 microfinance practitioners and officials and well-wishers of the microfinance sector.

The Summit was held with the initiative of the principal Microfinance Institutions (MFIs) of Nepal and the coordination of the Centre for Self-help Development (CSD). The Summit revolved around the theme of **"Entrepreneurship Development, the Way towards Poverty Alleviation"**. It aimed at finding pathways to better serve the ultra-poor and marginalized sections of the society and combating the current problems and challenges that have riddled the microfinance sector. It celebrated the success of the Nepalese women microfinance members and provided a sharing ground to exchange their experiences and learnings.

Organizing Committee member Ms. Bhagwati Chaudhary welcomed the honorable guests and the gathering to the two-day event and highlighted the contribution of the MF sector in increasing financial literacy and women empowerment.

The Opening Ceremony was an elaborate function that began with the National Anthem and cultural program representing the diverse ethnic traditions of Nepal followed by a documentary titled 'Entrepreneurship Development, the Way towards Poverty Alleviation'. The documentary showcased the success



Rt. Hon. P.M. of Nepal Mr. K.P. Sharma Oli and Governor of NRB Dr. Chiranjibi Nepal at the Opening Ceremony of the Summit

stories of microfinance members spread across the country.

The Rt. Honourable Prime Minister of Nepal, Mr. K.P. Sharma Oli graced the event as the Chief Guest of the ceremony and inaugurated the conference by lighting the traditional lamp 'panas'. Mr. Oli hailed the microfinance sector as one of the active and effective sector in alleviating poverty from the grassroots of the country. Speaking to the audience, he said, **"I would like to thank the organizers for organizing such an event for the first time in the history of Nepal. Microfinance is an exemplary instance of how you can change a person's life with a small loan amount and give birth to entrepreneurship development. This is a revolutionary campaign and not a profit driven sector wherein the marginalized are given an opportunity for self-employability and entrepreneurship contributing to the local and national development of the country. I wish you all great success in your noble endeavour."**

Speaking as the Special Guest of the ceremony, Governor of the Central Bank of Nepal, the Nepal Rastra Bank (NRB) Dr. Chiranjibi Nepal lauded the organizing committee for conducting such a timely conference. He said, "We are always in contact with the MF practitioners and

officials and have never had the opportunity to interact with the MF members. **This conference has given a platform for a two-way communication between the regulatory authorities, MF practitioners and the MF members.**" Dr. Nepal stressed on the fact that Nepal is a land of opportunities and the youth should be encouraged to stay in the villages and townships instead of seeking employment abroad.

The Chairman of the Organizing Committee, Mr. Shankar Man Shrestha emphasized on taking the great movement of microfinance to greater heights in order to remove poverty from Nepal. Mr. Shrestha said, "Over 18 lakh families in Nepal have been served by MF, but yet there are many who have been left out. MF has played a pivotal role in bringing about a social and economic revolution among the poor." He cautioned saying that the sector should be wary of malpractices that may jeopardize the image of microfinance and take actions to counter these problems in a timely manner.

Mr. Dharma Raj Pandey, Organizing Committee member, gave a vote of thanks to the guests of honor and to all the organizations and persons who contributed in making the conference possible.

Following the ceremony, the Governor of NRB, Dr. Nepal inaugurated an exhibition displaying various products of MF women members and of various women-friendly agricultural tools and machines. The exhibition was a colourful display of products representative of different districts and cultures.

This was followed by the panel discussion on 'Development, Challenges and Possibilities of the Microfinance Sector'. Dr. Narahari Dhakal of the Centre for Empowerment and Development, Dr. Binod Atreya of NRB, Dr. Sumitra Manandhar Gurung of Mahila Sahayatra Microfinance Bittiya Sanstha Ltd. and Ms. Aasmani Chaudhary of Grameen Mahila Utthan Kendra were the esteemed panelists and was chaired by Chairman of CSD, Mr. Shankar Man Shrestha. The discussion took the audience from the history and background of Nepalese MF to the current day scenario, challenges and the role of regulatory bodies in the development of the sector. Towards the end, the floor was opened for questions from the audience.

In the second session, twenty-two speakers from among the microfinance women members took the opportunity to share their life experience and the changes that was brought about in their lives after joining microfinance program. There were many triumphant stories of impoverished women who endured various difficulties and hardships and who were often looked down upon by society, take a life-changing turn in their lives after joining microfinance. Some were very moving and brought the audience to tears. The session commentators were Mr. Surya Prasad Acharya, Joint Secretary, Ministry of Finance, Mr. Suresh Pradhan, Joint Secretary, Ministry of Cooperatives and Poverty Alleviation and Mr. Brihaspati Adhikari, Deputy Director, NRB. Mr. Yogendra Mandal, Chairman of Jeevan Bikas Samaj who chaired the session concluded with the note that microfinance has been able to change the lives of marginalized communities as well as curb domestic violence and increase self-confidence among its members.

On the second day of the Summit, the participants were divided into five groups to discuss various challenges and issues faced by the sector and to find pathways and solutions. The topics were; 1) Client Protection and Development, 2) Enhancing Outreach to the Extreme Poor, 3) Weaknesses and Deviations in Microfinance Operation, 4) Over-financing and Over-indebtedness of Clients and



Governor of NRB Dr. Chiranjibi Nepal inaugurating the Exhibition displaying products made by MF members and women-friendly agricultural tools and machines



A view of the first National Microfinance Members' Summit

5) Graduation of Clients and Entrepreneurship Development. Each group presented their findings before the audience and opened the floor for further discussion. The presentation session was chaired by Dr. Binod Atreya of NRB. The discussion led to a lot of brainstorming and finding methods to minimize the problems and challenges.

The two day-long event culminated with the Closing Ceremony where Ms. Padmasana Shakya, Organizing Committee member warmly welcomed the gathering and remarked on the productive output of the two-day conference in improving the sector. A 17 point Declaration drafted during the conference was presented before the audience by Mr. Rajendra Bahadur Pradhan, member of the Organizing Committee and approved unanimously by the audience. During the closing session, five MF members shared their experience and suggestions for a brighter future for the sector.

The Chief Guest of the ceremony the Minister of State for Finance Mr. Damodar Bhandari congratulated the organizers for the successful event and noted that the Declaration will be very beneficial for the government as well. Special Guest, Parliamentarian Mr. Rabindra Adhikari expressed, "For those who are poor and asset-less, access to finance is a huge opening to self-employment opportunities." Special Guest, Deputy Governor of NRB, Mr. Shivaraj Shrestha said, "The declaration is thought provoking and we will keep it in mind

while making future rules and regulations. It is necessary to provide the ultra-poor collateral free loans and the opportunity to develop entrepreneurship skills through microfinance."

Another Special Guest, Microfinance practitioner and Member of Parliament, Mr. Gopal Dahit, shared his deep understanding of the sector and the various challenges that one faces while working in the sector. He said, "In order to reduce the interest rate charged on loans by the MF sector, a separate package must be provided to such institutions as incentive."

Special Guest of the ceremony, former Member of Parliament Ms. Lucky Sherpa credited microfinance in developing entrepreneurship, leadership and self-dignity among the Nepalese women.

Speaking on behalf of the Organizing Committee, Mr. Mahendra Kumar Giri thanked the honorable guests for their presence and kind words of encouragement. Mr. Giri also thanked all the participants for their active participation and suggestions that made the conference a memorable program. Lastly, he thanked all the sponsors for their support. Summing up the essence of the two-day conference Chairman of the Organizing Committee, Mr. Shankar Man Shrestha said, **"In order to make MF more effective, it is necessary to curb the deviations and malpractices that are currently prevalent in the market. We must maintain the essentials of Microfinance.** Microfinance has served

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CSD supporting the UNDP's Rapid Enterprise and Livelihoods Recovery Project (RELRP) to incite Micro-entrepreneurs to access financial services

In the wake of the devastating earthquake of April 25, 2015 and May 12, 2015, the Rapid Enterprise and Livelihoods Recovery Project (RELRP) was initiated by the United Nations Development Programme (UNDP) to support the earthquake affected entrepreneurs of Micro-Enterprise Development Programme (MEDEP), a joint initiative of the Micro Enterprise Development for Poverty Alleviation (MEDPA) of the Government of Nepal and with financial support from the Australian Government.

Seven severely affected districts were identified by the RELRP to provide immediate support to the micro-entrepreneurs. These seven districts were; Sindhupalchowk, Kavrepalanchowk, Dolakha, Nuwakot, Ramechhap, Sindhuli and Rasuwa.

The project aimed at reviving and stabilizing thousands of entrepreneurs who had been put out of business as a result of the earthquake. Of the 13,700 micro-entrepreneurs in the 7 selected districts, 12,059 micro-entrepreneurs were found to be affected. Moreover, 70% of the affected beneficiaries were women.

The Centre for Self-help Development (CSD) in its capacity to support the project undertook to improve the access to financial services by interacting with and mobilizing MFIs to provide loans to over 5,000 micro-entrepreneurs in the 7 RELRP districts. The CSD team led by its

Chairman, Mr. Shankar Man Shrestha comprised of Deputy Director Mr. Satish Shrestha and Senior Officer Ms. Stephaniema Rana as its members.

The team visited all 7 RELRP districts through the month of April and May and interacted with the representatives from Micro Enterprise Development Service Providers (MEDSPs), District Micro Entrepreneurs Group Association (DMEGA), Micro Entrepreneurs Group Association (MEGAs), MFIs, local cooperatives and commercial banks in coordination with the RELRP District Coordinators (DCs). All the stakeholders were brought together and got acquainted with each other's operations and efforts in improving the situation of the earthquake affected families.

These district level interactions proved to be a common sharing ground for the various stakeholders to put forth their work progress as well as the issues and challenges faced by each organization while working in the field. One of the major challenge raised by all parties, was the lack of coordination between the players despite holding the common objective of serving the earthquake affected population. The interactions pointed towards the reality that majority of the stakeholders were working in isolation.

Another issue raised by the micro-entrepreneurs group was the unwillingness of MFIs to serve the far-

flung, remote villages. They opined that MFIs were mostly concentrated in the market areas, easy-to-reach areas and easy-to-reach families whereas the micro-entrepreneurs were dispersed across the district. It was agreed that MFIs and MEDEP service providers, DMEGA and MEGAs would identify the target entrepreneurs together so that the target group is not devoid of the services provided by each party. The team also visited a number of projects supported by RELRP.

Summing up the interactions, Mr. Shrestha said, "The poor's greatest strength is their integrity and honesty. The same is true with the micro-entrepreneurs who are hardworking and are skilled. All they require is proper access to finance, and we, as MFIs should support them. We need to start working hand-in-hand so that we are sustainable even after the completion of the project. As long as we are able bodied, we are not deprived of income earning opportunities." All the stakeholders have vowed to work together in the future to impart business skills and credit to the needy micro-entrepreneurs.

On returning to Kathmandu, the team listed the various issues and challenges faced by the stakeholders at the ground level and have made recommendations to the concerned parties for building a conducive environment for both the micro-entrepreneurs and MFIs.



Visiting micro-entrepreneurs project in Sangachowk, Sindhupalchowk



View of one of the interaction program held in Manthali, Ramechhap. Representatives from various organizations and associations were present.

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First ever ...

lakhs of households in Nepal, yet there are many who have been left out. We have to reach the un-reached poor families as well. Our clients are the honest poor and we must not over burden them

with multiple loans." In the end, he thanked the Organizing Committee for their continued support and encouragement and the entire team of CSD, volunteers, artistes and media in supporting the Summit. He concluded saying, "The massive encouragement and the enthusiasm seen in the faces of our

MF women members today, is proof of the success of the program. I am very satisfied that our efforts have reaped fruits."

The Summit was an eventful two-day program where cultural programs from member organizations also provided entertainment to the audience.

One-Day Interaction on Microfinance held in Mid-Western Nepal

As a follow-up on the implementation of the 17 point declaration passed by the participating organizations at the National Microfinance Members' Summit, a One-Day Interaction on Microfinance was held by two of the member organizations of CSD, UNYC – Nepal and Mahila Upakar Manch, located in Mid-Western Nepal, taking advantage of the visit of the Chairman of CSD, Mr. Shankar Man Shrestha. The interaction was held among the Board of Directors, management, branch managers and field staff to discuss the current challenges and threats faced by the institutions and to jointly come up with solutions to find a way forward.

The one-day interaction was held on June 2, 2016 in Nepalgunj by UNYC - Nepal and on June 3, 2016 by Mahila Upakar Manch in Kohalpur. There were a total of 156 participants in the first program and 65 participants in the second program.

A similar program module was followed



Open discussion with the staff of UNYC - Nepal

in both programs. Each branch manager presented his/her progress and achievement in the current year and the problems and challenges they faced while operating at the field level. Their suggestions for areas of improvement were also noted by the management. The presentations were followed by group discussions on the prominent challenges faced by the microfinance sector in Nepal. Following which, the groups presented a summary of their findings and opened the floor for further discussion.

endeavors in improving our products and services. Cases of member dropout from centers is due to misutilization of loans. This indicates that our member selection, member education, loan appraisal and field movement is not effective. The roots of microfinance is the rural poor at the field level and we must get to know our members better. This way we can avoid any mishaps in the future.” He urged them to take microfinance services to all the poor households in their coverage area within the next five years.



Chairman of CSD Mr. Shrestha facilitating the group discussion of Mahila Upakar Manch

The group discussions were facilitated by Mr. Shankar Man Shrestha. “I am always very happy to be among the frontliners of microfinance, the field staff and branch managers. There is much to learn from them. Most solutions to your problems can be resolved at the field by yourselves. We must instil a sense of ownership among our members and increase our

The participants have vowed to improve their services to the poor as well as avoid involvement in malpractices like duplication, over indebtedness and multiple financing and develop entrepreneurship skills among their members. Both organizations have drafted their own Declaration to be followed by the organization and their staff. The participants were enthused and have agreed to work with energized grit and determination.

CSD aims to improve Credit Management capacity of MFIs

CSD organized a Training on Credit Management in CSD Training Hall, Kathmandu from June 12-14, 2016. The three day-long training aimed at helping MFIs to systematize the process of credit management to safeguard their loan portfolio and minimize risk therein and promote and develop the clients' economic conditions. There were 25 participants from 13 different MFIs. They were equipped with different credit management tools. The training tried to address the emerging operational issues and challenges faced by the microfinance sector like identifying potential clients, appraisal of clients and their credit needs, process of operation, cash flow analysis, collateral valuation, monitoring and supervisions etc.

There were altogether 10 classroom sessions with 2 practical exercises and two free discussion sessions, one at the beginning and the other at the end. Addressing the participants in the free

discussion in the last session, Mr. Shankar Man Shrestha - Chairman of CSD urged the participants to emphasize more on betterment of their members by avoiding over indebtedness. He urged all the participants to be loyal

to their organization and best serve their clients. He mentioned that MFIs have been prospering day by day in terms of number of clients they served, volume of loan operation, profitability and have been able to distribute good dividend to the shareholders and provide good bonus and facilities to their staff. However he questioned, “What about the clients? Have they been able to prosper in real term or they have been put into loan trap?” He urged all the participants to be concerned about their clients. He asked participants to work in accordance with the aim of



Group photograph of the training participants

microfinance and maintain the essentials of microfinance. He urged them to focus on clients, help them grow economically and socially and work for their betterment. The participating organizations were: Swabalamban Laghubitta Bikas Bank Ltd., Mahila Sahayatra Microfinance Bittiya Sanstha Ltd., Solve Nepal, Womi Microfinance Bittiya Sanstha Ltd., Kalika Microcredit Development Bank Ltd., Mirmire Microfinance Development Bank Ltd., Mahila Upakar Manch, Jeevan Bikas Samaj, Chhimek Laghubitta Bikas Bank Ltd. and Swarojgar Laghubitta Bikas Bank Ltd.

IDF, Bangladesh Officials Visit Nepalese MFIs

CSD organized an exposure/study visit to different microfinance institutions of Nepal for the senior officials of Integrated Development Foundation (IDF) Bangladesh from May 22-29, 2016. The main purpose of the visit was to get the IDF officials acquainted with the practices of microfinance in Nepal and also share their experiences of serving hardcore poor with the Nepalese MFIs.

There were eight participants namely Mr. Mohiuddin Ahmed Chowdhury-Deputy Coordinator, Mr. Bijan Kumar Sarkar-Deputy Coordinator, Mr. Md. Shah Alam-Senior Assistant Coordinator, Mr. Md. Mahbubul Kabir-Program Manager, Mr. Mohammed Billal Hossain-Senior Program Organizer, Mr. Md. Elias-Senior Program Organizer, Mr. Khorshed Alam-Senior Program Organizer, Mr. Shafiqul Islam-Senior Program Organizer, Mr. Md. Harun Rashid-Consultant in the team. They visited

various field networks of microfinance institutions such as Swabalamban Laghubitta Bikas Bank Ltd., Kathmandu; Manushi, Kathmandu; Shreejana

Development Center, Kaski; Muktinath Bikas Bank Ltd., Kaski and Dhaulagiri Community Resource Development Center (DCRDC), Baglung.

During the visit to the different MFIs the team observed the operational modalities of each of the MFIs and also interacted with the clients and the staff to understand the impact of various services of MFIs. They also enquired about the repayment procedure and effectiveness of joint liability with the groups. The team



Group photo with the center members of Sallaghari DCRDC, Baglung

was highly impressed with the group discipline and solidarity of the microfinance clients.

The officials expressed their heartfelt gratitude to CSD for organizing such a fruitful program and to MFIs for their warm hospitality. Mr. Md. Harun-Consultant of IDF Bangladesh said, "The visit to Nepal has motivated me to initiate improved and suitable services to our clients that will help them fortify their living standard."

CSD Organized Another Customized Self Development Management Training for Swabalamban Laghubitta Bikas Bank Ltd.



Group photo of the training participants

As per the request of the Swabalamban Laghubitta Bikas Bank Ltd., CSD organized two customized "Training on Self Development Management" from June 21 to 22, 2016 and June 23 to 24, 2016 in the Eastern Regional Training Centre of the Agricultural Development Bank Ltd, Letang, Morang for the field employees of the Swabalamban Laghubitta Bikas Bank Ltd. There were a total of 41 participants.

The main objective of the training was to develop self management skill, build positive attitude in participants and provide the ways of becoming effective manager. In this training, the participants learnt that today's manager must not be traditional and autocratic one but be more of participatory, motivating and valuing team work. A manager must be able to touch the pride button of his/ her staff. An effective manager appreciates others, communicates properly and has

positive thinking. This training has provided the participants with the opportunity to identify the shortcomings they have and develop the skills they need to set life goals which will enhance their employability prospects, raise their confidence and lead to a more fulfilling, higher quality life both professionally and personally.

The resource person Mr. Prakash Kumar Pokhrel gave the concept of perception, attitude and behavior through very interactive and participatory sessions. Mr. Pokhrel made the participants aware about their own attitude and behavior and provided the tips on how to inculcate positivity in life. He linked this training with microfinance so that participants could relate to it in their daily works. He said, "New generation brings in new ideas, thinking and attitude and if we do not work on lessening the generation gap it will definitely give rise to negativity. So it

is very essential for us to change our attitude to fit in with the new generation." He expressed that it is only positive attitude that will make impossible to "I M Possible". One has to raise the standard of thinking to raise the standard of living. One should always talk about positive things that have happened, better future and going ahead in career.

Mr. Pokhrel urged all the participants to think positively, share their learning with others, put themselves in client's best interest, motivate others and use more of appreciative management in the office. This training is expected to contribute to professional as well as personal growth of the participants.

Overall the training was highly appreciated by the participants and shared that they look forward to participate in more of such training programs.

Linking Microfinance Institutions with Micro-entrepreneurs

With a view to enhance the linkage of microfinance with the micro-entrepreneurs under the Rapid Enterprise and Livelihoods Recovery Project (RELRP) affected by the earthquake, CSD's team visited the seven identified districts of the project. The microfinance sector has reached all 75 districts of Nepal, yet there are many pockets of areas that have been left out from the coverage of microfinance services. Sighting the need to link the left out population with MFIs, particularly in the RELRP districts, CSD organized an interaction program, **'Linking Microfinance Institutions with Micro-entrepreneurs'** in Kathmandu on May 9, 2016.

The program was held to sensitize and mobilize the Chief Executive Officers and representatives of MFIs operating in the RELRP districts to extend their services to the micro-entrepreneurs in the districts.

Observations and findings gathered from the field visit was presented to the microfinance chiefs by Deputy Director of CSD, Mr. Satish Shrestha. Issues and challenges faced by the three major stakeholders; the micro-entrepreneurs, the service providers and the MFIs were put forward in the presentation. The floor was then opened for free discussion facilitated by Mr. Shankar Man Shrestha, Chairman of CSD. The session catered towards finding ways to link the micro-entrepreneurs who have been so far left out of the network of MFIs and stances



Representatives of MFIs at the program

that can be taken up by the MFIs to improve financial access to the target group.

Mr. Sharada Prasad Kattel, CEO of Deprosco Laghubitta Bikas Bank Ltd., Chitwan said, "There seems to be a mismatch between the work carried out by Micro-Enterprise Development Programme (MEDEP)/ RELRP and MFIs. Moreover, it becomes a challenge for one branch to cover the entire district as most micro-entrepreneurs are dispersed. However, this program has helped in linking us once again and we will work with better coordination in the future."

Speaking at the session, Mr. Shrestha pointed out that despite microfinance being a door-to-door service, villages continue to be left out from its network. He also stressed on the fact that financial literacy among microfinance members is minimal often leading to misunderstanding regarding the interest charged on loans. Mr. Shrestha said, "When micro-entrepreneurs and MFIs start working together, it becomes more

productive than working in isolation. We have to be more responsible towards our mission of reaching the poor, hence, more efforts need to be made on the part of MFIs to increase field movements and include those who have been left out." He urged the heads of MFIs to encourage their field staff to take an interest in improving the livelihoods of their clients adding that microfinance services should not be limited to just financial activities.

The interaction was fruitful in sensitizing the MFIs chiefs on the need and requirement of the micro-entrepreneurs as well as to make them aware of the problems and challenges faced by their staff at the field level. As decision makers and leaders of their organizations, they play a pivotal role in steering their organization in the right direction. The program concluded on a positive note wherein participating institutions were in agreement to increase outreach to micro-entrepreneurs and support them in reviving their business and livelihoods.

UNYC – Nepal Celebrates its 21st Anniversary

On June 1, 2016 (Jestha 19, 2073) UNYC – Nepal celebrated its 21 years of existence with great gusto and fanfare in its birthplace Nayagaun, Rajapur of Bardiya district. Established in 1995 to serve the marginalized and indigenous community of mid and far-western Nepal, especially the Tharus, Dalits and other Janjatis, the organization started its microfinance services in 2000.

The program was attended by the entire Board of Directors, management and staff along with thousands of microfinance women members representing the 32 branches. Chairman of CSD, Mr. Shankar Man Shrestha was invited as the Chief Guest to mark the Anniversary and Felicitation Day of UNYC – Nepal. The program chaired by Mr. Dev Man

Chaudhary, Chairman of UNYC – Nepal was also graced by the guardian and mentor of the organization, Parliamentarian, Mr. Gopal Dahit.

On the august occasion, Mr. Shankar Man Shrestha was felicitated by the organizers



Mr. Shankar Man Shrestha being felicitated by UNYC - Nepal

for his continuous support and pivotal role in the development of the organization and the microfinance sector as a whole. Felicitating Mr. Shrestha, Mr. Chaudhary said, "We look up to Mr. Shankar Man Shrestha for guidance and he has always advised us in the right direction. We are grateful for all that he has done for us and our people."

Numerous awards were given to different individuals and units under various categories on the basis of their overall performance, such as the best staff, the best branch, the best center, the best loanee member and the best savings clients. Recognition was also made to the media persons for their contribution in highlighting the achievements of the microfinance members.

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Jeevan Bikas Samaj Officials visit Sri Lankan MFIs

CSD as a part of its network's capacity building program successfully concluded a week long study/exposure visit program in Sri Lanka for the promoters of Jeevan Bikas Samaj (JBS), Morang. The visit was held from May 21-27, 2016 and organized in collaboration with Lanka Microfinance Practitioners' Association (LMFPA), the Sri Lankan Microfinance Network Organization.

The program was coordinated by Ms. Shova Bajracharya, Board Director of CSD and there were 13 participants from Jeevan Bikas Samaj namely: Ms. Ribol Devi Mandal, Mr. Prem Kumar Mandal, Mr. Sudip Kumar Mandal, Ms. Bindiya Kumari Mandal, Ms. Janki Devi Gangai, Ms. Paro Kumari Mandal, Ms. Shanti Kumari Mandal, Ms. Champa Devi Mandal, Mr. Krishnamohan Gachhadar, Mr. Shisibasanta Gachhadar, Mr. Umesh Prasad Mandal, Mr. Ghanshyam Prasad Sah and Mr. Sitaram Mandal.

The participants visited the host institution LMFPA and were briefed on its activities. Mr. Yasitha Munasinghe the Executive Director of LMFPA presented the history and present scenario of microfinance sector of Sri Lanka. The



JBS team visiting Vision Fund Lanka

participants had interactions with the beneficiaries as well as the officials of different renowned organizations like Lak Jaya Microfinance, Kagalle; Berendina Microfinance Institute, Kotmale; and Vision Fund Lanka, Puttalam.

Established in 2002 under the Company Act of Sri Lanka, the Lak Jaya Microfinance Ltd. follows ASA (Bangladesh) Model of microfinance. Likewise, Berendina Microfinance Institute was established in 2007 and is a subsidiary of Berendina Stitching a Dutch NGO, which offers not only micro credit services but also enterprise development services. Similarly, Vision Fund Lanka has been

operating in Sri Lanka since 2004, and is part of global network of microfinance institutions owned by Vision Fund International.

The participants were very happy with the program and thanked CSD for organizing such educational visit to Sri Lanka. Ms. Ribol Devi Mandal, one of the participant, said, "We learnt a lot from this visit and there are several things that we can take on in our program". Likewise, other participants also responded that the overall program was beneficial and that they would apply good things observed and learnt from Sri Lanka in their own program.

CSD attempts to build management capacity of MFI branch managers

CSD organized training on branch management to enhance the managerial capacity of branch manager at the training hall of Centre for Self-help Development (CSD), Maitighar height, Kathmandu, from June 26-28, 2016. There were 22 branch managers from 8 different MFIs. Out of 22 members, there were 4 female participants and 18 male participants. They were from Mahila Sahayatra Microfinance Bittiya Sanstha Ltd., SOLVE Nepal, Sworjgar Laghubitta Bikas Bank Ltd., UNYC Nepal, Kisan Bahuuddeshiya Sahakari Sanstha Ltd., Swabalamban Laghubitta Bikas Bank Ltd., Bauddha Grameen Multipurpose Cooperative Ltd. and Naya Nepal Laghubitta Bikas Bank Ltd.

The main objective of the training was to equip the branch managers with the tools to manage their branch office efficiently and effectively. This program has helped the participants to acquaint with fundamentals of microfinance and equip them with tools for managing a branch. The training focused on the principal roles & responsibilities of a branch manager, financial analysis, program planning &



Group picture with the participants

budgeting, program implementation, monitoring & supervision, credit management, clients' management, risk management etc.

The chairman of CSD, Mr. Shankar Man Shrestha, in his closing remarks highlighted the socio-economic objectives of MFIs and shed light on the potentials of marketing micro-financial products to the core target groups. He urged all the branch managers not to drift away from the mission of microfinance. The mission is to bring smile on the faces of the

disadvantaged community, make them self-dependent and help in uplifting their economic status. Finally, Mr. Shrestha said, "Training will be successful only if the trainee put the learning into action. Managers need to be self disciplined and decide their own scope of operation and clientele instead of blaming each other or looking out for NRB's intervention in clients' overlapping." He thanked all the participants, resource persons and others who provided support to the training program directly or indirectly for making the training successful and better.

National Microfinance Members' Summit 2016 Declaration

- Each MFI shall prepare an action plan to include the ultra-poor who have been left out from the microfinance program.
- MFIs will open branches beyond easy-to-reach areas & market center and make efforts to outreach the remote and far-flung districts as well as villages that are not connected by roadways.
- MFIs must immediately stop disbursing loans without proper appraisal of the need and capacity of the members to avoid them from falling into a loan trap.
- MFIs should fix an appropriate interest rate that will neither over-burden the members nor reduce the self-sufficiency and sustainability of the organization.
- The policy makers of the MFIs should not only focus on the profit for their shareholders and bonus for their staffs but also show responsibility towards the development of their clients and put aside a portion of their profit to invest in clients' protection schemes, skills and entrepreneurship development.
- Each organization should enact and implement policies to upgrade clients' skill and enable them to upgrade into micro-entrepreneurs and provide them opportunities for innovations.
- Establishing a separate unit in each MFI to continuously monitor the growth of the members by introducing a 'Growth Record Card' to each member.
- The regulatory body, Nepal Rastra Bank, is urged to stop issuing approval for opening branches of many MFIs in the same area. NRB should come up with a rational branching policy.
- Department of Industries, Cottage Industries Development Committee and MEDEP are requested to work in coordination with MFIs at the local level to impart skills and entrepreneurship development trainings to the microfinance members.
- In view of the over crowdedness of MFIs requiring them to be merged, an appeal is made to NRB to stop issuing new licenses for MF banks except for the FINGOs who have already applied for bank license.
- The Cooperatives Department of the Government of Nepal is urged to allow cooperatives providing microfinance services to expand their coverage area and service centers.
- In order to increase the financial services to the unreached remote and far-flung districts, the Nepal Rastra Bank is requested to increase its limit of incentive loans up to NRs. 5 million with a repayment duration of 5 years.
- As the recent decision of the Company Registrar Office under the Ministry of Industry stipulating NGOs as an un-natural entity and requiring them to divest their promoter shares invested in microfinance banks is contradictory to the Company Act, it is requested to the concerned authority to revoke the decision immediately.
- All MFIs must initiate financial literacy program for their clients.
- Launching microfinance program as a movement for reducing poverty to zero by the year 2030.
- All MFIs shall initiate health insurance program for their members.
- Establish a Micro Insurance Company under the initiative and ownership of Microfinance Institutions to effectively provide micro insurance services to each and every microfinance member.

(... contd. from page 6)

UNYC – Nepal Celebrates ...

Addressing the audience, Mr. Shrestha said that UNYC had supported the local deprived families from the very beginning when no one else had cared for them. He said to the members, "You must not forget that. Over the years your socio-economic status has grown. A loan becomes a burden only when it is misused. Hence, each one of you must invest your loans in productive activities." He drew attention to the organizers saying, "We must learn from our Bangladeshi counterparts and give importance to the health of our members. We should start thinking about appointing a health assistant in every two branches to oversee and monitor the health conditions of our members. That way we can protect the health conditions of our members."

Thanking Mr. Shrestha for accepting their invitation, the founder of UNYC – Nepal, Mr. Gopal Dahit said, "Nepal will become



A vivid display of colors and culture, UNYC – Nepal's Anniversary

rich, only when the poor in the villages develop and rise above the poverty line. We started with a motive to serve the poor without any discrimination, and today, we have over 60,000 microfinance members spread across Bardiya, Kailali, Kanchanpur and Banke. In the coming days we hope to bring better services and facilities to our members."

"UNYC is a companion in Nepal's road to development. We dream of removing poverty from the country. Our chief

objective is to help the ultra-poor women and families in our communities. The vast experience of Mr. Shankar Man Shrestha in the sector has become a guiding force in taking the microfinance sector in the right direction," said Mr. Dev Man Chaudhary.

The program was a vivid display of colors portraying the Tharu culture and dance. A book "श्रम र सृजना" (Labour and Creation) published by UNYC - Nepal was also launched during the event.

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