

Glimpse



A Newsletter of CSD – December 2016, Issue 16

CSD Convenes its 25th Annual General Meeting



Board Officials and the Executive Director

CSD held its 25th Annual General Meeting (AGM) on Sunday October 23, 2016 in a homely atmosphere at its training hall in Kathmandu. It was attended by 7 Individual Members and 20 Institutional Members.

The meeting was chaired by Mr. Shankar Man Shrestha, Chairman of the Governing Board of CSD. On the occasion, Executive Director Mr. Shanker Nath Kapali welcomed the delegates and presented brief highlights on CSD's progress.

Chairman Mr. Shrestha presented the comprehensive report on CSD's progress, achievement and future programs and strategies on behalf of the Governing Board. He said that MFI's ultimate success and sustainability depends on how best they could serve the poor people to uplift

their living standard and they should not just focus on profitability. There were positive discussion on various issues related to microfinance research, study and capacity building of MFIs. Mr. Mani Arjyal of Nerude Laghubitta Bikas Bank Ltd. and Mr. Uday Raj Khatriwada of Swarojgar Laghubitta Bikas Bank Ltd. pointed out the need for more inter-institution exchange visits of MFI's officials in Nepal. They said there are many facts of microfinance that we can learn from each other. Mr. Arjyal suggested CSD to organize internal exposure program for some politicians and media persons to educate them on how microfinance has brought changes in the socio-economic condition of the poor people. Mr. Narayan Joshi, Chairman of Solve Nepal thanked CSD for its role in addressing the burning issues of microfinance and especially for

conducting the National Microfinance Members' Summit. He said, "Microfinance has not adequately focused on the poorest and deprived despite its claim of reaching 2 million households and that most of the ultra poor have been forced to live on deprivation and pitiable conditions. MFIs have overlooked them and focused more on easy to reach families." The meeting passed CSD's Balance Sheet and Income and Expenditure Account of fiscal year 2015/16 and reappointed Mr. Sujana Kafle as the Auditor of CSD for the next financial year 2016/17. The meeting also unanimously elected seven members to form the new Governing Board of CSD. They constitute Mr. Shankar Man Shrestha, Dr. Sumitra Manandhar Gurung and Mr. Ram Kumar Shrestha from the individual members and Jeevan Bikas Samaj, Morang, Manushi, Kathmandu, Nepal Mahila Samudayik Sewa Kendra, Dang and Srijana Bikas Kendra, Kaski from among the institutional members.

At the end, Mr. Yogendra Mandal thanked all the members for their contribution and support for making CSD an effective network organization of microfinance in Nepal. He cautioned all members to be vigilant to control the deviations noticed in different forms and to keep its microfinance operations safe, responsible and sustainable business.



A view of Delegates in the AGM

One Day Interaction on Microfinance with the Board Officials and Staff of Bauddha Grameen MP Coop. Ltd., Surkhet

Giving continuity to the follow up of the 17 point declaration passed by the participating organizations at the National Microfinance Members' Summit 2016, a One Day Interaction on Microfinance was held by Bauddha Grameen Multipurpose Cooperative Ltd. (BGMCL) on October 4, 2016 in Birendranagar, Surkhet.

The interaction aimed at building up common understanding, perception and agenda with regard to the policy, approach and strategies of the organization among the various tiers of the organization such as the Board Members, Management, Branch Managers and Staff.

The one day program commenced with Senior Manager of BGMCL, Mr. Bishal K.C., welcoming the guests and the participants and highlighting the opportunity of being able to conduct the interaction in the presence of the Chairman of CSD and pioneer microfinance practitioner and guardian, Mr. Shankar Man Shrestha.

All 17 branches of the MFI presented their progress status and identified the key problems faced while delivering



CSD Chairman, Mr. Shankar Man Shrestha with the BGMCL officials and staff

the services. Various problems during operation such as; high risk of theft while traveling to remote centers, over-indebtedness of members, lack of insurance policy, duplication of members, increasing trend of members drop out, youth out migration, geographical challenge etc were presented by the staff.

Addressing these challenges, the participants were divided into 5 groups to discuss and find solutions to the five most challenging issues faced by the microfinance sector as of now. The group discussions were facilitated by

Mr. Shankar Man Shrestha wherein each group presented their findings and further discussion on each topic ensued.

Speaking to the BGMCL team, Mr. Shrestha said, "Bauddha Grameen has dynamic Board Members who are actively involved in field visits. **Microfinance is a social business to provide access to finance to the ultra-poor and marginalized communities. With increasing challenges in the sector, we must put extra effort for strengthening our clients and raising awareness among them. We should develop a kind of protection gear for**

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Interaction with the Board Officials and Senior Management of EDCOL, Surkhet



Mr. Shankar Man Shrestha interacting with the Board and Staff of EDCOL

Seizing the opportunity of CSD's Chairman Mr. Shankar Man Shrestha's visit to Surkhet, Environment Development Multipurpose Cooperative Ltd. (EDCOL), an Institutional Member of CSD, organized an interaction program on the morning of October 5, 2016 at its head office. The program was attended by all Board Officials, senior management and staff of EDCOL.

Mr. Dambar Prasad Aryal, Chairman of EDCOL warmly welcomed all the participants and highlighted the pivotal

role of Mr. Shrestha in the microfinance sector and his dedication in taking it to greater and newer heights through various initiatives such as the first ever National Microfinance Members' Summit.

Speaking to the group, Mr. Shrestha commented, "It is commendable to see two member institutions, EDCOL and BGMCL, work hand-in-hand in the district. This environment of understanding and cooperation to work for the benefit of the deprived families is praiseworthy."

"Nepal is gifted with an abundance of local resources and materials. We are an agricultural country. The Cooperative sector has the capacity to bring about an agricultural revolution in the country. Let us assist the youth in our coverage areas through Yuwa Swarojgar (youth self-employment) programs. Also, we must not neglect the health of our members and recruit health workers in our branches. We must provide services according to the needs and requirements of our members," added Mr. Shrestha.

Challenges such as loan duplication and poaching of members by each others, risk of traveling long distances with cash collections, overcrowding of market areas by too many MFIs, insincerity among some members etc. were raised during the interaction and discussed upon.

The Board Officials were eager to increase their field movements and initiate interactions with their members at the grassroots and re-orient them on the principles of microfinance. They also intend to improve co-ordination with other MFI's at the field level.

All 46 participants were pleased to have the opportunity to attend the interaction and vowed to undertake innovative programs and services to the target group.

CSD Chairman Observes Field Activities of MFIs in Mid-Western Nepal

Microfinance is many a times defined as door-to-door banking and the field staff as the barefoot bankers walking long distances on foot to provide services to those left out from the mainstream financial institutions.

Bearing this in mind, and the integral role of activities conducted at the grassroots level, CSD team comprising of its Chairman Mr. Shankar Man Shrestha and senior officer Ms. Stephaniema Rana visited mid-western Nepal to observe the microfinance practices in the hill districts of Surkhet and Dailekh from October 1 – 5, 2016.

The field visit consisted of interactions with microfinance members, observations of center meetings and experience sharing with the branch staff.

Enroute to Birendranagar, Surkhet, an interaction with the microfinance members of Bauddha Grameen Multipurpose

credit and being a part of BGMCL.

A household visit was made to the first MF member of BGMCL Ms. Chuiya Tharuni who along with her husband has been successfully growing various organic vegetables in their plot of land.

The team also visited numerous branch offices of BGMCL in Chhinchu and Jharhare, Surkhet and of both BGMCL and Environment Development Multipurpose Cooperative Ltd. (EDCOL) in Dhungebas, Dailekh. Chairman, Mr. Shrestha interacted with the branch managers and staff and discussed on the various challenges faced by them while working at the field level. He appreciated the branches for serving the deprived families living in the far-flung remote areas that required the staff to walk for 7-8 hours from the branch office. He motivated them by saying, **“Healthy competition will keep you on your toes and make you alert. It will also induce you to come up**



Chairman of CSD interacting with the MF women members at Babai, Bardiya

Cooperative Ltd. (BGMCL) was held in Babai, Bardiya. The women in the area were mainly involved in agricultural practices as well as small business ventures and were empowered both financially and socially.

The center meeting of Pashupati Bauddha Mahila Bikas Kendra in Kholigaun was an example of how effective utilization of credit can go a long way in changing the lives of the poor. Interesting interaction with the group took place wherein the members shared their life changing experience after gaining access to



Photograph of Members with CSD Chariman

with innovative and new ideas to deliver better services to the target group.” However, he cautioned them not to put the members into a loan trap by providing them excess credit beyond their need and capacity.

Mr. Shrestha also suggested to initiate a ‘Center Code of Conduct’ wherein the center-chiefs and members will have certain roles and responsibilities to abide by. Valuable feedback and suggestions were gathered from the field visit, which was later relayed to the management and Board officials in the head office.

Cooperatives’ Board Officials reach a Declaration

CSD organized a two-day seminar of the Board Officials of the prominent microfinance cooperatives of Nepal on the request of its institutional member cooperatives from November 9 – 10, 2016 in the capital city, Kathmandu.

Welcoming the gathering of 31 board officials representing various Cooperatives, Mr. Shanker Nath Kapali, Executive Director of CSD, highlighted that the objective of the seminar was to share the experiences of the participating organizations and come up with a common understanding for the healthy growth of the microfinance cooperatives.

The seminar was chaired by CSD’s Chairman, Mr. Shankar Man Shrestha. In his opening remarks, Mr. Shrestha briefed



Discussion among the Board Officials

the officials on the history of the cooperative movement and the potential of the sector in contributing to the development of the country on the whole. He said, “This is a gathering of exemplary Cooperatives from Mechi to Mahakali working in the country. Through

our work, we must not only make our organization strong, but also empower the families that we serve. We must be open to learning from each other and at the same time build up a culture of working together.”

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CSD Building up Facilitation Skills of MFIs Staff

CSD organized Training of Trainers (ToT) from November 20 to 24, 2016 with a view to build up the competency of the Senior Officers of MFIs to become effective trainers. Few years of working experience alone is not sufficient to be able to facilitate training but one needs to have better KSA (knowledge, skills & attitude) to conduct effective training programs. CSD aims of creating a pool or develop a network of proficient trainers for MFIs through this training. CSD organized such kind of training last year for MFIs senior officers. This time altogether 23 participants from 13 different MFIs participated in the training program. They represented different organizations namely Udaydev Multipurpose Cooperative Ltd., Kanchanpur; Grameen Swayamsewak Samaj, Sarlahi; Swabalamban Laghubitta Bikas Bank Ltd., Kathmandu; Pioneer Multipurpose



Group photo of the participants along with Executive Director and Director of CSD

Cooperative Ltd., Surkhet; Nepal Women Community Service Centre, Dang; Dhaulagiri Community Resource Development Centre, Baglung; Deprosc Laghubitta Bikas Bank Ltd., Chitwan; Manushi, Kathmandu; Jeevan Bikas Samaj, Morang; Bara; Swarojgar Laghubitta Bikas Bank Ltd., Kavrepalanchowk; Chhimek Laghubitta Bikas Bank Ltd., Kathmandu; Mahuli Samudayik Laghubitta Bittiya Sanstha Ltd., Saptari and

Samata Laghubitta Bittiya Sanstha Ltd.

The key resource person of the training was Mr. Prakash Kumar Pokhrel, Executive Director of BICODEC Nepal with Ms. Shreejana Koirala, Senior Officer of BICODEC Nepal as co-trainer. All the sessions were very participatory and interactive. The participants learnt various methods of training like question answer, APPLE process, role play, storytelling, group discussion, brain storming, demonstration, snowballing, observation tour, lecture, problem solving exercise etc. by getting involved in preparing and performing themselves. The program covered all the facets of training from concept of training, training need assessment to report writing. The participants were made to prepare training session plan, materials, facilitate sessions and prepare the training

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Nepalese MFIs' Officials Visit Bangladeshi MFIs

CSD organized an exposure visit to Bangladesh from Dec. 3-10, 2016 in cooperation with Integrated Development Foundation (IDF), Bangladesh. The team of 9 officials of 6 MFIs - was led by Mr. Sanjay Maharjan- Training Officer of CSD. The main objective of the visit was to enhance the knowledge of officials of MFIs through exposure to the best practices of microfinance operations and also get acquainted with their strategies, products and mechanisms and opportunities and constraints in Bangladesh. The participants were; Ms. Laxmi K.C of Mahila Upkar Manch; Mr. Prakash Raj Bhatt and Mr. Man Bahadur Chand of Udaydev Bahuuddeshiya Sahakari Sanstha Ltd.; Mr. Purnawasi Tharu of Laxmi Laghubitta Bittiya Sanstha Ltd.; Ms. Kalpana Adhikari Sharma of Mahila Sahayatra Microfinance Bittiya Sanstha Ltd.; Mr. Lalit Prasad Chaudhary of Mahuli Samudayik Laghubitta Bittiya Sanstha Ltd.; Ms. Sabitri Devi Shrestha and Ms. Milan Pradhan of SOLVE-Nepal.

The team observed group meetings of Grameen Bank and IDF members, visited their households and had discussions in their branches and zonal offices. The team visited the head office of IDF and Grameen Bank in Mirpur- Dhaka.

Moreover, the participants visited credit health, agriculture, school and solar programs of IDF. The team got the opportunity to visit Ramu branch of IDF which is located in one of the remote areas of Bangladesh. The branch is solely dedicated to distributing solar to its members, as the government of Bangladesh is unable to distribute electricity over there. The government of Bangladesh has also appreciated this program of IDF. Similarly, the team got exposed to IDF School program, where children of members as well as non-members are taking part. Though there are many government schools in remote areas, IDF has initiated the program to aware the poor people about education. The health centre of IDF is just behind the school in Satkania village. In addition to this, the team also visited Red Chittagong Cow Project and two household projects of IDF ultra poor clients and cow farming. The way of implementing microfinance operations have changed with the passing of time and the team got exposed to how MFIs in Bangladesh have evolved themselves



Participants posing in Novel Gallery in Grameen Bank Head Office

into sustainable institutions through time focusing on plus activities.

During the post-visit review, the participants shared their experience of how they were impressed and overwhelmed by the hospitality of the Bangladeshi people. The exposure visit was taken very positively by all the participants. Mr. Saroj Kumar Singh said, "The visit gave me an opportunity to know new techniques and methodologies of operating microfinance program." Similarly, Ms. Laxmi K.C said, "The close monitoring and supervision of client as well as field officer was remarkable." Ms. Kalpana Adhikari Sharma shared that every microfinance institution should adopt innovative, cost effective and sustainable microfinance approach.

CSD Organized Training for Account Officers of MFIs

With the aim of enhancing the knowledge and skills of the account officers of microfinance institutions, CSD organized training on Fundamentals of Accounting in Microfinance from December 6-9, 2016. The four day-long training program provided the participants with better insight into the concept of accounting, preparation of voucher and documents, accounting principles and practices, tools and techniques of accounting, role & responsibilities of account officers, financial analysis, reconciliation of statements etc. The participants were acquainted with process of bank reconciliation and its importance, classification of property and loan, preparation of financial statement and its importance. They also were facilitated to sharing of their experiences among themselves. In view of the need for positive attitude among every staff of the participants were also exposed to attitude building and positive thinking.



Group Picture of the participants along with the CSD Team

There were 24 participants from 13 MFIs namely UNYC Nepal, Bardiya; Swabalamban Laghubitta Bikas Bank Ltd., Kathmandu; Chartare Yuva Club, Baglung; Dhaulagiri Community Resource Development Centre, Baglung; Nawa Prativa Saving and Credit Cooperative Organization Ltd., Nawalparasi; Jeevan Bikas Samaj, Morang; Sahara Nepal SACCOS Ltd., Jhapa; Pioneer Multipurpose Co-operative Society Ltd., Surkhet; Nepal Women Community Service Centre, Dang; Swarojgar Laghubitta Bikas Bank Ltd., Kavre; Mahila Sahayogi Bachat Tatha Rin Sahakari Sanstha Ltd., Kathmandu; Mahila Sahayatra Microfinance Bittiya

Sanstha Ltd., Makwanpur and Laxmi Laghubitta Bittiya Sanstha Ltd., Kathmandu.

The key resource persons of the training were Mr. R. B. Khadka, Mohan Prasad Bhattarai, Mr. Mahendra Ban, Mr. Shanker Nath Kapali, Mr. Satish Shrestha, and Ms. Renu Prajapati.

In the closing ceremony Mr. Shanker Nath Kapali, Executive Director of CSD, urged all the participants

to be loyal to their organizations and best serve their clients. He further added, **"Poor people should be provided with opportunities to transform themselves into entrepreneurs. They remain poor because they do not have the opportunities to turn their creativity into sustainable income."** He urged all the participants to work for the betterment of their organizations and their clients.

During the feedback session the participants expressed their satisfaction over the program and said that they learnt a lot on accounting and financial management and vowed to work in the interest of their organizations.

Nepal Microfinance Practitioners' Exposure Visit to the Philippines

CSD in cooperation with Microfinance Council of the Philippines (MCPI), Philippines organized an exposure visit of the top officials of four MFIs of Nepal to the Philippines from November 6 - 12, 2016.

The visit was an occasion for the MFIs officials to learn the operational practices of the leading MFIs in the Philippines specially focusing on client protection schemes and microenterprise and housing finance. They also had opportunity to acquaint with the regulatory arrangement of the country.

The team coordinated by Mr. Satish Shrestha, Director – CSD had a total of 9 participants namely Ms. Bimala Yogi, Chairperson, Gita Kumari Yogi Giri, Vice Secretary and Ms. Sharada Sharma, CEO of Nepal Women Community Service Centre, Mr. Dambar Bahadur Shah, General Manager of Kisan Bahuuddeshiya Sahakari Sanstha Ltd.; Mr. Dadhi Ram Paudyal, Chairman and Mr. Dilip Pokhrel, Executive Director of Grameen Swoyam Sewak Samaj, Mr. Ram Chandra Banjade and Mr. Bhupati Raj Pandey, Board Directors of Swarojgar Laghubitta Bikas Bank Ltd.; Mr. Rabin Sijapati and Mr. Narendra Prasad Chhatkuli, Board Directors of National Microfinance Bittiya Sanstha Ltd.

The team visited various field networks of renowned microfinance institutions of the Philippines such as CARD MRI, ASKI, ASHI apart from the Central Bank of Philippines (Bangko Sentral NG Pilipinas) where they were briefed and updated on the regulation pertaining to the microfinance industry. During the visit the team observed



Participants with the officials from MCPI during the welcome session

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 on the target clients. Evaluating the visit program, the participants said that it was an excellent occasion for them to learn from matured practices of MFIs and bring improvements in their own operating system, modality and approach. Mr. Dambar Bahadur Shah, General Manager of Kisan Bahuuddeshiya Sahakari Sanstha Ltd. said, "The Philippines visit has motivated me to initiate improved and suitable services to our clients that will help fortify their living standard." Likewise, Ms. Sharada Sharma - CEO of the Nepal Women Community Service Center said, "We learnt a lot from this visit and there are many things that we can adopt in our program."

Nepal MFIs Officials Learn from Sri Lankan MFIs

CSD in collaboration with the Lanka Microfinance Practitioners Association (LMFPA) Sri Lanka organized two Exposure/ Study Visits to different Microfinance Institutions of Sri Lanka from November 19 to 26 and Dec. 17-24, 2016 respectively. The main objective of the visit was to enhance the knowledge of officials of board and management team of partner organizations through exposure to the best practices of microfinance approaches and strategies, products and mechanisms and opportunities and constraints in Sri Lanka.

The first team comprised of 11 officials of seven different microfinance institutions and was led by Ms. Renu Prajapati- Training Officer of CSD. Likewise, the second team comprised of 10 Senior Management and Board Members of 7 microfinance institutions of Nepal was led by Mr. Satish Shrestha, Director of CSD. Mr. Yasitha Munasinghe, Manager of LMFPA- the network organization of MFIs in Sri Lanka briefed the participants on the different types of MFIs in Sri Lanka, their organizational status and how they have been managing their microfinance programs. It is learnt that the regulatory act of Sri-Lankan microfinance has been incorporated from May 2016. The interest rate charged by Sri Lankan MFIs is about 28 % flat and MFIs have to be registered in the Central Bank of Sri Lanka to entertain deposits of the members.

The first team visited 3 microenterprise clients of Sarvodaya Development Finance Ltd,- a subsidiary of the Sarvodaya Economic Enterprise Development Service, in Madampe Village in Chilaw. By visiting the microenterprise it is known that the interest rate of bank is half of the cooperative but the eligibility to get loan from bank, one must have good credit history, which can be created by being member of cooperative for 2 or more years.

Similarly the team also got opportunity to visit BRAC Sri Lanka, which was operated in response to the 2004 tsunami. BRAC is renowned as Sri Lanka's only micro finance company with the

highest level of female participation. The team learned that monitoring and supervision of MFIs in Sri Lanka is very strong. It focuses on lending exclusively to women entrepreneurs who are engaged in self-employment, manufacturing, trade and service.

The best leasing company in Sri Lanka- the Peoples Leasing and Finance Company, promoted by Peoples Microfinance Bank Ltd. was also visited by the team. The Peoples Leasing and Finance Company has been providing financial services to the poor in group basis and micro and medium entrepreneurs' loan through directly lending method. It also creates employment and training opportunities both locally as an employer and regionally by stimulating entrepreneurship.

The team also visited Young Men Christian Association (YMCA), a NGO, at Batticaloa Sri Lanka. YMCA is actively engaged in numerous social service activities with the chief goal of boosting peace, good citizenship, and justice within the society, providing guidance and leadership to children, community and the youth, promoting and advocating for the rights of marginalized communities and children, as well as, supporting for establishment of gender balance and enhancing the rights of women in the community.

The second team visited Institute for Development of Community Strengths (INDECOS) a non-profit and non-government organization registered with the Department of Social Services as a voluntary body (1991, No. 5/MA/91) and registered at the NGO Secretariat of Ministry of Social Services (1999, No.L.07601). Similarly the team also got opportunity to meet and interact with the Central bank of Sri Lanka officials at Colombo. The team learned that monitoring and supervision of MFIs in Sri Lanka is very strong. It focuses on lending exclusively to women entrepreneurs who are engaged in self-employment, manufacturing, trade and service.

One of the best microfinance institutions in Sri Lanka-Janamithu Lanka Ltd. (JLL), was also visited by the participants. JLL

clients are engaged in various projects such as agriculture, retail trade, services, food processing, fishery, animal husbandry etc. It also creates employment and training opportunities both locally as an employer and regionally by stimulating entrepreneurship. Similarly, the team also visited the centre meetings and microenterprise clients of Hambantota Women Development Federation (WDF) and SANSA Federation Ltd.

The exposure visit was taken very positively by all the participants. During the post visit review held at CSD the participants shared that they were overwhelmed by the hospitality and culture of Sri Lankan people. Mr. Jawan Singh Buda- Board Member from Bauddha Grameen Multipurpose Cooperative Ltd. said- "The visit gave me an opportunity to know new techniques and methodologies of operating microfinance programs". Mr. Sharada Prasad Kattel- CEO from Deprosc Laghubitta Bikas Bank Ltd. was impressed with the difference in interest rate of loan based on the size of loan and the capacity of the members. Mr. Bechan Giri- Board Member of Deprosc Laghubitta Bikas Bank Ltd. said- "The close monitoring and supervision of clients as well as organization was remarkable" and the Nepali MFIs should follow such practice in Nepal as well.

Similarly Mr. Arjun Shrestha- Chairman from Shreejana Development Centre was impressed by the identity card of every member of every MFI in Sri Lanka which also helps in controlling duplication of the clients. Mr. Shyam Kumar Shrestha- Vice-Chairman from Srijana Community Development Centre said- "The visit has motivated me to introduce better and appropriate services to our clients that will help them uplift their living standard." Mr. Tek Bahadur Bohora- Chairman from Mirmire Microfinance Development Bank Ltd. said- "Technology and strong credit appraisal system were more impressive". All of the participants expressed their thanks to CSD for organizing such a fruitful visit.



Participants of the Visit with LMFPA Coordinator



Participants of Study/Exposure visit with Officials of LMFPA and Central Bank of Sri Lanka

CSD Chairman honored with 'Rastriya Byektito Award' by Sahara



20th Annual General Meeting of Sahara Nepal Saving and Credit Co-operative Society Ltd.

On November 12, 2016 (Kartik 27, 2073) Sahara Nepal SACCOS Ltd., Jhapa, an institutional Member of CSD, conducted its 20th Annual General Meeting in the midst of members, guests, board members and staff. Chairman of CSD, Mr. Shankar Man Shrestha was the Guest of Honor of the ceremony. The program was chaired by Mr. Tara Prasad Sanjel, President of Sahara Nepal SACCOS.

Sahara Nepal Saving and Credit Co-operative Society Ltd. established on April 3, 1996 has been working for the social and economic upliftment of the local community. It initiated microfinance program and has been operating in 10 districts with a total number of more than 100,000 members and an outstanding loan of Rs. 2,934,381,099 and savings of Rs. 1,927,207,701 from members. It is also involved in a variety of social development programs, such as livelihoods, health & environment and community empowerment. It strives to raise awareness among the poverty stricken and the down trodden masses to establish sustainable development package to guarantee basic necessities

and achieve economic development of its members.

On the occasion of the 20th AGM, Mr. Shankar Man Shrestha was felicitated and honored with Rastriya Byektito Puraskar (National Personality Award) instituted by Sahara Nepal from this year for his contribution to the development of microfinance in Nepal. On the same occasion Mrs. Durga Devi Subedi was decorated with Professor Muhammad Yunus Award for her excellent achievement as micro entrepreneur.

President of Sahara Nepal SACCOS, Mr. Tara Prasad Sanjel addressed the mass recalling the earlier days of the organization. He presented the Annual Report of Fiscal Year 2072/73 which highlighted that it has around 100,000 members, loan outstanding amount of Rs. 2,934,381,099.78, saving amount of Rs. 1,927,207,701.39, and profit amount of Rs. 164,443,794.73. He mentions, "The Sahara Nepal could take the present shape of operation and achievement due to the launching of the microfinance program and the man behind has been Mr. Shankar Man Shrestha who has been

continuously motivating and guiding us to move ahead and do good things for the communities."

Speaking on the occasion as the Guest of Honor, Mr. Shankar Man Shrestha congratulated the Board Members, Management Team and Staff for the outstanding performance and achievement of the Sahara Nepal stating Nepal microfinance as a home grown industry. Mr. Shrestha suggested Sahara SACCOS Ltd to focus on the poorest of the poor residing in the interior of the covered districts and to target at the unemployed youth for their self-employment through entrepreneurship training and required credit. Mr. Shrestha said, **"The honor and award given to me has further encouraged me to do more work for providing services to the poorest of the poor for their betterment and for the development of Nepalese MFIs. So, I would like to hand over the awarded money Rs. 1 Lakh to Sahara Nepal and request Sahara to create a fund which will be spent for the development of the hardcore poor in the Sahara Nepal working areas."**

The Secretary of the organization, Mr. Mahendra Kumar Giri presented the Fiscal Year 2072/2073 annual policy, program, budget and progress of the organization. On the occasion various cultural programs reflecting the glimpse of the local culture of the district made the program more lively and colorful. The event was of gigantic occasion, for the members and officials of Sahara Nepal SACCOS to demonstrate their unity, dignity, solidarity and fraternity.



Mr. Shankar Man Shrestha being honored with 'Rastriya Byektito Award' 2073



Sahara Nepal SACCOS members at the AGM

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One Day Interaction ...

them, so that they are immune to external poaching institutions." He appreciated their initiative of opening a health facility for their members and scholarship fund for deserving children of members. In the end he cautioned, "Measures should be preventive rather than curative. We must avoid falling into any uncomfortable situation."

The Chairman of BGMCL Mr. Pancha Singh Rokaya thanked the Chairman of CSD for taking out his valuable time to visit Surkhet and observe BGMCL activities. He said, "Mr. Shrestha has always been a friend to BGMCL and a guiding figure. We have gained a lot by his visit and feedback. **Our staff and members are the backbone of the institution and we will focus on strengthening both. If you are loyal, sincere and diligent, there is no limit to your success.** This sector has been

providing employment opportunities to many youths in the community. We must now also give back to our members through various skill building trainings, services, facilities and so forth." He concluded, "Let our work be an example for the next generation to look up to."

All of the 100 participants passed the Declaration concluded at the program and were invigorated to resume their daily work with renewed dedication and sincerity.

Nawapratiwa SACCOS Ltd. Awards Its Best Performing Centers

On November 6, 2016 (Mangsir 21, 2073) Nawapratiwa SACCOS Ltd., Nawalparasi, an institutional Member of CSD, organized a ceremony to award prizes to best performing center of its clients and provide scholarships and educational materials to clients students in a function at Dedhgaun in the northern most village of Nawalparasi district. In the midst of its members, teachers, local intellectuals, social workers, guests, board members and staff. Chairman of CSD, Mr. Shankar Man Shrestha was the Chief Guest of the ceremony. The program was chaired by Mr. Chandra Mani Kharel, Chairman of Nawapratiwa SACCOS.

Nawapratiwa SACCOS Ltd. established on December, 1997 under the Cooperatives Act, 1992, started its microfinance program in 2004 A.D. Since then it has been working to uplift the lives of the poor through its microfinance services. Nawapratiwa SACCOS has been providing scholarships to the students of the poor and deprived family who face severe

financial constraints. This year, 20 students were provided with educational materials and 3 girl students were awarded with scholarship. At the same event four best centers were awarded with token of money and certificates of appreciation. Likewise the best active member was honored at the ceremony.

In order to disseminate the message 'Love and Respect the Elders' Nawapratiwa honored 9 senior citizens from the community by offering garlands, sweets and fruits and wrapped them with shawls. The organization also donated Rs. 20,000 each to two of the micro hydro electricity projects under its social development program. During the program few members of the organization shared their experiences and the changes that were brought about in their lives after joining microfinance.

Speaking on the occasion as the Chief Guest, Mr. Shankar Man Shrestha

congratulated the Board Members, Management Team and Staff of the Cooperatives for their outstanding performance and achievements in saving and credit mobilization to deprived and poor families. He said, "Microfinance has been providing services to the far-flung areas which have been deprived of financial access. Financial literacy programs must be given priority to educate our clients on the best utilization of loans and raise awareness regarding the consequences of loan misutilization. I am very happy that Nawapratiwa has honored the elders, awarded best centers and clients, and offered scholarships to those who are abandoned by the families." Mr. Shrestha suggested Nawapratiwa SACCOS Ltd. to focus on providing services to the poorest of the poor residing in the interior of the district and attempt to target the unemployed youth for their self-employment through entrepreneurship development and required credit.



Chairman of CSD Inaugurating the Ceremony



Chairman of CSD, Mr. Shankar Man Shrestha speaking on the occasion

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CSD Building up ...

completion report. This training has given ample of opportunities to all the participants to sharpen their skills so as to become an effective trainer. It has provided an overview of a facilitator's role, guide for effective facilitation and array of facilitation tips, tools and techniques. The training was highly appreciated by the participants.

In the closing session of the training Mr. Shankar Man Shrestha, Chairman of CSD remarked, "The key to ending extreme poverty is to enable the poorest

of the poor to get their foot on the ladder of development. The poorest of the poor are stuck beneath the ladder of development. They lack the minimum amount of capital necessary to get a foothold, and therefore need a boost up to the first rung." He further said, "Small loans can transform lives, especially the lives of poor women. The poor can become empowered instead of disenfranchised. Homes can be built, jobs can be created, businesses can be launched, and individuals can feel a sense of worth again." He urged all the participants to dedicate themselves for the betterment of the masses and get free them of poverty. He expressed that

the training is essential for improving professional skills, knowledge and attitude. Mr. Shrestha also said, "People are poor not because they choose to be so or they are lazy. The circumstances and the socio-political system of our society is keeping them so. We need a structural change beginning with shift in mindset. A value of a person is to be measured not by what she/he possesses materially, but who she/he is as a human being." He encouraged all the participants to use their learning to build up the staff capacity of their organization in order to enhance the economic status of the poor and eradicate the poverty.

One Day Interaction on Microfinance with the Team of Sahara Nepal Saving and Credit Co-operative Society Limited, Jhapa.



Chairman of CSD with the top Management of Sahara Nepal

Sahara Nepal Saving and Credit Co-operative Society Limited (Sahara Nepal SACCOS) held an interaction among the Branch Manager, Senior Management team and the CEO in the presence of the chairman of CSD, Mr. Shankar Man Shrestha on November 13, 2016 in Birtamod, Jhapa.

As the follow up of the 14-point declaration passed in Kathmandu by 31 Board Officials representing various cooperatives, the interaction program aimed at discussing various topics like:

All the Branch Managers from Sahara Nepal SACCOS presented their progress status, operation modality and key problems faced while delivering the services such as; duplication of members, competitive market, over-indebtedness of members, youth out migration, geographical challenge etc were presented by each of the Branch Manager. Mr. Shanker Man Shrestha congratulated the presenter Ms. Menuka Devi Shivakoti as she presented a complete data of the clients by type of their business.



The view of participants in the interaction program

present condition of microfinance, development of microfinance, future action to solve the present problem of microfinance, work undertaken by Sahara Nepal SACCOS, building common understanding between staff and so on.

The one day program commenced with the welcoming of the guests and participants and highlighting the opportunity of being able to conduct the interaction in the presence of the Chairman of CSD.

The participants interacted with Mr. Shankar Man Shrestha on various issues and challenges.

Speaking to the Sahara Nepal SACCOS team, Mr. Shrestha said, "Sahara Nepal SACCOS is doing well in its microfinance operation. Its credit plus programs are exemplary. Sahara Nepal SACCOS should establish a Sahara Model providing creative credit plus services. We should focus on our clients and increase our quality of service for the sustainable growth of the

UPCOMING EVENT

1. Exposure Visit

CSD as a part of its initiative to learn from the experience and direct interaction with community outside Nepal is organizing following international study/ exposure visits:

- a) Bandhan Bank India- January 9-16, 2017.
- b) Sri Lanka- February 11-18, 2017
- c) Bangladesh- February 25-March 4, 2017

2. Training on Fundamentals of Accounting in Microfinance: CSD has planned to organize regional level Training on Fundamentals of Accounting in Microfinance in the month of January 2017.

- a) Customized training for Kisan Bahuddeshiya Sahakari Sanstha Ltd. on Jan. 16-18, 2017.
- b) Open Training at ADBL Training Hall, Pipary Banke on Jan. 20-22, 2017.

3. The Centre for Self-help Development (CSD) in joint collaboration with the Grameen Trust, Bangladesh will be organizing two-day training in Kathmandu. The program will take place during the second week of February and will focus on topics of Grameen Financial System, delinquency management, creating a second generation of microfinance members and other burning issues of the microfinance sector. Seasoned Senior Officials from Grameen Bank and Grameen Trust will be the key resource persons for the training.

4. Asia Pacific Financial Inclusion Summit 2017: On the request of its institutional members, CSD will be organizing a visit of microfinance practitioners to attend the Asia Pacific Financial Inclusion Summit 2017 organized by the Citi Foundation and the Foundation for Development Cooperation. The Asia Pacific Financial Inclusion Summit will explore the forces driving change in the region, the emerging opportunities and what the next generation of financial inclusion in the region will look like. The event will take place in Hanoi Vietnam from March 21-22, 2017.

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One Day Interaction on Microfinance with the Team of Mahuli Samudayik Laghubitta Bittiya Sanstha Ltd., Saptari.



CSD Chairman with Board Members of MSLBSL

A one day interaction on Microfinance was held by Mahuli Samudayik Laghubitta Bittiya Sanstha Limited (MSLBSL) on November 14, 2016 in Bakdhuwa-9, Mahuli, Saptari.

The interaction intended to follow up the 17-point declaration passed by the National Microfinance Members' Summit 2016. The main purpose of interaction was to make the Board Officials and staff aware of the present condition of microfinance, building mutual understanding between board members and staff with regard to client protection, growth of institution and motivation of the staff for working hard for the development of the organization.

The one day program started with the welcoming of the guests and participants by Mr. Shyam Kant Chaudhary, C.E.O. of MSLBSL who gave brief introduction of the institution. He said, "Today's microfinance consists of competition and problems, hence we all the employees must work together with mutual understanding for the development of our institution and target clients."

All the Branch Managers from MSLBSL presented their progress status, working modality and problems. Competitive market, over financing, duplication, youth

out migration, over indebtedness (loan trap), drop out of members etc were the problems presented by the Branch Managers and the staff.

Further, the participants were divided into 5 groups. All the 5 groups were actively involved in group discussion to chalk out remedies to the five most challenging issues currently faced by the organization.

The Chief guest of the occasion Mr. Shankar Man Shrestha thanked MSLBSL family for its warm welcome and said, "If someone respects you by acknowledging your work and success, then it becomes

big responsibility for you to keep the success continued." Mr. Shrestha shared his experiences and learning with the participants and said, "The Chairman and C.E.O. of any institution play an important role in motivating the employees and developing the institution to newer heights." He further added that the microfinance sector must follow the norms and values of microfinance best practices and asked MSLBSL to include all the ultra poor in its program and focus on making all the members active and business oriented.

The Chairman of MSLBSL Mr. Prabhu Narayan Chaudhary thanked the Chairman of CSD for taking out his valuable time to visit MSLBSL. He said, "Mr. Shrestha has always been a friend of microfinance who encourages MSLBSL to become self-reliant and work for the betterment of the clients." He suggested all the staff to work hard and provide better services to the members.

In the end, all the participants passed a Declaration to resume their daily work with renewed dedication and sincerity, to overcome their mistakes and improve the working system and raise efficiency.



Branch Managers attentively listening to the presentation

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One Day Interaction ...

organization. Sahara should work on entrepreneurship development, employment generation and promote agriculture development activities." Mr. Shrestha further suggested the management to conduct interaction program between their staff on various topics for better coordination. Mr. Shrestha also warned about the effect

that will occur if the basic principles of microfinance are not followed.

The C.E.O. of Sahara Nepal SACCOS, Mr. Mahendra Kumar Giri thanked the Chairman of CSD for taking out his valuable time for Sahara Nepal. He said, "Mr. Shrestha has been guiding us from the beginning of microfinance operation to work hard for the betterment of our institutions. We have gained a lot by his visit and feedback. So, we should focus on providing better services to our clients,

upgrade their skills and capacity through various trainings. Addressing the staff he said, "You are the backbone of our institution. So, if you are sincere, loyal and diligent, there is no limit to our success. We should also work for youth employment and agricultural development as well." He concluded saying, "Let's work together for the betterment of our members."

All of the participants passed a Declaration vowing to work hard.

Bauddha Grameen MP Coop. Society Ltd., Surkhet Concludes its 16th AGM in Grand Manner

On October 3, 2016 (Ashwin 17, 2073) Bauddha Grameen Multipurpose Co-operative Society Ltd. (BGMCSL), an Institutional Member of CSD, conducted its 16th Annual General Meeting in the midst of members, guests, Board Members and staff. The gathering was an august occasion where Chairman of CSD, Mr. Shankar Man Shrestha was the Chief Guest of the ceremony. The program was chaired by Mr. Pancha Singh Rokaya, Chairman of BGMCSL.



Chief Guest Mr. Shankar Man Shrestha along with other guests and Board Members

Bauddha Grameen Multipurpose Co-operative Society Ltd. has been serving the poor and backward communities in the far flung, remote and hilly regions of mid-western Nepal since the year 2000. It was founded by 25 individuals of the Khampa community to provide saving and credit services to the poor and tribal communities who migrated from Jumla and Mugu districts to Surkhet. However, later in 2006 it commenced its microfinance program and extended its membership to all participating members which in the present day represent over 30,000 members from Surkhet, Dailekh and Jajarkot districts.

The program took place in Birendranagar, Surkhet where a host of BGMCSL family and well-wishers were present to witness the progress of the organization and to show support in their endeavors. Four MF women member representatives also shared their experiences after joining the Cooperative. The Secretary of the organization, Mr. Pasang Mahatara presented the progress of the organization. He highlighted that as of July 15, 2016, BGMCSL had 34,238 members, loan outstanding amount of

Rs. 639,834,766, savings amount of Rs. 272,138,627 and a profit amount of Rs. 16,418,440 and has maintained over 99% repayment rate.

Speaking on the occasion as the Chief Guest, Mr. Shankar Man Shrestha congratulated the Board, management and staff for reaching great heights during its journey. Mr. Shrestha said, "Microfinance has been moving forward at a fast pace in the last decade. Ours is a home grown sector, where we do not have to depend on external assistance. Microfinance has given tremendous opportunities to the deprived and marginalized especially women, empowering them both financially and socially." He also cautioned the gathering saying, **"The microfinance principles must not be forgotten. As we grow, new problems and challenges also crop in. We must now focus on strengthening our members and providing opportunities to the unemployed youth in our communities. Microfinance has the power to revolutionize the country's development and we must capitalize on it. The organization should focus on the poorest of the poor residing in the interior of the covered districts and attempt to target the unemployed youth for their self-employment through entrepreneurship training and provision of required credit."**

Chairman of BGMCSL, Mr. Pancha Singh Rokaya addressed the mass recalling the earlier days of the organization. He said, "Today, the Cooperative sector has brought about a revolution in the country." He acknowledged the role of the Chief Guest, Mr. Shrestha in encouraging them to stand on their own feet and become self-reliant, instead of depending on external assistance and aid. Mr. Rokaya further mentioned, **"We must learn to become independent and do things for ourselves and our community. In the coming days we hope to improve the health facilities for our members by opening a hospital. Also, we will encourage higher education for the children of our members by awarding scholarship to the deserving candidates."**

On the occasion, the organization recognized and awarded its best performing loanees, members with highest savings, best staff and best branch. Cultural programs providing a glimpse of the culture of the community made the event more lively and colorful. The event was a celebratory occasion, celebrating both the journey of Bauddha Grameen MP. Coop. Society Ltd. and the members who have been an integral part of their journey.



Bauddha Grameen MP Coop. Society Ltd. members adorning their organization's dress



Cultural performance by members

Cooperative Board ...

The two-day program started with the participants presenting their respective organization's progress report and the various creative undertakings and services delivered to their members. They also identified the issues and challenges such as increasing dropout of members, youth out-migration, over indebtedness of members, wide gap of loanees to members, increasing social discord and so on were discussed among the participants.

Various resource persons with years of experience in the cooperative and microfinance sector facilitated the sessions on topics such as common challenges in the cooperative sector, problems in implementing cooperative norms, fundamentals of credit management, PEARLS monitoring system, microfinance indicators, good governance and the role and responsibility of board officials.

Each and every board official present in the seminar had been actively involved, putting across their queries and suggestions during the sessions.

During the feedback session, Mr. Chitrang Thapa of Udayadev Multipurpose Cooperative Ltd., Kanchanpur said, "It is our privilege to attend this workshop, especially to learn from a dynamic leader such as Mr. Shankar Man Shrestha. His contribution has gone a long way in the development of the sector. In true words he is a well-wisher. Working in the cooperative sector, I believe our generation must leave behind enough resources and examples for the next generation to look up and to learn from."

Kathmandu based cooperative Mahila Sahayogi Bachat Tatha Rin Sahakari

Sanstha Ltd. board official, Ms. Prami Shrestha suggested that CSD take the initiative to organize workshops catering to different sub-committees of the Board in the future.

Thanking the officials for taking out time from their individual schedules, Chairman, Mr. Shrestha stressed on three main possibilities of the Cooperative sector; poverty alleviation through outreaching the extremely poor families, bringing a revolution in the agricultural sector through focusing on agricultural and livestock farming and creating youth self-employment. He said, "We must work to remove poverty from our coverage areas. There is a great potential for this sector to bring about a revolution in the agricultural sector and at the same time provide opportunities for youth empowerment. Underutilization and misutilization of remittance in-flow has increased social evils and unproductive consumption in the community. We must find ways to channelize this resource into productive areas." He concluded encouraging the Board Officials by saying, "Our will power can determine our destiny. Tough things do not last, tough people do. Also, we must not forget to start preparing the second generation of both microfinance practitioners and members."

Towards the end of the program, an evaluation of the program was done by the participants which indicated that the program was timely and helpful to improve their operations. All the participants felt that such a seminar should be held every year while 50% of the participants felt that the duration of the program should be increased.

The two-day program culminated with a 14-point declaration unanimously passed by all those present at the seminar.

Seminar Declarations

1. Keeping in mind the inability of the microfinance sector to include the ultra-poor and most deprived families in their coverage area, each organization will prepare a list of the left out poor families within 3 months and make work plans to expand their services to them within the next 2 years.
2. Avoid over financing to the members to protect them from over indebtedness and loan trap, loans be made only after thorough appraisal of the need and capacity of the members/ borrowers.
3. Raise awareness about the negative impact of duplication of loan and vicious loan cycle among members through financial literacy programs.
4. Take forward agricultural development finance programs in their respective areas to boost up the agricultural production in the country.
5. Reduce the rate of youth out-migration by promoting youth self-employment and assist in providing the necessary loan and technical support for feasible enterprises.
6. Organize interactions in the community level to reduce the social evils prevalent in the community.
7. Focus on making all the members more active and business oriented instead of increasing the number of members and keeping them inactive and dormant.
8. Minimize the dependency of organizations on external loan for financial resources by encouraging members to save more by bringing diversification in savings products.
9. Make adequate provisions to provide timely training for the capacity building of staff.
10. Develop and implement growth monitoring of members every 6 months.
11. Provide skills development training to members as per the need of their enterprises.
12. Prepare a second generation of members.
13. Formulate policies to bring about good governance in respective organizations through in-house interaction programs.
14. Create a committee comprising of Board Officials of Cooperatives at the district level for coordination, sharing of and discussing on experiences and problems, and incite resolutions.



A group photograph of the participants



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