

Glimpse



A Newsletter of CSD, Nepal – June, 2015

Nepali Delegates impressed by integration of Value added programs with Microfinance in Bangladesh

CSD in collaboration with the Integrated Development Foundation (IDF), Bangladesh organized a study/exposure visit to Bangladesh from April 22-29, 2015. Dr. Sumitra Manandhar Gurung board member of CSD led the team of seven MFI officials- Mr. Bed Prasad Devkota, Branch Manager and Mr. Gyanendra Prasad Aryal, Company Secretary of the Deprosc, Mr. Krishna Prasad Mishra and Ms. Kumari Gurung, Branch Managers of the Swabalamban Laghubitta Bikas Bank, Mr. Gopal Bista, Monitoring Officer,

Bangladesh like IDF, Grameen Bank, ASA and BRAC.

The team visited the Grameen Bank Head Office, Mirpur, Dhaka, BRAC Regional Office and IDF Head Office in Chittagong and ASA Zonal Office in Cox's Bazaar. They also observed the centre meetings of all four organizations. On the 25th April, 2015, the news that Nepal was struck by a mega earthquake reached the team. The team members were very shocked by the news of devastation in Nepal.

is that for the sustainable development of clients, value added programs like solar, education, health, sanitation etc must be integrated in the program but the challenge is how to do it. The Nepali team was impressed by such value added programs of Bangladeshi MFIs. IDF's solar and health insurance programs, BRAC's three voucher practice to waive instalment in time of difficulty i.e. three opportunities given to clear the debt, Grameen Bank motivating its staff with good incentives, ASA's practice of changing field staff in every six month to stop any malpractices were much appreciated by the team members.

The team also observed that in Bangladesh, duplication of credits seems to be not truthfully shared by members or the staff and all MF practitioners have not graduated the clients even after 20 years and the size of loan is around 50-60,000 taka to most clients. It is also learnt that it is not the loan size that bring changes in the lives of the member clients and overburdening loans will ultimately destroy the clients not otherwise.

Overall the study/exposure visit has helped the participants to have a glimpse on the several ways to reach discharging financial and other services to deprived communities and refine the approach as demanded by the situation.



Photograph of Nepali delegates during Bangladesh Study/Exposure Visit

Sworojgar Laghubitta Bikas Bank, Mr. Mukunda Sen Karki, Area Manager and Mr. Teknath Khanal, Board of Director of Sahara Nepal. The purpose of the visit was to get familiarized with the microfinance practices in Bangladesh. The team got exposed to a variety of models and techniques of MF operations in most well known microfinance institutions of

However, despite mental disturbance they attended the program without hampering the schedule.

This exposure visit has given opportunity to the participants to have a broad insight on how these organizations are running their microfinance program and credit plus activities. The lesson the team learnt

CSD urges MFIs to initiate a 'Self-Build' Housing Campaign

The devastating earthquake occurred on 25th April 2015, at 11:56 local time at the Barpak village of Gorkha district as its epicentre, caused a severe damage to human lives, personal properties, national infrastructures and heritage sites. The catastrophe was again followed by more than 300 constant aftershocks including the major one dated 12th May, 2015. The entire nation was sunken in huge loss and

efforts from different levels were made to save the people in different districts. CSD and its family are extremely hurt to witness the ruins and sad & untimely demise of over 8,790 people. Thirty-one out of the country's 75 districts are affected and fourteen are declared 'hard-hit'. Almost one-third of the population, i.e. more than 8 million lives have been impacted because of the destruction and

especially, the people at the bottom of pyramid who holds stake in microfinance sector have also been direct victims of this disaster. Landslides and collapse fatalities have challenged in addition to what has already been affected.

With the purpose of helping people in re-establishing their shelter CSD called MFIs operating in the affected districts
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CSD capacity building of officials of Accounts Committee members and Managers of Cooperative Organizations



The group photograph of the participants

With the aim of enhancing the capacity of the officials of accounts committee members and managers of cooperative organizations CSD organized the training on "Financial Analysis and PEARLS Monitoring System" from April 16-19, 2015. This program provided the participants with better insight on the role and responsibilities of accounts committee, significance of financial analysis and importance of PEARLS Monitoring System.

In this training, the participants were oriented on how to manage an organization's financial resources so as to achieve its business objectives and maximize its value, measure the

performance through PEARLS monitoring System and how to manage fraudulent practices in the organization. The conceptual as well as practical knowledge was disseminated in the training.

The key resource person of the training was Mr. Bishnu Kumar Shrestha, Saving and Credit expert. Resource persons Mr. Ramesh Adhikari, Saving and Credit expert and Mr. Roop Bahadur Khadka, HR Department Head, RMDC also took the sessions on the training. Internal resource persons were Mr. Shankar Nath Kapali, Officiating ED, CSD and Mr. Satish Shrestha, Deputy Director, CSD.

There were altogether 21 participants.

They came from the organizations such as Batabaran Sudhar Bahuudeshiya Sahakari Sanstha Ltd, Mahila Sahayogi Bachat Tatha Rin Sahakari Sanstha Ltd, Kisan Bahuudeshiya Sahakari Sanstha Ltd, Nabodaya Bahuudeshiya Sahakari Sanstha Ltd, Karnali Saving & Credit Cooperative Ltd, Bauddha Grameen Multipurpose Cooperative Ltd, Namaste Saving & Credit Cooperative Ltd, Kaligandaki Saving & Credit Cooperative Ltd, Manemandap Saving & Credit Cooperative Ltd, Udayadev Bahuudeshiya Sahakari Sanstha Ltd and Centre for Self-help Development.

In the closing session, Mr. Shankar Man Shrestha Chairman of CSD interacted with the participants. He mentioned that Cooperative is the best model for the economic development of the country. He said, "It can bring economic revolution in the country if the cooperatives work sincerely and for the betterment of the community. People working in cooperatives should not take it as business of profit only but as an organization, committed to the socio-economic development of the people". The program ended with the certificate distribution to the participants by Mr. Shrestha.

CSD helps build capacity of Member MFIs



Group photograph of the participants of UNYC Nepal in Nepalgunj

As per the request of two member institutions UNYC Nepal, Bardiya and Kisan Bahuudeshiya Sahakari Sanstha Ltd, Kailali, CSD officials Mr. Satish Shrestha Deputy Director and Ms. Renu Prajapati, Training Officer visited the organizations beforehand to design the course for the training on Credit Appraisal for their staff as per the need of both the organizations.

They interacted with the officials and observed the centre meetings and did real time analysis of clients' credit worthiness. Screening the entire procedure and coming up with the rounds of brainstorming the training need assessment was done so as to provide the training accordingly. In due course, the social structures as well as existing

popular business practices in and around Bardiya and Kailali districts were kept into consideration. Both the organizations function differently but both wanted a training that will help them to better understand the proper way of appraising the credit to their clients.

CSD provided three customized training on credit appraisal, two for UNYC Nepal in Nepalgunj and in Dhangadhi, and one for Kisan Bahuudeshiya Sahakari Sanstha Ltd, in Kailali. The designing of the course and conduction of all three trainings were held from March 25- April 1, 2015 (Chaitra 11-18, 2071 BS). Each of the training was of two days. The facilitators for the trainings were Mr. Satish Shrestha and Ms. Renu Prajapati of CSD and Mr. Dambar Bahadur Shah of Kisan Bahuudeshiya Sahakari Sanstha Ltd and Mr. Kiran Tharu of UNYC Nepal.

The rationale behind this training was to help the officials of these two organizations to systematize the process of credit appraisal so as to safeguard their loan portfolio and minimize risk. The two day training intended to improve their skill and knowledge on borrower selection, credit decisions, collateral valuation, repayment schedule design

along with legal consideration and loan documentation. The facilitators acquainted the participants with conceptual framework of appraisal and experiences on different thematic areas to practice credit appraisal. Ms. Renu Prajapati had included few games boosting up their morale, which energized the participants and motivated them to

become better person personally and professionally.

There were altogether 102 participants, 72 of UNYC Nepal and 30 of Kisan Bahudeshiya Sahakari Sanstha Ltd in the three programs. The training was very much appreciated by the participants.

CSD initiates Rapid Assessment on Impact of Earthquake on Microfinance



A devastating view of Nawalpur, Sindhupalchok

On April 25, 2015 Nepal faced a massive devastation of lives and properties due to the occurrence of 7.8 magnitude earthquake in Nepal. It affected each and every sector. A mega earthquake of this scale with continuous aftershocks till date has affected people physically, psychologically and financially. In this context CSD put an effort to start a rapid assessment on the impact of the earthquake on microfinance sector. The assessment has been planned to be performed in most affected districts of Nepal. The purpose of the assessment is

mainly to measure the effects of earthquake on MFIs and their members. The main objective is to find out status of MFIs and their members after the earthquake, how they are coping with the present situation, what the demands of members are and what might be the strategies to be followed in order to bring back normalcy in MF operation and in the lives of their clients, what new products to be designed that will benefit the clients and what could be the repercussion if clients needs are not addressed on time.

The team of four officials of CSD Mr. Satish Shrestha, Ms. Stephaniema Rana, Ms. Abhilasha Poudel and Ms. Chetana Panthi has been given assignment to initiate the assessment as soon as possible. They first did a pilot test in Lele area under the Lele branch office of the Swabalamban Laghubitta Bikas Bank Ltd. The first phase of the assessment was conducted in Sindhupalchok district. The team also plans to conduct the assessment in other severely affected districts very soon.

UPCOMING EVENT

Training on Facilitation Skills (TOT):

CSD has planned to organize Training on Facilitation Skills (TOT) in the month of August, 2015. This training will help the participants have the chance to further develop their competencies as a trainer. This training will provide an overview of the facilitator's role, a guide for effective facilitation, and an array of facilitation tips, tools, and techniques.

Member Institutions Corner

SLBB Calls an Urgent Meeting Responding the Earthquake

Two weeks after the devastating earthquake of 25th April 2015, CSD's institutional member, Swabalamban Laghubitta Bikas Bank Ltd. called an urgent meeting of its staffs to discuss how to face the loss and collect strength enough to stand back into the industry. The meeting was chaired by Mr. Naresh Man Pradhan and graced by Mr. Shankar Man Shrestha, Chairperson of CSD Nepal as a special guest. It was attended by 24 branch managers, 4 area managers from the earthquake affected districts. In the occasion SLBB Board Member Mr. Shanker Nath Kapali was also present as the guest.

Each of the branch managers shared the effects of the earthquake around their area and the severity of its effects on the clients. It was known that out of 42,200 clients residing in 10 most affected districts, 34,400 clients have been victimized. Two employees and 50 clients lost their lives along with 162 others who were the family members of the clients. Almost 80% houses of the clients are fully damaged or no more livable.

After listening to such chaos situation, the Special Guest of the meeting, Mr. Shrestha urged everyone to come together and walk an extra mile to support the clients in this difficult time. He asked the management to come up with the immediate relief package

whatever amount affordable and reach out to the clients immediately to the clients doorsteps. He also said that even though the organization is unable to have resources for a large scale aid it should send its staffs and representatives to clients' doorsteps and express sympathy on their difficulties and loss of life and properties and develop a feeling of solidarity.

The CEO of SLBB, Mr. Pradhan collected feedbacks on how to go further with disaster management by streamlining the issue in SLBB's microfinance program and asked the branch managers and other staffs to reach their clients without delay and help them in all possible ways.

Nepali Delegates Appreciate the Filipino MFIs

A delegation of Nepal MFIs led by CSD Deputy Director Mr. Satish Shrestha visited the Philippines from May 2-10, 2015 on the invitation of Microfinance Council of the Philippines Inc. (MCPI), a national network of MFIs in the Philippines. It comprised of microfinance leaders of Nepal MFIs-Mr. Ram Kumar Tharu and Mr. Krim Lal Tharu of UNYC Nepal, Bardiya, Mr. Om Prakash Poudyal, Ms. Sita Sharma and Ms. Gandaki Thapa Adhikari of Chartare Youth Club, Baglung, Mr. Bijaya Kumar Mandal and Mr. Rohit Bhandari of Jeevan Bikas Samaj, Morang, Mr. Pancha Singh Rokaya and Mr. Anka Bahadur Gurung of Bauddha Grameen Multipurpose Cooperative Ltd., Surkhet, and Mr. Dinesh Bahadur Niroula of Sahara Nepal Credit Cooperative Ltd, Jhapa. The team visited the Microfinance Council of the Philippines Inc., Bangko Sentral ng Pilipinas (Central Bank of the Philippines), Tulay sa Pag-unlad, Inc. (TSPI), CARD MRI, Laguna and Ahon sa Hirap, Inc. (ASHI) in Manila, Philippines.

The team was overwhelmed by the warm hospitality and friendly behaviour of the Filipinos. They were really inspired by the Filipino attitude of investing on human assets prior to other physical assets. The Filipinos invest more on education of their children which has led the Philippines to achieve 96% literacy rate. They found that MFIs in the Philippines are very efficient as they incorporate regular monitoring and supervision. They have weekly centre meeting and area managers are in the field whole week. The team felt that Filipino MFIs embraces the actual values of microfinance.



Nepali Delegates with officials of Bangko Sentral ng Pilipinas, the Central Bank of the Philippines

The team was firstly briefed by MCPI officials, on the socio-economic status and the microfinance scenario and practices in the Philippines. They visited Bangko Sentral ng Pilipinas which gave them a knowledge regarding the position held by the MFIs in the eyes of the Central Bank of the Philippines. After interacting with the officials they found Bangko Sentral ng Pilipinas is very positive towards MFIs and has been encouraging them to perform better.

The team visited prominent MFIs like TSPI, CARD MRI and ASHI and learnt about their loan products, insurance, housing, training, business development and other value-added services. They also observed the centre meetings held by them. The use of technology in TSPI was appreciated by the team. They found it uses mobile banking system to have secure financial transaction.

The team when visited CARD MRI, felt it could be idolized for its embracement of concentric diversification in its work. CARD MRI has been offering not only microfinance to its clients but provides micro-insurance, and marketing, livelihood, health, environmental,

agricultural, educational, and other community development programs as well. It has been supporting children of its members and clients through scholarships since 2010 through the CARD Scholarship Program (CSP) which was very much appreciated by the Nepali Delegates.

Above all, the team was mainly impressed by the centre meeting held by ASHI. It is one of the oldest MFIs but has only 27000 members. When inquired the team found that ASHI believes in providing quality services than increasing the quantity of members. In ASHI's centre meeting the team observed that members were very confident and much disciplined. The clients keep attendance chart, centre history and awards at centre meeting hall itself. They have centre meeting agenda and carry out social development program as well.

Overall, the study/exposure visit has helped the participants acquire the knowledge relating the different strategies that could be incorporated in their own organizations so as to become competent and sustainable MFIs. The team appreciated the visit very much.

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and held discussions in four different rounds. CSD partnered with an international non-governmental organization Habitat for Humanity (HfH) to transpire the mission of helping microfinance members stand again and create a roof and shelter for themselves through 'Self-build' Approach. The principle of self-build approach is to persist the feeling of self-dependence, self-help and ownership toward the houses building among the members.

Mr. Shankar Man Shrestha, Chairman of CSD led the discussions with MFIs officials and carried out a direct communication in presence of Mr. Rick Hathaway, Area Vice President of HfH International-Asia Pacific as well as Ms. Almudina Baratardes, Interim Country Representative.

The meetings aimed to bring all the MFIs having operational coverage in affected districts to a common forum and come

up with a solid action plan to develop a specific loan product that will be a simple and accessible financial resource to the members who lost their homes. HfH agreed to provide the technical assistance in building the houses and CSD will remain a common platform which takes charge of networking and serving as a linkage between the MFIs and HfH.

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