

Glimpse



A Newsletter of CSD, Nepal – September, 2014

CSD Extended its Membership to 20 MFIs

In line with the policy decision of CSD Governing Board to emerge itself into a national level training and research institute of microfinance, CSD has been designing, developing and conducting both open enrollment and customized training to enhance the capacity of microfinance banks, financial intermediary non-government organizations and microfinance cooperatives so as to strengthen and enlarge their services to the poor and the disadvantaged community in more effective manner. It also plans to build it up as a network of MFIs. It has extended

its membership to prominent MFIs of all three kinds- microfinance banks, FINGOs, and co-operatives. They are: Jeevan Bikas Samaj- Morang, Sahara Nepal Saving & Credit Cooperative Ltd.- Jhapa, UNYC Nepal- Bardiya, Manushi- Kathmandu, Nawa Prativa Saving & Credit Cooperative Ltd.- Nawalparasi, Kishan Multipurpose Cooperative Ltd.- Kailali, Udayadev Multipurpose Sahakari Sanstha Ltd.- Kanchanpur, Deprosch Laghubitta Bikas Bank Ltd.- Chitwan, Batabaran Sudhar Multipurpose Cooperative Ltd.(EDCOL)- Surkhet, Mahuli Samudayik Laghubitta Bittiya Sanstha

Ltd.- Parsa, Bauddha Grameen Multipurpose Cooperative Ltd.- Surkhet, Chartare Yuwa Club (CYC)- Baglung, Mahila Sahayogi Saving and Credit Corporation Ltd.- Balaju, Solve Nepal- Dhankuta., Mahila Sahayatra Bittiya Sanstha Ltd.- Chitlang, Makwanpur, Srijana Bikas Kendra- Pokhara, Swabalamban Laghubitta Bikas Bank Ltd- Kathmandu, Grameen Mahila Utthan Kendra- Dang, Dhaulagiri Samudayik Shrot Bikas Kendra(DCRDC)- Baglung, Arthik Bikas Saving and Credit Cooperative Society Ltd.- Kavrepalanchowk.

Training on Fundamentals of Microfinance



CSD conducted the training on Fundamentals of Microfinance from July 27 to August 1, 2014 (Shrawan 11-16, 2071) at the training hall of CSD, Maitighar Height, Kathmandu. A total number of 18 participants from different microfinance institutions attended the program.

The main objective of the training was to acquaint the participants with basic concept and fundamentals of microfinance, identification of target household, client targeting and process to conduct simplified Participatory Wealth Ranking (PWR) and Pre-Group Training (PGT), steps of program implementation etc.

The external facilitators were Mr. Rup Bahadur Khadka, Mr. Bhoj Raj Basyal, and Mr. Hem Raj Kafle and the internal facilitators were Mr. Shankar Man Shrestha, Mr. Shanker Nath Kapali, Mr. Satish Shrestha, Mr. Govinda Man Shrestha, Mr. Anurag Gnyawali and Ms. Renu Prajapati.

The course included concepts of microfinance, microfinance models and systems, identification of target, group formation and group dynamics, group/centre management, process of saving mobilizations, loan disbursement and collection, insurance schemes, roles and responsibilities of field officer, performance indicators of microfinance operations.

Customized Training on **CREDIT APPRAISAL**

CSD organized a customized training on Credit Appraisal for Samriddha Pahad, Nepal for the officials of the Samriddha Pahad supported cooperatives from August 24 to 27, 2014 (Bhadra 8 to 11, 2071). A total of 21 participants from 18 different cooperatives attended the training. They were from Agriculture Cooperative Association Ltd., Hatemalo Agriculture Cooperative Ltd., Panchami Agriculture Multipurpose Cooperative Ltd., Sahara Agriculture Cooperative Ltd., Janagaran Abhiyan Agriculture Cooperative Ltd., Siddhartha Agriculture Cooperative Ltd.,



Mr. Shanker Nath Kapali, Mr. Satish Shrestha, and Mr. Anurag Gnyawali. Similarly the external facilitators were Mr. Bhojraj Basyal and Mr. Sundar Prasad Shrestha.



Kerekchumma Agriculture Cooperative Ltd., Jaributte Multipurpose Cooperative Ltd., Pashupati Mahila Krishi Multipurpose Cooperative Ltd., Mahila Srijana Multipurpose Cooperative Ltd., Pathivara Saving & Credit Cooperative Ltd., Safal Multipurpose Cooperative Ltd., Setidevi Multipurpose Cooperative Ltd., Nari Bikash Multipurpose Cooperative Ltd., New Kanchanjunga Agriculture Cooperative Ltd., Laxmi Saraswoti Multipurpose Cooperative Ltd., Kshitiz Multipurpose Cooperative Ltd. The course included, the concept of credit appraisal & its importance, current practices of credit appraisal, method of client screening, credit processing, appraisal of collateral and its legal considerations, collateral valuation norms, case study on cash flow, credit monitoring and supervision, concept of PEARLS and its analysis, and other related topics. The course were conducted by both internal and external facilitators. The internal facilitators were



Apart from conceptual knowledge, emphasis was also given on practical knowledge. On the first two days the facilitators acquainted the participants with conceptual framework of appraisal and sharing of experiences on different thematic areas to practice credit appraisal and on the third day the participants were taken for a field visit to the clients of two best practiced cooperatives- Bindabasini Saving Co-operative Society Ltd. (BISCOL) and Arthik Bikas Saving and Credit Co-operative Society Ltd. Kavrepalanchowk district. All the participants appreciated the training and said that it had enhanced their theoretical as well as practical knowledge in credit appraisal. They vowed that they would utilize the knowledge in their work back to their offices.

Executive Director Mr. Mukunda Bahadur Bista Resigned

Mr. Mukunda Bahadur Bista, who had been working as the Executive Director of CSD since October 1999 resigned from his post due to his ill health. The Governing Board meeting of CSD held on October 10, 2014 accepted his resignation effective from October 10, 2014. The Governing Board also extended thanks to Mr. Mukunda Bahadur Bista, for his contribution to the growth of CSD.



Deputy Director Mr. Shanker Nath Kapali Promoted

The Governing Board meeting of CSD held on October 10, 2014 decided to promote Mr. Shanker Nath Kapali to the post of Director of CSD effective from October 18, 2014. He has been working as the Deputy Director from July 04, 2004. He holds a Master Degree in Commerce from Tribhuvan University. He had also worked for 30 years in the Agriculture Development Bank Ltd.



Training on CREDIT APPRAISAL



processing, appraisal of collateral and its legal consideration, collateral valuation norms, case study on cash flow, credit monitoring and supervision, concept of PEARLS and its analysis.

The participants were also taken to the field for practicing appraisal of the clients and the observation of the best practiced cooperative at Kavrepalanchowk district. The participants were taken to Arthik Bikas Saving and Credit Cooperative Ltd.- Panchkhal, for practical session; an integral part of the learning process, where the participants used credit appraisal tools to process credit appraisal of individual clients, mainly micro entrepreneurs. The participants also visited the office of Arthik Bikas Saving and Credit Cooperative Ltd., where the officials of the office briefed them on various credit related activities and shared experience.

CSD conducted another training on Credit Appraisal solely for Cooperatives from September 7 to 10, 2014 (Bhadra 22 to 25, 2071) at the training hall of CSD, Maitighar, Kathmandu. A total of 19 participants from 13 different cooperatives attended the training. The participating organizations were Udaydev Multipurpose Co-operative Society Ltd., Sahara Nepal Saving & Credit Co-operative Society Ltd., Mahila Sahayogi Saving & Credit Co-operative Society Ltd., Manemandap Saving & Credit Co-operative Society Ltd., Bouddha Grameen Multipurpose Cooperative Society Ltd., Nawa Prativa Saving & Credit Co-operative Society Ltd., Shanti Multipurpose Co-operative Society Ltd., Environment Development Multipurpose Co-operative Organization Ltd. (EDCOL), Sahara Nepal Saving & Credit

Co-operative Society Ltd., Kaligandaki Saving & Credit Co-operative Society Ltd., Karnali Saving and Credit Co-operative Society Ltd., Hatemalo Saving & Credit Co-operative Society Ltd., Krishi Co-operative Ltd. The facilitators were Mr. Shanker Nath Kapali, Mr. Satish Shrestha, Mr. Bhojraj Basyal, Mr Bishnu Kumar Shrestha, Mr. Sundar Prasad Shrestha and Ms. Renu Prajapati.

The course included different topics such as the concept of credit appraisal & its importance, current practices of credit appraisal, method of client screening, credit



Chairperson of CSD- Mr. Shankar Man Shrestha Addressed the Access to Finance Conference

Mr. Shankar Man Shrestha- Chairperson of CSD attended the Access to Finance Conference organized by SAFAL Project funded by UKaid through Department for International Development (DFID) and implemented by Blueberry Charitable Trust U.K on September 23, 2014 at Hotel Malla, Kathmandu. The main objective of the conference was to share both national and international experiences in providing financial access to rural communities.

Speaking as the key note speaker, Mr. Shankar Man Shrestha- Chairperson of CSD said, "Most of the microfinance institutions consider hilly and mountain regions as not feasible area for finance. They think their business will go in losses in such areas. Mr. Shrestha stated that hilly and mountain areas also have many potentials for finance and improving agricultural products, which could enhance income of the people, create self employment and bring changes in their living standard. He further said, "there are some financial service providers in mountain areas in the form of tiny cooperatives, but they lack institutional capacity to provide effective services. Given the opportunity they also

can improve their capacity, provide effective services and become viable institutions. He added, "The advantage of cooperatives is that, they are owned by the local people, operating at minimum cost and run democratically by the people, but they lack governance and management. The external agencies like "Samridha Pahad" can play a role in improving their governance system and capacity.

Speaking about the commercial banks, Mr. Shrestha said, "Commercial banks too could explore tremendous potential in rural areas, if they change their perceptions and methods of financing. Their procedures are cumbersome and not friendly to rural entrepreneurs."



He urged commercial banks, wholesale lending institutions and MFIs to make a dent in intervening difficult districts with suitable policies, appropriate procedures and people friendly approaches.

There were four presentations from eminent personalities from Bangladesh, India and Nepal. Mr. Mohammad Fazlul Kader made presentation on Bangladesh experience, Mr. Manoj Kumar Nambiar and Mr. Suryamani Raul on Indian experience while Mr. Chintamani Sapkota made presentation on the state of microfinance in Nepal.



• **Training on Management: Manager as a Coach**

CSD has planned to conduct two Customized Training on Management: Manager as a Coach separately for the managers of Sahara Nepal Saving and Credit Cooperative Ltd., Charpane, Jhapa from October 30-31, 2014 at Letang, Morang and for the managers of Jeevan Bikas Samaj, Biratnagar from November 2-3, 2014 at Katahari, Morang. The main objective of the training will be to enhance their coaching skills, communication and motivational knowledge, skills and attitude that would enable their subordinates and stakeholders to work in harmony and enhance business. There will be about 75

participants in total, 38 from Sahara Nepal Saving and Credit Cooperative Ltd. and 36 from Jeevan Bikas Samaj.

• **Intra Institutional Self Evaluation Workshop of Sahara Nepal**

As per the request of Sahara Nepal Saving and Credit Cooperative Ltd., Charpane, Jhapa, CSD has planned a one day Self Evaluation Workshop of Sahara Nepal Saving and Credit Cooperative Ltd. on November 1, 2014 at Letang, Morang. The participants will include board members, various committee members, branch managers, area managers, senior officials and operational staffs of Sahara Nepal Saving and Credit Cooperative Ltd. Chairperson of

CSD- Mr. Shankar Man Shrestha is invited to the workshop as the special guest.

• **Exposure Study Visit to Bangladesh**

CSD has planned to organize an Exposure Study Visit to various MFIs of Bangladesh in collaboration with Integrated Development Fund (IDF), one of the successful microfinance institutions working in hilly area of Bangladesh from October 28 - November 5, 2014. The main objective of the visit is to get the participants acquainted with microfinance practices in Bangladesh particularly Grameen Bank, IDF, BRAC, ASA and IDF.

FORTH COMING
EVENTS OF CSD

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