

Glimpse



A Newsletter of CSD – September 2019, Issue 27

CSD Celebrates 28th Anniversary



Honorable Minister of Land Management, Cooperatives and Poverty Alleviation Ms. Padma Kumari Aryal with the Chairman of CSD Mr. Shankar Man Shrestha and other Distinguished Guests

One of the initiators of microfinance services and the first licensed microfinance NGO in Nepal, the Centre for Self-help Development (CSD) celebrated its 28th Anniversary at a function organized in Kathmandu on August 13, 2019 (Shrawan 28, 2076). Honorable Minister of Land Management, Cooperatives and Poverty Alleviation Ms. Padma Kumari Aryal graced the occasion as the Chief Guest. Members of Parliament Mr. Lila Nath Shrestha and Ms. Tulasa Thapa honored the program as Special Guests.

The program chaired by the Chairman of CSD, Mr. Shankar Man Shrestha was

attended by the members of the Board, and other dignitaries such as CSD former ambassador Dr. Durgesh Man Singh, former Vice Chairman of the National Planning Commission Dr. Rabindra Shakya, former Governor of Nepal Rastra Bank Mr. Bijaya Nath Bhattarai, renowned senior journalist Mr. Bhairab Risal and representatives of the institutional members and other stakeholders of CSD.

Delivering the welcome address Mr. Shankar Man Shrestha highlighted the contributions and achievements of CSD in the past 28 years. He said, "CSD initiated

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Vatican awards Yunus with the "Lamp of Peace of Saint Francis"

The Vatican honoured Nobel Laureate Professor Muhammad Yunus with the 'Lamp of Peace of Saint Francis', on 3rd September 2019 at the Basilica of St. Francis, in Assisi, Italy. The award aims to honor those who work towards promoting peace and harmony. Muhammad Yunus was a guest in the Upper Basilica of San Francesco of Assisi (Umbria) where he held a Lectio Magistralis and received the Lamp of Peace award.

The Nobel Peace Prize Laureate gave a lecture on circular economy and

microcredit and participate in the scientific teaching of Percorsi Assisi, the first inter-university school in economics fostered by the Franciscan friars of the Sacred Convent and multiple higher education Italian institutes. This school is part of the path that will lead next year to "The Economy of Francesco", a global summit, promoted by Pope Francis directed at all young people, entrepreneurs and change makers to foster a new more just, fraternal and sustainable global economy.

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Father Mauro Gambetti, the Master of the Holy Convent and the Papal Basilica of Assisi along with other Senior Officials present Yunus with the Lamp of Peace of Saint Francis.

CSD Members' Conference Concludes with a Vow to Move Forward with Right Culture and Practice of Microfinance



Mr. Shankar Man Shrestha Moderating the Panel Discussion

Microfinance has existed as one of the major contributors to poverty alleviation serving over 4 million members in the seventy seven districts of Nepal. But in recent times the sector has been facing various constraints and challenges that have overshadowed its achievements. Keeping this in mind the Centre for Self-help Development (CSD) organized a one day conference titled 'CSD Members Conference on Current Challenges in Microfinance and Way Forward' on August 12, 2019, in Kathmandu. It was attended by 55 participants comprising of Chairpersons, Executive Chiefs of CSD's institutional and individual members. The program aimed to provide a platform to discuss on the microfinance paradigm within the context of current challenges through sharing of the experiences of the participating members.

The Executive Chief of CSD, Mr. Bechan Giri welcomed the participants with brief introduction of CSD and its activities and highlighted its contributions towards the microfinance sector since its establishment.

Welcoming the participants, the Chairman of CSD, Mr. Shankar Man Shrestha said that the dream of microfinance to alleviate poverty can only be realized if the challenges posed to the microfinance sector could be addressed on time with

the joint efforts of all associated with this sector. He further added that MFIs should keep the interest and development of their members at the heart of their operation for the long term sustainability of microfinance. He bemoaned that the MFIs have turned their attention more towards maximizing profit granting their loans to the 'haves' rather than the 'have nots'.

The major attraction of the conference was the Panel Discussion on the 'Current Situation of Microfinance in Nepal' that highlighted the problems and challenges faced by the microfinance sector at the operational level. The panel comprised of seven CEOs from MFIs and Cooperatives representing each province shared their views on the problems and constraints as they experienced while implementing microfinance program by their respective organization.

The panel members were Chief Executive Officer of Sahara Nepal SACCOS Ltd Mr. Mahendra Kumar Giri representing Province 1, Managing

Director of Mahuli Samudayik Laghubitta Bittiya Sanstha Ltd. Mr. Roshan Mandar representing Province 2, Chief Executive Officer of Mahila Sahayatra Microfinance Bittiya Sanstha Ltd. Dr. Sumitra Manandhar Gurung representing Province 3, Chief Executive Director of Navapratiya Saving and Credit Cooperative Ltd. Mr. Ram Prasad Kafle representing Province 4, Chief Executive Officer of Upakar Laghubitta Bittiya Sanstha Ltd. Ms. Sharada Kumari Khatri representing Province 5, Senior Manager of Bauddha Gramin Multipurpose Co-operative Ltd. Mr. Bishal KC representing Province 6 and General Manager of Kisan Bahuudeshiya Sahakari Sanstha Ltd. Mr. Dambar Bahadur Shah representing province 7. The panel session was moderated by Mr. Shankar Man Shrestha the Chairman of CSD.

Mr. Mahendra Kumar Giri said that microfinance institutions had focused more on profit maximization and less time to spare for economic and social concerns of the clients. He further added, "To increase efficiency and productivity the staff provided multiple loans to a single client. The case of loan duplication has reached an epidemic point." Mr. Roshan Mandar pointed out that the problems in the microfinance sector are due to the shifting of clients' meetings to monthly meetings. Dr. Sumitra Manandhar Gurung on the other hand emphasized on the training of the staff and clients. Similarly, Mr. Ram Prasad Kafle urged the participants to focus more on



Group Photo of Participants

productive activities. Ms. Sharada Kumari Khatri emphasized on the need for mechanizing the agricultural sector. She added, "Only if we can mechanize our agriculture industry we will be able to lure our future generation towards agriculture." Mr. Bishal KC urged to update and upgrade directives related to microfinance. Mr. Dambar Bahadur Shah pointed out the need to pay attention to the quality of clients rather than the quantity following of Client Protection Principles.

In one of the sessions, the participants were also explained about the tax system of Nepal and its implications by Chartered Accountant Mr. Sujan Kafle. The participants were also enlightened on the concept of Pro-Poor Sustainable Eco-Village Development by the Executive Director (ED) of the

Centre for Rural Technology-Nepal (CRT/N) Mr. Ganesh Ram Shrestha.

Lastly, Mr. Shankar Man Shrestha urged the participants to work for creating a society free of carbon emission, unemployment and poverty as presented by Prof. Mohammad Yunus in his book 'A World of Three Zero'.

The participants have also passed a way forward to upgrade the quality of microfinance.



Participants Engaging in a Group Discussion

Way Forward

- Each of the microfinance organization will establish a micro entrepreneurship development and promotion unit in its organization to boost up entrepreneurship among the members.
- The members will be trained on upgrading their business and management skills.
- The principles, cultures and values of microfinance will be strongly followed.
- Credit plus programs such as health education, agriculture will be included along with loan programs.
- Eco-friendly self reliant model village will be created by each participating MFI.

Strengthening Credit Delivery and Operation Capacity of Field Staff of MFIs

The Centre for Self-help Development (CSD) organized a training on 'Microfinance Credit Delivery and Operation Process' in CSD training hall, Kathmandu from September 4-6, 2019 (Bhadra 18-20, 2076). It was attended by 17 field level staff from 9 different microfinance Institutions.

The main objective of the training was to make the field staff aware of the importance and process of credit management, in the present context. The training also dealt on the importance of selection of right clients, analysis of loan borrowing capacity of clients and the loan monitoring techniques. It also instilled in the participants the knowledge and skills to measure the impact of the client's project. Emerging issues such as member duplication, delinquency and dropouts were also comprehensively discussed among them.

The participants were from Asha Laghubitta Bittiya Sanstha Ltd., Mirmire Laghubitta Bittiya Sanstha Ltd., Shree Navodaya Bahuuddeshiya Sahakari Sanstha Ltd., Upakar Laghubitta Bittiya Sanstha Ltd., Manushi Laghubitta Bittiya Sanstha Ltd., Jeevan Bikas Laghubitta Bittiya Sanstha Ltd., Swabalamban Laghubitta Bittiya Sanstha Ltd., Mahuli Laghubitta Bittiya Sanstha Ltd and Udaydev Bahuuddeshiya Sahakari Sanstha Ltd.



The Facilitator Briefing the Participants on the Objectives of the Training



Group Photo of Participants

CSD Conducts Review of Micro Entrepreneurship Development Program of MFIs in Chisapani, Kailali



Group Photo of Participants

A Review Program was held from September 12-13, 2019 (Bhadra 26-27, 2076) at Chisapani, Kailali. Twenty two MFIs officials from six districts participated in the program. Opening the program Mr. Shankar Man Shrestha said, "Working in microfinance means fulfilling social duties and giving services to the marginalized and poorest people by sensitizing them on importance of micro enterprises potential in their locality. We should not lose the mission of microfinance."

On the first day after a brief introduction among the participants, they visited the recently launched Integrated Agro Farm of Kisan Bahuuddeshiya Sahakari Sanstha Ltd. located in Janaki-9, Kailali. According to Mr. Dambar Bahadur Shah the farm is operated in 2.5 bigha of land and is aimed to make it a model farm for the area. Thereafter, the team proceeded to the vegetable farm of Ms. Sunita Chaudhary and Ms. Asha Devi Chaudhary. They have been making good income from their vegetable farming and said that they now have a comfortable life and are sending their children to a good school. Ms. Asha Devi Chaudhary took the visitors to her newly built house which she proudly credited to the income made through the vegetable farming.

The participants were divided into two groups to discuss on way forward to improve the management of their operation and overcome the problems faced by the institutions and convert all their members into micro entrepreneurs in a phased manner.

Mr. Kiran Basnet from Batabaran Sudhar Bahuuddeshiya Sahakari Sanstha Ltd. shared that they have conducted baseline survey in six centers and found out that more of the second generation members are interested in off-farm business such as tailoring, mobile repairing and cycle repairing etc.

Ms. Sharada Pokhrel from Upakar Laghubitta Bittiya Sanstha Ltd. said "We plan to gather inactive members and give them one-day orientation about the importance of micro-entrepreneurship. Those who are already practicing it will be given training on entrepreneurship skills and business planning. We will soon train nine hundred and five members."

On the second day all the participating organizations reported their progress on entrepreneurship development and shared their experiences and responses of new members in undertaking new enterprises.

The review program concluded with the closing remarks by Mr. Shankar Man Shrestha who advised the

participants to prepare profile of each of their members and identify their potentials, organize training to upgrade their business skill and transform them into entrepreneurs. He further added, "We should reach the doorsteps of our members and help them to upgrade their businesses."

A eight point resolution was passed by the participating MFIs to promote micro-entrepreneurship among their members.

EIGHT POINT RESOLUTION

1. Each of the MFIs will establish micro entrepreneurship development unit in its organization.
2. Potential entrepreneurs will be identified and provided business and skill development training.
3. MFIs will follow the principles, culture and values of microfinance.
4. MFIs members will be provided with refreshers trainings to cultivate the concept of clean microfinance.
5. Credit plus programs such as health check-up service, veterinary and agricultural technical support and services will be provided to their door steps.
6. CEO will act as the role model of integrity.
7. The number of active members will be raised to 90% of total members at the end of the fiscal year 2076/77.
8. Client duplication will be fully stopped.



Participants Engaged in Group Discussion

Sudur Paschim Provincial Microfinance Conference Kicks off in Dhangadi, Kailali



Honorable Chief Guest and Dignitaries

As a follow up program for cleaning the microfinance program as propounded by the Second National Microfinance Members Summit held in Kathmandu, the three leading microfinance institutions: Kisan Bahuuddhesiya Sahakari Sanstha Ltd., Kailali, Udaydev Bahuuddhesiya Sahakari Sanstha Ltd., Kanchanpur, and Srijanshil Savings and Credit Co-operative Ltd., Kanchanpur jointly organized the Sudhur Paschim Provincial Microfinance Members' Conference on September 28, 2019 (Bhadra 28, 2076) in Dhangahi, Kailali with the slogan 'Clean Microfinance, Our Campaign.'

It was attended by 76 participants from the MFIs operating in the province. It aimed to educate the microfinance members, political leaders and other stakeholders on the positive impact of microfinance in improving the lives of the poor and the marginalized families and the current problems emerging due to reckless multiple financing of MFIs.

Welcoming the participants Mr. Ganesh Bahadur Chand, Chief Executive Officer, of Udayadev Bahuuddhesiya Sahakari Sanstha Ltd. said, "Microfinance has empowered women and improved their livelihoods by involving them in economic and social activities. However, in recent years, over-financing and multiple financing has overburdened clients with excessive loans resulting in misuse of the loans leading to higher default repayment. Hence, these issues will be discussed during the conference."

The Chief Guest of the inaugural program Mr. Prakash Shah, Minister for Internal Affairs and Law of the Sudur Paschim Province said, "The microfinance members should first be honest to themselves, and utilize the

loans in productive business to attain success. I assure you the provincial government will cooperate well with the microfinance institutions in their mission of poverty alleviation."

Appreciating the initiative taken by the conference organizers, Mr. Shankar Man Shrestha, the special guest of the occasion highlighted on the philosophy, principles, objectives and values of microfinance. He said, "Microfinance had played an important role in Nepal's poverty alleviation. The poor and marginalized families have made remarkable changes in their economic and social conditions with a small amount of loan utilizing in productive activities. Microfinance practitioners must be guided by principles and objectives of microfinance and not by profit motive and self-interest. Members are the heart of microfinance and the MFIs must keep their well-being in the forefront."

Executive Chief of CSD Mr. Bechan Giri, highlighted the contributions of the microfinance program in bringing noteworthy change in the society and pledged his full support in the upcoming programs on behalf of CSD.

Ms. Sushila Mishra, Deputy Mayor of Dhangadhi Sub-Metropolitan City claimed, "The microfinance program has created self-employment for women. It has relieved them of dependency on men and women's rights are being structured to take over the leadership and responsibility in various walks of life." She further added "At present, loans are being misused by microfinance members so the MFIs should be very careful about it and maintain strict credit discipline."

In the panel discussion, Mr. Dambar Bahadur Shah, General Manager of Kisan Bahuuddhesiya Sahakari Sanstha

Ltd. opined, "The so called meter loans practice has destroyed the lives of many microfinance clients. It is the result of multiple financing, clients' duplication, and creation of fake members. We are here to encourage entire microfinance members to be entrepreneurs and raise their income without being indulged in wrong practices and not fall into the trap of profit makers."

The participating members in the conference articulated on the positive changes such as strengthening leadership capacity of the microfinance members, raising of their income, empowerment and development of independent character among women, and becoming entrepreneurs.

Concluding the conference, chairperson Mr. Surendra Kumar Shah, thanked all the participants and said, "Microfinance should be instrumental to change the lives of the poor. The loans should not be misused. If properly utilized, it would be a gift else it would be a curse."

The conference ended with a ten point declaration which the participating MFIs vowed to follow for cleaning the microfinance and pave way forward to lift the socio-economic conditions of the poor.

Declarations of Sudhur Paschim Provincial Microfinance Members' Conference 2076

1. All participating members will discuss and sensitize their peer members to build clean microfinance as a campaign in their centers and communities.
2. All organizations will educate their members on the need for proper utilization of loan and disadvantages of over indebtedness.
3. The members will not get involved in any illegal financial transactions such as lending on meter interest, Dhukuti and will not allow others to get involved as well.
4. The participants will enlighten members on the repercussions of multiple borrowing and encourage them to take loan from one organization only.

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CSD Chairman's Face to Face with Microfinance Officials



Discussion on Threats Hampering the Institution

An interaction program was held on September 17, 2019 (Bhadra 31, 2076) at the central office of Women Welfare Forum, Kohalpur, Banke with the participation of 26 officials from the Upakar Laghubitta Bittiya Sanstha Ltd. and the Unique Nepal Laghubitta Bittiya Sanstha Ltd. The main objective of the interaction was to discuss on current threats to MFIs.

Ms. Sharada Pokhrel, Chief Executive Officer of the Upakar Laghubitta Bittiya Sanstha Ltd. welcomed Mr. Shankar Man Shrestha, Chairman of CSD, and others present there and expressed, "We are here today to learn from the experience of Mr. Shankar Man Shrestha about the ways to tackle the burning problems of microfinance."

Mr. Sim Bahadur Bhatta from Upakar Laghubitta Bittiya Sanstha Ltd. spoke about the problem he is facing. He said "Many members are taking loans from multiple institutions due to which they are falling into loan traps and loan defaults are increasing day by day. The main reason behind the default is tendency of borrowers to misuse loan money on unproductive activities. As they are getting money easily from different MFIs, they do not think of raising their income. Instead they make their repayments out of the loans they obtain from different MFIs. There is now a village which is sunk in over indebtedness and it is very difficult to recover our loans."

Mr. Shankar Man Shrestha replied, "Firstly you stop client duplications.

You have huge number of dormant members which is nearly 40%. If you engage them in economic activities and make them borrowers, your operations will also increase by 40% and also your income will increase by same ratio without adding new cost. There is a huge leakage in your operations. Further, if you could raise the capacity of your members and enhance their economic activities you can further enhance your income without adding additional costs. It is necessary to increase your productivity by raising the economic transaction of the clients, not by increasing number of clients through the poaching game." With regards to the problem of delinquency, he advised to reach out each delinquent borrower, analyze their problems and if one has defaulted due to reasons beyond one's control, give her chance to repay in small installments as per her capacity. But in case of willful defaulters, you have to take strong action or write off the loan using the provision made for loan default".

He added, "The concept of flexi loan adopted by Grameen Bank, Bangladesh where genuine members facing repayment problem are given opportunity to re-schedule their loan installments suited to their capacity and are provided flexi loans to enable them to slowly come out of their problems. Besides, to stop further default, you have to increase your supervision to each of the clients and ensure that your

loans are properly utilized."

Mr. Ganesh Chaudhary from the Unique Nepal Laghubitta Bittiya Sanstha Ltd. mentioned dropout as a major issue which is hampering their institution. He gave an example that if 100 members were added and almost 200 members were

dropped out then there would be a net loss of 100 clients. The main factor that stir up dropout are loan overdue resulting in clients fleeing out of their villages. The participants said irresponsible financing of new MFIs have posed serious threat to the sustainability of this sector.

Mr. Shankar Man Shrestha analyzed all the constraints seen in microfinance. He advised them to stop clients poaching and build up rapport as well as heart to heart relation with each of the members by visiting them at their doorsteps and understanding their problems, needs and potentials and then assist them with loans to harness their potentials. He also urged them to go in search of the poorest of the poor, the deprived and the marginalized families who have been left out by MFIs. They are the people to be reached out with priority. He said "If you get involved in reckless lending to maximize profit, you will be trapped in grave problem. Don't be engaged in cut throat competition. If any MFI get involved in unscrupulous and irresponsible lending, you just wait and watch for some time, they will land in serious trouble sooner or later."

At the end of the program Dr. Gopal Dahit CEO of Unique Nepal extended vote of thanks to Mr. Shrestha and assured him that they would follow the right path of microfinance and maintain integrity, values and culture in their organization.

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Sudur Paschim

5. In the coming days the organizations will adopt technologically advanced financial services along with need based credit under its microfinance program.
6. MFIs will engage their members

in financial literacy and awareness programs.

7. MFIs will organize at least one skill building training for their members and also organize exposure visit to best practiced members.
8. Each MFI will formulate action plans to include the deprived

families in their microfinance program.

9. The Summit urges the Provincial government and the concerned ministries to enforce prudent rules and regulations.
10. Continuity will be given to the Provincial Microfinance Members Conference in the future as well.

Microfinance Members of Province Five Heralded “Clean Microfinance Campaign”



Hon. Minister for Land Management, Agriculture and Co-operative of Province No. 5 Inaugurating the Conference

A Provincial level Microfinance Members Summit of Province 5 was successfully held at Hotel Central Plaza in Kohalpur, Banke on September 16, 2019 (Bhadra 30, 2076). The summit was attended by more than 200 participants comprising the staff and the members of the MFI operating in Province No.5. Dignitaries and prominent local leaders as well as civil servants were also present in the Summit. It was inaugurated by Hon. Minister for Land Management, Agriculture and Co-operative of the Province No. 5, Ms. Arati Poudel. The dignitaries presenting in the occasion were Chairman of CSD, Mr. Shankar Man Shrestha, the Regional Director of Nepal Rastra Bank, Mr. Muktinath Sapkota, and the Deputy-Mayor of Kohalpur Metropolitan, Ms. Sanju Kumari Chaudhary.

Speaking in the Summit Mr. Shankar Man Shrestha said, “Microfinance is recognized worldwide as an effective tool of poverty alleviation. However, in Nepal, a dark shadow has been cast over this sector. Unhealthy competition and the rush for profit maximization have clouded the environment of microfinance. MFIs are deviating from the philosophy, fundamentals, objectives and right practices of microfinance. The Summit is a unique platform for the members and practitioners to share their experiences and move forward towards creating a clean microfinance.” He concluded, “It is a matter of great pride and honor that the Summit is being convened with the resources and expertise of the regional microfinance sector.”

The objective of the Summit is to create a clean microfinance as envisioned by the 2nd National Members Summit held in Kathmandu from December 1-2, 2018. It highlighted the importance of microfinance in the rural development for poverty alleviation and provided a platform for the microfinance members to share their experiences among their peers and express their view points to the financing as well as government agencies.

Panel discussions on issues such as Entrepreneurship Development of Microfinance Members, Financial Literacy and Client Protection Principles, Negative Impacts of Multiple Financing and Over-Indebtness were held at length and pathways to overcome the problems were chalked out unanimously.

Panel discussions highlighted on the positive changes brought about in women’s economic and social life by microfinance, where ten of the participating members joyously expressed their journey from a suffering woman to an entrepreneur

through the support from MFIs and requested all participating members to be affiliated with only one institution. Further, issues such as multiple loans, over-indebtness, and meter loans which are hazardous for the members were conversed by them and the impact of the bad practices such as taking loan beyond their capacity and taking loan from one MFI to pay the debt of other MFI were raised as burning issues of microfinance.

Dr. Gopal Dahit from Unique Nepal Laghubitta Bittiya Sanstha Ltd. said “The deprived women are no longer alone. As witnessed through the stories shared by 10 successful women entrepreneurs, microfinance has supported the ultra-poor, especially the women in availing a decent standard of living. Microfinance institutions are the only institutions that serve the poor and underprivileged women by reaching their doorsteps.”

Ms. Sharada Pokhrel from Upakar Laghubitta Bittiya Sanstha Ltd. expressed, “If we go ahead and be active in sustainable business then the money will follow us. Among all the provinces, our province has formulated more laws and spends more budget than others, so let’s lead this province towards developing more women entrepreneurs. Opportunities are waiting for us; we need to grasp it and flourish our business.”

In the end, a vote of thanks was delivered by Dr. Gopal Dahit on behalf of the organizing committee to those who contributed in making the event a grand success.



MFIs Members Participating in the Summit

The summit successfully concluded by pledging a 5 point declaration by all the participants.

FIVE-POINT DECLARATION

- We shall augment the 'Clean Microfinance Campaign' to the doorsteps of microfinance members and peer MFIs.
- We will encourage members to avoid multiple borrowing and membership by initiating 'One Person One Member Campaign.'
- We will instigate a campaign for members to become successful entrepreneurs and help others to become the same.
- We shall encourage our members to borrow only in accordance to their need and capacity only and adhere to strict credit discipline.
- We will outreach and encourage the women from villages who are still deprived of microfinance services to become members of the centers.

Enhancing Skills of Field Staff on Enterprise Development and Business Planning

The Centre for Self-help Development (CSD) organized a training program 'Enterprise Development and Business Planning' from June 30 to July 3, 2019, in Kohalpur, Banke. It was attended by a total of 20 staff from 9 microfinance institutions of Province 5, 6 and 7. The program was facilitated by experts on microenterprise development Mr. Gokul Pyakurel and Mr. Rajan KC from Med en Nepal. It focused on empowering the participating field staff to help their members to identify potential microenterprises that would gear up their income for economic improvement of the families. They were oriented towards appropriate enterprises that suits their location and can be operated by using locally available materials. Further, the staff would be capable of providing training



Group Photo of Participants

to their clients and then help in establishing suitable enterprises in their households.

During the inaugural session, the Executive Chief of CSD, Mr. Bechan

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Vatican awards

In this same occasion, Professor Muhammad Yunus received the Lamp of Peace of Saint Francis, a recognition that is conferred to political, cultural or civil society personalities who have distinguished themselves for their commitment in favouring peace, dialogue and union. The Lamp represents the simplicity of the Franciscan message: the lamp is made of glass to recall purity and the oil that burns inside is both a symbol of humility and of the desire of rebirth and social commitment. It is a replica of a glass oil lamp that burns at the

side of the grave of Saint Francis of Assisi, the founder of the Franciscan order behind the peace prize.

Father Enzo Fortunato, Spokesperson and Communication Director of the Holy Convent of Papal Basilica of Assisi, representing Vatican, invited Prof Yunus on behalf of Pope Frances and made the award announcement earlier this year during the 9th Social Business Day in Bangkok, Thailand.

The Lamp of Peace was first presented in 1981 to Polish trade union leader Lech Walesa. Other recipients include

Pope John Paul II, the Dalai Lama, Saint Teresa of Calcutta and former Russian leader Mikhail Gorbachev. Former Colombian President Juan Manuel Santos received the prize in 2016, along with the Nobel Peace Prize, for his efforts at reconciliation amid his country's civil war. The last two winners of the award were Angela Merkel and King Abdullah II of Jordan.

Father Mauro Gambetti, the Master of the Holy Convent and the Papal Basilica of Assisi presented the Award to Nobel Laureate Professor Muhammad Yunus on behalf of the Vatican. The ceremony took place at the historical Papal Basilica of Assisi in the presence of senior officials of the Vatican, political leaders, rectors and professors from various universities in Rome and also included prominent social leaders and a big gathering of youth from all over Italy.

In his acceptance speech Professor Yunus elaborated his worries about three impending dangers which challenge the very existence of human beings on this planet beyond this century. These include: extreme wealth concentration on an ongoing basis, rapid environmental degradation, and the rise of artificial intelligence.



Audience at the Ceremony inside the Historical Papal Basilica of Assisi. Senior Officials of the Vatican, Political Leaders, Academics, Prominent Social Leaders and a Big Gathering of Youth from Rome and all over Italy were Present at the Event.

Training for Creating Young Entrepreneurs

A training on 'Youth Entrepreneurship Promotion' was organized from July 4-6, 2019 in Kohalpur Banke. A total of 20 participants from 7 microfinance institutions attended the program. It was targeted at the children of microfinance members.

The objective of the training program was to impart necessary skills for preparing a business plan and build their capacities in enterprise management.

Mr. Gokul Pakhurel, resource person from Med en Nepal, cited various examples of possible enterprises in the selected areas. He outlined on the different types of raw materials, equipment as well as skilled manpower necessary to process as well as markets the finished goods. He also elaborated on activities needed to be carried out for cottage & small industries and municipality/rural municipality registration as well as PAN number application and other related matters.

Mr. Rajan KC, another resource person from Med en Nepal, acquainted the participants with the calculation of operating income, operating expenditure, net profit/loss, return on investment and minimum income needed to cover fixed cost etc.

The participants were taken for a visit to Bikas Pashupalan Farm of Radha Saud which is in Kohalpur-14, of Banke district for practical learnings. She started her commercial dairy



Group Photo of Participants

business in 2069 B.S. and had taken a loan of Rs. 10,000 from Upakar Laghubitta Bittiya Sanstha. She only had one cow at that time. Now she has 7 cows and 6 are giving milk. They were also taken to Chaudhary Poultry in Kohalpur-4 of Banke owned by Ms. Janaki Tharu. She currently has 50 chicken and has 800

baby chicks. The participants calculated whether these enterprises were running in a profit or loss after incorporating all the operating incomes and expenses. Each participant prepared a business plan of his/her own based on local needs and demands as learned in the sessions.



Participants Going for Field Visit

Capacitating Branch Managers on Microfinance Management

The Centre for Self-help Development (CSD) organized training on 'Building Skills of Branch Managers in Microfinance Operation and Management' from August 28-30, 2019 (Bhadra 11-13, 2076) in the premises of CSD, Maitighar Height, Kathmandu. There were a total of 23 branch managers from 10 Microfinance Institutions.

The main aim of this training was to instill the skills of credit operation and uses sharing operational experience among branch managers. Furthermore, the branch managers were oriented on how to provide quality service to the clients. The training also discussed the ways and means to reduce the risk of credit through effective credit management.

The participants were from CYC Nepal Laghubitta Bittiya Sanstha Ltd., Infinity Laghubitta Bittiya Sanstha Ltd., Jalpa Laghubitta Bittiya Sanstha Ltd., Mahila Sahayogi Bachat Tatha Rin Sahakari Sanstha Ltd., Manushi Laghubitta Bittiya Sanstha Ltd., Mirmire Laghubitta Bittiya Sanstha Ltd., National Microfinance Bittiya Sanstha Ltd., Swabalamban Laghubitta Bittiya Sanstha Ltd., Unique Nepal Laghubitta Bittiya Sanstha Ltd. and Upakar Laghubitta Bittiya Sanstha Ltd.



Group Photo of Participants



Participants Engaging in a Review Session

CSD Celebrates

its activities from Jumla and Kalikot, the most remote districts of Nepal. We facilitated the locals to organize into groups, and mobilize savings to create saving habits and encouraged them to take small credit to run small enterprises. A small amount of loan could change the income level and living standard of the poor and needy. He further said, "Nepal is rich in natural resources which should be harnessed to transform the lives of the poor. In the initial period of the launch of microfinance in Nepal, the MFIs had made sincere efforts to reach out the poorest, the down trodden and the marginalized masses. But in the last few years, with the advent of a large number of MFIs, the values, culture, philosophy and principles of microfinance got thwarted".

On the occasion, the Chief Guest Hon. Minister presented the CSD's Entrepreneurship Development Award to Manushi Laghubitta Bittiya Sanstha Ltd. for its exemplary work in developing micro entrepreneurs.

On the same occasion the sponsors of the Second National Microfinance Members' Summit held on December 1-2, 2018 were awarded a Token of Appreciation by the Hon. Minister.

Addressing the gathering Honorable Minister Aryal said, "The microfinance sector should move forward by internalizing the idea of clean microfinance campaign. Moreover, there are sections of women around the country that are still deprived of financial access. But the MFIs have not been able to reach them. The unhealthy competition among the MFIs has caused them to disburse multiple loans to the same clients that have put them into loan trap. Therefore, the MFIs should discourage their clients to be associated with many MFIs."

Speaking as a special guest Honorable Member of Parliament Ms. Tulasa Thapa asked the MFIs not to indulge in unhealthy competition and client duplication." Similarly, Honorable Member of Parliament Mr. Lila Nath Shrestha said: "MFIs should focus on socio economic transformation of the poor clients. They should not be over burdened with large loans beyond their needs and capacities. Over financing and duplication by MFIs has led the borrowers to loan traps resulting in increasing risks of portfolio in the microfinance sector".

Speaking on behalf of the awarded organization Manushi Laghubitta Bittiya Sanstha Ltd. Ms. Padmasana Shakya said, "Manushi has been promoting entrepreneurship since its inception and has been working on social business enterprise development model focusing on using the local resources and skills." Speaking in the occasion the member of CSD Governing Board Dr. Gopal Dahit, delivered the vote of thanks.



The Guests of the Anniversary

Enhancing Skills

Giri, suggested, "Enterprise Development Unit should be established in all the 9 participating organizations and an officer should also be recruited to foster enterprise development. The unit will work on imparting necessary technical and managerial skills to entrepreneurs. This kind of activity will reduce the number of dormant members in your MFI."

During the training Mr. Gokul Pyakurel and Mr. Rajan KC instilled on the participants the methods of identifying different types of enterprises that can be operated in the rural and semi-urban areas. They also enlightened them on how to develop risk-taking abilities in the clients and to analyze the demand for particular goods or services which s/he is trying to develop in other locality.

A group exercise was conducted on the marketing of goods and services which acquainted the participants on market assessment, availability of raw material, technology, skills availability, capital requirement, government policy and infrastructure.

On the third day, the participants visited the livestock farm of Ms. Geeta Sharma of Manikapur-20, Thapuwā of Banke district and also of Durga Sinke's Chow Chow Udhog (noodles enterprise) in Karkado of Nepalgunj. The participants prepared a business plan based on the visited projects and also assessed the cost-benefit of the project.

During the closing session Mr. Prakash Bhatta, a participant from Udayadev Bahuudeshiya Sahakari Sanstha Ltd. expressed that the training program instilled in them the need for promoting entrepreneurship among their clients and involve the youth of the family in the enterprise.

This way Mr. Bhatta believes that the dependency of society on foreign countries for employment would be drastically reduced.

Summing up, Mr. Bechan Giri said that CSD had initiated this training specifically in this region because the selected MFIs have been working in one of the least developed regions of the country. He added, "The training will enable the field staff and head office officials to facilitate their members to undertake microenterprise by providing financial and other technical support for the upliftment of socio-economic status as well as to eliminate unemployment in the region and the country as a whole".

Nepali MFIs' Officials Visit Bangladeshi MFIs

The Centre for Self-help Development (CSD) organized an exposure visit to Bangladesh in cooperation with the Integrated Development Foundation (IDF) Bangladesh from September, 21-28, 2019. The participants comprised of 10 MFI officials from 6 MFIs led by the Executive Chief of CSD Mr. Bechan Giri. The objective of the visit was to acquaint with operational practice of the MFIs in Bangladesh through visiting their offices and talking to the clients of Grameen Bank, IDF and ASA. The participants could observe the working modalities as well as impact of credits on their clients. The team also visited clients' enterprise and had discussions in their branch and zonal offices and regional office on various facets of their operation. They also visited the head office of IDF and Grameen Bank in Mirpur Dhaka. During the visit they also visited the health centers of IDF at Chittagong and enrich program of IDF at Baradona, Satakarnia to get the insights about the credit plus programs of IDF.

It was found that there was no loan ceiling. But the clients in Bangladesh received loans according to their requirements that were used in the



The Nepali Delegates at Yunus Center

productive sector. The participants were impressed by the loyalty of the members who have been associated with the MFIs for over 35 years. The center meetings were well managed and the center houses were owned by the members. It was also noted that the distribution of credit was found to be effective at the Grameen Bank with a strong internal control system. Only the Area Manager is authorized to approve the loans and the collection sheet is updated by a separate program officer. A significant difference observed by the team was

the feeling of ownership by the clients and staff towards the organization which is absent in Nepal.

The participants were Mr. Bechan Giri (Team Leader), Mr. Tejendra Sharma Lamsal, Mr. Janardan Dhakal, Mr. Arun Kumar Yadav, Mr. Dilli Bahadur Basnet, Mr. Ashok Tharu, Mr. Ramu Subedi, Mr. Krishna Prasad Neupane, Mr. Rupak Budhathoki, Mr. Himal Chaudhary, Mr. Binaya Chaudhary.



The Delegates Pictured with the Clients During the Center Visit

UPCOMING EVENTS

1. Bangladesh participants exposure visit to Nepal – October 19-26, 2019
2. Exposure visit to Bangladesh – November 2-9, 2019
3. Training on Finance and Accounting for MF Practitioners – November 13-15, 2019
4. Exposure Visit to Bangladesh– November 23-30, 2019
5. Exposure Visit to Philippines – December 8-15, 2019

Microfinance in Cambodia

-An Experience of the Nepali Delegation



The Nepali Delegates Pictured outside the Office of PRASAC Microfinance

A team of twelve Nepali MFI leaders visited Cambodia from July 1-6, 2019 under the leadership of CSD Governing Board Member Dr. Gopal Dahit. They visited the National Bank of Cambodia, PRASAC Microfinance Institution, Kama Microfinance Ltd. and Cambodia Microfinance Association (CMA)

There are a total of 96 microfinance institutions operating in Cambodia. It is learnt that the microfinance borrowers can borrow utmost only from two microfinance institutions (MFIs) depending on their needs.

During their visit to Kama Microfinance Ltd. they found that it had a total of 1,600 clients in five branches and average loan size of the MFI is approximately \$ 600. The clients are awarded loans for multipurpose business and all loans are collateral based. The MFI collects a maximum of 3% service charge and 18% interest rate from its borrowers on mutual understanding by the central bank.

The delegates also visited another MFI PRASAC, which is one of the largest MFIs in Cambodia that has employed about 8,000 staff and covered 98% of the geographical area

of Cambodia. The majority of the loans disbursed is covered by collateral security. The officials told that the clients preferred collateral loans rather than group guaranteed. There are no group meetings but installments are collected individually. The staff said, they emphasize more on the cash flow of the client's project than the valuated price of collateral while sanctioning loans.

The Central bank of Cambodia NBC has brought out comprehensive regulations for the MFIs and has established strong supervisory system to oversee that the MFIs are following

good governance and right practice in microfinance operations. The NBC plays both a supportive and facilitative role to augment the microfinance sector in Cambodia. There are only 7 MFIs which have been granted permission to collect deposits from their clients and the public. The MFI should fulfill standard requirements to obtain a banking license such as a track record of running in profit for the past three years, having a capital fund of \$ 30 million, proper reporting system and good governance. Moreover, the licensed MFIs have to listen to the grievances and problems of their clients. There are five hotlines open for this purpose. The operation of MFIs in Cambodia are different in many respects from the Nepali MFIs they do not have group guarantee system and all loans are made on collateral security.

The delegates comprised of Dr. Gopal Dahit, Team Leader; Mr. Tek Bahadur Bohara, Mr. Kaman Singh Bohara, Mr. Chandra Mani Kharel, Mr. Mohan Singh Thapa Bakbal, Mr. Ram Prasad Kafle, Mr. Deep Bahadur Shrestha, Mr. Sanjay Kumar Shrestha, Mr. Shyam Kumar Shrestha, Mr. Rishi Prasad Neupane, Mr. Krishna Bahadur Khadka, and Mr. Madan Chaudhary.



The Delegates Visiting the Enterprise of Clients



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