

Glimpse



A Newsletter of CSD – June 2020, Issue 30

Post-Corona Reconstruction Programme **No Going Back** Muhammad Yunus

Extent of damage that Corona pandemic is causing the world is just mind boggling. However despite this massive damage it offers us an unparalleled opportunity.

Right now the whole world has to address a big question. It is not about how to get the economy running again. Luckily we know the answer. We have gathered good experiences of managing of a recovery process. The big question that we have to answer is: Do we take the world back to where it was before Coronavirus came? Or, we redesign the world? Decision is entirely ours.

Needless to say that the pre-Corona world was not good to us. Until Coronavirus became the news, the whole world was screaming about all the terrible things which are about to happen to the world.

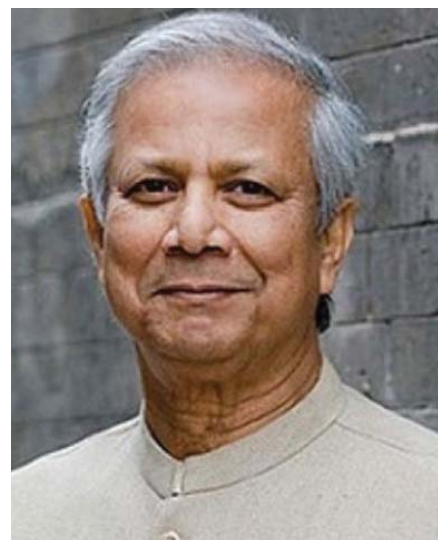
We were literally counting days when the whole planet would be

unfit for human existence through climate catastrophe; how we are under serious threat of massive unemployment created by artificial intelligence; how wealth concentration was reaching an explosive level. We were reminding each other that the current decade is the decade of last chance. After this decade all our efforts will bring only marginal results, inadequate to save our planet.

Should we go back to that world? Choice is ours.

Coronavirus suddenly changed the context and calculus of the world. It has opened up audacious possibilities which never existed before. Suddenly we are at the tabula rasa. We can go any direction we want. What an unbelievable freedom of choice!

Before we restart the economy we must agree on what kind of economy we want. First and foremost we have



to agree that the economy is a means. It facilitates us to reach the goals set by us. It should not behave like a death trap designed by some divine power to punish us. We should not forget for a moment that it is a tool made by us. We must keep on designing and redesigning it until we arrive at the highest collective happiness.

If at any point we feel that it is not taking us where we want to go, we immediately know that there is something wrong with its hardware or software that we are currently using. All we have to do is to fix it. We cannot excuse ourselves by saying 'sorry we cannot achieve our goals because our software or hardware will not let us do that'. That would be an unacceptably lame excuse.



Mushroom Farming in Chandragiri, Kathmandu, Nepal

In this Issue

Roadmap to address ...	p. 3
Member's Corner ...	p. 4
Surveillance on Mental...	p. 5
Rapid survey on ...	p. 7
COVID-19 and its Impact ...	p. 8

If we want to create a world of zero net carbon emission, we build the right do the same. If we want a world where there will be no concentration of wealth, we do the same. It is all about building the right hardware, and the right software. Power is in us. When human beings set their mind to get something done, they just do it. Nothing is impossible for human beings.

The most exciting news is Corona crisis offers us almost limitless opportunities to make a fresh start. We can start designing our hardware and software in an almost clean screen.

Post-Corona Redesigning Must be Based on Social and Environmental Consciousness

One simple unanimous global decision will help us tremendously: a clear instruction that we don't want to go back to where we are coming from. We don't want to jump into the same frying pan in the name of recovery.

We should not even call it a 'recovery' programme.

To make our purpose clear, we may call it 'reconstruction' programme . Businesses will be made to play the key role to make it happen. The point of departure for post-Corona reconstruction programme must be putting social and environmental consciousness firmly at the centre stage for all decision making. Funds, encourage traditional companies to become social businesses themselves or take in social business partners, corporates Governments must guarantee that not a single dollar would be offered to anyone unless the government is sure that it will bring the maximum social and



Cow Farm of Santu Gharti from Bandipur, Tanahun, Nepal

environmental benefit to the society, compared to all other options. All the reconstruction related actions must lead up-to creation of a socially, economically, and environmentally conscious economy for the country, as well as for the world.

Time is NOW

We start with 'reconstruction' packages for social consciousness driven plans and actions. We must design our plans right now, when we are in the thick of the crisis. When the crisis will be over, there will be a stampede of old ideas and old examples of bailout to rush the actions their way. Strong cases will be made to derail the new initiatives by saying these are untested policies. (When we proposed that Olympic Games can be designed as social businesses, opponents made the same arguments. Now Paris Olympic 2024 is being designed that way with increasing excitement along the way.) We'll have to get ready before the stampede begins. Time is NOW.

Social Business

In this comprehensive reconstruction plan I propose to give the central role to a new form of business called social business. It is a business created solely

for solving people's problems, without taking any personal profit by the investors except to recoup the original investment. After original investment comes back all subsequent profits are ploughed back into the business.

Governments will have many opportunities to encourage, prioritize, open up space for social businesses to undertake major redesigning responsibilities. At the same time, Governments should not expect social businesses show up everywhere at the time and size they are needed. Governments must launch their programmes , such as taking care of the destitutes and the unemployed through traditional welfare programmes, offering healthcare, reviving all essential services, and supporting all types of businesses where social business options are slow to come forward. To speed up the entry of social businesses Governments can create Social Business Venture Capital Funds, centrally and locally, encourage private sector, foundations, financial institutions, investment funds, to create Social Business Venture Capital and all businesses may be encouraged to have their own social businesses or create joint venture social businesses with social business partners.

Under the rebuilding programme governments can finance social businesses to buy up companies, and tie-up with needy companies to transform them into social businesses. Central bank can allow social businesses, like other businesses, to receive financing from financial institutions to invest in stock market.

There will be so many opportunities arising during the rebuilding process; governments should involve as many social business actors as possible.

(contd. on page 6)



Rupa Mahato on her Grill Shop from Nawalparasi, Nepal

Roadmap to address the needs of the target group on the post pandemic

As the world struggles to cope with the challenges brought about by the Corona Virus pandemic, the Chairman of the Centre for Self-help Development, Mr. Shankar Man Shrestha highlighted a few suggestions to the microfinance practitioners on how to overcome and move forward



Center Meeting in Surkhet after Lockdown

post the lockdown imposed by the government and making microfinance services more effective and target group centric.

After moderating the online interaction with the CEOs and senior management of CSD's member organizations, Mr. Shrestha suggested them to make a clear strategy to deliver their services in an efficient way and to focus on the businesses of the disciplined and loyal members by understanding their present condition. Chairman Shrestha also reminded the attendees that microfinance was launched with the motive to alleviate deep rooted poverty and also to create income generating employment opportunities, especially for the women in the marginalized communities. He urged the participants to set a clear way forward for the coming days as the number of poor will increase as an aftermath of the Corona pandemic.

To address the current challenges, CSD had organized a series of online discussions via social platform (Zoom) with the member institutions of all seven provinces.

The purpose of the discussion was to assess the impact of the Corona pandemic and lockdown on the microfinance sector and on its beneficiaries and to find solutions to overcome the problems. During the meeting participants shared their views, experiences and learning on the present scenario of MFIs and of the plight of their members as well. According to the participants, immediate attention emphasizing on the physical and psychological wellbeing of their employees, health security, and restructuring of working environment, installment collection to provide immediate door-to-door rescue service, utilization of resources and labor, and possibility of centre meeting in the future. Therefore, it was found necessary to start the process of collecting the status details of branches and staff and classifying the members according to their condition.

During the interaction they also shared that most of the members' businesses have come to a standstill after the pandemic and their source of income affected. Member's

products could not reach the market and even if they did there was no fair price. They faced a huge problem in paying interest and installments due to the current situation. Simultaneously they also shared that due to poor or not installment collection there seems liquidity

problem in most of the organizations. Additionally, poverty is likely to increase as remittance inflow has also start declin. Due to this, it is important for microfinance institutions also start to move forward by classifying their members. Classification will make it easier to distinguish between good and bad members. In order to grow the business of a good member, it is necessary to reschedule the payment according to the income status and provide loans according to their capacity.

All the representatives have agreed to not provide additional loans to the members that have misused their loans by borrowing multiple loans from different institutions, those who do not want to repay their loans, members who have not paid installment before the outbreak of corona and those who do not want to come in contact after taking multiple loans from different institutions. The participants are in favor of adopting a flexible policy in the case of disciplined members who were paying timely interest and installment, or interest only and those who are unable to pay interest or loan even if they want to pay because of their businesses coming to a standstill due to the lockdown. In the case of disciplined members, the microfinance institution will also provide additional loans based on the problem faced, reschedule the remaining outstanding loan and even come up with a plan to revive their business. The MFIs have also agreed to set up their own network to create a market for their members' products in the coming days.

The participants also discussed the current situation faced by Nepal where millions of youths from abroad and cities have returned to their villages and plans to develop them into entrepreneurs in their own locality. They also concluded that the inclusion of the returnee youth would help to overcome the effect of reduced remittance on the economy and also it will reduce the youth dependency for employment on abroad. To address the situation, the microfinance practitioners will device an action plan by collecting the details of the skills, abilities, desires and capital of the returnee youths.

(contd. on page 7)

Member's Corner



Jalpa Laghubitta Bittiya Sanstha Limited



Arjun Shrestha
Chairman



Ashok Kumar Acharya
CEO

Introduction

Jalpa Laghubitta Bittiya Sanstha Limited (JALBSL) is incorporated under Company Act, 2063 and it is registered in the Office of Company Registrar on 2075/05/03 having the registration no. 196411/2075/076. It has obtained the NRB license as a "D" class financial institution on 2075/07/30 having the 10 districts (Kaski, Tanahu, Gorkha, Lamjung, Syangja, Nawalpur, Dhading, Chitwan, Rupandehi and Palpa) working area. JALBSL is converted from Shreejana Bikas Kendra, Shreejana Banking program; a FINGO which has 36.5% shareholding to the company. The mother institution, Shreejana Bikas Kendra has started the microfinance operation from the year 2060 and as per the NRB policy; it had handed over its microfinance program to the Jalpa Laghubitta Bittiya Sanstha Limited.

Capital

JALBSL has the authorized capital of Rs. 20 crores, issued capital of Rs.10 crores and paid-up capital is Rs 7 crores. The promoter shareholders consist of 4 institutional members and 41 individuals. Institutional members are Shreejana Bikas Kendra, Kailas Bikas Bank Limited, Jyoti Bikas Bank Limited, and Pokhara Finance Limited.

The capital structure is 70% of Promoter share and rest 30% is acquired for public.

Mission

To extend financial services and social awareness to the deprived people with due consideration of financial access and literacy.

Vision

"Establishments of a prosperous society"

Goal

To enhance the socio-economic condition of the deprived people by uplifting economic and social livelihood through sustainable microfinance services

Business Objectives:

To provide the latest, user-friendly and cost-effective microfinance services along with educating the major rural population about financial literacy and banking. Thus helping to overcome poverty by supplying the capital to the rural economy ultimately helps to break the vicious circle of poverty. JALBSL strives to keep all the stakeholders contented with creating justified care and returns. The business



Head Office of Jalpa LBSL

objectives of JALBSL are summarized as follows:

- To provide cost-effective and efficient microfinance services.
- To raise awareness of microfinance, financial literacy, and banking.
- To be dedicated to the client/member service, their needs and to make the overall microfinance operations client-friendly and customer-centric.
- To have a strong HRM that focuses on competitive advantage.
- To respond to its internal and external environment and take measurable steps to reach its organizational goals. The aim of the program is to uplift the socio-economic conditions of the poor, mainly the women.

Micro Saving Products

- Personal Saving
- Jalpa Uddhyamsil Bachat
- Group Saving
- Srijana Future Saving
- Srijana Balbachat
- Festival Saving
- Upakar kosh Saving
- Bishesh Bachat

Micro Loan Products

- Saral Karja
- Purak Karja
- Emergency Loan
- Alternative Energy Loan
- Easy Home Loan
- Microenterprise Loan
- Foreign Employment Loan
- Housing Loan

Client Protection Activities

- Free health camps targeted to the clients with free of cost and medicine worth up to Rs. 500
- Operation facility for the borrowers up to Rs. 5000
- Delivery and family planning facility for the borrowers up to Rs. 1200 and Rs. 1000 respectively.
- Borrower's spouse death facility up to Rs. 5000
- Rehabilitation facility up to Rs. 5000
- Up to Rs. 10,000 to construct the center house
- Incentive Rs. 2000 to the top scoring borrower's children
- Center chief workshops / financial literacy campaigns
- Tree planting and fruit plant distribution campaign to the members
- Excursion visits to the members
- Skills development trainings, workshops etc

Operational Status (As on 31st Baisakh 2077)

- Area Coverage: 6 Districts (Kaski, Tanahu, Lamjung, Gorkha, Syangja, Nawalpur)
- No. of Branches: 30/-
- No. of MF members: 36,600/-
- MF Borrowers: 17,995/-
- No. of Staff: 163/-
- Share Capital: Rs.7,00,00,000/-
- Loan Outstanding: Rs.1,28,47,07,000/-
- Savings from clients: Rs. 77,53,90,000/-
- Loan Overdue: Rs.2,15,80,619/-
- Profit at the end of Ashad 2076: Rs.18318475.02/-
- Reserve fund: Rs.3,95,54,600/-

Being a socially responsible microfinance company the organization has been carrying out different client protection activities as mentioned earlier. To support the program for overcoming the crisis on COVID-19 pandemic the organization has disseminated cash donation to the Gandaki province and other 35 local authorities within its working area. Moreover, for more than 916 destitute and ultrapoor families the organization itself had distributed the relief package.

Surveillance on Mental Health of MFIs' Staffs during COVID-19 Pandemic in Nepal

A survey conducted by the Centre for Self-help Development (CSD), shows that more than half of the microfinance practitioners are psychologically affected by COVID-19. Out of the total staff participated in this survey, 9.8 percent staffs are found always working under pressure and 90.2 percent are working under pressure sometimes only. Similarly 20.5 percent staffs are found stressed at their work, 53.7 percent stressed at work sometimes only and 25.8 percent not stressed at all. As regards to the impact of stress on their performance, 28.5 percent staffs expressed that stress did not have an impact on their performance, whereas 45.7 percent of them said that stress had a negative impact on their performance and 25.8 percent did not respond on that. The study also reveals that 44.5 percent of the staffs are enduring excessive amount of stress from stressors *"Difficulty in collecting loan installment from clients"*, 28.49 percent have been stressed about *"Going in contact with members and other stakeholders"*, 21.66 percent have *"Difficulty in implementing the new policy of the organization due to COVID-19"* In due course of time they are also adapting certain coping mechanism to reduce the stress produced from those stressors. In the study it is also observed that 51.93 percent of the staff are *"Confronting their problem"* rather than running away or blaming others which is a healthy coping strategy, 27.6 percent of the staff were *"Watching funny videos or movies on YouTube and engaging in other social media"* to relieve themselves from stress, 16.02 percent of the staff were *"Workout with exercise, yoga or meditation"* and 27 percent were *"Talking with friends about the stressful situation that they are in"* so that they could ventilate their stress rather than suffocating with in. Consequently some of the respondents have adopted other measures like *"Reduce workload/hour, take less responsibility at work (7.42 percent)"*, *"Pour out my anger*



Validation and Sharing Workshop

on others (2.37 percent)", and *"I take alcohol or other illegal substances after work (3.56 percent)"*, which is a maladaptive coping mechanism that hampers mental health and have negative impact on their performance. It is observed that some of the respondents have adopted more than one measure to minimize stresses. The institutions need to elaborate and implement a robust and effective stress management programs to help the employees perform well. Further, MFIs should teach their staffs to be aware about healthy and unhealthy coping mechanism or strategized them to adapt more with healthy and adaptive coping mechanism rather than maladaptive coping mechanism.

COVID-19 pandemic and lockdown has caused unimaginable changes in the lives of everyone globally. It has taken a massive toll on the microfinance sector of Nepal as well. To monitor the mental well-being among the staffs of MFI's, the Centre for Self-help Development (CSD) initiated a quick online survey from June 10 to 18, 2020 on the *"Perceived Stress and Coping Strategy among the Staffs of MFI's in Time of COVID-19"*. The objective of the survey was to understand the mental health and attitude of the field staff at head office of the microfinance institutions. The results of this survey helped us to understand the mindset and condition of microfinance workers in the time of this pandemic. The

purposive sampling technique was used with the sample size of 337 participants from 20 MFI's all over Nepal. Majority of the respondents in this survey were from age group of 18-30 years and majority of them were Male (76.3%). It may be because of the voluntarily self-assessment through digital platform and no restrictions in terms of proportionate sample size. Similarly majority (75.1 %) of the respondent was from branch office and most of them were from Bagmati province. It is also noticed that majority (54.3%) of the staffs were field officers. Likewise among the respondents 32.9 percent have more than 10 years of experience in microfinance sector.

In view of the findings and interpretation of the results from the study, it is concluded that the Covid-19 pandemic not only affect the staff but the whole microfinance industry. The direct impact of stress and coping in time of the pandemic by staffs of MFIs has a salient scratch on the performance of the MFIs as well. It is also observed that the pandemic has also generated several opportunities along side of challenges to revive ruined enterprises, businesses etc. Further, to boost up employees morale it is advised to MFIs top officials to keep in close contact with their staffs through appropriate means of communication and express words of motivation and encouragement.

Post-Corona

Who Are the Social Business Investors?

Who are the social business investors? Where do we find them?

They are every where. We don't see them because our existing economic textbooks don't recognize their existence. As a result our eyes are not trained to see them. Only recently economics courses are including some discussions on topics like social business, social entrepreneurship, impact investment, non-profit organizations etc as side issues inspired by the global admiration for Grameen Bank and microcredit.

As long as economics remains a science for profit maximization, we cannot rely entirely on it for the reconstruction programme which is based on social and environmental consciousness. The whole strategy would be to enlarge the proportion of social business in the total economy as the economy grows.

Success of social business will be visible when not only it will grow into larger percentage of the economy, but also there will be rapid growth in the number of entrepreneurs where same entrepreneurs are doing both types of businesses.

This will signal the beginning of a social and environmental consciousness driven economy.

As soon as government policy starts recognizing the social business entrepreneurs and investors, such entrepreneurs and investors will come forward enthusiastically to play the important social role demanded by the historical opportunity. Social business entrepreneurs are not members of a small do-gooder community. This is a significant global eco-system which includes giant multinational companies, big social business funds, many talented CEOs, corporate bodies, foundations, trusts, with many years of experiences in financing and running global and local social businesses.

When the concept and the experiences of social businesses start receiving government attention many hardcore personal profit makers will



Members Performing Group Oath

be happy to bring out the unexplored part of their talent to become successful social business entrepreneurs and play very valuable social roles at time of social and economic crises like climate crisis, unemployment crisis, wealth concentration crisis, etc.

People Are Born as Entrepreneurs, Not as Job-Seekers

Reconstruction programme must break a traditional division of work between citizens and the government. It is taken for granted that the citizens' role is to take care of their families and pay taxes; it is the responsibility of the Government (and to a limited extent of non-profit sector) to take care of all collective problems, like climate, jobs, healthcare, education, water, and so on. Reconstruction programme should break this wall of separation and encourage all citizens to come forward and show their talent as problem-solvers by creating social businesses. Their strength is not in the size of their initiatives, but in their number. Each small initiative multiplied by a big number turns out to be a significant national action.

One problem that the social business entrepreneurs can immediately address will be the problem of unemployment created by the collapse of the economy. Social business investors can get busy with creating social businesses to create jobs for the unemployed. They can also open up the option of transforming the unemployed into

entrepreneurs, and demonstrating that human beings are born as entrepreneurs, not as job-seekers. Social businesses can engage themselves in creating a robust health system in collaboration with government system.

A social business investor doesn't necessarily have to be an individual. They can be institutions, such as, investment funds, foundations, trusts, social business management companies. Many of these institutions know very well how to work in friendly ways with the traditional owners of the companies. Out of the desperation and urgency of the post-Corona situation a right call from a government can create a surge of activities which were never known before. This will be the test of leadership to show how a world can be inspired to be re-born in a completely unknown ways, coming from the youths, middle aged, and the old, men and women.

Will Have No Place to Hide

If we fail to undertake a social and environmental consciousness driven post-Corona programme

we will be heading for a catastrophe that is many times worse than what Corona brought in. We can hide in our homes from Coronavirus, but if we fail to address the deteriorating global issues,

we'll not have any place to hide from the angry Mother Nature and the angry masses all around the world.

Rapid survey on how MFIs dealt with the CORONA VIRUS PANDEMIC

A study conducted by the Centre for Self-help Development (CSD) revealed that microfinance institutions (MFIs) were focused on preventing the spread of corona virus in their respective communities. The study titled 'Status of Microfinance during COVID -19' also indicated that every MFI has taken measures to overcome the pandemic such as distributing health protective equipments, spreading awareness messages, reduced frequency of centre meetings and other field activities. Most MFIs had suspended their activities that required physical presence, including centre meetings. It was also found that MFIs set a future course of action to be taken for the clients in response to the corona virus and changed working environment for the safety of the staff.

The study dealt with the precautionary measures taken by the microfinance institutions to reduce the spread of corona virus as well as current status of the staff members and their clients during the pandemic.

The main objectives of the Study was to find the precautionary and proactive measures taken by MFIs to safeguard the spread of corona virus, branch and centre meeting operating modality, respondent's general view of savings collection, loan disbursement, effect on clients' enterprises and future operating modality of MFIs.

17 MFIs, of which 13 were class D microfinance institutions and 4 cooperatives were part of the Study. The survey was conducted online where 16 respondents manually filled the questionnaire and 1 respondent submitted the questionnaire through Survey Monkey apps.



Safety at Work Place in Kailali, Nepal

(... contd. from page 3)

Roadmap to

During the discussion, concern was expressed that the new generation are not attracted towards the skills, knowledge and business possessed by their parents (the members). Most of the enterprises or businesses handled by the parents at home utilizing the available skills and technology has not been handed over to the new generation. For this, it is planned to understand the desires, abilities and skills of the member's children who have studied up to class 10 and above, interact with them regularly and develop them as a new generation of entrepreneurs. This will turn their youths as entrepreneurs, from job seekers to job providers and become self-reliant.

The meeting also agreed to not engage in aggressive collection or extension of loans in the current situation, to correct the problems and mistakes incurred in the past and to visit the work area from the head office.

The executive level interaction was attended by 40 representatives from 31 microfinance institutions and co-operatives (9 MFIs from province 1 and province 2, 10 MFIs from Province 5, Karnali province and Sudur-Paschim Province and 13 MFIs from Bagmati and Gandaki Province).

In the initial stage of the Corona Virus (COVID-19) and lockdown, Chairman Mr. Shankar Man Shrestha had cautioned microfinance practitioners on the pros and cons of the pandemic through his 18 points of tips for the lockdown period and was realized and appreciated by the participants. The interaction was initiated by Mr. Shrestha who again reminded the participants to refer to the guidelines outlined in the 18 points to mitigate current challenges and to ensure the sustainability of MFIs in the long-run.



Group Photo of Participants

COVID-19 and its Impact on Microfinance – an Online Experience Sharing

During the lockdown period, the Centre for Self-help Development (CSD) conducted online interactions with CEOs and Department Heads of its member organizations. A total of six online meetings were held; two with Province 1 and 2 on May 5 and June 15, 2020 (2077 Baisakh 23 and Asadh, 01), two with Province 5, Karnali Province and Sudur-Paschim provinces on May 7 and June 18, 2020 (2077 Baisakh 25 and Asadh 4) and two with Gandaki province and Bagmati Province on June 25 and 26, 2020 (2077 Asadh 11-12).



Interaction with Province 5, Karnali and Sudur-Paschim Provinces, Nepal

During the Interaction all the participants shared their views on the present situation and challenges occurred due to Corona Pandemic and lockdown and also on the coping strategies of their concerning organizations. According to them the situation is quite alarming for the microfinance institutions. They also reiterated that many challenges are similar to each other but some of the issues are very peculiar and specific to particular organizations.

At the beginning of the pandemic most of the staff did not attend the office in April 2020 (Chaitra 2076) but they started to join their branch after and onward May 2020 (Baishak 2077). In the initial stage of the outbreak of this syndrome most of the staff faced mental and physical stress on the risk of virus contamination. Though the staffs were physically not present in the office but they were in regular touch with their members via telephone and cell phone. Some of the staff also got local authorities pressures when they return to their office from their home and they forced to stay in quarantine for one to two weeks. Besides the social pressure staffs also faced family pressure on the dissemination of virus to family. They worked rigorously with their valuable members for the safety and health awareness on corona pandemic even under such social and family pressure. MFIs had also emphasized the staff's health safety and to boost up their morale some incentives like corona insurance, mask, sanitizer etc provided to their employees.

Similarly, most of the MFIs could not conduct all their activities and services as before. At the early stage of the pandemic majority of the centre meetings remain closed. Branches were unable to conduct centre meetings and provide door-to-door service. Simultaneously, MFIs are also facing problems on installment collection as well as on additional loan disbursement because of lack of business. During the pandemic and lockdown most of the MFIs focused on awareness campaign and on relief activities

to cope with the situation. In due time, MFIs had also contributed chunk amount of fund in governments' Corona Relief Fund.

During the pandemic, many of the members lost their businesses or their businesses remains stagnant. Only few members can run their businesses. This resulted in none repayment of installment. Due to lockdown, members are also facing problem of marketing of their products and if they could have market they could not get reasonable price of their products. The members of urban area were more affected in comparison to members of rural areas. Some of the MFIs worked on creating supply chain for their clients' businesses and products. Simultaneously some of the MFIs had offered incentives on interest without giving any pressure to the members for repayments.

The executive level interactions were participated by the Chairpersons, Vice-Chairpersons, CEOs, General Managers, Deputy CEOs, and Department Heads of CSD member's organizations of all provinces. The meetings aimed at creating an experience sharing and learning platform on the effects and opportunities created by the Corona Virus pandemic (COVID-19) and the subsequent lockdown. The participants of each interaction program consented on following way forward to overcome the consequent effect and challenges of the pandemic on MFIs and its members. Each interaction program concluded with the participants agreeing to implement, formulate and review their existing action plans, policies and procedures to address the unprecedented situation.

The participants were represented from the Solve Nepal Laghubitta Bittiya Sanstha Limited, the Navodaya Saving and Credit Cooperative Limited, the Jeevan Bikash Laghubitta Bittiya Sanstha Limited, the Nerude Laghubitta Bittiya Sanstha Limited, the Mahuli Laghubitta Bittiya Sanstha Limited, the Srijanshil Laghubitta Bittiya Sanstha Limited, the Grameen Swayam Sewak Laghubitta Bittiya Sanstha Limited, the Forward Community Laghubitta Bittiya Sanstha Limited, and the Sahara Nepal Saving and Credit Co-operative from Province 1 and province 2. Similarly, the participants of the meeting from province 5, Karnali and Sudur-Paschim province were the Shree Udayadev Multipurpose Co-operative Limited, the Navajivan Co-operative Limited, the Kishan Multipurpose Co-operative Limited, the Upakar Laghubitta Bittiya Sanstha Limited, the Bauddha Gramin Multipurpose



Interaction with Province 1 and Province 2, Nepal

Way Forward Set by Participants

1. The management team and senior staff shall review the impact of the Novel Corona Virus (COVID -19) pandemic and the lockdown on the microfinance program and discuss on future strategies.
2. Every branch shall collect the data and prepare a profile about the loss and damage of the members' enterprise as a result of the pandemic and lockdown.
3. Each branch shall classify their members in the following groups:
 - A. Members who paid both principal and interest during lockdown.
 - B. Members who only paid interest during the lockdown.
 - C. Members who are willing to pay but are unable to pay installment due to the loss of business.
 - D. Members who misused loans and were involved in multiple borrowing and do not respond to the organizations follow up.
4. Rescheduling of loan installments of **A, B** and **C** class members up to a period of six month analyzing their businesses and as per their needs and capacity to repay.
5. Stop further loan disbursement to default members but focus on collection of the overdue loans gradually through persuasion.
6. Establish regular communication with the members to maintain relations and to boost their morale up.
7. After the pandemic, all MFIs should provide re-orientation to their staffs on the necessary value and fundamentals of the microfinance and to run the office effectively and efficiently.
8. CEOs and other senior staffs from Head Office shall visit all branches and selected centres adopting safety measures to encourage staff and keep their confidence level high.
9. MFIs should disburse loans at only minimum level to the tune of the need and capacity of the members for the time being and not go for aggressive disbursement.
10. The pandemic had given time to reflect on the mistakes made previously. The MFIs officials realize mistakes made in the past and should make and ensure not to repeat them in the coming days.
11. After the end of the lockdown CEOs and senior officers will visit field offices to understand the ground reality and ensure the safety of the staff while conducting centre meetings and member visits.
12. MFIs should conduct a survey of returnee migrant youths and prepare an individual profile including name, skill, education level, investment capacity and the businesses of interests to engage them in enterprise creation.
13. Devise a proper working plan within June 15, 2020 (Asadh 2077) so that the MFIs can operate its services in the corona time.
14. As market assurance is necessary condition to sell the products of the members and motivate them to establish enterprises to improve their livelihood. MFIs will work towards establishing their own sister organization that will support in marketing their members' products.
15. Collect information on the member's children who have completed high school and above level and interact and motivate them to become a new generation of entrepreneurs.
16. Provide interest rebate according to NRB directives.
17. Next Virtual Meeting will be held within a month i.e. on Srawan 2077.

Co-operative Limited, the Batabaran Sudhar Multipurpose Co-operative Limited, the Pioneer Multipurpose Co-operative Limited, the Unique Nepal Laghubitta Bittiya Sansatha Limited, the Mahila Samudayek Laghubitta Bittiya Sansatha Limited, the Aatma Nirvar Laghubitta Bittiya Sansatha Limited. Similarly, the representation in the meeting held with Bagmati and Gandaki province were from the Chhimek Laghubitta Bittiya Sanstha Ltd, the Manushi Laghubitta Bittiya Sanstha Ltd, the Swabalamban Laghubitta Bittiya Sanstha Ltd, the Jalpa Laghubitta Bittiya Sanstha Ltd, the Mahila Sahayatra Laghubitta Bittiya Sanstha Ltd, the Mahila Laghubitta Bittiya Sanstha Ltd, the Mirmire Laghubitta Bittiya Sanstha Ltd, the National Microfinance Bittiya Sanstha Ltd, the Womi Laghubitta Bittiya Sanstha Ltd, the CYC Nepal Laghubitta Bittiya Sanstha Ltd, the Mahila Sahayogi Saving and Credit Cooperative Ltd, the Navapratiya Saving and Credit Cooperative Ltd and the Aarthik Bikash Saving and Credit Co-operative Ltd.



Interaction with Bagmati and Gandaki Province, Nepal

The interaction program was moderated by the Chairman of CSD Mr. Shankar Man Shrestha where Executive Chief Mr. Bechan Giri, Director Mr. Satish Kumar Shrestha, Training Officer Ms. Renu Prajapati and Media and Communication Officer Mr. Chandra Kant Pandit from CSD were also present.



Centre for Self-help Development (CSD)

- Institute of Microfinance & Cooperative Development

P.O. Box 8852, Maitighar Height, Kathmandu, Nepal

Tel.: +977-1-4265635, 4256786, Email: csd@mos.com.np, Web: www.csdnepal.org.np

