

First SAARC Regional Conference Convened

Rural Microfinance Development Centre (RMDC) and Institute of Microfinance (InM) Bangladesh jointly organized a two-day regional conference on *Microfinance in SAARC Countries: Lessons and Way Forward* in Kathmandu on November 30 and December 1. The conference was attended by 60 representatives from SAARC countries making the count 250 altogether.

The conference, which was inaugurated by Honorable Finance Minister of Nepal Mr. Surendra Pandey, proved as a good platform to share information and seek measures to deal with the challenges in microfinance sector in the region.

Addressing the inaugural session, Finance Minister Pandey lauded the progress of Bangladesh in the microfinance sector and urged Nepalese MFIs to take advantage from the experience of Bangladesh.

"Bangladesh is globally considered as a pioneer in the field of microfinance," Pandey said, "I urge Nepalese delegates to take the maximum benefit from the Bangladesh's rich experience."

On the occasion he also called for effective utilization of remittance for the economic development of recipient countries.

Delivering his remark on the occasion, Dr. Sheel Kanta Sharma, Secretary General of SAARC, highlighted the growing role of MFIs to uplift the lives of poor people in the task of alleviating poverty in the region. He also expressed readiness to extend cooperation from the SAARC secretariat for the



Honorable Finance Minister Mr. Surendra Pandey addressing the conference

development of MFIs in the region. SAARC Secretary General Sharma also released the report 'Microfinance in SAARC Countries'.

Dr. Yuba Raj Khatiwada, Governor of Nepal Rastra Bank - the central bank of Nepal - stressed on the need to integrate microfinance with other services such as micro-insurance targeting the poor people.

"It is challenging and necessary that integrating programs of microfinance sector with government agencies for the repackaging of government initiated programs in crucial sectors such as education, health and infrastructure," said Khatiwada.

Mr. Shankar Man Shrestha, CEO of RMDC, highlighted the fact that microfinance, if used properly and effectively, can bring meaningful changes in the lives of poor and destitute.

He said access to finance to poor people has increased manifold with the tremendous progress and achievements in the field of microfinance in the decade of 2000 across the

SAARC region. However, he expressed concerns over the growing malpractices that have been bringing distortion in microfinance sector.

On the occasion, he read out the message for the conference from Nobel Laureate, founder and managing director of Grameen Bank, Muhammad Yunus, the pioneer of microfinance.

Giving opening remarks, Dr. Moslesh Uddin Sadeque, Interim Executive Director of the InM of Bangladesh, stressed on the need to forge collective effort among MFIs of SAARC region to overcome the challenges existing in the sector.

"We are gathered here for common learning through our experiences and share innovative idea to deal with the challenges seen in the sector and seek practical point for departure," said Sadeque.

The first day of the regional conference witnessed the four presentations from Afghanistan, Bangladesh, India and Maldives. The four countries discussed on the regulatory framework, outreach and challenges in their respective countries. Similarly, on the second day representatives from Nepal, Pakistan, Sri Lanka and Bhutan presented papers on current microfinance scenario.

Closing ceremony of the conference was graced by the Governor of the Nepal Rastra Bank, Dr.

Yuba Raj Khatiwada. Speaking on the occasion, Dr. Khatiwada hailed the role of Microfinance



Institutions (MFIs) in the countries like Nepal and Bangladesh for their contribution on poverty reduction.

He said that technology and microfinance can be distributive unlike the big institutions or land. "Technology and microfinance can create self-employment. It also facilitate for effective utilization of resources" Dr Khatiwada urged. "Institution building is always possible with such dialogue and discussion, and the feasibility of Microfinance Bank under SAARC umbrella has also made possible."

Mr Dasho Daw Tenzin, governor, Royal Monetary Authority of Bhutan was the guest of honour of the closing session that was addressed by Dr Md Mosleh Uddin Sadeque, Interim Executive Director, InM, Bbangladesh; Dr Amanullah (Mak) Khan, International Team Leader, PROSPER, PCU, DFID, Bangladesh; Dr Wahiduddin Mahmud, chairman, InM, Bbangladesh; Mr Ashoke SJB Rana, chairman, RMDC, Nepal.

The eight SAARC nations took part in the two-day long experience sharing and chalking out the future course. The conference has concluded to build co-operation and coordination of MFIs in the region, sensitizing MFIs on risk management, deepening of microfinance services down to the poorest and the destitute,



developing second generation of microfinance clients by involving the youth, financing unemployed youth in the rural areas, increasing the use of ICT in MFI programs for transparency and good governance.

To achieve the target the conference has also proposed advocacy for conducive policy and regulatory environment, institutional strengthening and capacity building of MFIs, and conducting research and studies on key issues, and further exploring the feasibility of establishing microfinance banks serving the poor.

The conference also indicated the need for regular exchange of ideas and experience to materialize the ultimate goal of a poverty free South Asia and achievement of Millennium Development Goals. In order to facilitate such interactions, InM and RMDC will initiate a web portal involving relevant partners in the region with a view to sharing thoughts, ideas, practices and experiences, not just from the South Asia region but also from other places around the globe.

New loan approved to Bindhabasini



Chairman of Bindhabasini Signing loan document

The partnership between Bindhabasini Saving Cooperative Ltd. of Kavre and RMDC further strengthened in the month of November as the latter sanctioned a loan of Rs 17 million.

The cooperative had started microfinance operation with support form RMDC. Now, the cooperative aims to re-enter in microfinance industry by separating books of account for cooperative operation and microfinance operation.

The cooperative's manager Mr. Khil Bahadur Syangtan Lama signed the loan agreement on behalf of the cooperative. Chairperson of the cooperative Mr. Bharat Prasad Sharma was also present on loan signing

event. The cooperative has 41.11 million of Share Capital and has microfinance member 4668 as in FY 2009/10

The 88th Partner of RMDC

Arthik Bikas Saving cooperative of Kavre Panchkhal joined RMDC as 88th partner on November. RMDC sanctioned the loan of Rs. 3 million for micro-enterprise loan as it was found that the suggestions given by RMDC during their visit has been satisfactorily

implemented. The cooperative has Rs 3.32 million of share capital and has 643 members in FY 2009/10. Manager of the cooperative, Mr. Thakur Nath, Adhikari signed the loan agreement.

Appraisal Visit to Indragram Chitwan

Mr. Basu Dev Lamichhane, officer of RMDC, made loan appraisal visit to Indragram Punarmilan Saving and Credit Cooperative Ltd. of Chitwan

During the visit, he observed the operations and all the books of accounts and also interacted with the board members and staff. The following suggestions have been given to the Board of Directors.

- Improve the internal auditing and control system
- Discourage multiple financing
- Supervise the client for loan utilization
- Conduct physical verification of the assets of the cooperative
- Improve the human resource management and increase the quality of staff.

Bridge Loan to JBS and MBBL

RMDC provided Bridge Loan to its partner organizations Jeevan Bikas Samaj (JBS) of Biratnagar, Morang and Muktinath Bikas Bank (MBBL) of Pokhara on November 2010. Such loans are provided to partner organizations which have submitted applications for new loan that helps them to manage immediate fund requirement during loan processing period. Term for this loan is of maximum six

months and generally given in one installment. This loan has 8 % interest and is adjusted with the regular new loan when approved.

The executive director of Jeevan Bikas Samaj signed the loan agreement where as the Chief Executive of Muktinath Bikas Bank did the same on behalf of the bank. Jeevan Bikas Samaj is one of the recipients of best performing award from RMDC.



MFI client women with her cattle



A view of centre meeting