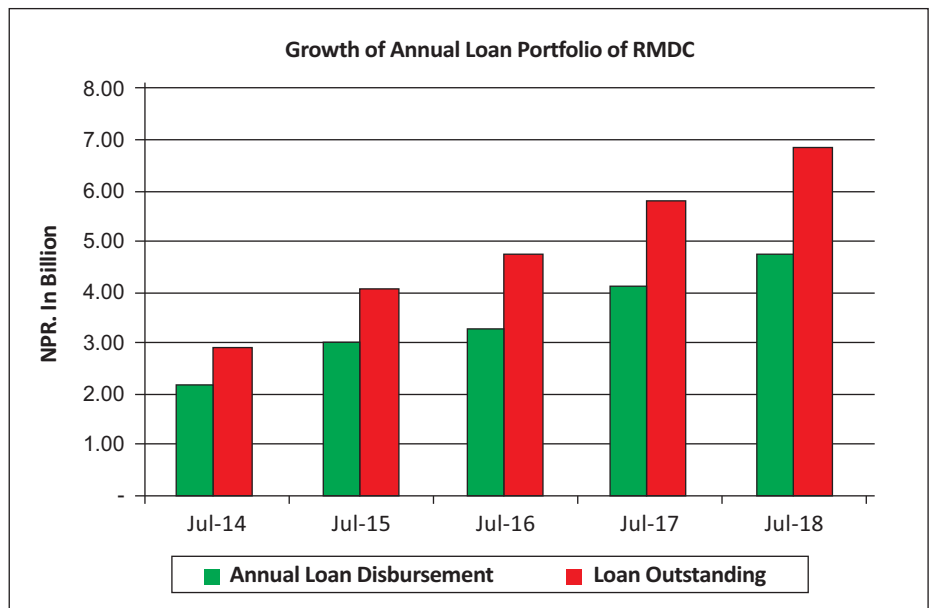


## RMDC Disbursed NPR. 27.49 Billion to MFIs till Mid-October 2018

The RMDC Laghubitta Bittiya Sanstha Ltd. is a wholesale lender to microfinance institutions and cooperative societies providing microcredit to the poor in Nepal. Till the end of the first quarter of the current fiscal year 2018-19 (17<sup>th</sup> October 2018), RMDC disbursed wholesale loan amounting to NPR. 27.49 billion to more than 300 organizations for on-lending to the poor households. RMDC's loan outstanding with its 208 partner organizations stood at NPR. 7.15 billion at the end of the first quarter of this fiscal year. RMDC has been able to maintain excellent loan portfolio quality from the very first year of its operation. Portfolio growth trend of last five years has been presented below.



The total number of active partner organizations of RMDC as of mid October 2018 was 208. The partner organizations consisted of 150 cooperative societies, 14 financial intermediary NGOs and 44 "D" class microfinance institutions.

## RMDC Partner Organizations' Leaders Participate Training in Germany



RMDC organized a training cum exposure visit program to Germany for the board members and CEOs of partners MFIs of RMDC in collaboration with National Banking Institute (NBI), Kathmandu. The program titled "Rural and Agricultural Finance, Best Business Strategies and Credit Risk in MSME" was held from April 16-19, 2018 at Frankfurt School of Finance & Management, Germany.

The major topics in the training included: Trends in SME Banking, Advance Credit Risk in SME Banking, Housing Finance, Rural and Agriculture Finance etc. The resource persons in the program were Prof. Ronald Kupka, Mr. Dhristopher Braun, Mr. Helmut Grossmann and Prof. Eugen Doce.

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# RMDC Participation in Board Enhancement Program for Banks

International Finance Corporation (IFC) a wing of World Bank organized a program "Board Enhancement Program for Banks" from September 10-11, 2018 at Dhaka, Bangladesh.

On the Invitation of IFC, Board Director of RMDC Mr. Bhim Prasad Timalsina and CEO of RMDC Mr. Jyoti Chandra Ojha had participated in the program. The main discussion areas of the program were inter relation between board & management and board & the staff, preparation of effective strategy and its implementation, risk management, corporate governance best practice etc. According to the participants, the program was very fruitful and effective.



*(contd. from page 1)*

## RMDC Partner ...

The program was started with the welcome speech of Mr. Andreas Emser, Executive Director Education, International Advisory Service. In his speech he highlighted the objectives of the program. In the classroom presentation and discussion various issues on SME financing and Micro financing were raised. The participants also visited DZ bank, Central cooperative bank in Germany where they were briefed on their mechanisms, operational modalities, various aspects of their operating systems etc. The participants also got an opportunity

to visit one of the big cattle farms and a biogas plant at Schmidt.

There were thirteen participants from ten different partner MFIs of RMDC. The team was led by CEO of RMDC Mr. Jyoti Chandra Ojha and Mr. Bhanu Bhakta Dawadi, Company secretary of NBI. The participants of MFIs were Mr. Lila Nath Shrestha, Chairperson of Shrijana Community Development Center; Mr. Arjun Shrestha, Chairperson of Srijana Development Center, Kaski Pokhara; Ms Aasmani Chaudhary, Executive Chairperson of Rural Women Development Centre (RWDC), Dang; Dr. Gopal Dahit, Patron and Mr. Kiran Tharu CEO of UNYC Nepal, Bardiya;

Ms. Anju Pant Pandey, CEO of Nirdhan, Kathmandu; Mr. Janardan Dev Pant, CEO of Nirdhan Utthan Bank Ltd, Kathmandu; Ms. Bimala Yogi, CEO of Nepal women Community Service Center (NWCSC), Dang; Mr. Ash Narayan Chaudhary, CEO of Forward Community Laghubitta Bittiya Sastha Ltd.; Mr. Dambar Bahadur Shah, GM of Kisan Bahuudeshiya Sahakari Sanstha Ltd. Kailali; Mr. Bishal KC, CEO of Baudha Grameen Multipurpose Co-operative Ltd, Surkhet.

At the end of the program the participants were given the certificates of achievements. They were very happy and satisfied with the program.



## RMDC Organized an Exposure Visit to Sri Lanka



RMDC organized an exposure visit to Sri Lanka in joint collaboration with Lanka Microfinance Practitioners' Association (LMFPA), the network organization of MFIs in Sri Lanka, to observe their MFIs operation from September 1-8, 2018. The main objective of the visit was to enhance the knowledge of board and management team of partner organization through exposure to the best practices of microfinance approaches, strategies, products, mechanism, opportunities and constraints in Sri Lanka.

The exposure visit program started with welcome and orientation meeting at LMFPA office in Colombo. Mr. Yasitha Munasinghe, Manager of LMFPA briefed the participants on the different types of MFIs in Sri Lanka, their organizational status and how they have been managing their microfinance programs.

The team also got opportunity to visit the Central Bank of Sri Lanka, where they have been briefed about the newly introduced Microfinance Act and other regulatory aspects in the country.

The team has visited Berendina Microfinance Institute (BMI) in Nuwara Eliya, LOLC in Kandy, Lak Jaya in Kandy and Vision Fund Lanka in Chilaw. The participants visited the centre meetings

of some of the MFIs and interacted with some of the clients. The team interacted with the higher officials of the MFIs on different aspects and issues such as loan appraisal process, MIS, staff issues, monitoring, regulations, overall governance and financial aspects of the MFIs.

The exposure visit was taken very positively by all the participants. The team found the visit program very fruitful and successful. At the end of the visit all the participants expressed their satisfaction and happiness on overall management and coordination on the part of RMDC as well as LMFPA of Sri Lanka.

The visit team comprised of ten officials from six different MFIs and one official

from RMDC namely: Mr. Indra Narayan Deo Baishya, Ex. Chairperson and Ms. Meera Deo Baishya, Founder President from CWDEC; Mr. Roshan Kumar Mandar, Executive Director and Mr. Saroj Kumar Singh, Manager from Mahuli S.L.B.Sanstha Ltd.; Mr. Dinesh Bahadur Niroula, Ast. Director from Sahara Nepal SACCOS; Likewise Mr. Lokmani Regmi, Dep. Director and Mr. Suraj Sharma, MIS Chief from NWCSG Dang, Mr. Saroj Bist, Manager and Mr. Dambar B. Bishokarma, Branch Manager from Bouddha Grameen M.Coop Ltd, Mr. Binod Adhikari, Deputy Manager from Mahila Sahayogi SC Coop Ltd . The visit was led by Mr. Roop Bahadur Khadka, Senior Manager of RMDC.



## Nepal MFIs' Officials Visit to Bangladesh MFIs

RMDC organized an exposure visit to Bangladesh from April 21-29, 2018 in cooperation with the Integrated Development Foundation (IDF), Bangladesh. The main objective of the visit was to enhance the knowledge of officials of MFIs through exposure to the best practices of microfinance operations and also get acquainted with their strategies, products, mechanisms and opportunities in Bangladesh.

The team comprised of nine participants from 4 different partner organizations of RMDC. The participants were Ms. Jibsara Gharti, Branch Manager of Rural Women Development Centre, Ms. Nira Chaudhary, Junior Officer of Rural Women Development Centre, Mr. Prem Singh Bhat, Board Member of Udaydev Multipurpose Cooperative Ltd, Mr. Hari K. C. , Loan Officer of Mahila Upakar Manch, Mr. Chitra Bahadur Bhandari, Internal Auditor of Mahila Upakar Manch, Ms. Sarmila Gautam, Branch Manager of Mahila Upakar Manch, Ms. Durga Devi Khadka, Supervisor of Sahara Nepal SACCOS, Ms. Uma Luitel Manager of Sahara Nepal SACCOS, Mr. Ganesh Kumar Tamang, Manager of Sahara Nepal SACCOS. The team was coordinated by Senior Assistant, Mr. Nipun Man Shrestha of RMDC.

During the visit the team observed group meetings of Grameen Bank, Integrated Development Foundation (IDF) and ASA. The team also visited their households and had interactive session in their branches and zonal offices. The team visited the head office of IDF and Grameen Bank in Mirpur-Dhaka.

Moreover, the participants visited credit, health, agriculture, school and solar programs of IDF. The exposure visit provided



them opportunity to have a broad insight on how these organization are running their microfinance program as well as other credit plus programs in various fields.

Overall the exposure visit helped the participants to acquire knowledge about various approaches and practices in the Bangladesh Microfinance scenario which could be incorporated in their own organizations so as to become competent and sustainable MFIs. The participants had expressed their satisfaction on learning from the visit and showed their commitment to use the gained knowledge in their respective organizations.

During the post visit review held at RMDC, the participants shared that they were overwhelmed by the hospitality and culture of Bangladesh. The exposure visit was taken very positively by all the participants. All of the participants expressed their thanks to RMDC for organizing such a fruitful visit.

## Training on Accounts Management



With the aim of enhancing the knowledge and skills of the account officers of the partner cooperatives, the branch offices of RMDC, Itahari and Kohalpur have conducted training on "Accounts Management".

The three day long training program provided the participants with insight into the concept of accounting, preparation of voucher and documents, accounting principles and practices, tools and techniques of accounting like voucher, ledgers, trial balance, profit & loss a/c, balance sheets, cash flows, bank reconciliation statement, classification of assets, depreciation, loan loss provision, financial indicators etc through presentations, practices and discussions methods. They were also facilitated to sharing their experience among themselves.

The first training was conducted by Itahari branch at Gokarna Resort, Morang from Shrawan 20-22, 2075, where 25 participants had participated from 25 Partner cooperatives of eastern part of Nepal. The second training was conducted by



Kohalpur branch on Bhadra 12-14, 2075, which was participated by 28 participants from partner cooperatives of mid and far western part of Nepal.

The resource persons of the training in Itahari were Mr. Manohari Niroula, department head of Karnali saving and credit co-operative Ltd, Jhapa, Mr. Yubraj Dhakal secretary of Jhapa district Co-operative and branch manager of RMDC Mr. Govinda Prasad Poudel. Likewise the resource persons of the training in Kohalpur were Mr. Bhol Nath Regmi, Manager of RMDC, Mr. Shyam Lal Neupane, Manager of Batawaran Sudhar Multipurpose Cooperative, Surkhet, Mr. Jitaram Neupane, Branch Manager of Nirdhan Utthan Bank Ltd. and Mr. Bharat Kumar Singh, Branch Manager of RMDC.

At the end of the training, participants shared that the training was very useful and they committed to utilize their knowledge in their organizations.

## RMDC Convened Annual Review Workshops of Partner MFIs

RMDC has been organizing Annual Review Workshops of its partner MFIs from the beginning with a view to assess their progresses and achievements and chart out strategies to resolve problems encountered in their operations. RMDC recently convened Annual Review Workshop of its Partner Organizations (POs) in Pokhara from August 20-21, 2018. The Review Workshop had a total of 63 participants from 36 different MFIs of Province 4 and 5. The participants were Chairpersons, Chief Executive Officers, Microfinance Operation Managers of MFIs and Cooperatives.

The workshop was inaugurated by Chief Guest Mr. Janak Bahadur Adhikari, Executive Director of the Microfinance Promotion and Supervision Department of the Nepal Rastra Bank and chaired by Mr. Jyoti Chandra Ojha, Chief Executive Officer of RMDC. On the occasion, the chief guest expressed the central bank had been playing positive role in promoting and developing the microfinance sector and would always be supportive to the sector.

On the occasion, CEO Mr. Jyoti Chandra Ojha, highlighted on the workshop goals and objectives and said the forum would facilitate sharing of experiences between MFI and would help reduce level of poverty in the country. He urged the participants to scale up investment in the area that would promote employment opportunity for the unemployed youth.

The workshop was coordinated by Ms. Annapurna Shrestha, Senior Manager of RMDC. In her welcome remarks, she highlighted the background and objective of the workshop and urged the participants

to come up with workable strategies to cope with the problems and the challenges faced by the MFIs and cooperatives.

Deputy CEO Mr. Ram Dayal Rajbansi highlighted contributions of Central Bank and RMDC in promoting and developing the microfinance industry in Nepal. He also said that the workshop would help to develop cordial relation among the MFIs.

The first day of the workshop was concentrated in the presentation on their progress, achievements and problems faced by each of the MFIs and their current operations. At the end of the first day the major problems and challenges faced by the MFIs were identified. The session was facilitated by Mr. Prith Bahadur Thapa, Senior Manager of RMDC.

The major problems identified were multiple financing, over indebtedness of clients, increasing default, high rate of clients drop out, inadequate supervision of clients, misuse of loan, staff dropout, etc.

On the second day, all the participating MFIs were divided into five groups. Each group was given few problems and issues for discussion in groups. Simultaneously one group was given a task to prepare a declaration of the workshop. Each group made recommendations for resolving the problems and specified responsible



authority for implementation of the same. At the end of the workshop, the participants came up with a pledge to improve the system of microfinance and deliver quality services to the target families.

During the workshop, Mr. Janak Bahadur Adhikari, Executive Director of the Microfinance Promotion & Supervision Department of the Central Bank made a presentation on "NRB's Policies on Microfinance".

During the closing session, CEO of RMDC Mr. Jyoti Chandra Ojha thanked all the participants for their active participation in the workshop. He also pointed out the MFIs should also move towards financing the agricultural sector and the youth for creating self employment within the country. MFIs must update with changing time should follow suggestions directed by the Central Bank. He further suggested that the MFIs need to conduct financial literacy program to the clients on time and assured that RMDC would continue its support for capacity building of MFIs in future as well.

The participants have highly applauded the program as the valuable forum for sharing and learning from each other.



# RMDC Builds Capacity of Internal Auditors of Partner Microfinance Institutions

Rural Microfinance Development Centre Ltd. (RMDC) successfully organized a "Training on Internal Audit" from May 23-24, 2018 in Kathmandu for the Internal Auditor of its partner organizations. The training was attended by a total of 35 participants representing 35 partners MFIs of RMDC. The training was designed for the Internal Audit of the Microfinance Institutions with the objective of enlightening the participants on their role and responsibility as the internal auditor.

The contributing resource persons were Mr. Pritha Bahadur Thapa and Mr. Roop Bahadur Khadka Senior Managers of RMDC, Mr. Mahendra Ban and Mr. Rajan Prasad Bhattarai, Department Chiefs of SB Bank and Mr. Hem Kumar Kafle, Chartered Accountant. The training

program was coordinated by Ms. Annapurna Shrestha, Senior Manager of RMDC.

At the outset, Ms. Annapurna Shrestha, welcomed the participants and highlighted the objective of the course. She also mentioned the important role and responsibility of Internal Auditor in setting the organizations to right track.

The training was two day course, in which the participants were introduced to the various functions of an Internal auditor, their roles and responsibility, scope of internal audit and audit procedures, risk and fraud management, tackling the problems, mission drift and deviation in microfinance, important financial indicators and reporting standards.

Practical exercises also carried out to give them hands-on experience.

Towards the end, a feedback session was held during which the participants responded the training made them more confident and would be more careful and perceptive in the future. All the participants voiced their satisfaction with the training appreciated deliberated of resource persons.

During the closing ceremony, CEO Mr. Jyoti Chandra Ojha, expressed his satisfaction over the outcome of the training and he suggested all the participants to implement the knowledge gained from the training in their own job. He also distributed certificates to the participants and congratulated them for completing the training successfully.



## Training on Financial Analysis for Partner Microfinance Institutes

RMDC Organized two training programs on "Financial Analysis" for the officials of its partner organizations. The first program was held from August 13-14, 2018 in Itahari, in which 36 officials participated from 29 MFIs. Likewise the second program was held in Pokhara from August 22-23, 2018. It was participated by 41 officials including from 27 partner MFIs of RMDC.

The main objective of the training was to aware the participants with financial and portfolio analysis tools so that they can properly assess their organizations' financial status and can make appropriate decisions, prepare plans and



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# Training on Branch Management

Branch Managers have key role in shaping the productivity, efficiency, quality and viability of the branches of MFIs. Most of the branch managers are untrained in the MFIs. They are not fully aware of the principles and practices of branch management and their roles and responsibilities are not well defined.



Keeping this in view, RMDC organized a three day training on Branch Management from August 7-9, 2018, in Kathmandu. There were a total of 39 participants from 25 partner MFIs of RMDC. All the participants were Branch Managers of their respective organizations.

The training program was coordinated by Ms. Annapurna Shrestha, Senior Manager of RMDC. It was facilitated by Mr. Pritha Bahadur Thapa, Ms. Annapurna Shrestha, Mr. Roop Bahadur Khadka Senior Manager of RMDC, Ms. Shova Bajracharya, CEO of Manushi, Mr. Mahendra Ban and Mr. Mohan Prasad Bhattra, Department Chief of Swabalamban Laghubitta Bikas Bank, and Ms. Usha Singh Malla, Director of NILD, Kathmandu.

The training basically focused on the key aspects of management, roles and responsibilities of a manager, financial analysis, planning and budgeting program, delinquency management, client protection and management, monitoring and supervision and risk management.

In course of discussions in various sessions there were issues of mission drift, more profit orientation and less concern of MFIs on client's interest and development.

The participants in the closing session said that the three day training program made them realize that there were a

lot of things to be learnt and they were able to learn how to operate the branch effectively and mitigate organizations risk. They also expressed that they learned many things to meet their needs related to their job responsibility as a branch manager.

In the closing ceremony after distributing the certificates of participation to the participants Mr. Jyoti Chandra Ojha, Chief Executive Officer thanked the participants for their active participation in the training. He said "Branch Manager should be role model for other staff in branches and work for the development of the targeted clients." He further suggested that they should be leader of their branch and help the poor to uplift them from poverty.



(contd. from page 6)

## Training on Financial ...

strategies to better their financial health and attain sustainability in the future. The major topics included in the training were : concept of financial analysis, formatting of financial statements and their relations with each other, financial

portfolio analysis, efficiency, productivity, profitability indicators etc.

The methodology of the training was participatory and exercise based. The resource person of both trainings was Mr. Pritha Bahadur Thapa, Senior Manager of RMDC. At the end, a short closing session was held. During the

closing program, few participants were asked to give their views on the outcome of the training. They expressed that they had acquired a lot of knowledge and skills in financial analysis. Mr. Thapa distributed certificates to the participants and urged all the participants to apply the knowledge and skill acquired from the training to their respective jobs.



## Training on Fundamentals and Operational Management of Microfinance

RMDC Laghubitta Bittiya Sanstha Ltd. organized a training program titled on "Fundamentals and Operational Management of Microfinance" from October 3-4, 2018 (Ashoj 17-18, 2075). The training was attended by a total of 34 participants representing 20 partner MFIs of RMDC. The training was designed for the Field officer of MFIs with the objective to enlighten the participants on the fundamentals of microfinance through theoretical.

It also aimed to equip participants with techniques of identifying target groups in microfinance as well as inform them about the importance and mobilization of savings and loan management and also to enhance the operational skill of the participants and provide them with an opportunity to learn to develop a strong bond with their members.

The participants were also aware with the various issues and challenges faced by the microfinance sector. They were eager to learn how to tackle delinquency which is likely to plague the microfinance sector and gain knowledge on fundamental that have to adhered to keep microfinance safe and sound.

The training program was facilitated by Ms. Annapurna Shrestha, Senior Manager and Mr. Bholā Nath Regmi, Manager of RMDC, Ms. Shova Bajracharya CEO of Manushi, Mr. Rajan Prasad Bhattarai, Mr. Mahendra Ban and Mr. Mohan Prasad Bhattarai Department Chief of SB Bank.

The training was two day course, in which the participants were introduced to the principle, importance and process of microfinance, institutional viability & sustainability, organizing & managing group & center, essentials of group & center, clients management & protection, roles and responsibility of field



officer, experience sharing, discussions and practical exercises.

The training proved to be a refresher to the participants which helped them to polish their potential as a field officer as well as gain additional knowledge to further improve their skills. The participants had an opportunity to evaluate themselves and assess on where they are and where they ought to be.

During the feedback session Mr. Rohine Prasad Chaulagain of Ganapati Laghubitta Bittiya Sanstha said "we have learnt a lot during the training program, we have also learnt that long term sustainability of the organization would ensure employment opportunities to the staff ". They were satisfied with the program where they were able to take away a lot positive in the end.

Mr Jyoti Chandra Ojha, CEO of RMDC distributed certificates to the participants and urged all the participants to apply the knowledge and skill acquired from the training to their respective jobs. He also thanked all the participants and the resource persons for their valuable contribution and active participation in the training.

## RMDC Organized Training on Microfinance Management



The branch offices of the RMDC, Itahari and Kohalpur have organized training program on Microfinance Management for the partner organizations of RMDC.

The first training was conducted by Itahari branch in Morang from Ashwin 7-8, 2075, which was attended by 36 participants from 26 Partner MFIs of eastern part of Nepal. Similarly the second training was conducted by Kohalpur branch from Ashwin 11-12,

2075, which was participated by 35 participants from 17 partner MFIs of mid and far western part of Nepal.

During the two day training the resource person dealt on the concept, principle and importance of microfinance. They also discussed on pre group training, group recognize test, process of group formation & center management. There were also held discussion on methods of credit operation and credit management,



overdue management, credit quality, role and responsibilities of the field staff, institutional viability, sustainability, client protection etc., The main theme of the program was to orientate the field staff on the problems faced by them.

At the end of training, the participants expressed the training was very useful and productive.