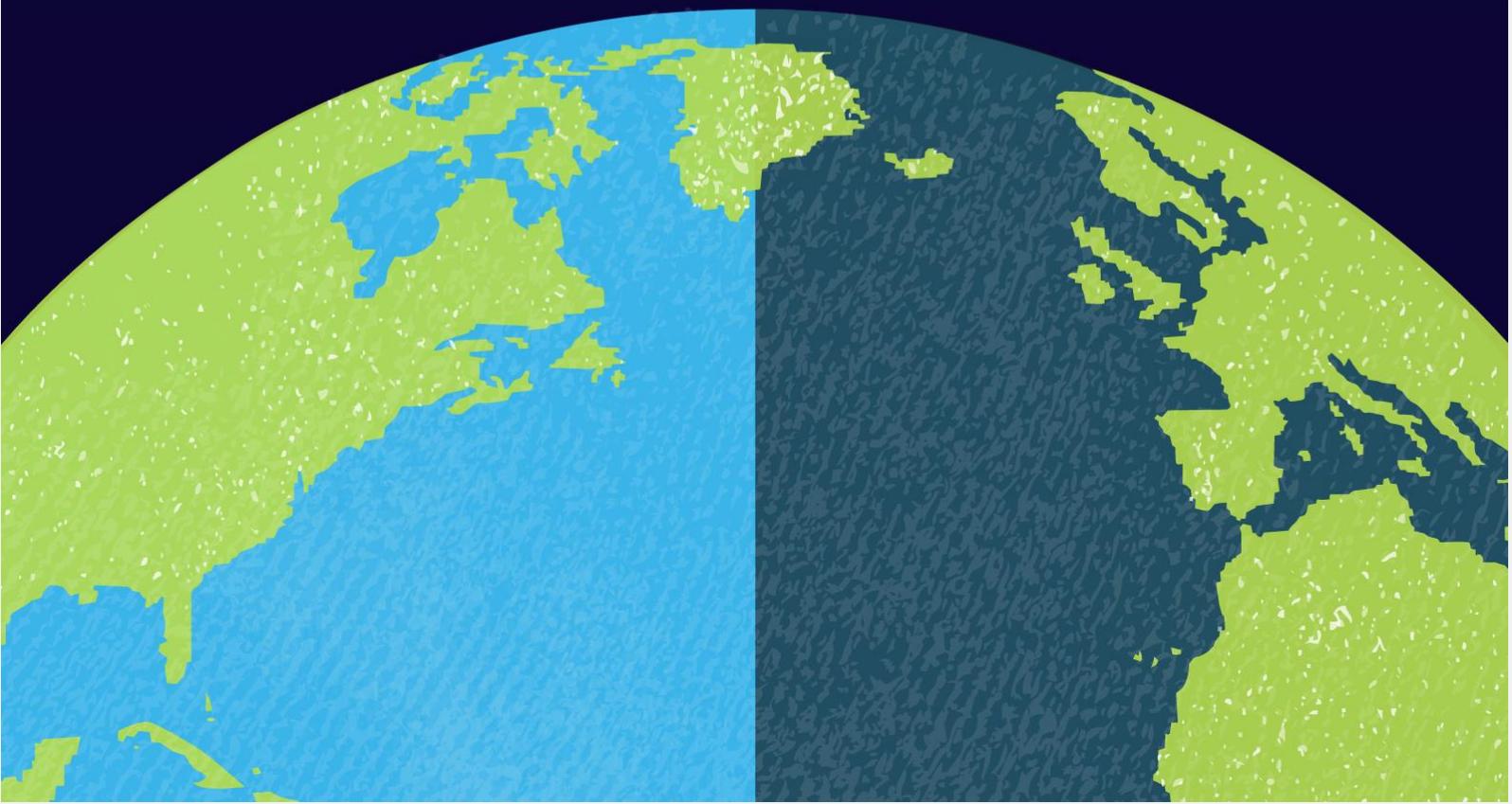


ISSUE # 87

MONTHLY NEWSLETTER

**THIS DOCUMENT CONTAINS THE LATEST NEWS AND
PUBLICATIONS FROM SAMN MEMBER COUNTRIES**



Bangladesh

Women Entrepreneurs To Get 1pc Cash Incentive

The Bangladesh Bank on Tuesday announced incentive for the financial institutions and customers against disbursement of loans to women entrepreneurs to encourage lending to women.

The cash incentive would be given at the rate of 1 per cent to both— the lenders and the borrowers — upon repayment of loans within the stipulated time on the principal loan amount, said a BB circular issued to banks and non-bank financial institutions in this regard on the day.

It said that the facility would be valid from July 1, 2021 to December 31, 2024 with an intention to taking the lending to women entrepreneurs to at least 15 per cent of the lending to cottage, micro, small and medium entrepreneurs by the banks and NBFIs.

In line with its policy stance, the central bank has been providing policy support to encourage women entrepreneurs. However, the lending to women entrepreneurs is still very low, prompting the central bank to come up with the cash incentive facility. As of March 2021, the outstanding lending to the women entrepreneurs reached only 3.7 per cent of the total loan disbursed to women entrepreneurs.

Read more at: <https://www.newagebd.net/article/146601/women-entrepreneurs-to-get-1pc-cash-incentive>

Youth Inclusion Must For Effective Policy

A dialogue between youth and policymakers opened doors for a positive and meaningful youth engagement with the policymakers to increase youth engagement in the decision-making process.

Jaago Foundation and the Asia Foundation hosted the virtual dialogue bringing youth representatives from 64 districts and multi-party policymakers to voice youth concerns, according to a press release. Three panellists from Bangladesh Awami League, Bangladesh Nationalist Party and Bangladesh Jatiya Party were present on the occasion.

They encouraged the youth to be involved in the policymaking process and the education system and discussed ways to overcome various problems in the process. Barrister Nahim Razzaq, member of parliament, Shariatpur-3 said, “We have undoubtedly suffered because of the closure of educational institutions. But we don’t know if we are prepared to open institutions yet.”

Read more at: <https://www.dhakatribune.com/business/2021/08/29/youth-inclusion-must-for-effective-policy>

Next Step Of Digital Bangladesh Is Cashless Society

Prime Minister’s ICT Affairs Adviser Sajeeb Wazed Joy on Tuesday said that the next step of digital Bangladesh is building a cashless society to ensure transparency, accountability and mobility in financial transactions.

“The next dream of digital Bangladesh is to make a cashless society. The blaze service is a part of the cashless society,” he said while inaugurating the blaze service as the chief guest at a virtual function.

State Minister for ICT Zunaid Ahmed Palak and Bangladesh Bank Deputy Governor Jamal Ahmed joined the function as special guests while Chairman of the Sonali Bank Board of Directors Ziaul Hasan Siddiqui gave the concluding remarks.

CEO and Managing Director of the Sonali Bank Limited Md Ataur Rahman Prodhan delivered the welcome speech. The blaze service, a joint initiative of Sonali Bank, Homepay and ITCL, will reduce the tendency of sending money through “hundi” and will increase further the country’s foreign exchange reserves, official sources said.

Read more at: <https://www.dhakatribune.com/business/economy/2021/08/24/joy-next-step-of-digital-bangladesh-is-cashless-society>

SME Sector Women Entrepreneurs To Get Loans At 5pc Interest

The Bangladesh Bank on Wednesday slashed effective interest rate to 5 per cent for credit against women entrepreneurs from its refinance scheme for cottage, micro, small and medium enterprises.

Earlier, the interest rate from the refinance scheme was 7 per cent. The central bank issued a circular in this regard on the day where it mentioned that the refinance fund would only be granted for issuing loans to women entrepreneurs.

The BB’s target to enhance women entrepreneur’s loan ratio to at least 15 per cent of the outstanding disbursements to the CMSME by the year 2024 was the reason for its latest move. As per the latest circular, the banks and non-bank financial institutions would receive refinance fund at 0.5 per cent and the same would be disbursed by the banks to the women entrepreneurs at the highest 5 per cent interest.

Earlier, the BB used to disburse refinance fund to the banks and NBFIs at the rate of 3 per cent and the same was disbursed by them to the women entrepreneurs at the highest 7 per cent. An official of the central bank said that the new move would help the banks and NBFIs enhance the loan disbursement to women entrepreneurs.

Read more at: <https://www.newagebd.net/article/145443/sme-sector-women-entrepreneurs-to-get-loans-at-5pc-interest>

This Startup Is Digitizing The Automotive Industry

Aiming to digitalize the automotive maintenance industry, Shubho Al Farooque, the Founder and CEO of Zantrik came up with the idea of connecting various technicians, garages, vehicle owners, drivers, and parts suppliers into a single platform to offer value for money, transparency and efficiency for everyone. As a result, not only these stakeholders are benefited, but also the whole industry will eventually be upgraded to a new level.

“We believe, by digitalizing the automotive industry we are helping the country achieve the ‘Digital Bangladesh’ we are striving for,” says Shubho. After graduating in Computer Science back in 2003, he gained experience while working in several local and multinational companies—which eventually led him to open his own software firm.

After launching Zantrik in 2018, the startup has grown and is now currently employing 34 people directly, there are many more that are some way or the other involved with the organization.

Read more at: <https://www.dhakatribune.com/business/2021/08/11/this-startup-is-digitizing-the-automotive-industry>

SME Foundation Gets Another 200C From Incentive Package

The SME Foundation has received another Tk200 crore from the government's incentive package for distribution among cottage, micro, small and medium enterprises (CMSME) across the country, said sources at the foundation and the Finance Department.

A total of Tk300 crore has been allocated to the foundation under the second phase of incentive packages aimed at expediting Bangladesh's economic recovery amid the Covid-19 pandemic.

The foundation disbursed Tk100 crore in the last fiscal year (2020-21) and it will start disbursing the newly allocated Tk200 crore soon.

In FY21, the government allocated Tk1,500 crore in total for the improvement of living standards of the marginalized people in the CMSME sector and rural areas.

Eight organizations were allocated funds for distribution in the sectors, of which Tk300 crore was given to the SME Foundation.

Read more at: <https://www.dhakatribune.com/business/2021/08/24/sme-foundation-gets-another-200c-from-incentive-package>

India

Regulations Key To Orderly Growth Of Microfinance

Microfinance started in India three decades ago as a small-scale endeavor by non-profit entities. At the start, two parallel approaches existed — the self-help group-bank linkage programme (SBLP), and the Grameen-style microfinance institutions (MFIs).

While SBLP and its new avatar, the National Rural Livelihood Mission, form an important part of microfinance, it is the MFI model which requires regulatory tweaks for sustainable growth. From 2004-05, the model evolved to specialisation and scale, for-profit, commercial and regulated companies dominated the market.

Read more at: https://www.business-standard.com/article/opinion/regulations-key-to-orderly-growth-of-microfinance-121080100807_1.html

MSME Liquidity Line Set To Widen As More NBFCs Start 'Factoring'

Parliament's clearance to The Factoring Regulation (Amendment) Bill, along with a government plan to mandate companies with over Rs 250-crore annual turnover to register on the TReDS (Trade Receivables Discounting System) platform, will significantly boost funding availability for MSMEs, lower interest costs and improve cash management, industry sources said.

Currently a handful of NBFCs and banks were providing funding to MSMEs against their receivables. Factoring law amendments have been cleared in both Houses of Parliament in the current session. This will enable nearly 9,000 NBFCs to participate in the factoring market instead of just seven now. Improved participation by NBFCs in the factoring market will enhance liquidity for MSMEs and lower their interest costs.

Factoring is a transaction where an entity (like MSME) sells its receivables (dues from a corporate) to a third party (a 'factor' like a bank or NBFC) for immediate funds. Banks and NBFCs provide finance against these receivables, enabling availability of ready funds for the MSMEs. This is done on an online TReDS platform initiated by the Reserve Bank of India (RBI). TReDS facilitates financing and discounting of MSME trade receivables through multiple financiers.

Read more at: <https://indianexpress.com/article/business/msme-liquidity-line-set-to-widen-as-more-nbfc-start-factoring-7435317/>

Microfinance Institutions Look At New Ways To Boost Collections

Banks and non-bank lenders engaged in the microfinance space have started to put in place hybrid models of collections from borrowers in the wake of the second wave of the pandemic. They are trying to use a combination of physical and digital modes of collections in order to avoid disruptions in the process.

Traditionally, repayments in the microfinance segment were made through group meetings as the core borrower base is more comfortable making cash payments. While the loan moratorium precluded the need for collections in the first wave of the pandemic, the collection effort became a major challenge during the second wave in April-May this year.

Harish Prasad, head of banking – India, FIS, said it has been an ongoing process for banks engaged in microfinance to adopt a multi-mode model for collections. “They are now exploring ways of making sure collections can be made through digital channels like UPI when cash collections are not possible,” Prasad said.

Lenders have now begun to team up with fintech players and payment gateway companies to digitize some aspects of the collection process. The aim here is to ensure repayments are not hurt even when group meetings cannot be held or agents cannot go out for collections.

Read more at: <https://www.financialexpress.com/industry/banking-finance/microfinance-institutions-look-at-new-ways-to-boost-collections/2314099/>

Microloan Disbursement Rises Sharply

Both the amount of loan disbursed by micro-finance institutions (MFIs) and the number of microcredit beneficiaries have risen significantly across the country. Some 746 MFIs have been registered with Microcredit Regulatory Authority (MRA) as of December, 2020.

Though the rate of interest on microloan is higher than that of other credits, its disbursement by registered microfinance institutions increased to Tk 1403.17 billion at the end of June 2019 from Tk 1201.91 billion at the end of June 2018. The total number of loan recipients also rose to 25.76 million in June 2019 from 25.40 million in June 2018, according to the latest data released by the microcredit regulator. The data also showed that the total number of members of MFIs jumped to 32.37 million at the end of June 2019 from 31.22 million a year back. The number of MFI branches increased to 18,977 as of June 2019 from 18,196 a year earlier. On the other hand, the number of MFI employees also rose to 162,175 in June 2019 from 153,919 in June 2018.

The number of microcredit beneficiaries has risen mainly due to government's good policy for the sector, a senior executive of the MRA said. Besides, easy access to small credit than that of the country's commercial banks has led to a gradual rise in the number of microcredit beneficiaries, he mentioned.

Read more at: <https://thefinancialexpress.com.bd/economy/microloan-disbursement-rises-sharply-1628311453>

Microloan Disbursement Rises Sharply

The Reserve Bank of India (RBI) on Tuesday introduced the financial inclusion index (FI-Index) to capture the extent of financial inclusion in the country. This was among the announcements made in the first bimonthly monetary policy in April this year.

The annual FI-Index for the period ending March 2021 is 53.9 as against 43.4 for the period ending March 2017. The FI-Index has been conceptualized as a comprehensive index incorporating details of banking, investments, insurance, postal, and the pension sector in consultation with government and respective sectoral regulators, RBI said.

Read more at: <https://www.livemint.com/news/india/rbi-introduces-financial-inclusion-index-11629188944679.html>

Nepal

Two-thirds Of Nepalis Have A Bank Account

An estimated 67.3 percent of Nepalis have at least one bank account, but there is a huge gap in the number of accounts between males and females, and rural and urban areas, a central bank report revealed.

According to the Financial Access Report 2021 published by Nepal Rastra Bank on Friday, male account holders outnumber females by almost two to one. Among the total 29.92 million account holders in banking and financial institutions, 19.11 million are male and 10.61 million are female.

Likewise, there is a rural-urban gap in the number of bank accounts. There are 251 accounts per 1,000 population in rural municipalities while 953 accounts per 1,000 population in urban municipalities. The gap increases when the number of account holders from rural municipalities is compared with people from sub-metropolitan cities and metropolitan cities.

There are 1,930 and 3,296 accounts per 1,000 population in sub-metropolitan cities and metropolitan cities respectively. The central bank report says gender bias exists in all provinces and local levels while the urban population has greater access to financial services than the rural population.

Read more at: <https://kathmandupost.com/money/2021/08/20/two-thirds-of-nepalis-have-at-least-one-bank-account>

IFC-Backed Nepalese SME Fund Invests In Home Healthcare Firm MedPro

Business Oxygen (BO2), a private equity fund backed by International Finance Corporation (IFC) to support small and medium enterprises in Nepal, said Monday it has invested \$500,000 in MedPro International. MedPro, which is led by cardiac surgeon and healthcare entrepreneur Bishal Dhakal, runs a venture under the banner of Health at Home Nepal. Established in 2007, it is an out-of-the-hospital healthcare service provider.

The company provides a range of care services for patients, from general nursing care to critical care for severely ill patients and long-term, chronically ill patients. It also offers counselling for patients, physiotherapy services and monthly prescription-drug delivery.

Dhakal said the firm has over 10,000 people in its network and plans to use the money raised to add a digitisation component to the business. "We started operations much before some of the well-known Indian names came into the picture and have always been profitable. We are also looking at collaboration and exploring if we can expand into some markets in India, especially Uttar Pradesh and Bihar," he said.

Dhakal added that the firm has recorded a spike of 600-700% in demand because of Covid-19 and expects to double its annual revenue over the next few years. It may also look at another round of funding in two-three years.

Read more at: <https://bo2.com.np/2021/08/>

Pakistan

Digital Farming Essential For Smart Agriculture Revolution In Pakistan

China is willing to share its experience and help integrate information technology and agriculture to bring about green revolution in Pakistan.

Facing the common challenge of climate change, pandemic, and population growth, a smarter agriculture is the way forward for many countries including China.

“The integration of information technology and agriculture will bring about the third green revolution: agricultural digital revolution,” said Zhao Chunjiang from China’s National Engineering Research Centre for Information Technology in Agriculture. “By 2025, China’s digital agro economy will exceed a USD 100 billion.”

In the past, farmers laboured for hours in the fields. But now farm work can be done with internet systems, said a staff member of the exhibitor, Ningxia Green Pioneer (Lvxiangfeng) Agricultural Mechanical Services Company, which has transformed local farming model with drones, precision hole-sowing machine, driverless harvesters and plant protecting devices, remote surveillance equipment, etc supported by the Internet of things, cloud technology, big data, etc.

Read more at: <https://nation.com.pk/23-Aug-2021/digital-farming-essential-for-smart-agriculture-revolution-in-pakistan>

The Securities and Exchange Commission of Pakistan (SECP) Approves Various Technology Driven Solutions Under ‘Regulatory Sandbox’

The Securities and Exchange Commission of Pakistan (SECP) under the Second Cohort of Regulatory Sandbox has granted approval to various innovative solutions including parametric insurance, real estate asset tokenization, unified digital distribution of mutual fund application, digital identity/AML/KYC (AI based) and centralized KYC.

The SECP, in pursuance of its reforms agenda to support and encourage fintech revolution in the country had launched the 2nd cohort of Regulatory Sandbox, in April 2021. The 2nd cohort received immense response from a wide range of innovators including well-established entities, foreign companies and start-ups. Dozens of applications proposing modern solutions and business models were received, however, preference was given to innovation in the areas of security token offerings (STOs), blockchain/distributed ledger, machine learning and robotic processes automation-based solutions. A good number of female entrepreneurs also submitted applications.

Read more at: <https://nation.com.pk/21-Aug-2021/secp-approves-various-technology-driven-solutions-under-regulatory-sandbox>

Kamyab Pakistan Programme To Bring 3m Families Out Of Poverty Cycle

Federal Minister for Finance and Revenue Shaukat Fayyaz Ahmed Tarin on Tuesday said that proposed Kamyab Pakistan Programme would bring at least three million families out of the vicious cycle of poverty in the next three to five years with Rs 1600 billion to be disbursed through different products.

Federal Minister for Finance and Revenue held a meeting with the Special Assistant to the Prime Minister on Social Protection & Poverty Alleviation Dr Sania Nishtar at the Finance Division. During the meeting, the Finance Minister informed Dr Sania that for transparency's sake the prospective beneficiaries will be accessed through the Ehsaas NSER data base only. SAPM on Social Protection and Poverty Alleviation commended Kamyab Pakistan Programme (KPP) for providing relief to under-privileged segments of the society through better financial empowerment opportunities. She affirmed full support and facilitation on the occasion.

Read more at: <https://nation.com.pk/11-Aug-2021/kamyab-pakistan-programme-to-bring-3m-families-out-of-poverty-cycle-tarin>

Telenor Committed To Promoting Skills For A Digital Future Via EdTech

In its efforts to reduce inequalities and provide access to education for all, Telenor Pakistan has signed an agreement to scale Orenda's Taleemabad project. This step is in line with the organisation's focus on building skills for an accelerated digital future under its sustainability agenda and aims to provide high-quality digital educational services to underserved students and schools in Pakistan while building a sustainable business model. Chief guest of the occasion, Federal Minister for IT and Telecommunications, Syed Amin ul Haque, said that, "A key goal of the Digital Pakistan Policy is to create a digital ecosystem with infrastructure and institutional frameworks for the rapid delivery of innovative digital services, applications and content. Collaboration towards achieving joint ambitions is key for us to truly prosper digitally. A philosophy which we have adhered to while designing the Digital Pakistan Policy 2021. I look forward to supporting Telenor Pakistan, Orenda and GSMA in helping us achieve essential milestones in our journey towards digitalisation."

Read more at: <https://nation.com.pk/07-Aug-2021/telenor-committed-to-promoting-skills-for-a-digital-future-via-edtech>

Sri Lanka

SMEs Most Affected: Cabraal

The most affected enterprises due to the prevailing situation in the country are the small and medium businesses, State Minister of Money and Capital Market and State Enterprise Reforms Ajith Nivard Cabraal stated.

Dismissing rumours about the lack of US Dollars for exchange of commodities and various other speculations about the lack of essential goods, Cabraal went on to say that by locking down the country, no good would happen. The economy would further suffer to a point of no turning back, putting pressure on daily wage workers and SME owners.

Furthermore, he condemned the Opposition by saying that they only want to see the country sink further, and just as they opposed the opening of the Colombo Port City. Cabraal added that they should understand that using statistics by the World Bank does not matter, as what matters the most to small business owners is to sell their goods on a daily basis, unlike monthly salaried people.

Urging the government to not further impose a complete lockdown, but to enable the economy to proceed with precautionary measures in place, Ajith Nivard Cabraal confirmed that USD 120 million has already been allocated for the islandwide vaccination drive and more funds would be allocated to ensure everyone is vaccinated.

Read more at: <https://www.themorning.lk/smes-most-affected-cabraal/>

Creating A Transparent Digital Economy

The benefits of digitisation are growing. Even before Covid-19 struck, digital goods and services were expanding four times faster than the overall economy in the US. Then video conferencing, online shopping, telemedicine, and the like enabled tens of millions of people around the world to adapt after the pandemic erupted last year. Today, the five largest US technology stocks account for nearly a quarter of the value of the S&P 500 Index while China's big three account for nearly a third of the value of the MSCI China Index.

Yet consumers worry about the way companies capture their data and influence everything from their news and music feeds to the advertisements suggesting what they should buy and where. The majority of consumers say they prefer to maintain their privacy and avoid sharing information with companies, according to Oliver Wyman Forum's Global Consumer Sentiment Survey.

Without deep reform of the way companies treat data and governments regulate it, this mistrust threatens to become for the digital economy what carbon dioxide is for the physical world: an unseen pollution that threatens the sustainability of data ecosystems. And like carbon, those apprehensions have externalities that can cause societal harm. Willingness to share health information to contain the coronavirus declined as the pandemic worsened last year.

Read more at: <https://www.themorning.lk/creating-a-transparent-digital-economy/>

Updates from Members

AFGHANISTAN

AMA: MISFA Completes Implementation Of World Bank-Funded Multi-Year Project

MISFA successfully completed the implementation of several initiatives funded through Access to Finance, a project funded by the World Bank from 2014-2021.

The main objective of the project was to increase financial inclusion by supporting financial institutions that serve low-income Afghans, including microfinance institutions (MFIs); as well as programs that help ultra-poor households escape object poverty, effectively banking the unbanked.

The Access to Finance (A2F) project involved four components: I) Capacity Building (CB); II) Support to Policy and Regulation; III) Targeting the Ultra-Poor (TUP); and IV) Strengthening of MISFA. Each component has distinct objectives, beneficiaries and delivery mechanisms.

Some of the achievements under the CB component include:

- Development and launch of tailor-made financial products targeting youth, women and the agriculture sector;
- Integration of MFIs into the Afghanistan Payment System (APS), the national switch of the country, which allows interoperability among financial systems and makes digital financial services possible;
- Establishment of SME departments in two commercial banks, Ghazanfar and Azizi;
- Update of MFIs' policies, procedures, and operational manuals;
- Procurement and installation of soft/hardware by MFIs that strengthen control systems, mitigate risk, and increase operational efficiency and staff productivity;
- Opening of new MFI branches, including women-only service outlets to increase access to finance;
- Support to more than 53,000 microfinance and SME clients, who received three months interest waiver for the lockdown period in 2020 due to spread of the Covid-19 pandemic. Out of the 53,954 clients receiving the interest waiver, around 10,000 (18% percent of the beneficiaries) received another loan and more than 30,000 of them became regular clients while they were in default during the lockdown period: April-June 2020; and
- On-site and off-site trainings for the staff of CBF recipient institutions.

A2F's support to policy and regulation included substantive support to the Central Bank towards the development of its financial inclusion strategy over the years, under the auspices of A2F. In addition, this A2F component supported the advocacy and coordination efforts of the Afghanistan Microfinance Association (AMA). AMA organized several microfinance awareness workshops, radio campaigns at national level and consultations with relevant local government stakeholders to enhance their cooperation with MFIs and address operational challenges in the field.

The TUP component emerged as a flagship program of MISFA. Around 13,000 ultra-poor households (estimated 88,886 individuals) escaped abject poverty and obtained livelihoods. Under this project, beneficiaries receive a holistic and comprehensive package of assistance over a period of two years. The package includes productive assets, health, financial literacy and skills/livelihoods trainings, subsistence support, social and health awareness and linkages with financial institutions, market and public service delivery facilities such as hospitals, clinics, and schools.

An impact Evaluation of the TUP Project in Balkh province, conducted by the World Bank's Evaluation team (DIME), validates the strong results of the project especially on women empowerment; indicators suggest TUP Afghanistan's impact on empowering women has higher returns than similar programs implemented in other countries.

The last component, strengthening of MISFA, supported many institutional strengthening initiatives as well as MISFA's own operational cost-efficiency and effectiveness. A2F helped the establishment of a Knowledge Management unit and KM strategy. Among the many examples of this are: the development and launch of the Progress out of Poverty Index (PPI); and the longitudinal impact evaluations of both TUP and microfinance programs.

BANGLADESH

CDF: BRAC Bank Posts Strong Results In H1

Regaining its business momentum amid the ongoing Covid outbreak, BRAC Bank has posted a profit after taxes of Tk 285 crore on a standalone basis and Tk 215 crore on a consolidated basis in the January-June period of 2021, said a press release.

BRAC Bank held its earnings disclosure for the first half of 2021 on a virtual platform on Monday. The bank's earnings per share (EPS) stood at Tk 2.04 on a standalone basis and Tk 1.85 on a consolidated basis.

Net asset value (NAV) per share stood at Tk 33.59 on a standalone basis and Tk 34.73 on a consolidated basis. BRAC Bank managing director and CEO Selim RF Hussain, BRAC Bank DMD and CFO M Masud Rana, DMD and COO Sabbir Hossain, DMD and corporate banking head Tareq Refat Ullah Khan, DMD and SME banking head Syed Abdul Momen and other senior business heads were present at the disclosure programme.

One minute of silence was observed at the beginning of the event to pay homage to the country's founding president, Sheikh Mujibur Rahman, on his 46th death anniversary.

CDF: BRAC Bank Gives Tk 4.54cr In Food Support For Covid-Hit Families

BRAC Bank has initiated a special CSR programme to stand by Covid-affected families, said a press release. The bank has recently signed an agreement with BRAC, the world's largest NGO, to implement the project.

The Bangladesh Bank asked all scheduled banks in April to allocate a special CSR fund equivalent to 1 per cent of the banks' 2020 profits. The fund is necessitated to support with essential food or equivalent support in cash, or health and hygiene materials, or medicare of suspected COVID patients, or financial support to those who have lost their livelihood and are affected by COVID-19.

BRAC Bank has allocated a fund of Tk 4.54 crore to provide emergency food support to 30,267 affected families across. BRAC will be transferring the fund, on behalf of BRAC Bank, through mobile wallet bKash. Each family will receive Tk 1,500 which will enable them to buy essential food and other emergency necessities for two weeks.

The initiative was announced on Sunday, mentioning that the distribution of money will be completed by the second week of the month. Ten districts exposed to high risk of Covid transmission and under strict lockdown will be prioritised under this initiative. The districts are: Khulna, Satkhira, Bogura, Magura, Dinajpur, Natore, Jaipurhat, Bagerhat, Chuadanga, and Chattogram.

BRAC executive director Asif Saleh said, 'We greatly appreciate this timely support from BRAC Bank. It will contribute to our initiative, Dakche Abar Desh, to bring food to the vulnerable households for whom the lockdown continues to prove particularly harsh.'

BRAC Bank managing director and CEO Selim RF Hussain said, 'We are thankful to Bangladesh Bank for their thoughts and guidance on supporting the COVID-affected families. We would also thank BRAC for helping us in executing this enormous task, following the regulatory guidelines, to reaching out to the actual needy families.'

INDIA

MFIN: News

MFIN signs MOU between Assam government and 37 microfinance lenders: [The Economic Times](#)

MFIN: Microfinance Sector Advocacy:

- The Government of Assam and 37 lenders including 6 Universal Banks, 25 NBFC-MFIs, 2 NBFCs, and 4 Small Finance Banks signed an MoU on 24th August 2021 for joint implementation of the Assam Microfinance Incentive and Relief Scheme (AMFIRS), 2021. MFIN played a key role in negotiations with the Government.
- In response to MFIN's feedback on 'RBI's Consultative Document on Regulation of Microfinance', RBI had requested to:
 - Suggest a model/approach for Household Income Assessment which could be followed by all lenders, since MFIN had suggested that both the SROs could design the best standards/guidance on Household Income Assessment which can be adopted by all lenders. A note prescribing a three-step approach [(i) Checking customer eligibility using simple survey, (ii) Assessment, verification, and triangulation of income & (iii) Benchmarking of income assessment based on industry macro data for occupation and location was sent to RBI on 16th August 2021.
 - Provide illustrated comparative examples of the calculation methodology for Effective Interest Rate (EIR) provided in the CD vis-à-vis calculation methodology as suggested by MFIN. The illustrations were sent to RBI on 31st August 2021.

- MFIN closely engaged with Department of Financial Services and Banks on the Credit Guarantee Scheme for MFIs (CGSMFI). DFS is being regularly updated on the loan proposals submitted to Banks under the scheme and the issues faced by Members in loan sanction/disbursement.
- A Letter was sent to the Honorable Finance Minister for the release of NCAER report titled 'Present and Potential Contribution of Microfinance to India's Economy'. This study, using the framework of the Input-Output Model, concluded that microfinance share in the country's GDP is 2.03% and it provides 12.85 million jobs.
- Representation was submitted to Shri Narayan Tatu Rane - Honorable Minister for Micro Small and Medium Enterprises on 19th August 2021 with a request for "Exemption from Requirement of Udyam Registration Certificate for Microfinance Funded Microenterprises".

MFIN: Collaterals:

- Annual Report 2020-21 was released on 27th August 2021. The content of the report focusses on the response of MFIN and the industry to Covid 19 and is a good showcase of the resilience of the industry during the global pandemic. <https://mfinindia.org/Resources/annualreport>

MFIN: Governance:

- The newly formed MFIN Board, re-constituted the Sub-Committees and Task Forces. These include three Sub-Committees : NRC, Audit and Associates and six Task Forces: Task Force on Advocacy, Credit Bureau, State Initiatives, Small and Medium MFI, MFIN 2025 and Fintech for Inclusion. Of the Task Forces, MFIN 2025 and Fintech for Inclusion have been introduced this year.
- The Small and Medium MFI Task Force (SMTF) conducted a meeting on 24th August 2021. The SMFT appreciated the focused efforts of MFIN in supporting the Small & Medium MFIs. The Task Force further advised on the focus this year to be on capacity building of Small & Medium MFIs through experience/knowledge sharing sessions and liquidity support through MFIN's ongoing initiatives like Impetus platform and lenders/investors meeting etc.
- The Advocacy Task Force provided its advice on the Credit Guarantee Scheme and issues to be highlighted to Department of Financial Services.
- The first meeting of the reconstituted Credit Bureau Task Force was held on 31st August 2021. The meeting discussed the impact of upcoming regulations on Credit Bureaus and the need for a robust Credit Bureau ecosystem. The Task Force decided to prioritize the following this year:
 - Popularization of VID verification.
 - Emphasis on improving data quality and daily submissions.
 - Use of Comprehensive Credit Information Report (CCIR).
 - Constant engagement with all CICs.
 - Advocacy with RBI on Credit Bureau issues including suitable changes in UCDF, access to Aadhaar ecosystem.

MFIN: Capacity Building:

- RADAR Training of Trainers (including SPOCs) Workshops was organized from 17th – 19th August 2021. The workshop attended by 260 participants focused on the importance and role of RADAR, MFIN's District Forum & State Chapter meetings and the granular data collected by these forums on a quarterly basis. TOT Modules were created and translated into eight vernacular languages for trainers to facilitate training within their respective institutions.

NEPAL

CMF: Central Bank Digital Currencies: A Potential Response To The Financial Inclusion Challenges Of The Pacific

Many Pacific island countries are among the world's most remote and geographically dispersed. As such, financial inclusion remains a major challenge, with many in the region still lacking access to financial services.

This policy brief considers whether central bank digital currencies (CBDCs) can promote the accessibility of financial services across the Pacific islands and the design choices involved in their development.

The brief suggests that CBDCs may offer a highly efficacious solution to (i) the problem of high remittance costs that currently serve as a tax on the earnings of Pacific islanders abroad when they send money home, and (ii) the financial inclusion challenges of the region. However, implementation of these digital currencies is a significant challenge.

The CBDC is a complex piece of software and a complex digital framework capable of generating both economy-wide benefits and shocks. The establishment and operation of a CBDC by any Pacific country will require considerable expertise and a deep understanding of the designs and issues this fundamentally new form of currency gives rise to in the local context.

The development of a safe, efficient, and accessible CBDC is likely to require Pacific island country regulators to redirect scarce resources away from pressing challenges, such as enforcing anti-money laundering and counterterrorism financing regulations, while maintaining correspondent relationships with overseas commercial banks.

For this reason, this brief concludes that now is not the time for countries in the region to issue a CBDC, but it is the time to begin to develop the expertise and understanding. Understanding such matters requires focused study and substantial time for reflection and working through all potential consequences. If well-designed and appropriately implemented, CBDCs likely offer the best solution to the financial inclusion and remittance problems that bedevil the Pacific region. Now is the time to begin laying the groundwork for this potentially game-changing innovation by building knowledge within the region's central banks.

To Access Full Report: <https://www.adb.org/sites/default/files/publication/720016/central-bank-digital-currencies-pacific.pdf>

PAKISTAN

PMN: Member Updates

- Khushhali Microfinance Bank Limited (KMBL), Pakistan's leading microfinance institution, recently pioneered another innovative product – [‘Apna Makaan’](#) – an affordable home-loan that provides the low-income households with an opportunity to own formal housing and improve their quality of life. This is a unique opportunity for the low-income segment to avail low markup house building loans of up to PKR 2,000,000/- for the purpose of buying, constructing or extending their houses. This facility can be availed through KMBL branches and is repayable in equal monthly installments for a tenure period of 5-20 years. This offering is structured under the ‘Mark-Up Subsidy Scheme’, regulated by the Government of Pakistan, to support the construction industry and uplift the economy.
- [FINCA Microfinance Bank Ltd](#), in line with its mission to alleviate poverty and improve the living standards of the people of Pakistan, has been taking continuous measures to promote diversity and inclusion within and outside the organization. While the female diversity ratio within the organization has jumped up to a handsome 22%, the female clientele mark has also reached ~25,000 women borrowers, reported as of 30th June 2021. Celebrating the similar spirit of diversity and inclusion offered by our country as well, the Bank has launched a campaign; ‘AikHain, AzaadHain’ on the occasion of the 75th Independence Day of Pakistan.
- [U Microfinance Bank in collaboration with the Capital Development Authority \(CDA\)](#) led a tree plantation drive on 6th August, 2021 in I-8 Kachnar Park, Islamabad. The plantation took place on approximately 1.5 acres of land and consisted of 6000 trees making it the largest Miyawaki Forest in Islamabad. U Microfinance Bank strives to become a triple bottom line focused company with “People, Planet and Profit” at the center of its vision. This is the third year that U Bank has participated in annual tree plantation drive which is part of U Bank's larger vision to work towards reducing its carbon and waste footprint as well as towards introducing products while keeping the effects of climate change in mind. Named after the famous Japanese botanist Akira Miyawaki, the Miyawaki method is a forest regeneration technique that aims to recreate self-sustaining, multilayered indigenous forests on degraded land with little to no human intervention.

SRI LANKA

Newly Elected Office Bearers of Lanka Microfinance Practitioners' Association (LMFPA)

The Lanka Microfinance Practitioners' Association (LMFPA) is the representative body of the microfinance practitioners of Sri Lanka. LMFPA, was initiated in 2006, and registered as an association in year 2007 envisions a “Dynamic & Sustainable Microfinance Network for an Inclusive Financial System in Sri Lanka”, with the mission of “contributing to the development of sustainable microfinance service by, supporting all the stakeholders in the sector and creating a conducive environment through collective action in an effective and efficient manner”. Currently there are 53 organizations who are members of LMFPA.

The Annual General Meeting of the association was held online via ZOOM for the first time under the new normal environment on the 14th of September 2021 and a new board of Directors was appointed. Mr. Priyantha Dematagoda

(of Sewa Community Credit Ltd) was unanimously elected as the new President while Mr. Imran Nafeer (of Muslim Aid Micro Credit Guarantee Limited) elected as the Secretary and Mr. Wasantha Gunawardena (of People's Micro-Commerce) was elected as the Treasurer of LMFPFA for the year 2021/2022. Other elected officials are as follows:

- Immediate Past President – Mr. Anura Atapattu of Berendina Micro Investments Co Ltd.
- Vice President – Mr. Gnanasiri Abeywardena of Dumbara Micro Credit Ltd
- Asst. Secretary – Mrs. Tharanga Ileperuma of Agro Micro Investments Ltd
- Director – Mr. Victor Ratnayake of Nomic International Ltd
- Director - Mr. Saman Ranaweera of Ventura Crystal Investments Ltd
- Director - Mr. Chamika Weerasinghe of Purewin Credit & investments Ltd
- Director - Mr. Ransith de Mel of Eclof Lanka (Gte) Ltd
- Director - Mr. Udaya Bandara of Arthavida Intermediary Ltd
- Director - Mr. Prasad Seneviratne of Silvereen Micro Credit Company Ltd
- Director - Mr. Bandula Hennadige of South Asia Partnership
- Director - Mr. Conrad Ranawake of The Institute for the Development of Community Strengths
- Director – Mr. Felician Jayakody of Lanka Credit & Business Finance Ltd

In-Focus

Bridging Financing Gaps For Women Starts With Better Data And Technology

The pandemic has damaged economies and derailed livelihoods. Poor communities have suffered, with lockdowns and lost income exposing them to even deeper poverty. Women have experienced some of the most extreme impacts. Even before the pandemic they lacked access to basic financial services and knowledge that can help people to survive in difficult times.

ADB recently launched the Women's Finance Exchange to promote awareness about how women can improve their finances and livelihoods. Christine Engstrom, who heads the financial institutions division of ADB's private sector operations department, says the pandemic has been particularly trying for the region's women. She explains how the Women's Finance Exchange can help to ensure nobody is left behind as countries recover.

Why do women face extra barriers to obtaining basic financial services?

Just as in other industries, biases and conventional ways of banking may be blind to gender gaps. Despite progress, there is still a consistently large financing gap for women and women-owned small- and medium enterprises, estimated at \$1.7 trillion globally.

Women also face barriers such as a lack of documentation of their business operations, as well as collateral, formal identification, or a network for female entrepreneurs to provide support. In addition, women often live long distances from financial institutions, and women's ownership of mobile phones is more limited than that of men, restricting a key channel for the distribution of financial services.

Lending to women is also constrained by the risk aversion of banks (toward those people without traditional collateral) and a lack of gender-disaggregated data. Without data, financial institutions do not have a clear understanding of the potential market opportunity to provide financial products and services to women. As a consequence, they are not aware of the business case for serving low-income women. There are also cultural and religious factors. In some parts of Asia, women need the consent of a male family member to access formal financing.

What is the impact on their lives and on the region's economies?

Women who do seek financing often rely on informal sources, such as loans from friends and family, or loan sharks. As a result, women are limited by the amount of financing available and often subjected to high interest rates that could lead to debilitating indebtedness. This means they miss out on opportunities to scale up their businesses through stable financial support, and to receive training from formal institutions.

Due to institutional gender bias in our systems and cultures, many women lack information and awareness of financing options. They also may not understand the role of financial institutions and the way they evaluate borrowers and businesses. Because of this, many women entrepreneurs are reluctant to seek financing at all.

Has the pandemic made matters worse? If so, how?

The pandemic has made matters worse. Retail and service sectors, which are often dominated by women, were hit hard by the pandemic, putting millions of women at risk of losing their jobs. Recent estimates by the International Labour Organization indicate that of the 55 million domestic workers globally at risk of losing their jobs and incomes due to lockdowns and lack of social protection, 37 million are women. This can be devastating for women, particularly those who are single mothers or who are critical contributors to family income needed to obtain food and shelter.

For women-owned businesses, the pandemic has meant no work, and this is often further compounded by the lack of any type of national level safety net. In addition, for countless women in economies of every size in Asia and the Pacific, the burden of caring for the family has become an even more onerous challenge. High rates of mental and emotional distress were also reported during the pandemic, with women reporting higher rates than men.

Full Story Can Be Accessed Through: <https://www.adb.org/news/features/bridging-financing-gaps-women-starts-better-data-and-technology>

Supporting Youth-Led Entrepreneurship In Rural Bhutan

Story Highlights

- Bhutan's unemployment rate has risen due to the COVID-19 economic downturn.
- Creating jobs for young people and investing in human capital is a top priority for Bhutan's government.
- A World Bank supported project aims to generate new and more productive employment for youth in Bhutan.

“Coming from a family of ten, I had to give up my education due to financial constraints at home. I am now a simple housewife with five children. And my husband is the only source of income,” says a 27-year-old Ugyen Tshomo, resident of Bjagchhog gewog, a small village in the south-west of Bhutan. “Never in my wildest dreams, could I have imagined that I would be blessed with an opportunity to become an entrepreneur and to be financially independent, especially at this age,” she added.

Ugyen is part of a cohort of 500 youth currently participating in a capacity building program under the Youth Employment and Rural Entrepreneurship (YERE) project administered by the World Bank and implemented by the Ministry of Agriculture and Forests (MOAF), with financial support from the Japan Social Development Fund (JSDF). The project aims to generate new and more productive employment for the poor and vulnerable youth in Bhutan. Considering the country’s cultural traditions and current state of development exacerbated by the Covid-19 Pandemic, youth, especially in rural areas, need support in accessing income-generating opportunities that do not require capital investment and professional education.

Bhutan has made significant progress in poverty reduction and economic growth in the past decade. Poverty has fallen from 36 percent to 12 percent and real GDP has grown at an average annual rate of 7.5 percent since the 1980s. This has largely been driven by rapid development of rural infrastructure, and recent hydropower projects. Despite this growth, the unemployment rate is at a historically high level of 5%, up from 2.7% in 2019. This is mainly driven by overseas returnees and local employees who were laid off due to the economic downturn resulting from the Covid-19 pandemic. The overall youth unemployment rate also increased to 22.6 percent—of which women accounted for more than half of this figure (11.9 percent) in 2019 which is also the highest on available data to date.

Promoting Job creation for young people and investing in human capital has always been a top priority for the Royal Government of Bhutan (RGOB) and has become even more critical since the Covid-19 pandemic started. In July 2020, close to 30,000 Bhutanese were seeking jobs[2], including more than 13,000 who lost jobs domestically, and over 3,000 Bhutanese returnees who lost their jobs abroad. The Government of Bhutan reiterated its focus on generating employment for young people and its need to boost domestic exports for a fast and robust economic recovery.

Full Story Can Be Accessed Through: <https://www.worldbank.org/en/news/feature/2021/08/30/supporting-youth-led-entrepreneurship-in-rural-bhutan>

How Do You Feed A Rapidly Warming Planet?

Climate change isn't coming, it's already here. We see it in heatwaves, droughts, fires, torrential rain, and floods. So, how are these changes affecting the food system? And is it all bad news?

World Bank Lead Agriculture Specialist Erick Fernandes, who has recently retired, says there are science-based ways to mitigate the impacts of climate change, and even to help people to better adapt and thrive through the current and coming adversity.

Q. Can you help us understand the challenges faced by the agriculture and food systems?

A. As global temperatures increase, different components of the food system are impacted differently, whether it's crop yields and nutrients in crops, the circulation of carbon and water in agroecosystems, and shrinking biodiversity and the loss of critical ecosystem services. All these factors are important for sustainable agriculture and food systems, and they cascade into our farming systems from local to landscape scales and across seasons.

Q. The implications of climate change go beyond difficulties for farmers. Could you explain the linkage between climate change and lower nutritional values in crops?

A. What the scientists are finding is that as carbon dioxide levels increase in the atmosphere, protein levels, and micronutrients such as zinc and iron, can decline in the edible parts of the crops such as wheat, corn, and rice. That's because high levels of atmospheric carbon dioxide disrupt plants' internal chemistry, altering how much protein and other nutrients they produce and store internally. But we're finding there are ways to mitigate nutrient reductions in food crops by changing how we manage our crops and pastures, the inputs we use in our fields and grazing lands, and by developing new crop varieties that are more nutritious and resilient to increasing carbon dioxide levels and warmer temperatures.

Q. Does this mean people will have to expand the types of foods they eat? You say it's a limited variety now?

A. Humanity is largely reliant on three grass species and two root crops. Corn, rice, and wheat are the major grass species, and potatoes and cassava are the two major root crops. Those species are being affected by changes in climate. One way out of this is to ask, how can we diversify food systems so that we have a range of other crops supplying food, forage, and nutrition? There are thousands of edible species ("forgotten crops") that are found in local and rural markets but haven't been developed enough for wider use, and that's largely a function of agribusiness and trade systems that have focused on the key cereal and root crops that have sustained populations over time.

Q. How do we keep ahead of these changes?

A. We have been harnessing the best science to generate climate models that provide projections of future climate change from local to national and regional scales. These projections over a range of spatial and time scales allow scientists and policy makers to better assess the synergies and tradeoffs of adaptation and mitigation options and the costs involved.

In addition, at the World Bank Group, we have been able to access extremely high-resolution weather data, which comes from a combination of satellite information and ground stations. Then, by using machine learning techniques, we can generate key weather advisories for farmers.

Q. So what is being done to help farmers cope with climate change?

A. One of the things we're doing at the Bank is looking across the planet and preparing detailed climate change projections coupled with high resolution weather data to send out alerts to our teams that are preparing investment programs with our many client countries.

We have evidence out of various sub-regions of Africa that shows just how much these forecasts can help farmers to make needed changes so that they are better adapted and can take advantage of emerging markets and financial incentives from carbon markets.

What we're working toward is an approach that considers people, the food system, and the environment all at once, and those are the principles of climate-smart agriculture, which is a major point of emphasis for the Bank's investments for more resilient and improved agriculture and food systems for the future.

Full Article Can Be Accessed Through: <https://www.worldbank.org/en/news/feature/2021/08/25/q-a-how-do-you-feed-a-rapidly-warming-planet>

About SAMN

The South Asian Micro-Entrepreneurs Network (SAMN) is a regional microfinance industry association working to enhance financial inclusion among low-income population in South Asia. SAMN achieves this by improving knowledge, business environment and capital flows for the microfinance industry. SAMN, through its members, who national networks from the countries of the region, is the representative and collective voice of the industry reaching more than 50 million low-income customers in the region.

SAMN was established in late 2008 with a vision to improve quality and scale of financial services among low-income population in the countries of South Asia. The early foundation of SAMN was laid by ACTED, a French INGO along with a number of regional and global microfinance stakeholders.

Today, SAMN membership consists of the leading national networks in six countries of the region representing over thousand microfinance providers and other industry players. The current SAMN members, each represented by Executive Head on the Board of Directors, are:

- **In Afghanistan:** Afghanistan Microfinance Association (AMA)
- **In Bangladesh:** Credit and Development Forum (CDF)
- **In India:** Microfinance Institutions Network (MFIN)
- **In Nepal:** Centre for Microfinance (CMF)
- **In Pakistan:** Pakistan Microfinance Network (PMN)
- **In Sri Lanka:** Lanka Microfinance Practitioner's Association (LMFPA)

