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MONTHLY NEWSLETTER

This document contains the latest news and publications from SAMN member countries

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Bangladesh

Bangladeshi Women Are Rising-Onwards and Upwards!

Last February, I met Chaya Rani Das, a very talented woman with extraordinary leadership skills.

As an elected official in the Union Parishad (local government), she is an influential decision-maker. As a key member of the school committee in Dacope Upazila, she ensures that the children in the village get an education. As a female entrepreneur, she leads women's groups in the community, organizing them to grow food, engage in livestock farming and take care of tree plantations along the river embankment to earn wages.

Her determination to improve the lives of women and to invest in a better future for children through education is exemplary.

Chaya's accomplishments reflect those of millions of Bangladeshi women leaders who are rising and charting their paths towards prosperity, and finding their voices at the family, community, or national levels.

Read more at: <https://blogs.worldbank.org/endpovertyinsouthasia/bangladeshi-women-are-rising-onwards-and-upwards>

India

Road Ahead for India's Microfinance Sector

The microfinance industry (MFI) has seen an unprecedented growth over the past two decades. From setting up India's first MFI in the form of the Self-Employed Women's Association or SEWA in Gujarat which established the SEWA Bank in 1974 with a handful of players offering self-help groups and joint lending groups loans to a matured market, providing credit to over 6 crore borrowers, the industry has come a long way.

When the pandemic hit and the country had to put a break on virtually all activities, the microfinance industry was perhaps one of the worst hit with many of its customers losing jobs overnight. At a time when the Reserve Bank of India (RBI) is proposing a roadmap for converting small and payment banks into universal banks to push banking to the unbanked regions to achieve financial inclusion, does microfinance remain relevant?

Can smaller NBFC MFIs compete with deep pocketed banks with their vast reach? Can the industry grow when its customers are facing severe losses? To what extent are the government support schemes helping?

CNBC-TV18's Shereen Bhan spoke to Manoj Nambiar, CEO of Arohan Financial Services; HP Singh, Chairman and Managing Director of Satin Creditcare Network; and Rajat Verma, MD and Head-Commercial Banking at HSBC India to discuss India's microfinance story.

Read more at: <https://www.cnbctv18.com/videos/finance/explained-road-ahead-for-indias-microfinance-sector-8500791.htm>

Mid-Sized Lenders Take the Lead in Funding Non-Banks

Small and mid-sized public sector lenders have turned bullish on the growth prospects of non-bank financiers and are undercutting larger peers to fund them.

The optimism stems from the fact that non-banking financial companies (NBFCs) are expecting a healthy loan growth, especially in their retail book, two bankers said on condition of anonymity. Smaller banks, the bankers said, can offer loans at rates that larger banks are not able to match, despite their lower cost of funds. The primary reason is that bigger banks are not willing to take risks and quote a lower spread on the loan. Besides, the Reserve Bank of India's (RBI) increasing oversight on NBFCs is being seen as a positive for the industry, which is expected to strengthen governance practices.

Read more at: <https://www.livemint.com/industry/banking/smaller-banks-take-the-lead-in-funding-nbfc-11614525496435.html>

Technology will be the Deciding Factor

There is a good chance that 2021 will be remembered as the year the world picked itself up after Covid-19. In particular, the banking sector was forced to make years' worth of technology and business model changes in a matter of months.

In India, since the nationalisation of banks, the banking sector has evolved significantly. A strong banking sector has been instrumental in India's growth over the years. However, the sector has been laden with high NPA levels. The introduction of the Insolvency and Bankruptcy Code (IBC) helped create a better resolution mechanism for large NPA situations.

Read more at: <https://www.businesstoday.in/magazine/indias-best-banks/technology-will-be-the-deciding-factor/story/432823.html>

Discussing Public Sector Banks Privatization with Centre: Shaktikanta Das

The RBI is discussing public sector banks privatisation with the centre, Governor Shaktikanta Das said on Thursday and added that the "process will move on." Mr Das emphasized that a healthy banking sector, with a strong capital base and ethics-driven governance remained a policy priority.

The government is looking at overhauling the banking sector, which is reeling under a heavy load of non-performing assets that are likely to rise further in wake of the pandemic. Meanwhile, the finance minister Nirmala Sitharaman had provided an assurance last week that not all banks will be privatised and wherever it happens, the interest of the employees will be protected.

Read more at: <https://www.ndtv.com/business/rbi-says-discussing-public-sector-banks-privatisation-with-centre-process-will-move-on-news-agency-pti-2398697>

Microfinance Disbursements Almost at Pre-COVID Levels - MFIN

Lenders and investors continued to show full confidence in the microfinance sector as evident by the debt funding going up 10.4% as compared to the previous quarter and equity moving up 16.6% compared to corresponding quarter last year.

Microfinance loan disbursements are reaching almost at pre-Covid levels backed by increased demand, with the gross loan portfolio (GLP) of NBFC-MFIs growing around 11% year-on-year in the third quarter this fiscal, microfinance industry association MFIN said on Monday.

MFIN said gross loan portfolio of non-banking financial companies-microfinance institutions (NBFC-MFIs) stood at Rs 74,712 crore as on December 31, 2020, compared with Rs 67,255 crore in the year-ago period. Microfinance industry's gross loan portfolio in the third quarter of FY21 witnessed an increase of 10.1% y-o-y at Rs 2,32,648 crore.

Read more at: <https://www.financialexpress.com/industry/banking-finance/microfinance-disbursements-almost-at-pre-covid-levels-mfin/2208852/>

Nepal

IFC Partners with Nepal Stock Exchange to Ring the Bell for Gender Equality

To raise awareness for gender equality, IFC, a member of the World Bank Group, joined the Nepal Stock Exchange (NEPSE) for the first time to 'Ring the Bell for Gender Equality.' The annual global event highlights how women's participation in the economy can spur sustainable private sector development.

The event comes at a critical moment, as the economic and social consequences of COVID-19 continue to disproportionately impact women — who make up 39 percent of global employment but account for 54 percent of the overall job losses due to the pandemic.

"We are pleased to join hands with IFC and UN Global Compact Nepal for our first 'Ring the Bell for Gender Equality event'," said Laxman Neupane, Chairman of NEPSE. "Together with more than 100 stock exchanges around the world, we are excited to take part in the call to action for gender equality. Fostering greater participation of women in our workforce, economy, and capital market is not just the right thing to do – it also makes strong economic sense."

Accelerating the pace of gender parity could lead to important economic, environmental, social, and governance gains in emerging and frontier markets. Despite some progress, women remain underrepresented in business leadership with only 17 percent holding board seats globally.

"As economies around the world struggle to recover from a global pandemic, increased participation of women can help accelerate the recovery process—making it more inclusive," said Pradeep Man Vaidya, President of United Nations Global Compact Network Nepal.

Read more at: <https://pressroom.ifc.org/all/pages/PressDetail.aspx?!D=26283>

Pakistan

The Pakistan Microfinance Investment Company Limited (PMIC) Sets Up Fund for Startups

The Pakistan Microfinance Investment Company Limited (PMIC) has recently set up and launched its “Institution Development Fund” to provide support to the companies that would not normally meet PMIC’s financing requirements, a statement said on Monday. PMIC had always encouraged greater ingenuity, innovation, and correlation to the communities that it serves.

The Institution Development Fund encourages lending for new organisations that work on women’s financial inclusion, provision of financial services in KP and Balochistan, and even for startups that deploy digital financial services and have developed mechanisms and technologies to reduce the cost of delivery of financial services.

This is yet another welcome step by PMIC to encourage new players to participate more actively in bringing about financial inclusion and to facilitate the provision of financial services to underserved communities across Pakistan, the statement said. Startups and organisations in their nascent stages in Pakistan require an institution or source of funding that supports them and offers them the path to prosperity, and the Institution Development Fund has been tailor-made to cater specifically to those companies.

Read more at: <https://www.thenews.com.pk/print/808427-pmic-sets-up-fund-for-startups>

EMGA Completes US\$25m Capital Raise for Kashf Foundation with Financing from CDC and Finnfund

The US\$25 million funding facility for Kashf Foundation was originated, structured, and negotiated by Emerging Markets Global Advisory Limited (EMGA), the emerging market investment bank, which continues to execute capital raising operations in most emerging countries, despite COVID-19.

Kashf Foundation is registered as a Non-Banking Micro Finance Company regulated by the Securities and Exchange Commission of Pakistan. Set up in 1996 as the first specialized microfinance institution of Pakistan it began its operations as a Grameen replicator and since then, Kashf has successfully carved out a distinct and unique niche for itself in the microfinance sector in Pakistan by offering a suite of innovative and transformative products and services to low-income households especially women.

Speaking on the transaction, Mr Shazad Iqbal, CFO of Kashf Foundation said ‘EMGA has successfully secured new foreign financing from two organizations that will allow us to deliver on our stated mission, including the provision of quality and cost-effective microfinance services to low-income households with a focus on women. As we continue to grow, we have decided that additional financing will be needed as we continue to implement our expansion plans, we are more than happy to extend our engagement with EMGA, tasking them to deliver additional financing for this year. We have found EMGA very helpful in expanding our investor base for debt raising in the international market. Our relationship with them has been built over several years and closing transactions such as this one has been key for us further build our offshore funder base and can also help leverage further funding from these and other like-minded investors in the future.

Read more at: <https://www.brecorder.com/news/40071733>

Profiting off the Poor, One Small Loan at a Time

MARYAM Bibi has taken agricultural loans eight times in as many years from different microfinance banks (MFBs).

Her first loan was of Rs12,000, which she paid back on time and qualified for a bigger one in the next borrowing cycle. Her last loan amounted to Rs45,000.

On paper, she's a perfect microfinance consumer: she's a poor, divorced woman who runs a small-scale livestock business in a tiny village on the outskirts of Larkana. Plus, she has maintained a perfect credit history for eight straight years.

But there's a big lie in that well-sounding customer profile. She neither owns nor runs any business. In fact, she's had no source of income throughout her life.

Read more at: <https://www.dawn.com/news/1613728>

New IFC Reports Find Family-friendly Workplaces Can Support Employees, Boost Businesses in Pakistan

IFC, a member of the World Bank Group, surveyed 140 employers in Pakistan and found that 27 percent offer childcare support to their employees. Among those that offer childcare, almost all report positive outcomes for businesses, employees, and society. Participating employers, including 13 companies that joined an IFC-led peer-learning collaboration and made commitments to become more family-friendly employers, cited improvements in employee retention and productivity, even in the midst of COVID-19. However, 48 percent of employers that do not provide childcare support and were surveyed said they do not see the need and/or benefit of doing so, pointing to low levels of awareness about the business case for employer-supported childcare.

This research and the collaboration among employers in Pakistan are part of an initiative led by IFC and the Pakistan Business Council (PBC) focused on advancing women's labor force participation by increasing employers' awareness of the business case and accelerating implementation of family-friendly workplace measures such as childcare.

Increasing women's employment is one of Pakistan's national development goals. In 2020, according to data from the International Labour Organization, less than 23 percent of Pakistani women of working age were part of the labor force, the lowest rate in the region and one of the lowest in the world. Raising this rate in line with the country's development objectives will require cross-sector collaboration and approaches, including a focus on employer-supported childcare, paid maternity and paternity leave, flexible work arrangements, safe transportation, and other family-friendly policies.

Read more at: <https://pressroom.ifc.org/all/pages/PressDetail.aspx?ID=26258>

Sri Lanka

CDB Raises EUR 5 MN in Subordinate Debt from Triodos IM to Strengthen Tier II Capital

Citizens Development Business Finance PLC (CDB) raised €5 Mn in Tier II qualifying capital, strengthening its capital ratios aimed at supporting its business growth.

The Tier II qualified subordinated loan which has a tenure of five years, has been extended by Triodos Microfinance Fund and Triodos Fair Share Fund which are two financial inclusion funds managed by Triodos Investment Management.

“In strengthening CDB’s future aspirations and in our quest to grow strategic sustainable partnerships, CDB now adds Triodos Investment Management into our portfolio of foreign funding partners,” states CDB’s Director Corporate Finance Roshan Abeygoonewardena. “CDB has always been incisively focused on a sustainability triad that encompasses environmental, social and governance (ESG) pivots which form the framework for infusing investment into sustainable business activities. The fundamental role of financial inclusion that supports economic growth therefore must reduce environmental impacts and have positive social influences. With this latest addition to our funding sources, these business fundamentals which are ingrained in the CDB business psyche are now further strengthened.”

Read more at: http://www.colombopage.com/archive_21A/Mar14_1615707335CH.php

Central Bank Launches the First-Ever National Financial Inclusion Strategy of Sri Lanka

The NFIS is strategically designed to align all isolated efforts of financial inclusion taken by various entities in the economy into a single direction, having noted the potential higher yield of these efforts.

Central Bank of Sri Lanka announced the launch of the first-ever National Financial Inclusion Strategy (NFIS) of Sri Lanka on March 4, 2021. Symbolizing the launch Governor of the Central Bank Deshamanya Professor W D Lakshman presented the NFIS strategy to Minister of Finance and Prime Minister Mahinda Rajapaksa yesterday.

The development of the NFIS was a multi-stakeholder effort led by the Central Bank which encompassed the expertise of various public and private sector institutions across the economy.

The technical and financial assistance for the NFIS development project was provided by the International Finance Corporation (IFC), a member of the World Bank Group under the “IFC-DFAT Women in Work Project”, funded by the Department of Foreign Affairs and Trade (DFAT) of the Australian Government.

Read more at: http://www.colombopage.com/archive_21A/Mar05_1614930009CH.php

Cracking the Code of Financial Inclusion in Sri Lanka

The refreshing taste of thambili, otherwise known as king coconut, is a preferred beverage for many Sri Lankans. Roadside stalls laden with thambili, like one owned by Siriyawathi Perera in Maharagama, a half an hour drive from Sri Lanka's commercial capital Colombo, are the ideal place to quench your thirst after a hectic day's work.

The demand for thambili is high—and the customers are usually in a hurry. “It's always a quick sip for most of those who stop by, which means that I have to hurry with the ‘märu salli,’” said Perera, referring to the local expression for the money change left over after a transaction. The constant demand for quick service and the haste to find the correct change for a thambili, which costs around \$60 cents, always posed a challenge for this roadside shop owner.

Perera, the sole breadwinner for her family, often felt she had only a few options when it came to managing her finances. Like many of her peers, she felt comfortable relying on informal sources of income, with little or no knowledge of formal financial services.

Read more at:

https://www.ifc.org/wps/wcm/connect/news_ext_content/ifc_external_corporate_site/news+and+events/news/financial-inclusion-sri-lanka

Updates from Members

AFGHANISTAN

AMA: Supporting Women-Friendly Transport for Greater Economic Participation and Social Empowerment of Women in Afghanistan

Ninety-Seven percent of women in major economic hubs of Afghanistan have signaled that they would prefer a Gender-Segregated Transport (GST) service if made available to them.

These findings are based on primary research conducted by IFC, a member of the World Bank Group, for a recent publication, *On the Road to Greater Mobility: Understanding the Demand for Gender-Segregated Transportation in Urban Afghanistan*. Over 2,000 Afghan women were interviewed in their homes, public places, and while waiting by the roadside for public transportation.

Affordable and safe public transportation is essential for women's greater economic participation and social empowerment. Previous research conducted by the International Labour Organization suggests that limited access to transportation services and lack of safety reduces the probability of women's participation in the labor force market in developing countries by as much as 16.5 percent. Although women comprise 49 percent of the 38 million Afghan population, the transportation policies of Afghanistan have yet to address the specific needs of women especially in the cities where women's mobility is higher than in the other parts of the country.

"Adopting a gender lens while designing transport solutions can help women save time, lower their expenditure, and make them feel safer while commuting. It can also increase their access to higher education, vocational training facilities, and job opportunities," said Nadeem Siddiqui, IFC Senior Country Manager for Afghanistan and Pakistan "This is the first of many steps needed to enable greater access to safe and reliable transportation for all, and especially women in the country. This is not only a good development agenda but also an untapped business opportunity for the private sector with half of the country's population comprising of women."

Read Full Article: <https://pressroom.ifc.org/all/pages/PressDetail.aspx?ID=26278>

BANGLADESH

CDF: For Bangladesh, Life Begins at 50

As a teenager, Prasenjit Pal saw trucks loaded with food drive into Bangladesh every night from the roof of his home in Agartala, capital of India's northeastern state of Tripura.

"The smugglers would carry almost everything Bangladeshis needed," said Pal.

The trucks still move but in the other direction now — driving into Agartala loaded with garments, electronic goods, and food like fish from the border. "My town totally depends on supplies from Bangladesh and when border guards get tough, we suffer," says Pal, now 50.

The Bangladesh Pal knew when in school was Henry Kissinger's "basket case." Fifty years after its birth, Bangladesh is now called "South Asia's economic bull case," with some even comparing its export-driven growth to South Korea or Vietnam.

Its hard-fought independence from Pakistan in 1971 cost 3 million lives and devastated its infrastructure, leaving it at the bottom of the list of poor nations in the 1970s.

To Access Full Article: <https://thediplomat.com/2021/03/for-bangladesh-life-begins-at-50/>

CDF: Geo-Tagging, Mobile Cash Transfers Come Together to Help Farmers in Bangladesh

In the wake of the COVID-19 pandemic, the World Bank supported the Government of Bangladesh to activate emergency cash transfer schemes for vulnerable smallholder dairy, poultry and aquaculture farmers to safeguard their livestock and fish assets. Production of eggs, poultry meat, dairy products and farmed fish have been particularly affected by marketing disruption during lockdown and by increased animal feed price. Under the new cash transfer program, approximately 700,000 farmers were identified as unique beneficiaries.

Immediate roll-out of these emergency funds was necessary, while also ensuring that it reached the right beneficiaries who had been pre-selected. However, paper-based surveys made it hard to pinpoint the exact location of beneficiaries, especially in hard-to-reach areas such as coastal regions. Additionally, monitoring efficient fund disbursement would be difficult during the pandemic.

Inspired by the use of Geo-Enabling Initiative for Monitoring and Supervision (GEMS) technology, the Project Management Units (PMUs) of World Bank supported investment operations in the agriculture sector of Bangladesh were quickly trained on the use of remote supervision tools.

To Access Full Article: <https://blogs.worldbank.org/endpovertyinsouthasia/geo-tagging-mobile-cash-transfers-come-together-help-farmers-bangladesh>



Living In The Light: The Bangladesh Solar Home Systems Story

The Bangladesh Solar Home Systems (SHS) Program is the largest national program in the world for off-grid electrification. Begun in 2003, SHS installations under the Program ended in 2018. It is the longest, continuously operating off-grid electrification program in the world.

The SHS Program was led and implemented by the Infrastructure Development Company Ltd (IDCOL). Over a 15-year period beginning in 2003, over 4.1 million SHS were sold and supported using a competitive business model that offered consumers a choice of quality SHS, made affordable with financing. About 14 percent of the Bangladesh population (2011 Census), about 20 million people, obtained electricity services through the SHS Program. The SHS Program enabled one-quarter of the unelectrified rural population in 2003 to obtain electricity services far sooner than would have been possible with grid electricity.

SHS were mainly used in rural homes for lighting, mobile phone charging, and powering TVs and radios. They were also used in about 200,000 rural businesses and religious facilities. The program led to SHS becoming a credible electricity source in Bangladesh and, more broadly, to the acceptance of solar photovoltaics (PV) as an electricity generation technology. Building on the credibility gained, SHS distribution to the poorest households under other government programs and commercial SHS sales picked up in later years along with IDCOL-financed sales. While the Bangladesh SHS Program will continue to 2021, this report covers the program from 2003 to 2018, describes its benefits and costs, and discusses how the program adapted to inevitable changes and risks over the 15-year period. It draws lessons that can help guide the development and implementation of other sustainable off-grid electrification programs.

Read Full Publication: <http://documents1.worldbank.org/curated/en/153291616567928411/pdf/Living-in-the-Light-The-Bangladesh-Solar-Home-Systems-Story.pdf>

INDIA

MFIN: News

- **MFIN and KPMG launch special report ‘Rejuvenating Microfinance in India – Embracing Digital’.**

Read Full Story: <http://www.uniindia.com/mfin-and-kpmg-launch-special-report-rejuvenating-microfinance-in-india--embracing-digital/east/news/2354376.html>

- **Microfinance loan portfolio stands at Rs 2,32,648 cr as of Dec-end: Report Business Standard**

Read Full Story: https://www.business-standard.com/article/finance/microfinance-loan-portfolio-stands-at-rs-2-32-648-cr-as-of-dec-end-report-121030800683_1.html

- **“Why do we need uniform micro loan regulations by Mr. Tamal Bandyopadhyay.”**

Access Full Article: https://www.business-standard.com/article/opinion/why-we-need-uniform-micro-loan-regulations-121030700801_1.html

- An authored article titled “Microfinance Industry: Technology Powered Growth Story” by Mr. Sateesh Kumar AV – MD & CEO, Vaya Finserve was covered in Business World.

Access Full Article: <http://www.businessworld.in/article/Microfinance-Industry-Technology-Powered-Growth-Story/27-03-2021-385045/>

- An Authored article titled “MFIs Champion an Eco-system of Grassroot Women Entrepreneurs for Sustainable progress” by Mr. Sudip Bandyopadhyay - Group Chairman, Inditrade Group of Companies was covered in Business World.

Access Full Article: <http://www.businessworld.in/article/MFIs-Champion-An-Ecosystem-Of-Grassroot-Women-Entrepreneurs-For-Sustainable-Progress/09-03-2021-383355/>

MFIN: Microfinance Sector Development

- **Information Sharing Platform:** The beta testing phase of “Impetus Platform” for the small and medium MFIs is progressing suitably with the five partner MFIs. The platform has been uploaded on GoDaddy cloud server. The platform will be launched with the small and medium members, after a thorough User Acceptability Test (UAT) and system audit.
- **Online Data Hub:** A summary of observations was shared with the Chair, Credit Bureau Task Force (CBTF) basis the EOIs received from eleven IT firms on the development of the proposed “Online Datahub”.
- The pilot for **Digital Document Execution (DDE)** with National e-Governance Services Ltd (NeSL) with four partner MFIs is at the systems integration stage.

MFIN: Microfinance Sector Advocacy:

- On RBI’s request, MFIN Secretariat shared a note with Mr. JP Sharma (CGM, DOR), for its proposed discussion paper on uniform regulatory framework for all lenders within the microfinance industry. Soon after, a summary of issues and suggestions was shared as a follow-up.
- A representation was sent to MSME Ministry with a copy to DFS and FIDD, RBI on the recent changes in MSME classification and the mandatory Udyam registration by 31st March 2021 by all enterprises, that would impact the ability of NBFCs to lend to them.
- MFIN shared a response on Rajya Sabha Provisionally Admitted Question Diary No. U2473 on "Impact of moratorium on Micro Finance Institutions during COVID-19 crisis".
- A virtual meeting was called by Secretary Finance and other senior officials from DFS on 22nd March 2021 to understand the status of microfinance operations in the states of West Bengal, Assam, Bihar and Odisha, and the challenges faced by MFIs. The meeting was attended MFIN CEO & Director, and Head Advocacy & Development. Following the meeting, as requested by DFS a detailed note was sent which:
- Analyzed the status of microfinance in the four states with core reasons for increase in PAR.
- Highlighted the key issues faced by the sector.

- Provided suggestions for a conducive regulatory environment for the microfinance sector in India.

MFIN: Capacity Building:

- A comprehensive training program ([audio book](#) and [videos](#)) was released for micro-credit officers. The program has been designed to build a conceptual understanding of the essential aspects of micro credit. Further, SRO is pursuing an [interest from the lenders](#) to prepare an online assessment-certification based on this program.

MFIN: Governance:

- Two new Advisories were added (as under) to the [Compendium o/f MFIN Advisories and Directives](#).
 - a) Advisory on the distribution of third-party financial products to micro-credit customers, capturing measures around customer protection norms.
 - b) Advisory recommending lenders to abstain from retaining employees' original documents.
- MFIN SRO engaged with the RBI for tagging of restructured loans. RBI in its [notification](#) approved to modify the UCDF for the micro-finance segment by adding a new catalogue value, viz., 'Restructured due to COVID-19' in the existing field 'Account status'. SRO is coordinating with the CICs and lenders for the implementation of the notification.

MFIN: Communication Collaterals:

- **International Women's Day:** As an ode to women on International Women's Day 2021, an internal short video was released on 8th March 2021 capturing the indomitable spirit of women.

The film can be accessed through: <https://youtu.be/pn0tAAGQscY>

Nepal

CMF: Training to MFIs:

Centre for Microfinance Nepal held a Field Operations training for one of its member organization 'Srijanshi IMicrofinance Institution' where 24 branch managers and loan officers were present and trained. The training was held during 18 - 20 March 2021 at Siraha.



CMF: Training Manual

Centre for Microfinance (CMF) Nepal worked on the development of Cooperative Merger Training Manual for Sanakishan Microfinance Institution, who is the wholesale loan provider for Sanakishan Cooperatives. CMF will also provide TOT on the manual and it will further be utilized for the merging process cooperatives.

CMF: Letter of Cooperation

The letter of cooperation was signed between CMF and Handicap International (HI) for the implementation of United States Agency for International Development's (USAID) "Employment and Economic Empowerment" program in Nepal.

CMF: Impact of Microfinance Institutions

CMF is working on a research study on "Impact of Microfinance Institutions on Different Socio-economic Aspects of Nepali Economy and Society". The study will emphasize on five different themes. So far, CMF has completed three papers and organized a "Steering Committee Meeting" with an objective to share the key findings of the papers and to get their feedback. The steering committee members include CMF and other stakeholders.

PAKISTAN

PMN: An Orientation Session between SECP and NBMFCs

An orientation session was arranged by PMN between the Securities & Exchange Commission of Pakistan (SECP) and its Non-Bank Microfinance Companies (NBMFC) Members. The purpose of the meeting was to address the request of NBMFCs that were Section 42 Companies (Inherently Non-Profit Entities) looking to transform/convert into For-Profit institutions.

While the Committee formed by the Commission would support the interested NBMFCs for setting up for-profit subsidiaries, their licensing as NBMFCs and related approvals, PMN's role was to assist the interested NBMFCs in

obtaining, collating the progress status and preparation of a time bound plan with defined milestones from each NBMFC and share it with the Commission.

SRI LANKA

LMFPA: Addressing Recent Protests and Negative Media Reports on Microfinance

Recently in Sri Lanka, there had been several protests and media reports on over indebtedness seemingly due to malpractices of microfinance institutions. The Lanka Micro Finance Practitioners' Association (LMFPA) is concerned about these protests and media reports because they may make a serious implication on the industry as a whole. Similar media reports appeared in several occasions in the recent past and LMFPA responded to these institutions with the good intention of finding any misdoing by any of our members and rectifying them.

For example, there were reports that claim there had been over 200 suicides due to microfinance; the LMFPA have requested them to provide details of such suicides to verify the facts. Unfortunately, the parties that proclaim of such a number of suicides due to microfinance, failed to support their claim with any specific information such as name of the dead person, when and where even when LMFPA inquire of them. One incident reported in the media from Gandara in Matara was verified by LMFPA members and found out that the death was not due to such a course and we reported our findings to the particular media organization and received no response for that so far. This raises the question of reliability of such unfounded statements.

The biggest concern over these issues is that well-mannered institutions' reputations that are in the LMFPA membership are being tarnished in addition to the destruction of the entire microfinance industry. There may be loan sharks that operate in the guise of microfinance and micro credit luring many low income people into a debt trap by exploiting them. The MFIs that have been in operation for a considerable period of time are not only interested in alleviation poverty but also in social empowerment of their customers. In fact, there are thousands of customers who have grown their businesses through long association with MFIs.

Microfinance institutions suffered heavily in recent times due to factors beyond their control. The loan write-off programme implemented in 2018 by the government ended up with high NPL ratios of MFIs due to willful default of loans by large number of borrowers who were not eligible for the loan write-off. Easter Sunday attacks and the COVID 19 pandemic also had a shocking impact on the sustainability of MFIs. In some areas, loan distribution was disrupted due to the high non repayment rate caused not only by the abovementioned incidents but also the increase of loan sharks that carry the label of microfinance and exploit the grassroots level. The continuation of this trend will only further endanger the sustainability of the entire industry and create more financial instability and social issues due to the weakening of long standing MFIs that are committed to provide financial services to the poor for alleviating them from poverty while empowering socially.

LMFPA proposed the need of regulating microcredit in Sri Lanka way back in 2018. There was a bill drafted by the Central Bank for which LMPFA provided inputs. As per LMFPA view, the legal framework will bring some control to unethical credit practices. Therefore, the LMFPA is continuously lobbying with the Government to address these issues by regulating the micro credit industry without further delay.

In-Focus

Debt Moratoria in the Next Pandemic - Be Prepared, and Be Fair

Imagine it is 2025 and that, unfortunately, another pandemic is sweeping the world. Much like in the 2020 crisis, borrowers have seen their livelihoods upended and are struggling to repay loans. One of the questions before policy makers amid this new crisis is whether to extend moratoria to distressed borrowers. In search of answers, they reflect on the world's experience with the COVID-19 pandemic and whether moratoria were part of the solution. These policy makers conclude that they did some things right in 2020.

Just days into COVID-19 lockdowns, bank regulators in more than 115 countries granted special permission for financial services providers (FSPs) to extend moratoria to millions of borrowers, especially those with small business and consumer loans. These moratoria were the next best thing to cash in the wallet for borrowers who had lost their jobs or seen their business revenue plummet. For lower-income countries, whose governments could ill afford welfare payments, moratoria became an important form of economic relief. And by relaxing provisioning on paused loans, these special moratoria also shored up FSPs' balance sheets and prevented panic in financial systems. Through the moratoria, the world's economies put the shock-absorbing capacity of financial systems to good use.

Read Full Story: <https://www.cgap.org/blog/debt-moratoria-next-pandemic-be-prepared-and-be-fair>

Women and Finance: Enabling Women's Economic Empowerment

In early 2020, CGAP moved beyond the access and usage paradigm in financial inclusion and set its sights on understanding how poor people could use financial services to improve their lives in three ways: generating income, accessing essential services and protecting basic standards of living. At the same time, we updated our vision statement by adding two small words: "A world where poor people, especially women, are empowered to capture opportunities and build resilience through financial services." Many readers may not have even noticed this change. But it will make a profound difference to how CGAP approaches its work going forward.

Why did we take this step? It was to put women's financial inclusion at the center of everything we do at CGAP. In the past, gender sat off to the side, either as a project on its own or a "cross-cutting issue" that was everyone's and therefore no one's responsibility. These outdated approaches will not halve (and eventually eliminate) the persistent 9 percent gender gap in financial inclusion, which CGAP committed to help close in its latest five-year strategy. Reducing the gender gap requires that we put a gender lens on everything we do. Without fully including women, we won't solve financial inclusion — or, for that matter, end extreme poverty and promote shared prosperity.

Read Full Story: <https://www.cgap.org/blog/women-and-finance-enabling-womens-economic-empowerment>

Practical Ways to Advance Social Inclusion in Climate and Disaster Resilience in South Asia

On April 25, 2015, when a magnitude 7.8 earthquake struck Nepal, Bandita recalls the urgency with which she moved her young children and elderly mother-in-law out of the house.

Once at a 'safe' location, her other major concern was her nonagenarian grandmother, infirmed and with limited mobility. Would there be evacuation support for her, and people in vulnerable situations like hers? Would her grandmother be able to find shelter? Would she have access to food, water, medicine?

In the aftermath of the earthquake, the poor and the marginalized sections of Nepal suffered immense losses due in large part to an absence of adequate knowledge on safety protocols, including how to access evacuation sites, emergency relief and rescue services, and post-disaster assistance packages. These anecdotes bring to the fore questions about who disproportionately suffers due to climate change or disaster events.

Social exclusion remains pervasive in South Asia and has a significant impact on both development and resilience outcomes. But, how exactly does exclusion undermine disaster preparedness, risk management and response efforts? What types of policies, programs and frameworks are necessary to make disaster risk management inclusive for all? These are not concerns limited to developing countries.

Read Full Story: <https://blogs.worldbank.org/endpovertyinsouthasia/practical-ways-advance-social-inclusion-climate-and-disaster-resilience-south>

COVID-19 propels South Asian Women Entrepreneurs into the Digital Economy

When COVID-19 shut primary schools throughout Pakistan early in 2020, entrepreneur Maheen Adamjee knew she had to act quickly to save her business.

Dot & Line provided in-home tutoring to Pakistani schoolchildren with a network of women micro-franchisees who used their homes as teaching centers.

A national lockdown to contain the disease halted all in-person tutoring sessions. So, in just two weeks, Dot & Line rewrote its business plan, created digital tools, and launched training classes to help its teachers shift to online tutoring sessions. The firm transformed itself into a digital company nearly overnight.

One year later, Dot & Line has expanded into several countries and is growing briskly, driven by demand from the Pakistan diaspora. The company's new challenge: adding enough teachers to keep up with all the new students.

Adamjee is a great example of a start-up businesswoman responding to COVID-19 with agility, creativity, and resilience. There's no question that the pandemic dealt a major blow to businesses. Some women-owned firms have rebounded by adopting new business models and using digital platforms to take advantage of emerging regional opportunities. Adamjee and two other women entrepreneurs described their experiences and offered practical tips at a recent #OneSouthAsia Conversation, a series of online events on regional issues.

Read Full Story: <https://blogs.worldbank.org/endpovertyinsouthasia/covid-19-propels-south-asian-women-entrepreneurs-digital-economy>

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)

