



# CMF NEWSLETTER

A Quarterly News Bulletin by Centre for Microfinance Nepal

Year -1

Issue -1

2020 (August-October)



## Best Wishes

As a knowledge institution dedicated to developing the institutions serving the poor, Centre for Microfinance Nepal (CMFN) has a responsibility to create a platform for sharing information, ideas, and issues as they evolve in this sector. Such an informational platform will facilitate better networking and collaboration among the agencies working for and with the poor, keeping them informed of the progress, prospects, and problems.

With this purpose in mind, and as a humble contribution to this end, CMF has started publishing a quarterly bulletin beginning from the first quarter of the Nepali fiscal year (2020/21). The CMF Newsletter, as we have called it, is an official publication that informs our stakeholders and the general public about the institutional activities and achievements of CMFN. It presents both news and views around the various knowledge services that CMFN provides for informing our partners of our progress and perspectives. They, in turn, may serve as inputs for policymakers and practitioners.

Additionally, the CMF Newsletter also provides space for sharing experiences and perspectives on the issues pertinent to and critical for the entire poverty sector. In particular, it focuses on the issues that have implications for the development of the microfinance industry as the mainstay of the economy of the poor.

A publication of this nature will serve its purpose when its intended readership fully engages in its entire process. As the first issue of the CMF Newsletter rolls out and reaches you, I hope the understanding, supports, and contributions in various forms of all our stakeholders will be forthcoming to make this publication a success.

I take great pleasure in dedicating this publication to you all. Thank you.

Dr Rewat Bahadur Karki  
Executive Chairperson

## Study Report Disseminated

Study on the impact of COVID 19 in Nepal's Microfinance Sector, conducted by Centre for Microfinance was made public on September 7, 2020 through a virtual meeting held under the chairmanship of Dr. Rewat Bahadur Karki, Executive Chairman of CMF, and Dr. Prakash Kumar Shrestha, Executive Director, Department of Microfinance, Nepal Rastra Bank, as the chief guest. The representatives and experts from the microfinance sector attended the virtual meeting.

The former Chairman of CMF and Governor of Central Bank of Nepal, Mr. Ganesh Bahadur Thapa said that the suggestions mentioned in the study report would be important to protect microfinance institutions from adverse effects of the transition. President of Nepal Microfinance Bankers' Association, Basanta Lamsal, stated that the microfinance sector was badly affected due to Covid-19 pandemic, adding that the sector should be saved from crisis by implementing the recommendations mentioned in the report.

Bharat Thapa, microfinance researcher, mentioned that the collection of loan with interest has become challenging due to the pandemic. Pitamber Acharya, Board of Director of CMF and Chair-man of NADEP Laghubitta, commented that efforts should be made to save MFIs from the current crisis by making the existing policy system more flexible. Prakash Kumar Shrestha, Executive Director of Microfinance Department of Nepal Rastra Bank, said that Microfinance Institutions should use the money in the client protection fund for the benefit of affected members. Dr. Rewat Bahadur Karki reinforced the notion as to how difficult it is to raise interest on loan due to the pandemic and that it had a negative impact on the quality of loans of MFIs.

The study report titled "*Impact of Covid 19 in Microfinance Sector*" was presented by Jagdish Tiwari, Program Manager of CMF while Deputy CEO of CMF, Naresh Nepal, welcomed the participants. This study report has been prepared based on the conversations and statistics of officials from nineteen institutions including microfinance institutions, development banks and cooperatives working in the field of microfinance in Nepal.





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The Covid 19 pandemic has disrupted human life in more than one way like no other event has in recent times. No country in the world seems untouched by this problem.

The lockdown protocols enforced to prevent the spread of the virus have dealt a severe blow to every sector of the economy. The global microfinance industry, in particular, has been hard hit. It is only natural. Microfinance banking is a financial program that requires close personal contacts with its clients at the field level - individually and in groups - for conducting its credit, saving, and

other social activities. It makes the microfinance business highly vulnerable to the potential threats of the contagion we are facing now.

One of the severe fallouts of Covid-19 has been a sharp decline in the economic activities of the members of microfinance institutions, resulting in their shrinking income base. It has turned the 'exemplary system of loan recovery,' a notable characteristic feature of the microfinance business, upside down. Due to the shorter loan repayments cycle, the borrowers have fallen into the 'installment traps.' They must pay back their loans and interests at quicker intervals even as they are hard-pressed economically. As a direct effect of the 'repayment crisis,' the quality of credit of microfinance institutions is likely to decline. It will have several implications for the sustenance and development of microfinance institutions, reducing their capability to fully serve their members. What is even more alarming is the possibility of dwindling access to finance for a large chunk of the poor.

Different countries are examining the effects of the pandemic and dealing with its implications in ways befitting their uniqueness. Though the nature of the problems resulting from the pandemic may vary from one country to another, it appears the global microfinance industry is facing some common issues. Researchers across the varying sectors of livelihood are inquiring into the effects of Covid-19 in their respective fields of concern while trying to come up with ways to address them. In this context, what is necessary is that we understand as fully as possible the pandemic-induced hurdles constraining the microfinance industry in Nepal. Equally important is to get to know how the microfinance industry is managing them.

Responding to this need, CMFN has recently concluded a study on the immediate effects of COVID-19 in Nepal's microfinance sector from both financial and non-financial perspectives. Based on a sample of 25 percent of microfinance institutions, the study has identified several financial, managerial, and operational effects of Covid-19 on their operations while presenting recommendations to address their implications. The study concludes that there is an immediate need to make the supervision system flexible by the regulators. It also points out the need for reviewing and revising the microfinance business models by the operators. It seems imperative that some timely changes be made in the present systems in Nepal's microfinance sector to give continuity to the services amid the pandemic disruptions while preventing them from spiraling into further complications. The best practices adopted elsewhere, the recommendations of various studies in our own country, and expert advice given from time to time should inform such policy changes. A wiser course of action in the given situation would be to provide additional income sources to the borrowers than putting pressure on them to repay the loans. Digitization of operations deserves special attention. It would be necessary to advance coordination and cooperation with the regulatory bodies, local governments, and other development partners to push these reform agendas.

What would be necessary is accepting the contagion as a new reality of the life pattern in full recognition of the global environment and various practices in Nepal. Microfinance practitioners and members must learn to live and move on amid the Covid 19 threats while ensuring necessary safety measures. In this crisis, the least one expects is that microfinance institutions behave responsibly towards the borrowers, supporting them to turn their businesses around. And the onus of enabling microfinance institutions to sustain themselves in such a trying time lies with the regulators and the government. No matter what the situation is like, microfinance practitioners and members should not panic. However, one would expect them to continue being ever careful and vigilant about health standards while engaging in their professions and business..

*Gokul Adhikari*



## Microfinance in Monetary Policy 2020/2021

The Nepal Rastra Bank has released the monetary policy for the current fiscal year 2020/21. The 178-point monetary policy, unveiled by Governor Maha Prasad Adhikari on July 17, 2020, states that the world economy has reached its contraction on a scale not seen since the 1930s Great Depression. Covid-19 adds a further challenge to the national aspiration of achieving sustainable and high economic growth, the policy states.

The monetary policy 2020/21 highlights some positive trends in the Nepali economy during the last year. For example, inflation is within the target range, the trade deficit has improved due to import reduction, and the current account deficit has improved. On the availability of financial resources to the poor, the policy makes it mandatory for commercial banks, development banks, and finance companies to disburse at least five percent of their total loan investment to the poor and marginalized people. Till mid-June of 2019, the total disbursement stood 189.71 billion Nepali rupees.

The monetary policy 2020/21 has made some special policy provisions regarding microfinance as given hereunder:

- Licensing for new MFIs has been suspended. Similarly, licensing for new MFIs that are in the pipeline has also been canceled. (point 137)
- MFIs operating at the provincial level will have to sell, close, and relocate the existing branch offices outside the province of their operation by mid-July 2021. Earlier, such deadline was mid-July 2020. (point 138)
- Credit limit for business projects with acceptable collateral provided to the deprived and low-income individuals, firms, or groups for agriculture, micro-enterprises, and businesses will be extended to Rs. 1.5 million from existing Rs. 0.7 million. (point 139)
- The maximum interest rate on MFIs lending will be fixed at 15 percent. An arrangement for computing the base rate of the MFIs will be made, which will systematize the interest rate determination. (point 140)
- Licensed 'A', 'B', 'C' and wholesale lending 'D' class BFIs will not be allowed to charge service fee more than 0.5 percent on the deprived sector lending provided to the MFIs. (point 141)
- MFIs will not be allowed to park in the term deposit exceeding 3 months except those long-term funds established for specific purposes. (point 142)
- MFIs will be required to establish new branches only in those wards of local levels where there is non-existent of MFIs. This move will support extending the MFIs network in all wards of local levels. (point 143)
- Wholesale lending MFIs and MFIs collecting public deposits will be required to publish their financial statements of 2020/21 in accordance with the Nepal Financial Reporting Standard (NFRS). (point 144)

Apart from these special provisions for the microfinance sector, some other policy measures are also likely to directly or indirectly affect this sector. Such arrangements related to microfinance are as follows.

- Out of total refinance facilitates, up to 20 percent can be extended based on customer evaluation while up to 70 percent through commercial banks, development banks, and finance companies and up to 10 percent through the MFIs on a lump sum basis. (point 101)
- MFIs can extend the time for loan installment payment due as of mid-July 2020 by a maximum of 6 months taking into consideration the borrowers' need and time required to operate the business. (point 115)
- MFIs will be encouraged for mergers and acquisitions to strengthen their capital base. (point 119)
- BFIs licensed by NRB will be allowed to declare and distribute a cash dividend to the extent of 30 percent of the net distributable profit of 2019/20 (which shall not be higher than the weighted average deposit interest rate of mid-July 2020 of the particular institution). However, BFIs having net distributable profit of less than 5 percent of total paid-up capital will not be allowed to distribute cash dividends. (point 122)
- The provision for the BFIs not requiring the transfer of interest collected in cash within 15 days after the end of the fiscal year to regulatory reserves will be extended to 90 days for 2019/20. (point 123)
- A special loan loss provision will be made to prevent the loans under pass category from being downgraded to sub-standard due to the COVID-19. Under this provision, loans classified under pass category in mid-January 2020 can be classified in the same category in mid-July 2020 as well. However, such loans have to be provisioned at 5 percent if the principal and interest overdue in mid-July 2020 are not realized. (point 129)
- There will be no compromise in ensuring the full compliance of the corporate governance directive issued by this Bank. (point 166)
- The provision relating to perks and benefits of the chief executive officers including those of the top-level staff at the BFIs will be reviewed, keeping in view the need to economize in the context of COVID-19. Likewise, a guideline will be formulated regarding the meeting allowance and facilities of the board of directors of the BFIs. (point 167)

आर्थिक वर्ष २०७७/७८ को  
मौद्रिक नीति



नेपाल राष्ट्र बैंक  
संयुक्त बजार  
काठमाडौं, नेपाल  
साल २०७७

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# With a Little Help

## Dilmaya Limbu's Success Story

Dilmaya Limbu, a resident of Miklajung in Panchthar district in eastern Nepal, produces 25 to 32 liters of milk daily from her dairy business. A dairy shop in Panchami Bazaar buys the produce every day.

Besides cow milk, she brings pigs, goats, and seasonal fruits such as oranges, kiwis, cardamoms, ginger, etc., to the local market for sale.

Her monthly income from these businesses is around sixty thousand rupees. As her business has flourished, she can now afford a good education for her children. Her children are currently studying in the school and campus of Panchami Bazaar.

Dilmaya, born in 1971 in Jagarmukhi village in Ghuseni village municipality of Ilam district, got married to Kamal Kumar, a resident of Panchthar, Kurumba, in 1992. Dilmaya, who became a mother of seven after marriage, was faced with the challenge of raising and educating her children. She gathered the courage to do business, but she was losing it due to the lack of capital.

Meanwhile, in 2015, the Nirdhan Utthan Microfinance Institution targeted her village for expanding its programs in that part of the district. Dilmaya got information from its employees about microloans from the organization. "Here was, at long last, an opportunity to fulfill my desire to do animal husbandry and business," she thought. Then, she took the initiative to form a group of women to avail them of this benefit.

She started a dairy business by buying a cow with a loan of Rs. 40,000. Currently, she has invested a total of Rs. 450,000 through the loan, with Rs. 150,000 on collective guarantee and Rs. 300,000 on micro-enterprise loans. Starting from 2015 with only one cow, she now has four cows in her shed, plus six ropanis of land. She has even built a new shed using the microloan received from Nirdhan.

Along with cattle rearing, she now rears goats and grows vegetables and cardamom, expanding and diversifying her business.

Today Dilmaya is known as a successful farmer in Kurumba village. Her hard work and dedication have inspired many other women in and around her village to follow her actions.

"The microfinance program for the poor is an exemplary campaign in terms of both income generation and empowerment," she opines.



Source - *Samriddhi Ko Margama (On the Way to Prosperity)*, A publication of Nirdhan Utthan Microfinance

## Microfinance in Monetary Policy 2020/2021

...continued from Page 3

- BFIs will be made more responsible for increasing financial literacy and promoting policies and programs of this Bank relating to the concessional loan, refinance, clean note, and electronic payment system. (point 170)
- Service fees charged by the BFIs will be made more systematic and transparent. In this regard, the maximum service fee that can be charged by commercial banks will be fixed at 0.75 percent, development banks 1.00 percent, finance companies 1.25 percent, and MFIs 1.50 percent. (point 171)
- An arrangement will be made to avail Know Your Customer (KYC) information required by BFIs in an integrated manner. (point 172)
- BFIs will not be allowed to charge any penal interest, charges, and any other fees in the loan payments that are deferred due to the COVID-19. (point 173.)
- The policy relating to the corporate social responsibility (CSR) spending by the BFIs will be reviewed. Further, the unspent amount so far under the CSR will be required to be transferred to the "Corona Virus Prevention, Control, and Treatment Fund" established by the GoN. (point 175)

The link for retrieving the full text of the monetary policy:

[https://www.nrb.org.np/contents/uploads/2020/09/Monetary-Policy-2020\\_21-Full-Text-English-Version.pdf](https://www.nrb.org.np/contents/uploads/2020/09/Monetary-Policy-2020_21-Full-Text-English-Version.pdf)



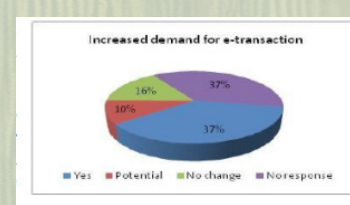
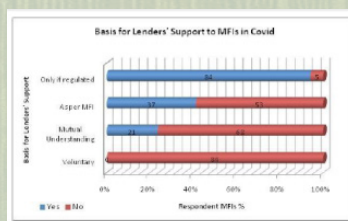
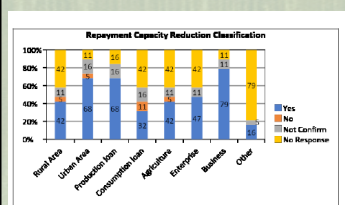
## Summary of the study report on Impact of Covid-19 in Microfinance Sector

Center for Microfinance (CMF) has prepared a special study report with an objective of analyzing the immediate and long-term effects of Covid-19 on Microfinance Institutions and its customers and suggesting steps to be taken to overcome them. The study report, based on the activities and statistics of nineteen Microfinance Institutions out of 84 currently in operation (25%), has analyzed the following facts and presented the following suggestions.

The study, entitled “The Impact of Covid-19 on Microfinance”, noted that the pandemic had significantly reduced interest payments from debtor members due to the closure of economic activities and the suspension of new credit flows. According to the report, 10.5% of the country’s Microfinance Institutions were completely closed and 89.5% were partially closed due to the pandemic. The study report states that activities such as financial literacy, skill-based training, centre meetings, savings and credit flow, monitoring and inspection, etc. have come to a complete halt and there has been a very low level of savings and credit flow. Similarly, it has been mentioned in the report that the ability of borrowers to repay the loan is weak. According to the study, 42% of the borrowers with such weak capacity take agricultural loans, 68% take productive loans and 32% take consumer loans. The report states that 22% of the indebted members has problems in repaying the loan while 12% does not.

The study has also shown that those who do business in urban areas are more affected by Covid-19 than in rural areas. 63.82% of debtors in rural and 68.63% debtors in urban areas are in a difficult position to repay their loans. The study shows that urban areas have been more affected in terms of loan repayment as business has come to a standstill more than in rural areas. The study found that 22.66% of the debtors in rural areas had difficulty in repaying their loans while 13.53% did not have such problems. Meanwhile, 21.47% of debtors in urban areas had difficulty in repaying their loans while 9.89% did not have any difficulties. The report also clarified that the number of members withdrawing their deposits has increased after they started getting into financial trouble. The report states that 47% of the indebted members have withdrawn their deposits. The study also shows that the return on savings is 80% higher than usual. When asked about the measures to be taken to alleviate the problem of non-payment of installments on time, 53% of the Microfinance Institutions have given priority to extending the grace period and 37% have said that the repayment period should be extended. 16%, on the other hand, have made debt restructuring their top priority. Studies have also shown that household debts, debt burden, rising unemployment, loss of business, worry about spending on children’s education, etc. have had a psychosocial effect on indebted members. The study found that 70% of indebted members suffer from these types of psychosocial problems due to lack of income. This study report has also presented various suggestions in 12 points addressing the regulators and indebted members related to the microfinance sector. An important suggestion in this report is that the Microfinance Institutions should conduct business in a timely manner by making some changes in the traditional method of operation and emphasizing on investment in order to expand the use of new technology.

Banking practices based on new technologies such as virtual meetings, mobile banking or SMS banking should be expanded. Emphasis should be placed on capacity building of staff and indebted members and special funds should be set up for immediate management of risks arising from any disaster and social awareness with local government participation. Similarly, it has been suggested that a tax exemption should be made to Microfinance for two years and 50% subsidy should be provided by the state.





# Microfinance at a glance

## Aggregate status of microfinance institutions in Nepal based on indicators

Title	Description (Till Mid-July, 2020)
No. of total staffs	19,017
No. of total branches	4,057
No. of total centers	3,10,895
No. of total groups	10,39,696
No. of total passive groups	9,398
No. of total members	46,86,659
No. of total passive members	1,95,311
No. of total borrowers	27,83,222
No. of total overdue borrowers	10,01,407
No. of total saving members	46,79,987
Loans & Advances	2,62,732
Total saving amount (Rs. million)	1,06,150

## Province wise appearance of Microfinance Institutions (Till Mid-July, 2020)

Province	No. of BFIs apart from MFIs	Number of MFIs	No. of total branch of BFIs	Share of MFIs under BFIs
Province 1	904	681	1,585	42.96
Province 2	627	806	1,433	56.24
Bagmati	1,954	618	2,572	24.02
Gandaki	769	527	1,296	40.66
Lumbini	966	938	1,904	49.26
Karnali	205	190	395	48.10
Sudur Paschim	361	357	718	49.72
<b>Total</b>	<b>5,786</b>	<b>4,117</b>	<b>9,903</b>	<b>41.57</b>

## Overall data of Assets and Liabilities of MFIs in Nepal (In Mid-July, 2020)

### LIABILITIES

Description	Rs. in Million
<b>CAPITAL FUND</b>	33,424
a. Paid-up Capital	21,495
b. Statutory Reserves	4,814
c. Retained Earnings	2,790
d. Other Reserves	4,324
<b>BORROWINGS</b>	1,42,095
a. NRB	8
b. Others	1,42,086
<b>DEPOSITS</b>	1,06,150
<b>BILLS PAYABLE</b>	41
<b>OTHER LIABILITIES</b>	29,558
a. Loan Loss Provision	7,631
b. Interest Suspense a/c	4,003
c. Others	17,924
<b>RECONCILIATION A/C</b>	8,482
<b>PROFIT &amp; LOSS A/C</b>	5,419
<b>Total</b>	<b>325,169</b>

### ASSETS

Description	Rs. in Million
<b>LIQUID FUNDS</b>	30,382
a. Cash Balance	379
b. Bank Balance	16,872
c. Money at Call	13,130
<b>INVESTMENT IN SECURITIES EXCEPT SHARES</b>	468
<b>SHARE AND OTHER INVESTMENT</b>	9,732
<b>LOANS AND ADVANCES</b>	262,732
a. Institutional	39,721
b. Individual	2,23,012
<b>FIXED ASSETS</b>	2,223
<b>OTHER ASSETS</b>	11,063
<b>EXPENSES NOT WRITTEN OFF</b>	11
<b>NON BANKING ASSETS</b>	1
<b>RECONCILIATION A/C</b>	8,469
<b>PROFIT &amp; LOSS A/C</b>	88
<b>Total</b>	<b>3,25,169</b>

Source - Nepal Rastra Bank



## Fifth Memorial Day of Dr. Harihardev Panta completed

Dr. Harihardev Panta, a pioneer of the Nepali microfinance industry, was remembered for his contributions on his 5th Memorial Day on September 7, 2008. Chief Guest of the function Maha Prasad Adhikari, Governor of Nepal Rastra Bank, paid tribute to Dr. Pant, saying that his efforts and far-sighted thinking have significantly helped in raising the living standards of people in rural areas. Governor Adhikari recalled the pioneering works of Dr. Panta in taking initiatives in the rural banking system in Nepal and institutionalizing microfinance services. In the ceremony, Governor Adhikari released a book titled “Samriddhi ko Marga maa 2077” (On the Way to Prosperity 2077) published by the Nirdhan Utthan Microfinance Financial Institution Ltd.

Former Governor and former CMF chairman Ganesh Bahadur Thapa recalled the contributions of Dr. Panta in introducing the practices of the banking system in rural areas of Nepal. He said that the central bank and the government should make more efforts to protect the microfinance industry from the threats arising out of the Covid-19 pandemic.

Economist and Executive Chairman of CMF Dr. Rewat Bahadur Karki lauded Dr. Pant for taking the initiative to establish the microfinance industry in Nepal. Microfinance institutions have provided financial services where other banks and financial institutions could not work, he added. “But this sector is now more affected by the pandemic than other financial services because it is a non-collateral and field-based banking service,” he cautioned. He offered some thoughts to take appropriate policy measures to help this industry through this crisis.

At the start of the function, Janardan Dev Panta, Chief Executive Officer of Nirdhan Utthan Microfinance and Chairman of Harihardev Panta Foundation, welcomed all the participants.

On the same occasion, various entrepreneurs were honored by the Outstanding Small Entrepreneur Awards 2077 instituted by Dr. Harihardev Panta Foundation. Similarly, Dr. Harihardev Panta Economic Journalism Award was given to journalist Elijah Upreti.

Sharad Nidhi Tiwari, Chairman of Nirdhan Utthan Microfinance Financial Institution Ltd., chaired the memorial function.

CMF pays its tribute to Dr. Harihar Dev Panta for his contributions to the microfinance industry in Nepal.

## Agreement between Habitat, Sahara Nepal, and CMF for Field Survey

CMF Nepal has recently signed an agreement with Sahara Nepal for conducting a field survey as part of the Financial Inclusion Project for Poor Women in Nepal. Sahara Nepal implements the Project for Habitat for Humanity International Nepal.

Under the agreement, CMF will design the survey and carry out the fieldwork, covering 400 households using a mobile app. The survey also consists of focus group discussions involving 15 target groups and personal interviews with 12 key stakeholders.

This survey will provide detailed data concerning the current status against the key indicators identified in the Project log frame.

CMF will prepare and submit a report with suggestions on the mid and final evaluation and monitoring methods.

## Program Manager Tiwari Back on Regular Duty

Jagdish Babu Tiwari, program manager of CMF, who was deputed to a DFID-funded project Sakshyam Access to Finance Nepal for the past four years has joined back CMF, resuming his duty.



## Management Training Programs Virtually Delivered

After an extended gap due to the Covid-19 conditions, CMF Nepal has now started offering training programs on a modest scale. CMF designed and delivered using the virtual platform programs focused on managerial skills in the first quarter of this fiscal year.

The first program - Improving Managerial Performance (IPM) - was a five-day training for mid-level managers of Microfinance Institutions. Organized in October 2020, managers of 13 institutions took part in the training.

Also, in the month of October, CMF organized another program - Managing and Leading for Results (MLR) - as customized training for the senior managers of the Nirdhan Laghubitta Bittiya Sanstha Limited with 29 managers participating in it. The duration of the program was two days.

Training is a core intervention strategy of CMF Nepal to help develop the institutional capacity of this sector, and hence it will continue designing and delivering more training in the future.

## Ongoing Research Projects

Two major research projects initiated by CMF Nepal are currently progressing. The first one is the Evaluation of Impact of Microfinance Institutions on Different Socioeconomic Aspects of Nepali Economy and Society, funded by the Nepal Microfinance Banker Association (NMBA) under the agreement between CMF Nepal and NMBA.

The first-ever study of this nature, this project aims to evaluate the impact of Microfinance Institutions on the economic and social dynamics of the Nepali society measured against selected indicators of social and economic changes resulting from and through the agency of the Microfinance industry in Nepal. It examines the effects of Microfinance Institutions in terms of five changes in the Nepali economy and society as a result of their operations as an institutional instrument for financial inclusion of the poor and alleviation of poverty. The target changes include agriculture yield, female ownership of economic enterprises, the intensity of violence against women in families, women leadership in local institutions, and the conflict status in the rural communities.

This study will complete in the last quarter of the current fiscal year.

Another study - Managerial Competency Framework in Microfinance Institutions - being carried out for the Microfinance Summit Steering Committee - will have managerial competencies critical for the effective performance of MFIs assessed and a competency framework developed to inform the design of management development programs for increased institutional capacity and performance. Its scope includes assessment and identification of managerial competencies of all categories of executives and managers of MFIs, their definitions covering core elements and proficiency indicators or behavioral descriptors in terms of competency statements, and development of competency framework covering competency clusters, implications of the identified competencies for management development programs in MFIs.

This study will complete by the end of the second quarter

## Microfinance Summit Related Ongoing Projects

CMF Nepal as the Secretariate of the Microfinance Summit Steering Committee are working on the two projects as a follow-up of the 2017 Summit. It is preparing an Implementation Plan of the 17-points Summit Declarations while also updating the Implementation Status of those Declarations. These outputs will be available soon.

## CMF's Shareholder Base Expanded

CMF has recently expanded its shareholder base with the objective of enhancing its institutional capacity. Three institutional members and three individual members have been inducted. Institutional members include Laxmi Microfinance Limited, National Micro-finance Limited, and Rastra Utthan Microfinance Limited.

Similarly, management expert Prof. Subas KC and banking experts Krishna Kumar Pradhan and Janak Bahadur Adhikari have joined the organization as shareholders.