



Nirdhan Newsletter

June 2023

Newsletter of Nirdhan Utthan Laghubitta Bittiya Sanstha Limited

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Message from the CEO



Dear Readers,

Greetings!

We are delighted to present you progress highlights as of mid-June 2023 including some conclusions of a small-scale internal assessment of the socio-economic status of our clients. The assessment carried out in May 2023 with client data from six sample branches representing Mountain (1), Hill (1), Kathmandu Valley (3), and Terai (1) corroborates our social mission of lifting the member/clients out of poverty. Majority of the clients have now improved their economic status as well as substantial improvement on their multi-

dimensional poverty status was noted.

Under capacity building, our recent focus has been on AML/CFT for the staff and member/client capacity building continued on topics of their business projects. With 15 one-day training events on AML/CFT, we covered around 500 branch-level staff. Likewise, several three-day training events on commercial animal husbandry, goat farming, and vegetable farming were conducted for our clients.

The disbursement under CSR and CP activities continued during the reporting period. So far in this Nepali Fiscal Year 2079/80, a total of 2,469 members received maternity allowance (NPR 4,863,600), 378 members received critical illness relief (NPR 3,625,000) and 510 members received disaster relief (NPR 1,923,000). Some movement was noted in service coverage and outreach. The number of centers has increased reaching to 22,667 but active clients decreased to 404,075 and loan clients also dropped to 228,084 compared to the previous month.

Mutual learning and knowledge sharing on microfinance sector with well-wishers continued at Nirdhan. On 21 June, representatives from IFC (International Finance Corporation) of the World Bank Group visited us. As one of our shareholders, we have had discussion on the current issues in the microfinance sector as well as on ongoing collaboration.

Janardan Dev Pant



Meeting with IFC Representatives at Nirdhan, 21 June 2023

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INTERNAL ASSESSMENT Socio-economic changes among the clients

In May 2023, Nirdhan undertook an internal assessment of socio-economic changes among the clients and use of institutional services in advancement of their business projects. The socio-economic status of 28 clients representing six branches (Phungling, Taplejung; Chhaling, Bhaktapur; Gagalphedi, Kathmandu; Thecho, Lalitpur; Putalibazar, Syangja; and Khajura, Banke) pre- and post-membership with Nirdhan was studied. The report of the assessment is uploaded at Nirdhan website and this section presents some of the conclusions.

◆ Economic status of majority of the clients has been uplifted

20 out of 28 client/households (71%) increased their annual income, six (21%) households experienced a decrease, and there was no change in case of two (7%) households.

◆ Clients are downsizing their agricultural vocation

24 (86%) client/households reported agriculture as one of their income sources, yet intensity has gone down. Again, clients are shying away from animal husbandry, seven (25%) has enhanced the business but 12 (43%) downsized the vocation.



Sushma Iwaram, Taplejung pursues piggery and kiwi farming

◆ Clients sought mainly business training and concessions on loan facility

Eight out of 20 clients interviewed (40%) demanded business related training, those to be pursued at spare time at home and two looked forward for material support as well. On loan, more time for repayment/rescheduling (3 counts), lower interest rate (3 counts), and additional loan (1 count) was expected.

◆ Many clients prefer Nirdhan Utthan to other BFIs

Again, eight out of 20 clients interviewed (40%) found Nirdhan services as better and praised on the way it mobilized savings, invested loan, and collected loan installments (including a portion of principal with interest in installment payment) as well as appreciated prompt/convenient processing of loan.



Nijju Rai, Bhaktapur runs a tea shop and owns a taxi

◆ Substantial improvement on multi-dimensional poverty status noted among clients

Multi-dimensionally poor households has gone down to zero from four (14%) households. However, eight (29%) households are still deprived in one or more indicators pertaining to living standard, mainly in sanitation.

◆ Only half of the clients' business projects are running at desired scale

10 out of 18 projects explored (56%) are operating at desired scale, two (11%) have downsized, and six (33%) already closed. Those ongoing at desired scale include nine agri-projects (4 vegetable farming, 4 animal husbandry, and 1 mixed-farming) and one service business (clothes retail).



Manakala Shrestha, Banke pursues commercial goat farming

CAPACITY BUILDING

Nirdhan capacity building initiative continued with increased events for staff as well as member/clients at different locations. While staff capacity building focused on AML/CFT covering around 500 branch-level staff in 15 events, those to the member/clients were related to their business projects. Some events held recently are featured below.

Anti-Money Laundering/ Countering the Financing of Terrorism (AML/CFT) Training



Two training events on AML/CFT were held respectively on 02 and 04 June 2023 in Bardibas, Mahottari for Branch-Level Staff. In two batches, 87 staff from various branches under Bardibas Regional Office learnt on legal provisions, NRB directives and filing and reporting requirements in relation to AML/CFT and banking offence.

Commercial Animal Husbandry Training

Two training events on commercial animal husbandry were held respectively on 09-11 June 2023 in Birgunj, Parsa; and 19-21 June 2023 in Sukhipur, Siraha. In total, 78 clients learnt on various topics on cow and buffalo farming including improved breeds, benefits of commercial farming, shed construction, feed preparation, disease control, artificial insemination, and marketing.

Training on AML/CFT for Branch Level Staff ~ 2023

Regional Office	Venue	Date
Bharatpur	Bharatpur, Chitwan	30 May
Birtamod	Birtamod, Jhapa	02 and 04 June
Bardibas	Bardibas, Mahottari	02 and 04 June
Birgunj	Birgunj, Parsa	02 June
Bhairahawa	Butwal, Rupandehi	02 and 04 June
Kohalpur	Bhaluwang, Dang	02 June
Attariya	Attariya, Kailali	02 and 04 June
Pokhara	Pokhara, Kaski	04 June
Kohalpur	Kohalpur, Banke	04 June
Birendranagar	Birendranagar, Surkhet	04 June
Kathmandu	Naxal, Kathmandu	11 June

Total 15 events / Around 500 Participants



Commercial Goat Farming Training

Three training events on commercial goat farming were held respectively on 18-20 May 2023 in Shreepur, Parsa; 31 May-02 June 2023 in Biruwaguthi, Parsa; and 04-06 June 2023 in Lamki, Kailali. In total, 110 clients learnt on various topics including introduction on breed types, goat shed construction, feed preparation, disease control, and marketing.



PROGRESS INDICATORS

Coverage/Outreach

Coverage/Outreach (No.)	Progress as of 14 May 023	Progress during 15 May - 15 June 023	Progress as of 15 June 023
Districts Covered	77 of 77	—	77 of 77
Local Bodies Reached	552 of 753	—	552 of 753
Branch Offices	185	—	185
Centers	22,653	14	22,667
Staff Strength	1,156	(3)	1,153
Active Clients	404,104	(29)	404,075
Loan Clients	232,696	(4,612)	228,084

Some movement was noted in the coverage and outreach. While the number of centers increased nominally, active clients and specially loan clients decreased significantly during Jestha 2080 (corresponding mid-May to mid-June 2023). The number of centers increased by **14** reaching to a total of **22,667** but active clients decreased by **29** reaching to a total of **404,075** and loan clients dropped by **4,612 (1.98%)** going down to a new total of **228,084**.



Ms. Kalawati Chaudhary, member under Joshipur branch, Kailali district with her goats

Financial Services

Financial Progress (in Billion NPR)	Progress as of 14 May 023	Progress during 15 May - 15 June 023	Progress as of 15 June 023
Loan Disbursed	211.41	1.39	212.80
Loan Outstanding	26.87	(0.40)	26.47
Savings & Deposits	18.85	(0.22)	18.63

The selected financial indicators suggested slight movement. There was an increase in loan disbursement, however both loan outstanding as well as savings and deposits dropped during Jestha 2080 (corresponding mid-May to mid-June 2023). The loan disbursement reached to a new volume of **NPR 212.80 Billion** with an increase of **NPR 1.39 Billion**. However, loan outstanding went down to **NPR 26.47 Billion** and savings & deposit also decreased to **NPR 18.63 Billion**.

CSR/CP ACTIVITIES

Nirdhan continued with its corporate social responsibility (CSR) and client protection (CP) activities during Jestha 2080 (corresponding mid-May to mid-June 2023). Among the benefits, the maternity allowance was disbursed to the highest number of members, so far to a total of 2,469 beneficiaries amounting to NPR 4,863,600 till date in this fiscal year 2079/080.



Ms. Menaka Budha, member under Sinja branch, Jumla district receiving maternity allowance



Ms. Rekha Devi, member under Yadukuha branch, Dhanusa district receiving critical illness relief

CSR/CP Activities	Progress as of 14 May 023		Progress during 15 May - 15 June 023		Progress as of 15 June 023	
	No.	NPR	No.	NPR	No.	NPR
Maternity Allowance	2,289	4,503,600	180	360,000	2,469	4,863,600
Critical Illness Relief	333	3,100,000	45	445,000	378	3,625,000
Disaster Relief	486	1,797,000	24	126,000	510	1,923,000
Insurance Claim	1,769	161,456,294	207	21,723,847	1,976	183,180,141

Note: Cumulative figures are for the current Fiscal Year (2079-80 BS) only

During Jestha 2080 (corresponding mid-May to mid-June 023), Nirdhan provided maternity allowance to **180** members (total **NPR 360,000**), Critical Illness Relief to **45** members (total **NPR 445,000**) and Disaster Relief to **24** members (total **NPR 126,000**) this month. It also facilitated settlement of **207** insurance claims amounting to a total of **NPR 21,723,847** during the month.



Ms. Sita Devi Yadav member under Bodebarsain branch, Saptari district receiving fire-disaster relief payment



Spouse of Ms. Bimala Majhi, the deceased member under Khurkot branch, Sindhuli district receiving insurance claim