



Nirdhan Newsletter

Newsletter of Nirdhan Utthan Laghubitta Bittiya Sanstha Limited / March 2022 Edition

Nirdhan Utthan Laghubitta
Bittiya Sanstha Limited
(formerly Nirdhan Utthan
Bank Limited)

An MFI Providing Services to
the Poor

Central Office
Bhagwatibahal
Naxal, Kathmandu,
Nepal

Tel: +977-1-
4513794/4513840
Fax: +977-1-4513856

E-mail:
info@nirdhan.com.np
Website:
www.nirdhan.com.np



Find Us on Facebook:
facebook.com/nirdhan.bank

Editor: Prem Manandhar

Message from the CEO

Dear Readers,

Greetings!

We are delighted to present you progress highlights for March 2022 together with a brief account of the activities accomplished by the institution during the month.

In this issue, we are presenting you the success story of Mrs. Juna Gauchan, who received Dr. Harihar Dev Pant Best Micro-Entrepreneur Award in 2021 (2078 BS) from among the entrepreneurs in Gandaki Province. Juna has been successful in hotel and sheep farming businesses generating local employment.

The Corporate Social Responsibility and Client Protection activities continued during the month with the members availing several facilities including 222 on maternity allowance, 16 on critical illness relief, and settlement of 162 insurance claims.

Likewise, we are presenting some data from the recent past on our initiatives (health and education) and a note on our recent collaboration with Alternative Energy Promotion Center in targeting multidimensional poverty that we started two decades ago.



This month, Accountants, Assistants, and Junior Assistants from all of our branches were trained on Savings Mobilization & Portfolio Management through 16 one-day training events.

Our coverage and outreach continued to expand and selected financial indicators also suggest a slight increase in business volume.

We are pleased to share on continued oversight and guidance from our Board, this time on their field visits to several Centres, towards improving our operations in the field.

Janardan Dev Pant



Nirdhan Utthan Board Members in a Centre Visit, Odari Branch, Kapilvastu — March 2022

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SUCCESS STORY Journey towards prosperity — Juna Gauchan

Juna Gauchan, born in 1971 in the family of Ratna Singh Sherchan (father) and Cheli Sherchan (mother) in Thasang, Ward 4, Ghasa, Mustang was married to Suraj Gauchan of the same locality. The family responsibility fell on her as she lost her mother in early ages and father at the age of 17 years. For managing a family of four after marriage and for economic prosperity, she had thought of engaging in some business but lacked capital for investment due to poor economic condition. She came to know about Nirdhan branch extension in Ghasa. Juna together with other friends learnt on institutional rules from Nirdhan staff and got affiliated in Ghasa Group in 2016. Since then, she has been transacting on loan and savings till date.



Mr. Bishal Sherchan, Ward Chairman of Thasang Rural Municipality, Ward No. 4, Mustang District handing over Dr. Harihar Dev Pant Best Micro-Entrepreneur Award to Mrs. Juna Gauchan from among the entrepreneurs in Gandaki Province in 2021 (2078 BS)

She first availed NPR 100 thousand loan and purchased a buffalo of improved breed. Moreover, she opened an ordinary hotel and started selling milk in the hotel. Second time, she availed NPR 150 thousand loan and operated the hotel commercially adding few rooms. Third time, she availed NPR 200 thousand loan and invested in poultry farming. Fourth time, she again availed NPR 200 thousand loan and invested in sheep farming. Again, for fifth time she availed NPR 300 thousand loan and added 50 sheep and currently she has kept 250 sheep in total. She states that she makes about NPR 100 thousand income from agriculture, hotel, poultry and sheep farming businesses. She has employed 3 workers to take care of sheep. She has ensured education of her children in good school. She has saved NPR 80 thousand at Nirdhan. Moreover, she has acquired residential land in Pokhara.

She has proved that the hardworking and enterprising individuals if provided with capital for investment on convenient terms could progress well. Therefore, any work, be it small or big, could be pursued with hard-work and without fear. All praise for her deed and self-confidence as her struggle is seen as the best example in the society. She also takes part in social works. She has been furnishing the loan repayment installments on time. Now, she has been advising the sisters confined within households that economic status could be improved with proper utilisation of the loan facility. Respecting Nirdhan for the role it played in her progress, she thanks the institution.

**Contributor: Dipak Kumar Shrestha, Branch In-charge,
Branch Office Ghasa, Mustang**



NON-FINANCIAL SERVICES CSR and CP Activities

Nirdhan has several initiatives ensuring its Corporate Social Responsibility and Client Protection. It has also facilitated micro-insurance services for member/clients. A summary of the initiatives undertaken during the month of Falgun 2078 (corresponding mid-February to mid-March 2022) as well as cumulative figures for the ongoing fiscal year as of mid-March 2022 are presented in this section.

Maternity Allowance

Maternity period is a very sensitive period for the mothers as they need nutritious food for themselves and in keeping the infant healthy. To support this cause, Nirdhan provides NPR 1,600 up to two time delivery as maternity allowance.

Nirdhan distributed maternity allowance to **222** members during the month amounting to a total of **NPR 355,200** through different branches. With this payment, the facility has been availed by **1,945** members amounting to **NPR 3,110,500** as of mid-March 2022 during this fiscal year.

Critical Illness Relief

Critical Illness Relief with a value of NPR 5,000 per case covers illnesses including cancer, major organ damage, major heart disease and other major illnesses as specified in the Critical Illness Relief Manual.

Nirdhan provided Critical Illness Relief to **16** members during the month amounting to a total of **NPR 80,000**. With this payment, the facility has been availed by **112** members amounting to **NPR 560,000** as of mid-March 2022 during this fiscal year.

CSR/CP Activities	as of 12 Feb 022		Progress during 13 Feb - 14 Mar 022		as of 14 Mar 022	
	No.	NPR	No.	NPR	No.	NPR
Maternity Allowance	1,723	2,755,300	222	355,200	1,945	3,110,500
Critical Illness Relief	96	480,000	16	80,000	112	560,000
Disaster Relief	911	2,335,000	—	—	911	2,335,000
Insurance Claim	1,610	117,411,850	162	12,320,400	1,772	129,732,250

Note: Cumulative figures are for the current Fiscal Year (2078-79 BS) only

Disaster Relief

This relief is made available to the members affected by natural calamities such as flood, landslide, earthquake, tornado, fire etc. The relief amount is dependent on the severity of the damage caused to the members and their household.

During the month, Nirdhan screened some claims related to disaster relief which are in the process of disbursement. As such, the figures on disaster relief disbursement as of mid-March 2022 stands as last, i.e., the facility has been availed by a total of **911** members amounting to **NPR 2,335,000** during this fiscal year.

Insurance Claim

Nirdhan distributes compensation amount in the event of death or accident of its member clients as well as to their family members who are covered under the micro-insurance service facilitated by Nirdhan.

Nirdhan facilitated settlement of **162** claims during the month amounting to a total of **NPR 12,320,400** through different branches. With this payment, the insurance claim has been availed by **1,772** members amounting to **NPR 129,732,250** as of mid-March 2022 during this fiscal year.

DISCOURSE Nirdhan initiatives targeting multidimensional poverty

“Nirdhan used multidimensional poverty indicators around 2003.”

This was shared by Dr. Narahari Dhakal, the Microfinance Specialist. Dr. Dhakal was sharing his insights as a Special Guest at Dr. Harihar Dev Pant 6th Memorial Day on 06 September 2021.

Nepal’s Multidimensional Poverty Index 2021 report uses the revised national indicators to track deprivation across three dimensions: Health (nutrition, child mortality), Education (years of schooling, school attendance) and Living Standards (cooking fuel, improved sanitation, improved drinking water, electricity, housing, assets ownership).

As shared by Dr. Dhakal, Nirdhan has been targeting poverty for its programming since long using the indicators of housing, access to water, type of energy used in kitchen and parameters of food quality.

Nepal’s MPI report states, “In 2019, 17.4 percent of Nepalis are multidimensionally poor – just under five million persons, and the MPI is 0.074. Across indicators,

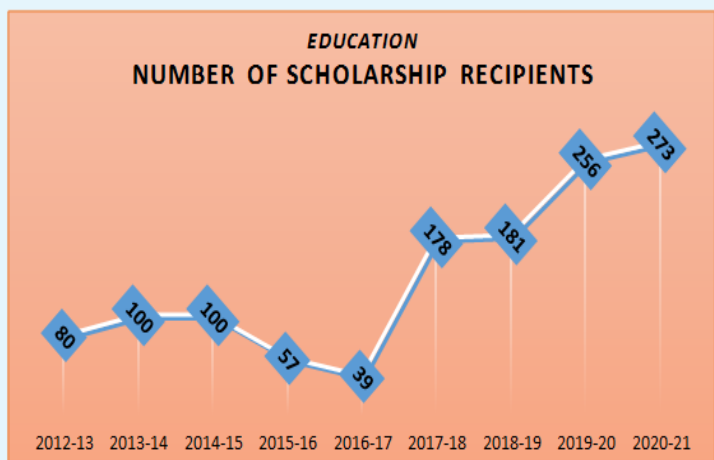
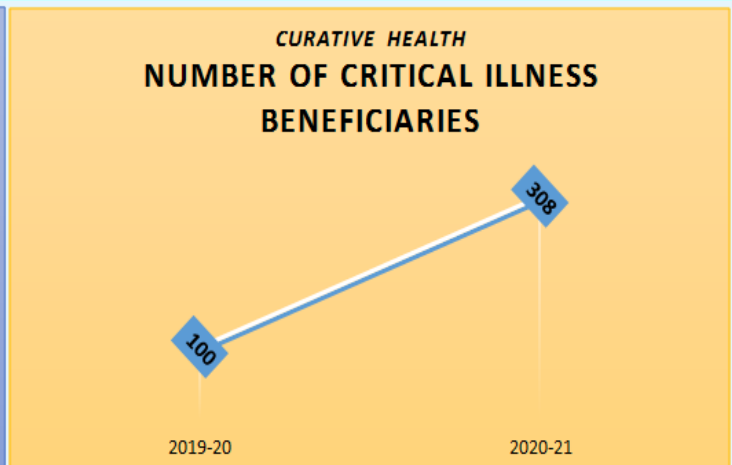
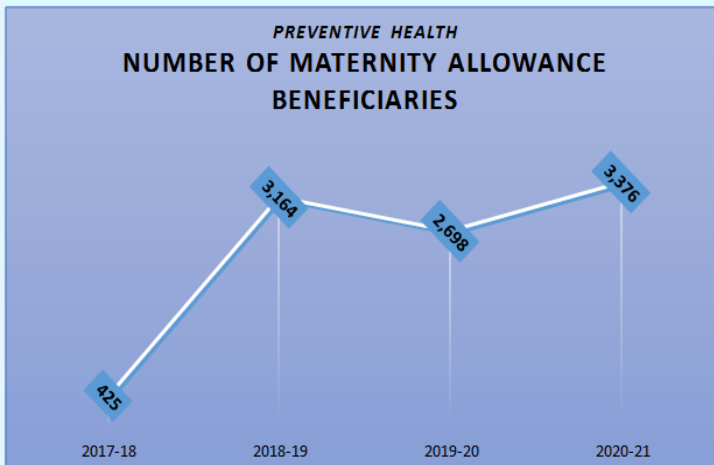
the highest number of people are deprived in housing materials, clean cooking fuel, years of schooling, assets, and nutrition. Considering the indicator weights, years of schooling and nutritional deprivations contribute most to ongoing multi-dimensional poverty in Nepal.”

The report further highlights the need of reaching out to the poor in rural areas, “Disparities exist: for example, 28 percent of rural dwellers are MPI poor, compared with 12.3 percent in urban areas, and over half of Nepal’s poor population live in rural areas.”

Needless to say, the penetration of microfinance services in the remote locations where most of the poor reside is still important.

Nirdhan, as one the lead institutions in providing micro-finance services to the poor, is delivering innovative financial and non-financial services to the door-steps of its member/clients for over two decades now.

Below, we present some data for the recent years on Nirdhan initiatives in targeting some of the deficits as also pointed out in the Nepal MPI report.



On **energy** front, Nirdhan signed a Performance Based Agreement on 07 March 2022 with Alternative Energy Promotion Center / Central Renewable Energy Fund for implementation of clean cooking solutions project in Lumbini Province. Nirdhan has committed for installation of **10,000 e-cooking products** in the member/client households over the period of 18 months.

Besides the socio-economic and environmental benefits, the project would contribute to the foreign currency reserve of the country as most of the beneficiary households will now switch to hydropower instead of LPG as the cooking fuel.

CAPACITY BUILDING Savings Mobilization & Portfolio Management

The focus of the capacity building during the month of Falgun 2078 (corresponding mid-February to mid-March 2022) has been the Accountants, Assistants, and Junior Assistants from all branches. This focus group was trained on **Effective Savings Mobilization & Portfolio Management** organizing **16 one-day training events** (2 events each for Attariya Regional Office (RO), Bardibas RO, Bhairahawa RO, Birgunj RO, Birtamod RO, and Kohalpur RO and one event each for Bharatpur RO, Birendranagar RO, Kathmandu RO, and Pokhara RO).



Training on Effective Savings Mobilization & Portfolio Management, Birtamod, 27 February 2022

Nirdhan Utthan successfully organized Training on Effective Savings Mobilization & Portfolio Management on 27 February 2022 for 26 Accountants and Assistants working in the branches under its Birtamod Regional Office.

Mr. Janardan Dev Pant, CEO delivered inaugural address virtually in the training event held in the presence of Acting Assistant General Manager, Mr. Ram Bahadur Chaudhary; Chief Manager of Planning and Monitoring, Mr. Mukesh Dahal; and Chief of the Regional Office, Mr. Jagat Bhattarai, among others.

In the event, Mr. Chaudhary presented on Organizational Operational Strategies, Need of Savings in MFIs, and Strategies in Savings Increment in MFIs. Likewise, Mr. Dahal presented on Techniques in Managing Delinquency and Processing of Samunnat Savings Transactions & Reporting in MIS. Mr. Bhattarai informed on the Branch-wise Current Status of CD and NPL Ratio of the Regional Office, and presented on Need and Use of RAAI with some exercise.

The participants, divided into four groups, presented on their assigned topics and prepared a work plan on the target number of savings clients and deposit amount by the end of this fiscal year (mid-July 2022).

At the end of the training program, the Acting Assistant General Manager, Mr. Chaudhary presented the “Employee of the Week” (13-18 February 2022) prize to Mr. Kul Bahadur Lamichhane (1403), Junior Assistant in Biratnagar, Morang Branch Office under Birtamod, Jhapa Regional Office. Mr. Lamichhane was successful in facilitating opening of the highest number of nine Samunnat Savings Accounts among all of the 181 branches.

Finally, Mr. Prachanda Karki from Chandragadhi Branch and Mr. Chudamani Poudel from Panchkanya Branch, on behalf of the participants, suggested to increase the number of such training events that would encourage further the program expansion.

The program, conducted by Mr. Krishna Kant Adhikari, Program Officer in the Birtamod Regional Office, was closed by the Acting Assistant General Manager, Mr. Chaudhary with the expectation that the participants would contribute towards achieving the institutional objectives through utilisation of the training learning.

PROGRESS INDICATORS Financial Progress and Coverage/Outreach

The highlights on Financial Progress and Coverage/Outreach for the month of Falgun 2078 (corresponding mid-February to mid-March 2022) are presented in this section.

Progress Indicators	as of 12 Feb 022	Progress during 13 Feb - 14 Mar 022	as of 14 Mar 022
Financial Progress (in Billion NPR)			
Loan Disbursed	183.14	2.28	185.42
Loan Outstanding	27.35	0.17	27.52
Savings & Deposits	17.23	0.03	17.26
Coverage/Outreach (in No.)			
Districts Covered	77 of 77	—	77 of 77
Local Bodies Reached	544 of 753	2	546 of 753
Branch Offices	181	—	181
Centers/SRGs	21,743	85	21,828
Staff Strength	1,202	(1)	1,201
Active Clients	391,431	1,372	392,803
Loan Clients	232,639	974	233,613

The selected financial indicators that of loan disbursement, loan outstanding and savings & deposits mobilization suggest a slight increase in the reporting month. The loan disbursement reached a volume of **NPR 185.42 Billion** with an increase of **NPR 2.28 Billion** during the month. Likewise, the loan outstanding at the close of the month stood at **NPR 27.52 Billion**. The savings and deposits reached **NPR 17.26 Billion** suggesting a marginal increment during the month.

The coverage and outreach in terms of the number of Centres/SRGs as well as active and loan clients increased slightly during the month. The number of Centres/ SRGs increased by **85** reaching to a total of **21,828**. Likewise, the number of active clients increased by **1,372** reaching to a total of **392,803** and the loan clients also increased by **974** reaching to a total of **233,613**.



One of the Centre Meetings of Toligaun Women's Group, Sanfebagar, Achham District