



Declaration

Microfinance Summit Nepal 2008



Preamble

- Recalling the national development plan and that the Millennium Development Goals (MDGs) of UN calls for reducing poverty by half by 2015 per country, globally reaching 175 million poor families;
- Bearing in mind that the Global Microcredit Summit held in Halifax, Canada declared a goal of ensuring that 100 million of the world's poorest families move from below US \$1 day earnings to an adjusted purchasing power parity above US \$1 a day;
- Recognizing that adopting an inclusive approach for poverty reduction through appropriate financial services contributes to ensuring a peaceful, democratic future for Nepal. Summit delegates promulgate the 22 articles Kathmandu declaration on February 16, 2008.

Summit Goal

1. We set as our goal:
 - Reaching 2 million poorest of the poor with microfinance services for their sustainable income by 2010;
 - Reaching a total of 3 million poorest of the poor by 2015

* up from the baseline figure of 1.18 million as of July 2007.

Commitments

2. Summit delegates commit to work in a coordinated and cooperative way in order to ensure sustainable income for the poorest of the poor.
3. Summit delegates commit to avoid duplication and to increase synergy.
4. Summit delegates commit to share best practices and success stories and encourage their replication and scaling up in the remote and under served areas of the country.
5. Summit delegates commit to diversify products, services and approaches to ensure inclusion of disadvantaged groups such as women, youth, and children, Dalits, marginalized Janjatis, socially and geographically excluded, all over the country and to track impact to ensure we meet this goal.
6. Summit delegates commit to form a Microfinance Network Nepal and determine sector norms and standards for market discipline and self regulation.
7. Microfinance institutions commit to regularly disclose social and financial performance data to ensure transparency and good governance practices.

Strategic for recommendations

8. Summit delegates have noted with satisfaction the assurance given by the Minister of Finance to review the tax policy for MFIs that are providing services (including cooperatives) in the hills, mountains and other underserved communities in order to exempt them from tax to compensate for the operational losses incurred during expansion.
9. All rural development programs should include relevant business development services and skills in order to improve the capacities of clients to access financial services and increase their income.

10. It is expected that the Regulatory authorities, CGAP and other development partners pilot E-finance to reduce operational cost and increase efficiency in the hills and mountains.
11. Poverty Alleviation Fund and other development programs should build capacity of small Microfinance Institutions, service providers and their clients.
12. There should be at least one branch of Microfinance Development Bank/ FINGOs / Cooperative bank in each district of Nepal.
13. Self Help Groups should be given proper legal status with satisfactory independent ratings and be linked with MFIs.
14. Commercial banks and other financial institutions should support MFIs.
15. MFIs should develop standard tracking tools for social performance, to measure how well MFIs are able to fulfill their social mission of bringing women, dalits, janjatis, the ultra-poor, youth, and other marginalized groups out of poverty.
16. Microfinance Network should initiate the establishment of a Microfinance Credit Information Bureau to overcome overlapping of microfinance services and to establish fair competition and/or cooperation among practitioners.
17. Summit delegates recommend that interest rate is best determined by market forces.
18. Specific policies and guidelines should be declared to operate microfinance through cooperatives.

Action Plan

19. All MFIs and promoting agencies agreed to submit annual action plan to the Secretariat by May 2008.
20. The summit declares 2nd Microfinance Summit to be held in February, 2010.

Task Force-1

21. The summit forms a task force to consult with government and NRB on the draft Microfinance policy involving practitioners of different models, promoters, service providers and microfinance experts as follows:
 1. Representative Grameen Model-Coordinator
 2. Representative FINGO Model- Member
 3. Representative SACCOs Model-Member
 4. Representative SFCL Model-Member

5. Representative SHGs/ COs promoter-Member
6. Representative Women Managed MFI-Member
7. Representative Dalit managed MFI-Member
8. Representative NRB-Member
9. Representative DOC-Member
10. Representative International Development Partner-Member
11. Representative NPC-Member
12. Representative MOF-Member (Invitee)
13. Independent Microfinance Expert-2 (Male-1 and Female-1)
14. Representative CMF-Member Secretary

Task Force-2

22. The summit forms a separate task force to initiate and work with government (as defined above) to draft micro insurance policy involving practitioners of different models of microfinance, promoters, non financial service providers, Microfinance, and Micro insurance expert.
 1. Representative Grameen Model-Coordinator
 2. Representative Insurance Board-Member
 3. Representative FINGO Model- Member
 4. Representative SACCOs Model-Member
 5. Representative SFCL Model-Member
 6. Representative Women Managed MFI-Member
 7. Representative Dalit managed MFI-Member
 8. Representative NRB-Member
 9. Representative DOC-Member
 10. Representative International Development Partners-Member
 11. Representative NPC-Member
 12. Representative MOF-Member
 13. Independent Micro insurance Female Expert-1
 14. Representative Credit Deposit and Guarantee Corporation (Expert-1)
 15. Representative CMF-Member Secretary