

Remarks By
Ambassador K.V Bhagirath
Secretary General of IORA
at
Workshop on Promoting Microfinance for economic Development in IORA
Region,
Dhaka - Bangladesh, 8 - 9 April 2015

1. The Hon. Mr. Abul Maal Muhith,
Finance Minister of Bangladesh
2. Rear Admiral (Retd) Md. Khurshed Alam, Secretary, MOFA of
Bangladesh
3. Mr. Qazi Kholiquzzaman Ahmad, Chairman, PKSF
4. Mr. Abdul Karim, Managing Director, PKSF
5. Excellencies, and diplomatic corps

Participants, speakers
Distinguished Guests
Ladies and Gentlemen,

Assalamu'alaikum,

At the outset, allow me to convey the apology of Ambassador K.V. Bhagirath, Secretary-General of IORA, due to unforeseen circumstances he is not able to be with us at the important event this morning. However, He has tasked me to send his best wishes to all participants and to read his remarks on his behalf.

Excellencies,
Ladies and Gentlemen,

Firstly, I would like to extend my gratitude and appreciation to the Government of Bangladesh, especially the Ministry of Finance, the Ministry of Foreign Affairs and Palli Karma-Sahayak Foundation (PKSF) in collaboration with IORA Secretariat to co-host this workshop on "Promoting Microfinance for Economic Development in IORA Region". Indeed, this is the first event under the IORA Sustainable Development Programme

(ISDP), approved at the last meeting of the Council of Ministers in Perth in October 2014.

I would also like to convey my gratitude to the Government of Bangladesh for the warm hospitality and excellent arrangements made for the workshop.

Excellencies, Bangladesh is one of the most successful countries in developing microfinance which has gained international recognition. Bangladesh's expertise and experience in this field is invaluable asset that could be shared with other member countries. It is for that purpose the main objective of this workshop was envisioned to promote sharing of knowledge and best practices among IORA Member States in implementation of microfinance scheme.

Excellencies,

As we have been aware that one of the main challenges faced by IORA since its inception was varying level of development and economic disparities of its members. In most member countries, SMEs has been recognized as the backbone of economy. However, their access to source of finance is still a big issue. International Financial Corporation (IFC) indicated that around 130 million people in the world now have access to microfinance. However, this number makes up less than 20 per cent of the total number of poor people who do not have access to financial services.

It is believed that the successful in developing microfinance in IORA countries would bring to the positive impact on regional economic development. A study conducted by the World Bank titled 'Dynamic Effects of Microcredit in Bangladesh' in 2014 also confirmed that access to microfinance has led to improved chances of education, increase in personal expenditure and household assets, and that they mostly benefit women. Studies conducted in other countries have also further reaffirmed these conclusions.

I would like to point out that in many IORA member countries, we face several common problems and one of them is limited access to source of finance and inadequate financial services. The scarcity of formal financial services (credit, banking and insurance) hinders the development of these

economies and keeps its poor sections in constant poverty. The global economic community believes that microfinance is one of the remedies to this situation.

While, we also recognize that access to capital and good business advice are not the only elements required for economic development. Efforts to improve social, political, and economic institutions, expand infrastructure, and foster good governance policies remain critical in promoting economic growth. Nonetheless, microfinance does stand as a tested system that can simultaneously facilitate economic growth and poverty alleviation.

I strongly believe that this event would be an ideal opportunity for different Member States to share their experiences and best practices on microfinance in view of reducing the economic disparity among them, as well as enhancing economic development opportunities. This event will provide a platform for Member States to spread the reach of microfinance, as well as, to share country's experience in the implementation of microfinance scheme.

Excellencies, I once again to thank the Government of Bangladesh for the excellent arrangements made and I do hope that the deliberations of this workshop would provide useful inputs to guide us in this effort.

I thank you.