

Ladies and gentlemen,

Bangladesh is a member state of IORA and actively participating in all the activities of the forum since 1998. It is for the first time that the MOFA took the initiative and we proposed in the Perth meeting of the IORA in 2014 to host a workshop on microfinance, as a part of IORA sustainable development program. We believed that Bangladesh has a long and successful history of micro-credit and micro finance spanning of about four decades. It is now accepted in the world that Bangladesh has introduced micro-credit. After liberation, the concept of micro- credit was introduced in the war-ravaged Bangladesh. As a continuity of it, micro- credit system has reached this level today. The recipients of micro finance loan from the micro-credit organizations or rural finance market at present is over 40 million and the amount of loan has exceeded US\$10.73 billion (source Bangladesh Bank and Micro credit authority, June 2013)

As a consequence of that initiative and with the approval of the IORA member states, the workshop has been organized in the premises of the Palli Karma-Sahayak Foundation (PKSF) which is an apex organization not for profit, but operating its holistic development programme through 6500 branches of 272 partner organizations in 64 districts of Bangladesh. This foundation is upgrading its financing model based on new multi-dimensional aspects of poverty, thus carrying on responsibilities as a major market player of microfinance market sharing 22% (source: Country paper on rural banking and finance- PKSF 2013).

Well-regulated micro-credit and micro finance are playing a big role in the sphere of elimination of poverty. Outside government's initiatives, the NGOs (non- governmental organisations) are playing a significant role in many sectors, such as micro-credit, education, health, removal of poverty, handling the natural disasters and so on.

Bangladesh appreciates regional efforts and success to face global challenges compared to any other recommendation. Since the Indian Ocean connects all of us and that's why we should concentrate more on comprehensive efforts to prove our region as emerging maritime junction of the world. Progressive endeavor for deeper cooperation in blue economy, disaster management, maritime security, search and rescue, climate change are praiseworthy initiatives. Besides that, IORA sustainable development program is an

appropriate platform for our countries to share experience, gather knowledge and support each other. Deeper engagement in existing sectors of cooperation like: trade, investment, infrastructure development, agriculture, research and development, cultural exchange and people to people contact would accelerate regional growth. During the two days workshop under the IORA Sustainable Development Programme (ISDP) Workshop

**Titled “Promoting Microfinance for Economic Development in IORA region”**

**Date: 8 - 9 April, 2015**

**The inaugural session was graced by the Hon’ble Finance Minister, Chairman PKSF, Managing director PKSF, local diplomatic core etc.**

<p><b>Discussion Session 1:</b> The Inherent Synergy between Microfinance and Development in Member States</p>
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Open session

The session on “The Inherent Synergy between Microfinance and Development in Member States” was chaired by Dr Nandini Azad, President, Indian Co-operative Network for Women, India. The presentations were delivered by (a) **Mr. Md. Fazlul Kader**, Deputy Managing Director, PKSF (b) **Mr. Agus Manshur**, Deputy Director, Poverty Eradication, National Development Planning Board (Bappenas), Indonesia.

The presentation of **Mr. Md. Fazlul Kader** is annexed as Document No. IOR/1PMED/REP/14/1.8.

The presentation of **Mr. Agus Manshur** is annexed as Document No. IOR/1PMED/REP/14/1.9.

### **Recommendations:**

- (a) Member countries are encouraged to enhance Government interventions to promote microfinance programme.
- (b) IORA Member States are encouraged to conduct research on what have been carried out during the past five years on Microfinance development.
- (c) The IORA Secretariat would assist to develop common guidelines for developing microfinance; best practices manuals with general guidelines, including government policy. Member States are requested to provide the Secretariat with the required information and data on same.
- (d) Bangladesh, India and Indonesia are encouraged to develop Capacity Building Programmes for the IORA Member States.
- (e) The IORA Secretariat would assist to compile the regulatory framework on Microfinance institutions in IORA Member States. Member States are requested to provide the Secretariat with the required information and data on same.
- (t) Member States are encouraged to develop appropriate Public policy environment and framework for the development and growth of microfinance.
- (g) Member States are encouraged to exchange more regular information on successful Microfinance Model in the form of short video documentaries, journal publications, etc.
- (h) Member States are encouraged to increase exchange of Microfinance experts and practitioners in the effort to develop microfinance in the IOR region.

### **Discussion Session 2: From Disbursement Based Financing to Integrated Development Financing**

#### Open session

The session on “From Disbursement Based Financing to Integrated Development Financing” was chaired by Dr. Aslam Alam, Secretary, Bank & Financial Institutions Division, Ministry of Finance, Bangladesh. The presentation was delivered by **Mr. Dewan A. H. Alamgir**, Managing Director & Microfinance Expert, Enterprise Resource System (ERS), and Bangladesh.

The presentation is annexed as Document No. IOR/1PMED/REP/14/1.10.

### **Recommendations:**

- (a) Member States are encouraged to strengthen development of microfinance through non- collateral scheme.
- (b) Member States are recommended to promote ICT through workshop/ seminars for better management, monitoring and delivery of services.

- (c) Member States are encouraged to study international reports related to remittance as source of fund for development of microfinance.
- (d) IORA Secretariat would assist Member States to develop vocational training programmes on microfinance.
- (e) IORA Secretariat, with assistance Member States, is recommended to establish database on Microfinance IORA Member States on the IORA website. In doing so, Member States are requested to provide the Secretariat with information required.

### Discussion Session 3: Microfinance for inclusive Growth and Poverty Alleviation

Professor MA BaquiKhalily  
Dr Nandini Azad

#### **Recommendations:**

- (a) MFIs in Member States are encouraged to provide both financial and non-financial services for the poor.
- (b) Member States are recommended to provide more appropriate methodology for microfinance development in taking experience from different countries
- (c) Member States are recommended to increase access/ availability of information/ data on MFIs to minimise risks of lending (which is absent in the banking sector).
- (d) Member States, with the assistance of the IORA Secretariat, are encourage to do an assessment and gap analysis on status of microfinance in IOR region
- (e) Microfinance should be independent of political influence
- (f) Member States are encouraged to build capacity for women empowerment in microfinance
- (g) The IORA Secretariat is requested to assist Member States in organising special training session on policies and strategy to reduce poverty for women.

### **Discussion Session 4:** Financing for Enterprise Development: policy frameworks, institutional structures, and monitoring mechanisms

Mr AQM GolamMawla  
Mr Fahmi Akbar  
Mr SA Alahakoon

**Recommendations: 4**

- (a) Member States are encouraged to empower social and religious groups to Alleviate poverty.
- (b) Dialogue Partners of IORA are encouraged to support IORA programmes related to poverty reduction.
- (c) Conventional Banks in Member States are encouraged to explore greater role in developing microfinance programme
- (d) Combining Microenterprise lending with non-financial services through adopting value chain development interventions.
- (e) The need an enhancing Synergy among all stakeholder in Member States to combat poverty in the region
- (f) The need appropriate National policy on Hnancial inclusion in IORA member States for development

Before I conclude, I must thank PKSF very much for extending hands of cooperation to host this programme, Ministry of Finance for their guidance and last but not the least, representatives of IORA countries for their enthusiastic participation and IORA Secretariat for their decision to organize this workshop in Bangladesh. I am sure that this workshop provided a great opportunity to all the member states to share knowledge and expertise. Since most of the member states are at varying level of development with diversities on geographical and resource capabilities, it can be safely concluded that there is a take home recommendation for all those countries which can be replicated provided the IORA takes initiative and take all states on board on this very important issue. Thank you all.