

*Statement by Hon'ble Foreign Minister
as Chief Guest at closing session of Int'l Workshop on promoting microfinance for
economic development in IORA region
9 April 2015, 1600 hrs (04:00 pm), Room 201, PKSF bhaban, Agargaon.*

Secretary Maritime Affairs Unit, Ministry of Foreign Affairs, Governor Bangladesh Bank, Senior officials PKSF, participants of the Workshop, representatives of IORA secretariat, friends from electronic and print media, Assalamualaikum and Good Afternoon.

Let me first congratulate you all for the successful completion of two days international workshop on promoting microfinance for economic development in IORA region. I deeply believe that effective discussion of this workshop will assist your countries through your valued ideas in long run; thus, by adding your segregated contribution IORA region will be benefited.

Yesterday the workshop was inaugurated by Finance Minister of Bangladesh; in his statement he clearly mentioned how micro financing leads to overall economic development and how proper regulations of micro credit regulatory authority facilitated to run micro financing program sustainably. In two days long discussion sessions panel of experts from home and abroad have discussed on diversified aspects of micro financing. Detailed issues related to inherent synergy between microfinance and development in member states, the way how disbursement based financing evolved as integrated development financing, evolution from micro credit to financial services, value chain financing, inclusivity of micro entrepreneurs in development process were discussed.

The workshop also highlighted innovation of different customized financial packages and its impacts, other services in addition to micro finance, how microfinance contributed in inclusive growth and poverty alleviation and various mechanisms such as monitoring, institutionalizing, extending policy framework for development of enterprises.

Ladies and gentlemen, concept of micro financing was born in Bangladesh four decades ago; and Bangladesh has been recognized internationally as 'University of Microfinance'. Microfinance has proved its values in many countries as a weapon

against poverty and hunger. Micro finance is not charity; rather it is a way to extend the same rights and services to the low-income earning people to be financially solvent. During 1980s the rapid increase of population, frequent natural disasters and low economic growth postulated that a large number of families of the country will be thrown into abject poverty. By proving this attitude erroneous, the rate of poverty of Bangladesh has reduced remarkably. Four decades ago where more than 70 per cent of the population were under poverty line, the number of people living under poverty line has now declined to 31.5 per cent [as per the Bangladesh Bank records].

One of the main reasons of reduction of the rate of poverty in Bangladesh is the comprehensive increase of micro-credit programme in the country. Now the question is how the micro-credit has contributed to the removal of poverty. The chief reasons behind the ever-increasing economic growth of Bangladesh and reduction of poverty include low rate of population increase, developed human resources, high productivity of agriculture, improved infrastructure and ever-increasing inflow of foreign remittance. For instance, as compared to the year 2000 micro- credit essentially expanded more in the poor areas, because due to geographical causes relatively developed areas came under the purview of it in the previous decade.

Besides, encouraging initiatives of Non Government Organizations (NGOs) in Bangladesh, present government led by Honorable Prime minister Sheikh Hasina has launched various programs for ultra poor and marginal group of the country. Projects like Ashrayan -2, one house one farm are successful and praiseworthy income generating initiatives. Under the leadership of Prime Minister Sheikh Hasina Bangladesh is moving forward to eradicate poverty by 2021. Our Father of the nation Bangabandhu Sheikh Mujibur Rahman has always dreamt of 'Golden Begnal' – taking our beloved country in zenith of economic development; surely present government is heading towards to achieve his dream. Rural development through micro finance would significantly contribute to this process of economic development.

My friends from IORA countries, 'Poverty' is a common challenge for our countries. Now poverty does not mean only low income, it has spanned its wings in manifold and included social problems like- illiteracy, health related issues, unemployment, malnutrition, gender inequality, social security, environmental

problem, climate change, water- sanitation, unhygienic way of life leading and so on. To confront these common challenges we need to develop comprehensive integrated policies. Establishment of appropriate micro financing model and proper execution of that model would certainly enhance the process of development. It may not be possible for every member country to deliver the financial aid to each corner of the designated peripheries. But what can be done - we can inspire our private sectors and NGOs to actively participate in introducing micro finance among the mass people. Investment friendly policy of Government will further motivate private sectors and NGOs to broaden their capacity to include most of the vulnerable sectors. Subsequently, based on necessity of particular group, the service providers will expand their horizons with innovative programs.

Finally, I extend warm regards to IORA to create such platform for us, where we can share our success and expertise with each other and expedite our journey of prosperity in every area. With 30% of total population of the world in IORA region, this forum has enormous potential to grow further. Following one of the objectives of this forum- to promote the sustainable growth and balanced development of the Member States, and to create common ground for regional economic co-operation; we can support and collaborate each other to develop further inclusively.

I wish the deliberated experiences of this workshop have improved our ideas and this understanding would help all of us to develop own model of micro financing for economic development. I also believe that you have enjoyed this short stay in our capital, Dhaka. I thank all of you for your kind attention.

Joy Bangla

Joy Bangobondhu

Bangladesh live for ever.