

## Micro-credit year 2005 launched

Kathmandu, November 18:

The declaration of year 2005 as an international year of micro-credit by the United Nations General Assembly would prove beneficial to least developed countries like Nepal, if micro-credit could be mobilised properly for poverty alleviation, experts speaking at a programme, organised to mark the launch of the 'International Year of Micro-credit 2005,' said.

Micro-credit is a powerful and sustainable instrument for poverty alleviation, they added.

Though poverty has significantly decreased in the last eight years, the improvement is far from satisfactory, said Dr Hari Kumar Upadhaya, member of National Planning Commission. UN prospects in reducing poverty is reflected by the declaration of micro-credit year. Micro-credit plays a key role in empowering women over a short period, Upadhaya added.

Alessandra Tisot, deputy resident representative at United Nations Development Programme (UNDP) said, micro finance has proved to be a very effective tool to achieve the goal of promoting gender equality and empowering women. Sustainable access to micro-finance institutions helps alleviate poverty by generating income, creating jobs, allowing children to go to school, enabling families to obtain health care and empowering people to make choices that best serve their needs. Nepal should use the international year of micro credit to build awareness on the importance of fostering inclusive and sustainable micro finance institutions that help people improve their lives, Alessandra added.

An eleven member National Coordination Committee (NCC) has also been formed under the chairmanship of Dr Harihar Dev Pant to conduct, regulate and monitor various activities during the micro-credit year 2005. Highlighting the important policy measures taken by Nepal Rastra Bank (NRB) in the development of micro-finance sector, Bijay Nath Bhattarai, deputy governor at NRB said that NRB has introduced a conducive policy for the establishment of micro-finance development banks in the rural sector. NRB has been allocating five per cent of its profit to Rural Self Reliance Fund in order to make rural finance easier in areas that hold potential for economy generation. Micro-credit would help the UN to achieve its motto of cutting half the people's living under extreme poverty by 2015, said Ganesh Bahadur Thapa, former governor of NRB and chairman of Centre for Micro-Finance Pvt Ltd.

Although the significant decrease in poverty is due to high remittance flow, micro-credit should be given its due importance for sustainable development of the country, Thapa added.

Accelerating economic growth and alleviating poverty are challenges that lie ahead. Globalisation has not only brought opportunities but also separated the marginalised group, said Mohan Man Sainju, vice-chairman, Poverty Alleviation Fund. "If poverty alleviation is to be achieved, then people at large should be in the process of development, Sainju opined. The two most successful micro entrepreneurs, Bhim Kumari Subba of Terhathum district and Phooleswori Devi Chaudhary of Saptari district were honoured with national awards at the programme.