

Center for Micro-Finance (Pvt.) Limited (CMF)

In This Document:

- Brief History
- Activities
- Membership
- Contribution to innovation and to the dissemination of best practices
- Funding
- Management and governance
- Challenges and Development Plans
- Interaction with financial sector
- Partnerships

Brief History

The Centre for Micro-Finance (Pvt.) Limited (CMF) was established in 1998 as a project, funded by USAID and the fees paid by members, to strengthen the microfinance sector in Nepal. In July 2000, CMF became an autonomous, private limited company, for which its shareholders have unanimously decided in 2004 not to distribute dividends but rather employ profits for the development of the microfinance sector and poverty alleviation programs, therefore making CMF a not-for-profit company. CMF's mission is 'to strengthen institutional capacity of microfinance institutions, to enable them to better serve their clients, especially women of the poorest families on a sustainable basis'. CMF provides training and technical assistance; consultancy services, undertakes research, produces publication and facilitates information dissemination, while networking with national and international organizations.

Activities

CMF undertakes a rich mix of activities to meet the emerging needs of individual microfinance institutions, such as community-based savings and credit organizations, cooperatives, Grameen replications, rural development banks and financial intermediary NGOs. Some of CMF's current activities are:

- Strengthening of microfinance sector (funded by Ford Foundation), which includes the provision of training, technical assistance, networking facilitation to approximately thirty women-managed Microfinance institutions (MFIs). The aim is to support the MFIs to increase their outreach and improve product quality.
- ImpAct: assessing the impact of cooperatives operating in the hills region (funded by Ford Foundation and coordinated by three UK universities), to be completed in October 2004.
- Strengthening of the capacity of fifty women cooperatives, among them twenty groups supported by the NGO Nari ('women') Bikas Sangh, in partnership with the Canadian Cooperative Association (CCA), 2nd year of operation.
- Microinsurance product pilot testing, involving Nirdhan Uttan Bank Ltd. and BISCOL, ending in June 2004.
- Community-based self-help cooperatives, started through food-for-work, supported by GTZ.
- Support to information technology needs of 15 partners (microfinance development banks, NGOs, cooperatives), provision of computers, training in software, internet and in computer maintenance (funded by E.U through Planet Finance India).
- Institutionalisation of savings and credit groups (funded by King Mahendra Trust for Nature Conservation) under the Tiger Rhino conservation project. Involves the promotion of self-help groups and their development into cooperatives. Provision of capacity building, development of by-laws and cooperative rules, accounting principles.
- Provision of regular training: principles and management of microfinance, business planning and others.
- Networking and Communication: CMF serves as a national clearinghouse for microfinance related information, it organizes national seminars, consultative meetings, publish a quarterly newsletter and manage an information centre.

Membership

Not a membership-based organisation. See section 'Partnerships'.

Contribution to innovation and to the dissemination of best practices

CMF has been instrumental in developing a two-year microinsurance pilot project in collaboration with Nirdhan, BISCOL and other cooperatives. It received financial support from CGAP for the innovative nature of the project. CMF has also produced a series of publications focusing on best practices and mapping the microfinance landscape in Nepal.

Funding

CMF obtains its funding through its donors such as IDS (Sussex University), Canadian Cooperative Association, CGAP, GTZ, UNDP, Micro-Finance Opportunities, Micro Save Africa, SEEP Network and Ford Foundation.

Management and Governance

CMF is headed by a Chief Executive Director, supported by heads of programs, administration and accounts departments. The Annual General Meeting of promoters and shareholders provides overall guidance to the company, electing every four years a nine-member board of directors. The board makes policy decisions and provides strategic direction.

Challenges and Development Plans

n/a

Interaction with financial sector

CMF collaborated with the National Life and General Insurance Company (NLGIC) in the microinsurance project involving cooperatives and Nirdhan Utthan Bank.

Partnerships

CMF has selected 30 savings and credit cooperatives in its project 'strengthening of women managed savings and credit cooperatives'. CMF has also four partner cooperatives in the ImpAct and microinsurance projects. CMF also collaborates with organizations like IDS (Sussex University), Canadian Cooperative Association, USAID (AIMS Project), the Consultative Group for the Poorest (CGAP) and many others. It acts as an informal networking organisation for microfinance organisations in Nepal.

Sources

- CMF website: www.cmfnepal.org
- Presentation made during BWTP workshop. February 2004. Kathmandu, Nepal.