



UNNATI-Access to Finance (A2F) Partnerships Launch Ceremony with BFIs

Closing Remarks by

Dr. Chiranjibi Nepal, Governor, Nepal Rastra Bank

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Hotel Yak and Yeti, Kathmandu

*Ms. Valerie Julliard, UN Resident Coordinator,
Ms. Ingrid Dahl-Madsen, Charge d'Affaires, Embassy of Denmark,
Mr. Vincent Weirda, Regional Technical Advisor, UNCDF,
Mr. Shiba Raj Shrestha, Deputy Governor of Nepal Rastra Bank,
Officials from Government of Nepal and Other Agencies,
Officials from Nepal Rastra Bank
CEOs and Representatives from banks and financial institutions,
Friends from the Media,
Distinguished Guests
Ladies and Gentlemen*

It gives me immense pleasure to be here at this Challenge Fund Partnership Launch Ceremony of UNNATI-Access to Finance program with different BFIs. Allow me, at the outset, to extend my sincere appreciation to the Embassy of Denmark and UNCDF for supporting the Government of Nepal by launching this Project that aims at expanding financial access to the rural people and help raise their living standards and ultimately reduce the poverty level in the country.

Distinguished Guest, Ladies and Gentlemen,

Financial access broadly refers to the reach of financial institutions and their products to the doorsteps of the people throughout the country. This would create opportunities for the people to involve themselves in in-come generating activities and hence improve their well-being.

As some 80 percent of Nepalese population live in rural areas and about two-thirds of them rely on agriculture, extending financial services to the rural people is especially meaningful for inclusive growth of Nepal.

Acknowledging this need, the Government of Nepal and Nepal Rastra Bank have long been undertaking a host of policy measures to increase access of financial services to the rural areas through different modalities. One such modality is project financing under which Government of Nepal and NRB have been working with different bilateral and multilateral donor agencies to implement different projects. UNNATI-Access to Finance is one such project that is supported by Government of Denmark along-with United Nations Capital Development Fund (UNCDF).

The 5-year project (2014-18) is being implemented by NRB in the 7 hilly districts of Eastern Development Region (EDR) by supporting BFIs to more effectively serve the agricultural value chain actors with appropriate financial products and services. Consequently, it also

aims to enable smallholder farmers and micro small and medium enterprises (MSMEs) to invest into their agriculture value chain activities leading to the sustained improvement in competitiveness of selected value chains, especially 4 agro products including dairy, tea, large cardamom and ginger.

This Project has launched a Challenge Fund for BFIs of around 1.7 million US Dollar through a competitive process. In this respect, I would like to offer my congratulations to the selected 10 BFIs with whom the Challenge Fund Partnership Agreements have just been signed today.

Distinguished Guest, Ladies and Gentlemen,

Let me reiterate that the Challenge Fund is a competitive grant to be provided to BFIs to absorb some of their risks associated with innovative business ideas that better meet the financial needs of the smallholder farmers and micro, small and medium enterprises (MSMEs). It accords special attention to reducing discrimination towards women and traditionally marginalized groups. The 10 partner BFIs will be focusing on a) expanding financial services in rural areas, b) promoting agent banking, mobile banking and branchless banking, and c) developing the process of digitizing banking products and agriculture micro financing. I sincerely request and encourage the partner BFIs to put their utmost efforts to meet the business targets proposed by them in their Challenge Fund Agreements and fully utilize this opportunity to achieve the intended results and hence contribute towards the well-being of the poor people.

With this note, let me close my remarks by congratulating the grantees and thanking you all for your gracious presence in this UNNATI-Access to Finance Partnerships Launch Ceremony.