

	Livelihood Forum	<div style="border: 1px solid black; padding: 5px; text-align: right;"> Ref: 1/2.1/1/06/ Minutes 1 </div>
	Date : 26th January 2007	

Document Information

Meeting : Livelihood Forum

Agenda Reference:

Attachments :

Prepared By/ Date: Hasitha Jayamaha / 08/02/07

Reviewed By/ Date:

Type:	Conference /Closed Door/ Lecture/ Special – Panel Discussion			
Meeting Date:	26/01/2007	Start Time:	10.a.m	End Time: 12 noon
Venue	SLFI			
Meeting Chair:	PANEL MEMBERS	ORGANIZATION	Phone:	
	Pearl Stephen	WDC		0812 228 158
	Susantha Katukurunda	ILO		0112 589 308
	Priyantha Bandara	Stromme Foundation		0112 867 982
	Lasantha Mendis	Lakjaya		0112 873 715
	Indika Manamendra	LMFN		0112 508 360
Facilitator:	Terry Rogocki		Phone:	0114610943 ext. 162
Minute Taker:	Hasitha Jayamaha		Phone:	0114610943 ext. 162

Present

Name	Organisation
Mrs. Stephen	WDC
Jasmin paschek	WDC
Minna Thaeer	CHA
Ragu	ADT
Indika Manamendra	LMFN
T Nadarasa	AMRC
Scott Thomson	Samaritans Purse
Danura Miriyagalla	JBIC
M Zulfi	Relief International
Priyantha Bandara	Priyantha.bandara@stromme.org

Kapila Fernando	UN Habitat
K.G Wickrama	UN Habitat
Yuki Todoroki	UN Habitat
Dharshini Croos	Dan Church Aid
Chamitha	SLBDC
Susantha Katukurunda	ILO - IRTAP
Methsiri de Silva	SCISL
JOSE LOPEZ	SCISL
Lasantha Mendis	Lak Jaya
Clement	CARITAS
Dhanya Rathanvale	CHA
PETER Navrat	PIN
Prasanna Sunandra	Caritas Sri Lanka
H.R.M Shilby	CIDA-psu
Adrian Ouvry	AMELOSS
G Felix Rathi	ADF Lanka
DUTMAR	ADRA
Olive Orate	ADRA
Harshini de Silva	EMACE
Shahidul Hasan	BRAC Sri Lanka
Basrul Ham	BRAC Sri Lanka
Harshini	WUSC
Mayali	WUSC

Do you conduct adult education Programs for women? If so, what kinds of programs are there?

Perl from WDC Kandy said that they do, but with non formal. This is basically in the area of providing literacy to their beneficiaries.

Who should the micro finance must benefit?

Is that the poorest of the poor?

Which group of the community? Who is benefiting from Micro finance

What is the success/failure rate in Sri Lanka

Susantha –

IRTAP – ILO is not a Microfinance institution we do only studies

Micro finance is for the poor and the vulnerable non poor. There is no argument about that. But Micro finance u can't do only with the poorest of the poor. If you are planning to go with the poorest of the poor, then you have to go with the grant component as well plus you have to back it up with education and health sectors. An example for that is, BRAC provides microfinance support to the hardcore poor and they go with that grant component as well.

Most of the entrepreneurs in Sri Lanka are not doing things that they wanted but forced options, if they have a better employment opportunity, they will leave the current one. Lack of employment opportunities is a reason for them to stay in the business.

Micro finance should help Entrepreneurs who want to start enterprises as the main livelihood and their capacity of starting a business is low. This doesn't mean that this low interest rate should continue, but there should be a kind of a program which can solve this along the line. Microfinance should go to Village, rural level, full time entrepreneurs.

WDC – Pearl Stephens

I think we have several options as we work with vulnerable people. Even tsunami, initially we gave them a grant as you cannot expect them to payback. But there after we went for Micro finance.

Success rate: Lasantha

SANASA has been in existence for over hundred years. That means micro finance works. But there is a huge gap between the Micro entrepreneurs who are above NGO level and below the bank level.

You still have a failure or success rate:

Lasantha – default rate in our organization – .5%

Harshani – SEEDS have different categories and different kind of Microfinance. Solar panels, electricity in rural areas

What about the success of the business it self? People were just being able to repay the loans which can be considered as successful? Do you have any idea?

Harshani – SEEDS has a system to measure all these. Not only human factor on the business but follow up section on the business and monitor in phases, repayment

Who to benefit from Microfinance, Is it for non credit worthy by banks?

GTZ – default rate might occur due to various reasons

1. inefficiency of the organization
2. collection of repayments

So the default rate should not be used to measure the success rate of the Microfinance sector.

Micro finance is a graduating process. We should focus on develop the livelihoods and financial positions of these more vulnerable groups so in the future they are more bankable. That is why we say it has many dimensions.

Indika

MF act – after this all the mf institutions have to take a license to. There is a definition for micro finance and micro finance entrepreneurs and limitations. People ask for contacts we are here

Harshani – How do you define the Micro entrepreneur?

Indika – We do not have a definition but the government has. They say any body starts a business with less than 500,000 rupees.

What are the business development services LMFN provides?

Indika – for Micro finance act we have to take a practitioners view and modify. So we will organize discussions with Micro finance practitioners to prepare a Micro finance policy document to look in to Micro finance interest rates. Because this act is going to impose a Micro finance interest rate since this affect to the sector.

Lasantha – Micro finance is still in feeding stage and now the act has come. We have to lobby for that. So the businedd development thing we will do later as it has 4th place

Is it possible and successful to provide micro finance in war affected areas?

Lasantha – people who went from Colombo has folded up and came. But local organizations which have been there for a while have done it successfully.

MF borrower – a person who is economically active should be a beneficiary. Other than that, anybody who was denied credit by the normal sources of credit is an ideal for this

Kaushal - Earlier there were many and now there is some still doing the Micro finance. There are still around 10,000 families whose needs were not fulfilled by the existing loan schemes. The need is more now. Our expectation is to offer the lowest interest rate.

There is a population who needs Micro finance support. On the other hand you are talking about the rate. How do we really deal with these interest rates?

Kaushal – when susahanaya started the rate was 3%, NDTF was given at 6%. Now one year grace period has gone and people have started paying back. We are going to make use of this money.

Lasantha – I think Priyantha is the ideal guy to answer the question as stromme is the wholesaler of Micro finance. The delivery mechanism and the administration cost is the same whether it is tsunami or non tsunami. Best scenario would be now as it is needed by people now. I think it started too fast as it was mixed with this cash for work programs and other programs as well.

Priyantha – start the normal setup. We are trying to reduce the interest rate. Other than the repaying there are other expenses as well. Sometimes people need to be mobilized to change their mind set. So because of these activities we cannot go for lower interest rates as in other countries.

Lasantha – NDTF ceiling was 100000, so we went over 100000.

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