



Nepal Rastra Bank

Media Release

SAARCFINANCE Seminar on 'Targeted Credit Programs in SAARC Region' started today in Kathmandu.

In the opening session of the seminar Acting Governor of Nepal Rastra Bank (NRB) Mr. Maha Prasad Adhikari said, "deprived sector credit policy is a targeted policy of NRB with an objective of satisfying the micro credit demand of poorer and weaker section of the country, consequently, uplifting the socio-economic status of the group". In his address Acting Governor Mr. Adhikari noted that the key fact that the prevalence of market imperfection such as asymmetric information, lack of formal access to finance and dispersion in interest rate is one of the principal reasons for the need of targeted credit programs. He added, "Such program seems to overcome these problems and result in credit allocations that are more efficient and fairer than those resulting from other mode of market operation."



Dr. Min Bahadur Shrestha, Executive Director of Research Department, NRB delivered welcome speech in the session. He said, "lack of easy access to credit is one of the major constraints for development in the SAARC countries". The seminar is designed to share the targeted credit programs implemented in the SAARC region.

The objectives of the seminar overviewed in the program are to understand the rationale of targeted credit programs in different countries, to review the modalities of targeted credit programs implemented by the SAARC member countries, to highlight the success and failure stories of targeted credit programs and derive lessons for successful implementation of these programs and to propose a framework of the best practices for targeted credit programs.



Three papers are being presented during the seminar. The first paper on "Targeted Credit Programs: Introduction, Designs, Issues and Best Practices and the second paper on "Targeted Credit Programs and Access to Finance were presented by Mr. S. M. Moniruzzaman, General Manager of Bangladesh Bank and Mr. T. V. Rao, Deputy General Manager of Reserve Bank of India respectively today. Mr. Shankar Man Shrestha, CEO of RMDC, Nepal will present the third paper on "Impact of Targeted Credit Programs on the Poor" in the second day of the seminar.

Altogether, 21 participants from Nepal, Bangladesh, Bhutan, India, Maldives, Pakistan and Sri Lanka, and 12 observers gathered to discuss upon the papers .

SAARC Finance is a regional network of the SAARC central bank Governors and Finance Secretaries. It was established in 1998. Every member central bank is organizing at least one seminar on the contemporary issues pertaining to the SAARC region.

Dr. Bhubanesh Pant, Director of Research Department, NRB is the SAARCFINANCE- Coordinator from Nepal.

Date: April 20, 2011

Office of the Governor