



Press Release, Dhaka, 1<sup>st</sup> August 2017

**Small grass root MFI NGOs who do micro finance plus worried about their future**

## **For an Equitable Growth and a Balance Sector Reducing Service Charge in Micro Finance is Not Logical**

Dhaka, 1<sup>st</sup> August 2017. Today nine small grass root MFI (Micro Finance Institutions) NGO (non-government organization) in a press conference organized in National Press Club Dhaka called on government to halt the process of further reduction of micro finance service charge which will in fact threats to the existence of 505 such organizations who constitute 77% of the sector, there are total 659 MFI NGOs in view of MRA (Micro Finance Regulatory Authority) of Bangladesh Bank. The press conference was moderated by Atiqun Nabi INAFI (International Network of Alternative Financial Institutions), other speakers were Shova Rani Mondol SASUS - Tangial, M Rafiqul Islam SUS-Mirzapur, Tajul Islam USA-Narayanganj, Arjuman Begum DPUS-Khulna, Mojibul Haque Faruqi AUP- Dhaka, Dr Tasnim Ahmed BEDO- Dhaka, Shamsul Haque ARS-Jessore, Rezaul Karim Chowdhury, Mostafa Kamal Akanda and Tariq Sayed Hasan from COAST, Mr. Mossadeque from FNB, Abdul Awal from CDF. The press conference was organized by nine grass root MFI NGOs namely ARS, AUP, BEDO, Banglar Mela Sangsta, DPUS, Staniya Unnayan Sngsta, SASUS, Somaj Unnayan Kenda with the assistance COAST, an MFI NGO too working in the coastal region.

On behalf of the organizers Tarik Sayed Harun of COAST explained the written statement, where he mentioned following points that (i) Compare with the other countries in Asia micro finance (MF) service charges lower which is only 27 %, (ii) surplus rate of grass root MFIs is only 9.8 % while it is around 46% of the big MFI NGOs, (iii) grass root MFI NGOs are very much accountable to local community, work in remote places and stand by disaster to the poor families, (iv) these small grass root MFI NGOs who have branches 1 to 10, hardly get capital from Bank and PKSF (Palli Kromo Sohayak Foundation) and (v) if present government reduce the micro finance service further then this 505 grass root MFI NGOs will face possible extinctions, which will be a hindrance to equitable growth and will create an imbalance sector.

Shova Rani Mondol of SASUS Tangail stated that how she is surviving in serving women development through his micro finance and without any donor funding. Tajul Islam of USA Narayanganj stated how he had created employment opportunity for him as well of local youths in his locality. Mujibul Haque Faruqi of AUP Dhaka said, as government other agencies increased salaries I have to increase the salary of his staff; in this situation government should consider to increase the service charge. Shamsul Haque of ARS Jessore satted how his 2 branches stopped collecting money as poor families in his area suffering water stagnation.

Rezaul Karim Chowdhury of COAST, in view of UN (United Nation) initiated WHS (World Humanitarian Summit) the Grand Bargain process, these local grass root NGOs deserve support as the micro finance sector should not fall in the trap of monopoly. Abdul Awal of CDF said, that these grass root MFI NGOs has little access in Bank and PKSF fund, due to different conditions, so further reduction will fall them in extinctions, he also said that interest rate is not problem in Bangladesh; it is the easy access is the issue still. Atiqun Nabi from INAFI the moderator of the press conference, government must consider the equity theory rather than the theory of survival of the fittest; otherwise in future the sector will be in imbalance state.

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