

**TITLE:** RURAL FINANCE STRATEGY (Draft)

**Reference Number:** Draft

**Document Date :** December 1999

<b>Page No.</b>	<b>Para. No.</b>	<b>Text</b>
ii		(1) creation of a favorable economic policy, legal, and financial regulatory environment;
iii		(...), Departments should prepare action plans on rural finance to be discussed with the authorities as part of the normal country programming process, with the goal of including operations to implement the plan. The action plans will be based on diagnostic studies and dialogue with significant actors in member borrowing countries.
1	1.1	(...) (1) providing the basis of discussion and dialogue with private sector and public sector counterparts in borrowing member countries interested in promoting rural finance or participating in a bank-sponsored rural finance projects;
1	1.2	(...) (1) the creation of a favorable policy, legal and regulatory environment;
16	3.23	(...) • Upgrade NGOs to Regulated Financial Intermediaries
17	3.24	(...) Linking formal to informal institutions such as private banks and NGOs or banks and agricultural input suppliers/food processors/exporters is a promising avenue but the layering of costs, agency problems, effective coordination, and monopoly power can be issues.
28	4.20	(1) help NGOs upgrade to formal, regulated financial institutions;
34	5.12	(...)Multiple actors and agencies are involved and setbacks in execution will have to overcome by a number of champions in different sectors. The Bank staff can help the process by helping government policymakers clarify a vision, by sharing knowledge gained outside the country, by presenting viable alternatives, and by identifying strong and capable advocates of reform and innovation in both the public and private sectors. The process of taking ownership and building consensus can occur either through the normal programming cycle or through a more elaborate sequence of events that begin with diagnostic studies, include consulting key stakeholders, and end with the formulation of a country specific rural finance strategy.
34	5.13	(...) the private sector will play an even more dominant role in the provision of rural financial services in the future. Thus, the Bank should change its operational procedures and develop a client-focused, entrepreneurial approach to doing business.

