

## Factsheet

### MEDA INNOVATE: Adoption of Agricultural Innovation through Non-Traditional Financial Services (NTFS)

Over the last few years, iDE developed a partnership with Muktinath Bikas Bank. Muktinath has a microfinance agricultural lending program it directly administers through branch loan officers. Initially iDE, the Frankfurt School, and Muktinath bank collaborated to design climate-smart vegetable loan products based on smallholder needs and business plans. The loan models were piloted successfully; iDE provided technical support and supply chain development to about 600 loan households and facilitated loans of about \$450,000. Over this period Muktinath Bank has become familiar with iDE's commercial pocket approach and is interested to pilot Non-Traditional Financial (NTF) services to lower costs of its agricultural loan products and to improve technical support increasing farmer returns.

#### Project Overview

*MEDA INNOVATE: Adoption of Agricultural Innovation through Non-Traditional Financial Services (NTFS)* is a pilot project funded by International Development Research Center (IDRC) through Mennonite Economic Development Associates (MEDA) for 20 months (April 2018- November 2019) in Kaski and Syangja district and *Anukulan X Project funded by DFID* for 12 months (April 2018- March 2019) in Kaski and Syangja district. International Development Enterprises (iDE) is leading the project in collaboration with Muktinath Development Bank. This project is being implemented in two districts of Province number 4 (Kaski and Syangja) in Nepal. The project is locally implemented by local Non Government Organization (NGO) Dikhrupokhari Community Development Organization (DCDO) in Kaski and Adhikhola Community Development Center (ACDC) in Syangja districts.



Muktinath Development Bank is disseminating loan through business correspondents Marketing and Planning Committee (MPC)/ Collection Center (CC). The MPC/CC will manage loans to the smallholders in 6 (Six) collection centers. To assist and manage the loan, CC will utilize Loan Supervisor and last mile agents (Community Business Facilitators) and provide technical support to loan farmers. Similarly iDE will integrate a program building capacity of collection centers to manage crop insurance for members. This program will be at the collection centers that are a subset of the farmers receiving the agricultural loan funds. As a prime, iDE will build capacity of Muktinath and collection centers to manage the program and agro suppliers and the last mile agents known as community business Facilitators (CBFs).

By the end of project 1,200 target customers (600 hh in Kaski and 600 hh in Syangja) will increase investment, utilize risk reducing technologies like Integrated Pest Management (IPM), and make better decisions. The result will be a substantial increase in vegetable income. This will have a profound impact on the households including for children's education, health, decreasing out migration, and empowerment for women and disadvantaged groups.

### Project Activities

- Nontraditional financial (NTF) access and capacity building of smallholders farmers.
- Facilitate and Support smallholder's farmers in insuring their crops.
- ICT for group messaging for improved agriculture technology, (price, weather, Insect/ pest)
- Technical/demand creation program to MPC/CBF/ Agro vet/ Muktinath development bank
- Improved Agriculture technologies and climate smart technologies demonstration for demand creation of loan
- IPM technology training, Commercial vegetable training (tomatoes/Cucurbits/Cole crops/ to farmers
- Training to farmers on utilization of new loan product and demand creation.



### Key Activities performed till date

- Project has been able increased the vegetable income of the Households by \$ 544.
- Project capacities 7 CBFs and 48 Collection center staff trained who provided technical support to 1,014 loan farmers on high value vegetable production utilizing safe IPM and best climate smart practices and 38 training events on loan utilization,
- The project has been able to reach 1,014 HHs thru NTFS, 82% of female. Most men are interested in foreign employment. Women have been enabled as commercial farmers.
- Collection center sales increased by 12%
- It has taken some time with rigorous assessment by Muktinath Bank but now 2 of the collection centers are formal business correspondents for 228 smallholders.
- Played key role to address new Tuta tomato pest!
- The project has been able to support and provide loan to around 1,014 HHs amounting Nrs. 22,367,000 (**USD 196,201**). The average loan size is 22,300 (**USD 195**).
- NTFS has been able to promote 5,278 different technologies like drip, sprinkler, plastic house etc till date
- Crop Insurance program has been successfully implemented in both districts benefitting 337 HHs