

Annual Report 2012/13



AN INITIATIVE OF THE BLUEBERRY HILL CHARITABLE TRUST



The dairy market system is strong in Ilam and sustains the livelihoods of many individuals. Transporting milk to private dairies or Dairy Development Corporation (DDC) is often done in a requirement specific container, which is then saddled on to mules.

MESSAGE FROM THE BOARD

Samriddha Pahad is a purpose-driven organization with a commitment to improve the livelihoods of hill and mountain communities through sustainable access to finance and livelihood opportunities. Our value add lies primarily in taking a holistic approach to facilitate financial linkages between financial institutions (FIs) and community institutions (CIs), strengthening institutional capacity of CIs and providing appropriate trainings to the loan clients. In the last year, Samriddha Pahad's activities in the Eastern region had an outreach of 6,500 individuals, with loans of USD 712,500 facilitated from FIs to CIs.

In addition to Samriddha Pahad's activities in the fiscal year 2012-13, this Annual Report also includes stories from the field that illustrate the effect of our programs on our target groups. Our sincere thanks to everyone from, partner organizations, donors, board members and our staff. Together we have made significant progress in the past year, and we look forward to our growth and expansion in the years ahead.



Rameshore Khanal

It is crucial for organizational growth to be stable and sustainable. As Samriddha Pahad grows, we move ahead with the vision of being a self sustainable organization in the long-run. We continue to emphasize that loans are facilitated to communities and clients that really need it, ensure productive-end use of the loans, and push for a strong loan recovery mechanism.



Shankar Man Shrestha

Samriddha Pahad implements focused interventions in remote mountain and hill areas where we can bring about large-scale impact. In the upcoming year, we continue to move to more remote areas of Far-Western Nepal and emphasize on delivering high quality financial literacy and livelihood trainings in specific topic areas that are in most demand by the clients. .



Graham Wrigley

For an organization that has completed two years of operations in the field, Samriddha Pahad has shown strong results and made considerable progress. In the upcoming year 2013/14, we are expanding to four additional districts in Far-Western Nepal, and implementing SAFAL (Sustainable Access to Finance and Livelihoods), funded by UKaid through DFID. We also hope to diversify with innovative financial products like deficit financing and guarantee funds to facilitate access to finance, livelihoods, and market linkage support to the rural and remote areas of the hill and mountains regions



A group of women harvesting freshly grown radish from the field, prior to taking it to the closest local vegetable market.

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Rajkumar Ghimire at the market selling vegetables he grows in his field. Before joining a cooperative, he was barely making ends meet

INTRODUCTION

Samriddha Pahad, an initiative of The Blueberry Hill Charitable Trust (a UK-based NGO) was established in 2011 and is currently conducting access to finance activities in three districts of the

Eastern Nepal -Ilam, Taplejung and Panchthar. In the upcoming year 2013/14, Samriddha Pahad will expand to four additional districts in the Far-Western - Dadeldhura, Doti, Achham and Bajura and continue working in the existing districts of Ilam and Panchthar through SAFAL (Sustainable Access to Finance and Livelihoods), funded by UKaid through DFID Nepal.

VISION

To improve the livelihoods of hill and mountain communities through sustainable access to finance linked with appropriate livelihood opportunities and local institution strengthening.

STRATEGIC MISSION

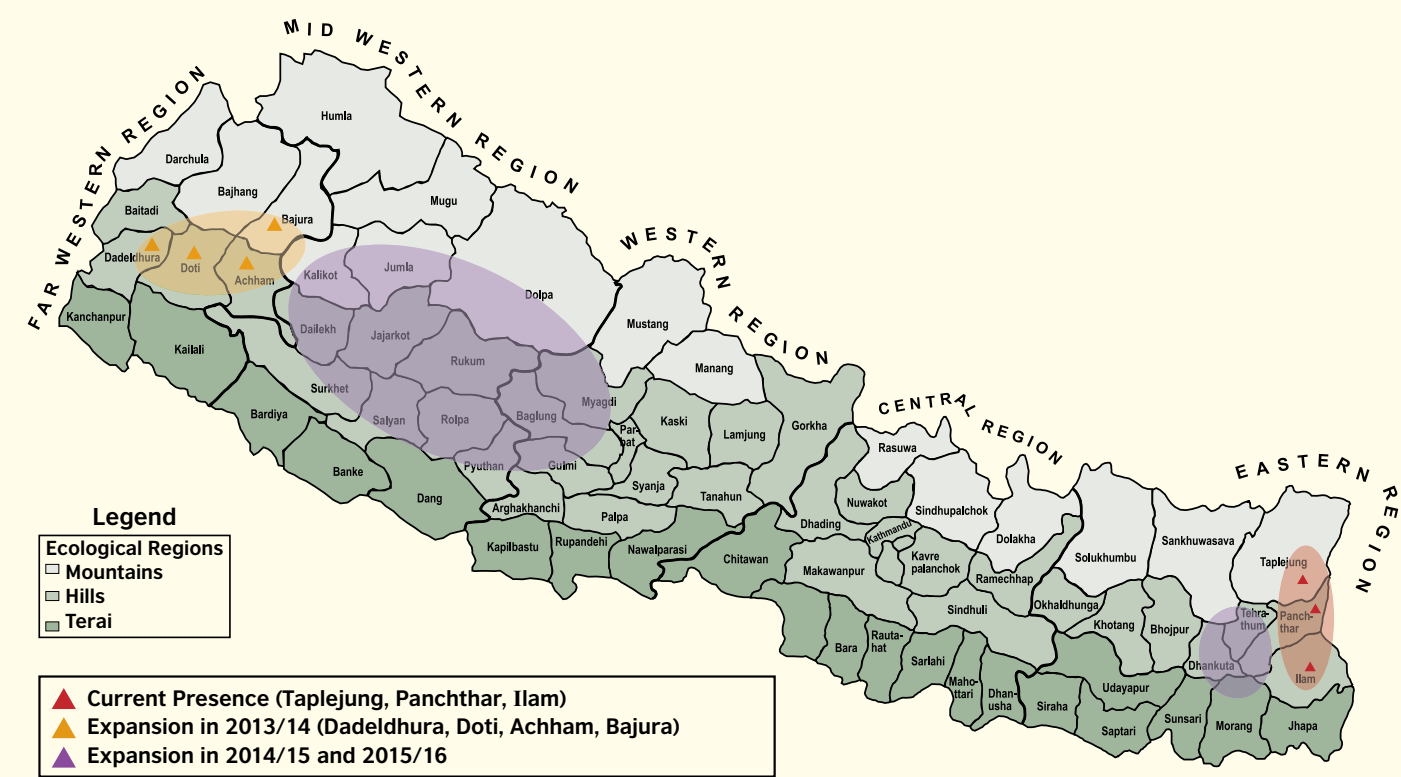
To be a catalyst and promote systemic private sector development in the rural hills and mountains of Nepal. This is done by bringing together local communities and financial service providers to extend access to formal financial services to low-income households and enterprises.

Context and Challenges

Access to diverse financial products and services is an indispensable component for successful participation in a market economy. Out of a total population of 26 million in Nepal, 66% lack access to even basic formal financial services (CMF Nepal, 2013). Access to financial service is particularly difficult for those living in the remote hills and mountains due to difficult terrain, dispersed populations, lack of appropriate financial products and services, and widespread market distortion arising from high subsidies and lack of financial discipline. The twenty plus districts that make up Nepal's Terai belt have a significant need for assistance in meeting their development goals. Large population density and high incidence of poverty require concerted development efforts in the Terai. However, the Mountains and Hills of Nepal are equally, if not more important, as a national development priority due to the close socio-economic interdependency and interconnectedness between the Terai and the Mountains. Residents of these areas are in dire need of assistance specifically on issues such as shared natural resources, down-stream impact of climate change, access to markets, social impact of migration and urbanization, food production and security.

Currently, Samriddha Pahad is developing and updating its five-year business plan based on feasible and practical challenges of project implementation in the mountains and hills of Nepal. The goal is to reach out to over 130,000 people within the next five years and build a repository of skills and knowledge on how the constraints faced by the hill and mountain communities could be addressed through a holistic approach that is sustainable, and creates lasting positive impact in the livelihoods of these communities.

OUR PRESENCE



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What is Mountain Finance?

Samriddha Pahad’s Mountain Finance model takes a partnership approach to work with existing “on-the-ground” lessons and best practices in Nepal and provides a solution that is cost effective yet leverages local resources, external development funds and commercial investments. Samriddha Pahad’s approach includes interventions that are focused on a Finance “plus” model that includes market linkages and enterprise development support and a strong focus on working alongside existing development initiatives.

What we Offer

Samriddha Pahad offers our value proposition to three key partners.

Community Institutions:

Build institutional capacities of Community Institutions and provide capacity building trainings to community members to help them better access financial products and services.

Financial Institutions:

Provide strategic partnership opportunities to Financial Institutions to help meet their deprived sector lending targets, and/or increase their reach in the hill and mountains.

Loan Clients:

Build their capacity in terms of informed choices for financial access through financial literacy and provide adequate livelihood and market linkage support.

2012-13 IN NUMBERS

16 community institutions in Ilam, Taplejung and Panchthar were linked with **5 financial institutions** to reach a total of **6,420 community institution members**.

USD 712,533 in loans was approved by financial institutions to be disbursed to community institutions that focus on dairy, agriculture and livestock.

965 loan clients received loans to start new or continue existing small enterprises like retails shops, beauty parlor, poultry/cow rearing and vegetable farming.

930 clients received institutional capacity building trainings on good governance, management, accounting and bookkeeping.

3500 loan clients will receive trainings on Financial Literacy in the upcoming year.

FINANCIAL LINKAGES AND TRAININGS

Financial Literacy Training

Samriddha Pahad’s Financial Literacy Training (FLT) aims to help low income clients in the hill and mountain regions efficiently manage their household finances, and effectively use the available financial services. Financial literacy is a key element of client protection as financially aware clients are more likely to avoid risks associated with multiple-borrowing and over-indebtedness.

Our FLT uses adult-learning techniques to explain key financial concepts that cover the following four modules i) Financial Planning, ii) Cash Flow and Budgeting, iii) Savings and iv) Debt. The content for the FLT is derived from ACCION’s Financial Literacy Program, but contextualized to cater to a Nepali rural

audience. The training uses interactive and relevant stories, exercises and games to explain key financial concepts and is targeted for a rural audience with minimum functional literacy or no literacy at all. The training is simple to deliver in an informal setting, making it scalable to reach a wide audience.

ACCION’s trainers will be in the Nepal this September to do a masters training of trainers on the FLT. In the upcoming year 2013/14, Samriddha Pahad’s FLT will have an outreach of 3,500 clients across our working districts in the Far-Western and Eastern regions. By providing rural clients key financial knowledge to plan for a sustainable future, Samriddha Pahad eventually aims to make an impact on the community as a whole.



Samriddha Pahad’s FLT manuals on the four modules i) Financial Planning, ii) Cash Flow and Budgeting, iii) Savings and iv) Debt

Ilam: Financial Linkages And Trainings

Ghana Shyam Basnet, 55 years, is a local resident of Ranke village in Ilam district and a client of Singhadevi Cooperative. Samriddha Pahad facilitated loans through NMB Bank to Singhadevi, a dairy cooperative with 53 members. Ghana Shyam was amongst the

first few members to take a loan of NRs. 43,040 from Singhadevi to buy a cow. With his 2 sons working as construction laborers in Qatar, Ghana Shyam is busy collecting fodder for his cow and involved in corn and potato farming as well.



A newly bought milk analyzer at Singhadevi Cooperative has helped with quality assurance of the milk

“Samriddha Pahad’s value addition lies in supporting NMB Bank with client identification, loan documentation, loan monitoring, and supporting cooperatives financed by NMB Bank with financial literacy, capability building, market linkage, and enterprise development. It is with tremendous efforts and support of Samriddha Pahad that NMB Bank has been able to reach out to clients in the remote hills and mountains of Nepal, which we could not serve on our own.”

- Rukmani Maharjan,
Microfinance Unit Head
NMB Bank



“The crossbreed cow bought through the loan gives 3 times more milk compared to the local breed cow I had earlier. But having a healthy cow that gives 10 litres milk a day is not enough - without the right market linkages to organizations like DDC (Dairy Development Corporation), I would not be able to repay my loan.”

- Ghana Shyam Basnet



Man Maya Prasai from Funling VDC has been a member of Kanchanjunga Community Multipurpose Cooperative since 2007. In November 2012, she received a loan of NRs.1,00,000 from the cooperative to buy additional items for her cosmetic shop. Since then, her cosmetic shop has made substantial revenues and her income level has increased.

Taplejung: Financial Linkages And Trainings

Kanchanjunga Community Multipurpose Cooperative was established in 2001 in Funling VDC of Taplejung district by a few youths who saw the need for a financial institution to enable and encourage savings and borrowing. The cooperative currently has a total of 848 members (307 male and 541 female) that are organized into 37 groups, and half of its members

are also borrowers. At a time when the cooperative was facing cash constraints to lend to its members, Samriddha Pahad facilitated a loan of NRs.50,00,000 through RMDC. The cooperative has received institutional capacity building trainings on account management and bookkeeping and assistance on business plan development through Samriddha Pahad.



Nirmala Women's Group of Kanchanjunga Community Multipurpose Cooperative

Panchthar: Financial Linkages And Trainings

Samriddha Pahad started operations in Panchthar since January 2013. During the period, 50 plus community institutions (CIs) were mapped and 2 CIs were linked with financial institutions (FIs) to facilitate loans of USD 150,000. Institutional capacity building trainings

were provided to CIs on cooperative management and good governance. In the upcoming year, additional CIs will be linked to FIs and trainings on accounting, bookkeeping, financial literacy, livelihoods and market linkage support will be provided to CI and its loan clients.

OUR TEAM

The guiding ethos for Samriddha Pahad’s internal governance is to remain a Nepali organization with the aspiration of operating as world-class in all respects. In the first two and half years of its growth, Samriddha Pahad was led by CEO, Deepak Dhoj Khadka. As Deepak has moved on to international opportunities in the development sphere, we wish him all the best and would like to sincerely thank him for his remarkable contribution towards Samriddha Pahad. From October 2013, Samriddha Pahad will move forward with the new leadership of Arun Rana as CEO. Arun comes with significant experience in the banking and development sector, and we are pleased to welcome him to the Samriddha Pahad family.

Arun is supported by a multidisciplinary team with a blend of skills in finance, economic and rural

development, mountains, research, development, and policy. The management team comprises of Tilak Acharya, Sr. Finance and Admin. Manager; Sanjeev Neupane, Program Manager and Sneha Shrestha, Fundraising, Monitoring & Evaluation, Communication Manager. The backbone of Samriddha Pahad is our energetic and hardworking support and field staff who continue to take up new challenges and implement our activities in the districts.

As we expand in the upcoming fiscal year 2013/14 to four additional districts in the Far-West with innovative financial products, our team at the field level and head office level will also expand significantly. By December 2013, we will have a total of around 54 team members, 42 in the field and 12 in the head office.



Samridhha Pahad team attending the Annual Review and Planning Meeting in Pokhara, August 2013



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ISBN 993787728-2



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