

# **Proposal for**

**Restoring the livelihoods of members of  
Small Farmer Cooperatives  
in the earthquake affected districts**

**Submitted to: The Asian Development Bank**

**Submitted by: Small Farmer Development Bank**

**June 16, 2015**

## Contents

1. Introduction to SFDB and SFCLs .....	3
2. Rational .....	4
3. Impact of quack in the operation of SFDB and SFCLs .....	5
4. Activities to response the quake.....	6
4.1. Selection of districts .....	6
4.2. Designing of loan product .....	7
4.3. Disbursement of loan to restore the business and livelihood of the clients .....	9
4.4. Addressing the liquidity crunch faced by Cooperative/SFCLs .....	10
4.5. Refinancing/scheduling of current loans .....	10
4. 6. Training to construct earthquake resistance houses .....	11
5. ADB Financing.....	11
6. Project management.....	12
7. Action plan.....	12
Annex-1: ToR for National Consultants .....	13
Annex-2: Cost for training and capacity building of Cooperatives/SFCLs .....	14
Annex-3: Training cost for constructing earthquake resistant house .....	15

## 1. Introduction to SFDB and SFCLs

The Small Farmer Development Program (SFDP) was initiated by the Agricultural Development Bank Ltd (ADBL) in 1974/1975 to uplift the socio-economic condition of rural poor. With the expansion and gradual development of SFDP, the need to empower with the active participation of the targeted people to manage the program was felt. In 1985/1986, Institutional Development Program (IDP) of SFDP was initiated to make the program cost effective and sustainable by involving the beneficiaries in the management of the program. The targeted farmers were organized in three-tiered organizational structure (elaborated later) to ensure the involvement of most of the members in decision making and managing the program. The transformation project units of SFDP into Small Farmers Cooperatives Ltd (SFCLs) showed an increasing trend. The need of a microfinance wholesale bank was realized by the ADBL to continuously provide financial and non-financial services to SFCLs. Owing to these necessities, Small Farmer Development Bank (SFDB) was established in June, 2001 as 'D' class financial institution.

The SFDB's vision is to become a leading, financially viable, microfinance wholesale bank, largely owned by SFCLs and similar rural MFIs and cooperative, to substantially improve the quality of life of the rural poor. In order to acquire the set vision the bank provides financial and non-financial services such as wholesale financing, community development activities and advocates to provide supports for capacity building of partners' institutions. Till November 2014, SFDB have been providing financial services to about 381,000 families (of which 70% are women) in 55 districts<sup>1</sup> of Nepal in partnership with 432 SFCLs and community based cooperatives. Out of total 432 partner cooperatives, 218 are based in 37 hill and mountain districts<sup>2</sup>.

The experiences have shown that if the stakeholders focus on one part of the financial system only, MFIs may not be sustainable in the long run. Linkages to financial and non-financial services along with the sound regulatory environment are necessary for the smooth operation of MFIs. Therefore SFDB promotes systemic approach of rural finance which is based on the three strong foundations: (i) The SFCLs at the grassroots level to provide microfinance services (ii) SFDB to provide refinance facilities, and (iii) Federations of SFCLs to provide non-financial services. In the SFCLs systemic approach, small farmers are involved in managing the program in all three pillars of the model. This model has been proven effective microfinance approach in providing financial and social services for the poorest communities in the rural and remote areas.

SFCLs are members managed community based microfinance institutions with three-tiered organizational structure, which ensures the involvement of most of the members in the decision making process. The three-tiered organizational structures of SFCLs include:

- **Small Farmer Groups (SFGs):** Representatives of Small Farmer members (5-12 members) form a SFG at the grass-roots level. The SFGs make decision on collection of savings, loans and community development programs in the village.
- **Inter-Groups (IGs):** Two or more SFGs form an IG at the ward<sup>3</sup> level. The IG supervises, coordinates activities of SFGs.
- **Main Committee (MC)-** a Board of Directors (BoDs) of SFCLs: All IG Chairpersons from each IG form the BoDs at the Village development Committee (VDC) level. The

---

<sup>1</sup> Out of 55 operating districts of SFDB nine districts (Gorkha, Dhading, Rasuwa, Nuwakot, Sindhapalchock, Kavre, Dolakha, Ramechhap and Kathmandu) are highly affected by the quake.

<sup>2</sup> The country is divided into 75 districts, 16 in the mountain, 39 in hill and 20 in the Terai Region.

<sup>3</sup> Normally, SFCLs operate in one VDC, the lowest administrative unit of government of Nepal. Each VDC is divided into nine wards. Ward is cluster of village/s.

BoD -a governing body of SFCLs- formulates plans, policies and appoints staff to carry out activities. The BOD is accountable to the General Assembly (GA) of members of cooperative.

Total outstanding loan of SFCLs/cooperatives as of November, 2014 stood to Rs 14. 94 billion and out of total outstanding loan, about 63% is generated internally as members' share and savings. Most of the partner SFCLs/cooperatives of SFDB generated profit during last fiscal year and Operational Self Sufficiency stands more than 110%. The institutions charge affordable interest rate in loan (14-18% per year) which is lower than the rate charged by other MFIs (18-20% per year) and pay competitive rate of interest on savings (8-12% per year). The operational cost of SFCLs and partner cooperatives is about 2 percent which makes the approach more cost effective to serve the poor.

## 2. Rational

A 7.8 magnitude earthquake on 25<sup>th</sup> April 2015 and 7.3 magnitudes on 12<sup>th</sup> May 2015 hit Nepal. About 9,000 people have lost their life, about 20,000 people are severely injured and eight million people affected by the quake. Out of total 75 districts, 17 districts<sup>4</sup>were worst affected. The earthquake damaged the houses, crops, cattle and other property of people. UNESCO's recognized World Heritage sites in Kathmandu Valley were also destroyed. Government and private offices, banks' buildings and factories were also damaged. Government has estimated loss as stated in Table 1.

**Table-1: Estimated loss of the quake**

Sub-sector	Tourism	Financial	Transportation	Water & Sanitation	Education	Health	Total
Loss Rs (billion)	62.37	26.89	4.93	8.73	3.25	6.33	112.5

Sources: The Kathmandu Post, June 14, 2015

The table 1 only include the major sector of economy it doesn't include the agriculture and micro and small enterprises, informal sector and damaged of people's property. Many farmers have lost their crops and livestock. It is estimated that about four hundred thousand micro and small entrepreneurs have lost their enterprises. The National Planning Commission has estimated that about seven hundred thousand people's livelihood has been severely affected and they are pushed back below the poverty line.

The impact of the quake is more severe to very poor and working poor who are the clients of cooperatives and Micro-Finance Institutions (MFIs). These people are engaged in informal economic activities. Many poor and small farm holders have lost their land, crops, livestock and livelihood activities. If appropriate interventions are not devised to revive the business and economic activities of the poor, life of the many poor families will be severely affected after the quack. If the business of clients could not revive, they will not able to pay back the outstanding loan of cooperatives/MFIs. Due to high delinquency of outstanding loan and severe liquidity crunch, many small MFIs and cooperatives will be in severe difficult position. This will adversely affect the access to finance by the poor. The impact of tremor is high in the business of SFDB and its partner SFCLs and cooperatives as their business is heavily

<sup>4</sup> These districts are Kathmandu, Lalitpur, Bhaktapur, Dhading, Nuwakot, Rasuwa, Sindhupalchok, Kavrepalanchok, Gorkha, Dolakha, Ramechhap and Sindhuli (highly affected districts); and Makwanpur, Chitwan Okhaldhunga Lamjung, Bhojpur and Udayapur (affected districts).

concentrated in the earthquake affected districts. Therefore, this concept has been developed for:

- a. Enhancing access to finance to affected clients of SFCLs/cooperatives to restore business and livelihood activities
- b. Addressing the liquidity crunch faced by partner SFCLs/cooperatives of SFDB so that they will be able to allow members to withdraw their savings
- c. Providing training to local people for the construction of earthquake resistance houses

### 3. Impact of quack in the operation of SFDB and SFCLs

Nepal's financial sector has badly affected by the recent earthquake, particularly those MFIs whose businesses are concentrated in earthquake impacted districts. Total net outreach of MFIs is estimated about two million and outreach of SFDB is about 400,000 households. Share of SFDB in microfinance market is about 20% and its business is concentrated in earthquake impacted districts. It is estimated that about 32% members of SFCLs are affected by the quake. Other MFIs are largely operating in the Tarai (southern plain) and accessible hills and their business are not highly affected. In the affected districts, members' livelihoods destroyed, and many people are facing difficulties to re-establish without considerable assistance from outside. The detail loss of SFDB and SFCLs/cooperatives is presented in the Table 2.

**Table-2: Total damages and Losses in SFCLs/cooperatives**

S N	Particulars	Unit	Damages and Losses			
			Highly affected districts	Other Districts	Total	
1	General information	Districts	No	10	14	24
		SFCLs and Cooperatives	No	104	63	167
		Cooperative Members	No	80,857	49,587	130,444
		Death of Coop members/family	No	466	7	473
		Injured Members	No	1127	102	1229
2	Property Loss of members	Members house - totally collapsed	No	56,803	3,443	60,246
		Members house - Partially damaged	No	8,845	11,270	20,115
		<b>Affected Member</b>	<b>No</b>	<b>65,648</b>	<b>14,713</b>	<b>80,361</b>
		No of Total animal loss	No	101,610	3,114	104,724
		Value of Collapsed and Damaged houses	NPR'000	11,802,850	1,252,100	13,054,950
		Value of animals lost	NPR'000	374,495	16,974	391,470
		Estimated loss of Food grains and Crops	NPR'000	1,266,295	280,800	1,547,095
		<b>Total Loss of members property</b>		<b>13,443,640</b>	<b>1,549,874</b>	<b>14,993,515</b>
3	Physical damage of Cooperatives	Collapsed Cooperative building	No	13	2	15
		Partially damaged coop buildings	No	15	13	28
		Value of damaged computers furniture	NPR'000	15,805	1,410	17,215
		value of damaged coop building	NPR'000	40,300	18,119	58,419
		<b>Total value of physical damage in Coops</b>		<b>56,105</b>	<b>19,529</b>	<b>75,634</b>

4	Financial risk assessment	Bank loan portfolio as of April 15th	NPR'000	971,175	805,798	1,776,974
		Bank Loan at Risk	NPR'000	715,784	44,019	759,803
		Loan outstanding of Cooperatives	NPR'000	2,423,562	2,332,391	4,755,953
		<b>Cooperative loan at Risk</b>	<b>NPR'000</b>	<b>1,817,671.5</b>	<b>583,097.75</b>	<b>2,400,769</b>
		Saving And Deposits in Cooperative	NPR'000	1,800,864	1,157,467	2,958,331
		<b>Capital and Reserve of Cooperatives</b>	<b>NPR'000</b>	<b>268,074</b>	<b>173,269</b>	<b>441,343</b>

#### 4. Activities to response the quake

Cooperative is a voluntary association of group of individuals who come together in order to meet the members' needs through a jointly – owned and democratically control business unit of their choice. Unlike other MFIs, cooperative businesses are confined in one Village Development Committee (VDC) or adjoining VDCs. If catastrophe like recent earthquake occurs; members' life, houses, cattle, crops and other businesses of certain location will be affected. Members in such situation are forced to make request for savings withdrawal submit insurance claims of cattle or house. In addition to this there is high demand of loan to revive business. Cooperatives are not prepared to cope with the catastrophe situation. After 25th April earthquake, almost all MFIs and banks resumed basic banking services (cash withdrawals and deposits) but many SFCLs and cooperatives in the affected areas could not resume operations mainly because of (I) the buildings are collapsed and they lost members' data and records (II) they lacked sufficient liquidity to return members' deposit or to provide new loans. Banks and MFIs have many branch networks, and even if one or more branches are affected they resume operation from unaffected branches. Their businesses are diversified and impact of quake in the portfolio is not severe. However, businesses of SFCLs and cooperatives are concentrated in one location and whole operations are affected. They are in dire need of external support at this time. Out of total NPR 18 billion portfolios as of April, 2015 (of which NPR 7.65 billion is financed by SFDB) about 14 percentages is at risk. If external support is not provided, it will adversely affect the performance of SFDB and cooperative movement as a whole. To address the need of cooperatives' following activities are proposed to be implemented.

##### 4.1. Selection of districts

It is not possible to address the need of all the affected members of SFCLs/cooperatives in all the earthquake impacted districts financially and managerially. Therefore SFDB will initiate interventions from three districts: Dhading, Rasuwa and Nuwakot, which are also categorized in the group of most affected districts. These districts are selected as SFDB business is highly concentrated in these areas and it will also help to measure the impact of intervention in the future. The intervention in remaining seven districts will be introduced in the second phase based on resource availability. The estimated loss and affected members of the SFCLs in these three districts are given in Table- 3.

**Table- 3: Estimated loss and affected members of the SFCLs in three districts**

S N	Particulars	Unit	Districts			Total	
			Dhading	Nuwakot	Rasuwa		
1	General Information	Cooperatives	No	46	5	3	54
		Coop Members	No	31,897	2,466	1,646	36,009
		Death of Coop members	No	155	15	95	265

		Injured Members	No	679	9	25	713
2	Property Loss of Members	Member's house collapsed	No	27,536	1,761	1,591	30,888
		Partially damaged house of Members	No	2,471	342	33	2,846
		<b>Total Affected Families</b>	<b>No</b>	<b>30,007</b>	<b>2,103</b>	<b>1,624</b>	<b>33,734</b>
		Total animal loss	No	42,026	6,699	4,799	53,524
		Value of lost houses of members	NPR'000	5,630,750	369,300	319,850	6,319,900
		Value of death animals	NPR'000	190,047	14,358	12,802	217,207
		Loss of Food grains and Crops	NPR'000	605,285	52,865	36,195	694,345
		<b>Total loss of Members Property</b>	<b>NPR'000</b>	<b>6,426,082</b>	<b>436,523</b>	<b>368,847</b>	<b>7,231,452</b>
3	Physical Damage of Cooperatives	Collapsed Cooperative building	No	6	1	0	7
		Partially damaged coop buildings	No	8	0	0	8
		damaged computers furniture	NPR'000	7,780	400	300	8,480
		Value of damaged coop building	NPR'000	29,700	900	0	30,600
		Total value of Physical Damage	NPR'000	37,480	1,300	300	39,080
4	Financial Risk Assessment	Bank loan portfolio as of April 15	NPR'000	584,367	25,671	19,534	629,572
		Bank Loan at Risk	NPR'000	566,773	24,285	19,433	610,491
		Loan Outstanding of Cooperative	NPR'000	974,928	34,195	25,861	1,034,984
		Cooperative Loan at Risk	NPR'000	945,532	32,002	25,728	1,003,262
		Capital and Reserves of Cooperatives	NPR'000	126,828	7,427	6,237	140,492
		Saving And Deposits of Cooperatives	NPR'000	776,198	26,538	20,904	823,640

#### 4.2. Designing of loan product

During field visits and consultation with officials and members of SFCLs and cooperatives, they have stated that members need access to finance to repair/rebuild houses and restore businesses. They also made request that, as most of the members already have taken loan from cooperatives, the loan limit per client should be at the limit of NPR 50,000. The said amount will in general be helpful to revive businesses and to buy construction materials to repair houses. The average loan size will be NPR 40,000 and it will be one time loan product to restore the livelihood of affected members'. The amount will be used to repair/construct houses or restore businesses. Members will mobilize required labours and materials locally. The members of the cooperatives will also work in rotation basis to build each other houses.

The loan product aims to support earthquake affected households to repair or construct houses, revive business (purchase livestock, equipment and seeds and restart enterprises) and enable small farm holders to restore their livelihoods. The reviving of businesses will help to bring back the economy in right track after the shocks. The loan product is aimed to allow members to use in flexible way to restore their livelihood.

**Table-4: Features of loan product**

**A. Key features of livelihood restoring loan product for earthquake affected small farmers (MoF to SFDB)**

Name of loan	Restoring livelihood of earthquake affected small farmers
Interest rate	MoF to SFDB - 0.5 % per annum SFDB to SFCLs- 5 % per annum SFCLs to small farmers- 9 % per annum
Loan term	15 years
Grace period	5 year
No of installments	20 installments to be paid half-yearly
Loan amount	550,000,000
Repayment schedule	Repayment start after fifth year of loan disbursement  Principal and interest to be paid half-yearly in Saun and Magha end of each fiscal year
Loan amount per SFCLs	Loan amount per SFCLs will be on the basis of:  1. Internal resources of SFCLs 2. Not exceeding the loan limit specified in the loan policy of SFDB
Districts	In the first phase SFDB provide loan to earthquake affected SFCLs and their members in Dhading, Nuwakot and Rasuwa districts.  If the available fund is not absorbed in above mentioned districts, SFDB will provide loan for restoring livelihood of earthquake affected members of SFCLs in other districts

**B. Key features of livelihood restoring loan product for earthquake affected small farmers (SFCL to members of SFCLs)**

Name of loan	Restoring livelihood
Purpose of loan	To restore livelihood of earthquake affected small farmers in the selected districts
Maximum loan amount	NPR 50,000
Interest rate to	Per annum rate- 9 %



small farmers	Interest rebate- 15% of interest if loan is paid on time
Loan term	3 years
Grace period	1 year
No of installments	10 installments to be paid quarterly
Repayment schedule:	Grace period: 6 months Interest to be paid monthly Principal to be paid quarterly in 10 installments No additional fees for pre-payment
Lending procedure	<ul style="list-style-type: none"> <li>• SFCLs assess the number of damaged livestock, crops and enterprises in the VDC and collect loan demand</li> <li>• The loan application must be completed properly and signed by the concerned authority of the SFCL/cooperative applying for loan</li> <li>• If eligibility criteria are met, SFDB disburses loan in two installments basis base on progress (50% the first and remaining 50% in the second installment)</li> <li>• Regular monitoring and follow up of the utilization of loan amount by SFDB</li> <li>• Collection of principal and interest as per the repayment schedule</li> <li>• Rebate is provided if all the installments are paid according to schedule</li> </ul>
Eligibility Criteria for SFCLs/SCCs member	<ul style="list-style-type: none"> <li>• Must be a member of the SFCLs/cooperatives</li> <li>• Those who are non-members join SFCLs/cooperatives and obtain loan as per the lending policy of SFCLs/cooperatives</li> <li>• Good credit history of the members</li> </ul>

SFDB will discuss purpose loan product with SFCLs/cooperatives, incorporate their inputs and introduce the new product to address the needs. The loan policy of SFCLs/cooperatives and SFDB will be reviewed and incorporate in accordance with existing norms and practices.

#### **4.3. Disbursement of loan to restore the business and livelihood of the clients**

Table-3 indicates that about 34,000 households in the said working areas of the partner cooperatives/SFCLs are affected by the quake, and 90% (31,000) of them need immediate assistance to reconstruct/repair houses and restore businesses. The total amount required will be NPR 1.24 billion (assuming average loan size NPR 40,000). SFDB needs NPR 744 million to disburse in the first instalment (See detail in the 5).

**Table-5: Loan disbursement**

<b>Particular</b>	<b>Total amount required</b>	<b>First Installment</b>	<b>Second Installment</b>	<b>Total</b>
No of affected households receiving loan (90%)	31,000			
No of women members receiving loan	16,000			
Average loan amount NPR	40,000			
Total amount required (NPR million)	1240			
Disbursement of Loan (Percentage)		60	40	100
Disbursement of Loan (NPR million)		744	496	1240
<b>Disbursement of Loan (USD million)</b>		<b>7.44</b>	<b>4.96</b>	<b>12.4</b>
<b>Sources of financing</b>				
ADB financing (USD million)		2.5	3.0	5.5
SFDB financing (NPR million)		1.0	-	1.0
SFCL financing (USD million)		1.0	-	1.0
<b>Total Sources of financing</b>		<b>4.5</b>	<b>3.0</b>	<b>7.5</b>

#### **4.4. Addressing the liquidity crunch faced by Cooperative/SFCLs**

One to one consultation and consultative meeting with the SFCLs and cooperative have revealed that the demand for withdrawal of savings, insurance claims and credit from members have increased immensely following after earthquakes due to increased demand for money to stay safe in the short-run and to recover themselves in the long-run. SFCLs and cooperatives lack sufficient liquidity to allow members withdrawing savings and pay the insurance claims. Out of total loan portfolio, 60 percent (NPR 10 billion) is financed by internally generated sources (savings and equity). In the selected districts about NPR 824 million is collected as deposits (which include insurance fund). Normally a cooperative needs about 10 percentage deposits as a liquid fund; in the crisis situation the SFDB has estimated that a cooperative needs NPR 165 million (20 % of 824 million) as liquid fund to fulfil member immediate cash requirement.

#### **4.5. Refinancing/scheduling of current loans**

Cooperatives are likely to face the problems of default and/or requests for loan forgiveness from victims who have lost business and properties. SFDB will address these issues by rescheduling repayments and extending loan term of cooperatives and their members. SFDB will also review the recent Government of Nepal's announcement of a blanket waiver

of up to NPR. 50,000 of loans obtained from BFIs and work out with SFCLs to obtain such waiver amount from government.

#### 4. 6. Training to construct earthquake resistance houses

SFDB will work with Department of Urban Development and Building Construction and Council for Technical Education and Vocational Training (CTEVT) and other technical institutions as well to provide training for constructing earthquake resistance houses (masons and carpenters). According to CTEVT, the duration of comprehensive training is three months and 20 participants can be trained in each batch. CTEVT has pool of trainers to launch two or more training programs simultaneously. The comprehensive training is designed as on-the-job training where participants construct houses for members. The house models will be as prescribed by government and owner of house will select the one of the model house developed by government. CTEVT has tentatively put the cost of training per participant is Rs 10,000, which covers the cost of trainers only. The participants will need subsistence allowance of Rs 5,000 per month and some materials to construct pilot houses during the training programs. Hence cost of each earthquake resistance house training is estimated NPR 1,000,000. Area offices of SFDB in the respective districts in consultation of SFCLs will select appropriate venue and participants for the trainings in 54 SFCLs. Remaining 36 trainings will be conducted in other earthquake affected districts on demand driven basis. Smokeless/improve cooking stove training will be also provided in few clusters as people also lost their traditional cooking stove. The area offices will also make necessary arrangement for the training.

#### 5. ADB Financing

**Table 6: Funding from ADB**

<b>Budget Head</b>	<b>Activities</b>	<b>Unit</b>	<b>Rate</b>	<b>Amount (USD)</b>
1	Credit line			5,500,000
2	Consultant (Person months)	54	4000	216,000
3	Training			
3.1	Training and capacity building of Cooperatives/SFCLs (refer annex-2 for cost breakdown)	30		300,000
3.2	Constructing earthquake resistant house (refer annex-3 for the cost breakdown)	90	10000	900,000
4	Local transportation, communication and stationery	Lump Sum		14,000
	<b>Total</b>			<b>6,930,000</b>



## **Annex-1: ToR for National Consultants**

### **Project Coordinator/Rural Finance Specialist (National, 18 person-months, intermittent)**

The Project Coordinator/Rural Finance Sector Specialist shall have more than 10 years of experience in rural finance sector including in microfinance. The experience in post-conflict or disaster affected situation is an advantage. The project coordinator shall also have a track record of successfully implementing Asian Development Bank (ADB) funded loans and grant projects. He or she shall be fully familiar with ADB's project administration policies, guidelines and procedures. The specialist will:

- i. Coordinate with the project management unit and assist the project implementation unit (PIU) director at Small Farmers Development Bank (SFDB) to achieve the objectives, milestones and target of the Project.
- ii. Assisting PIU director at SFDB and arrange the imprest account opening, withdrawal application preparation, account audit and other necessary tasks to ensure smooth fund flow and disbursement for microcredit onlending to affected communities.
- iii. Liaise with the program steering committee and provide periodical updates on the microcredit component progress.
- iv. Supervise the engagement of a firm of accountants to undertake the annual project account audit including with the preparation of Terms of Reference.
- v. Liaise with other PIU and prepare quarterly project progress reports including progresses from each implementing agencies and national consultants.
- vi. Other tasks as reasonably requested by the government, SFDB and ADB.

### **Microfinance Institutions Development Specialist for Small Farmers Development Bank (national, 36 person-months)**

The Microfinance Institutions Development Specialist shall have more than 10 years of experience in operation, management, and development of banks and financial institutions. Working experience in and knowledge on micro and rural finance and savings and credit cooperatives are essential. Working experience in post-conflict or disaster affected areas will be an advantage. Reporting to and working with the management of the SFDB, the specialist shall:

- i. Support the management of SFDB in the implementation of the Project's microfinance component to ensure that the expected targets and milestones are achieved in a timely manner. Identify any shortfall in achieving the target and propose appropriate remedial measures.
- ii. In coordination with the project coordinator/rural finance specialist, arrange disaster risk reduction training programs in cooperation with the Department of Urban Development and Building Construction for Small Farmers Cooperatives Limited (SFCLs). Identify any other training and capacity building needs of SFCLs and include in the training program plans.
- iii. In support of the Project Coordinator/Rural Finance Specialist, periodically review the progress of the microcredit and training activities and prepare progress reports for the inputs for the quarterly project progress reports and other report requirements.
- iv. Lead the process to identify recovery and reconstruction needs of affected SFCLs and develop funding and operational plans to address such needs.
- v. Any other tasks as reasonably requested by the government, SFDB management, board of directors, and ADB.

## Annex-2: Cost for training and capacity building of Cooperatives/SFCLs

<b>A. Training to SFCLs and Cooperatives</b>				
SN	Budget head	Unit	Per unit cost	Total cost (NPR)
1	Accommodation and food (20 participants)	5 Day	3,500	350,000
2	Stationery and training materials	20 person	1,000	20,000
3	Trainer fees (external resource person)	20 sessions	4,000	80,000
4	Air fare for 2 trainers	Lump sum		40,000
5	Local transportation	Lump sum		30,000
6	Training management & miscellaneous			35,000
	Cost of one training			555,000
	Cost of 30 trainings			16,650,000
<b>B. Local trainers to provide TA to SFCLs and cooperatives</b>				
		Dhading	Nuwakot	Rasuwa
1	Number of local trainers	3	1	1
2	Tenure of local trainers (24 months)			
3	Monthly salary of local trainers (Rs)	60,000		
4	Cost of local trainers			7,800,000
<b>C. Financial literacy training to cooperatives</b>				
1	Number of cooperatives	46	5	3
2	Cost of trainings	54	100,000	5,400,000
3	Management cost			150,000
	Total			5,550,000
	<b>Grand Total cost (total of A+B+C)</b>	<b>NPR</b>		<b>30,000,000</b>
	<b>Total cost (USD)</b>			<b>300,000</b>

### Annex-3: Training cost for constructing earthquake resistant house

SN	Budget head	Unit	Rate	Cost (NPR)
1	Resource person fees -Rs 10,000 per participants	20	10,000	200,000
2	Subsistence allowance to participants	20	15,000	300,000
3	Housing materials to construct pilot house and improve cooking stove training	Lump sum		450,000
4	Training management cost	Lump sum		50,000
	Total cost per training (NPR)			1,000,000
	<b>Total cost for 90 training (NPR)</b>			<b>90,000,000</b>
	<b>Total cost for 90 training (USD)</b>			<b>900,000</b>