

Prospects and challenges for mechanizing rural agriculture through women linked with microfinance

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RESILIENT MOUNTAIN SOLUTIONS WEBINAR SERIES

Women farmers and Sustainable Mechanization:

Improving lives and livelihoods in the Hindu Kush Himalaya

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Brief Context:

- Where do I come from... from ICIMOD to Development – social inclusion to Microfinance
- Microfinance sector - 99% clients women. Directly/indirectly supporting national economy and sustaining livelihoods across the country,
- Economically empowering women.
- Huge potential to promote mechanization through microfinance sector -
- The baseline – 34 branches in the mountains and hills - men absent, very tough geography – mechanization can support in reducing labour and help in the entrepreneurship, income of women and of the country as a whole
- Tremendous scope to improve agricultural pattern, and balance trade deficits,

Rhetoric of mechanization aiding agriculture aside, let us ponder how to reach mechanization in the terrain of Hills and mountains...

the working area of Sahayatra...

Let us be reminded of the terrain where we need to access the machines, information, maintenance services

Some pictures to bring us to the reality where women do the farming and where mechanization can transform economy but **HOW?**

Some pictures of the working area of Mahila Sahayatra...

Program area in Kalikot



Terrain in Jumla as seen from the air



Sahayatra's working area in Raksirang, Makwanpur



Program area and access In Salyan



Working area in Kakani, Nuwakot

Program Area in Nuwakot



Dandakot, Nuwakot area



MFI Key Indicators			
S No	Particulars	Unit	077 Poush Mid-Jan 021
1	MFI's	Number	76
2	Staff	Number	19,788
3	Members	Number	4,928,087
4	Borrowers	Number	2,855,458
5	Capital Fund	Million Rs.	39,583
6	Borrowing	Million Rs.	177,755
7	Deposits	Million Rs.	120,062
8	Loan Outstanding	Million Rs.	322,154
https://www.nrb.org.np/category/monthly-statistics/?department=bfr			



Center Chief's meeting in Aathbiskot, Rukum Forum to disseminate information to women clients.

Mechanization solutions tools, machinery, and/or equipment available in market...

Types of mechanization solutions:

- Land tilling,
- Seeding and planting,
- Polyhouses
- Sprayers
- Irrigation/sprinklers, pumps
- Weeding,
- Reapers,
- Harvesting
- Threshers
- Hullers/Shellers, milling
- Pellet making for livestock feed
- Dryers solar, mechanical..
- Processing/powder- grits, (spices, nettles, ...
- Grading, sorting, grinding..
- Packaging
- Cold storage



Current status of use of mechanization in Sahayatra's branches:

34 branches in the Hills and mountains

35,000 members; 22,000 clients

Rs. 1.8 billion Outstanding in Jan 2021

80% loans are in agriculture and livestock

Rs 5 million loaned for mini tractors **11**, Mills 9,
Seller and pump set

Or 0.28% of total portfolio.

Recovery of investment is one year for

tractors/mini tillers. Rest is bonus

Staff underlined **HUGE POTENTIAL**

And NEED for mechanization.

iStaff identified need of training, exposure,
Information, catalogue of implements, leaflets,
maintenance mechanisms.



Project approach to mechanization service provision:

- Huge gap in information on available tools, equipments, their functions, effectiveness cost, maintenance etc. to WOMEN -
- Mountainous areas are difficult to reach by Entrepreneurs of Mechanisation due to cost of transport and the clients are in no position to pay the transport costs.
- Who will bear the cost?
- MFIs with could be the best institutions to finance but the no mechanisms to orient the staff



Challenges faced in service provision - promoting access to mechanization for women farmers..

- subsidy programs are largely beneficial to the MH-HHs due to FH-HHs low level of interactions with the extension agents and institutions.
- No information to women
- Access – unthinkable
- Lack of trust on machines due to repair, maintenance service
- **Subsidy in the hands of leaders and fake farmers...**
- **Mechanization and men go together and unwittingly helping men to control income.. Contrary to objective of aiding women.**
- Growing trend in use of machines but controlled by men –
- Just look at the pictures...



Agricultural Mechanization Promotion Policy, 2071 (2014)

Main Objectives

- To increase productivity through it as per the economic and geographical need in order to develop the sustainable, competitive and commercial agriculture sector
- To develop the services and business of agriculture machineries through the coordination among the government, private sectors and cooperatives
- **To identify and promote women and environment friendly agriculture machineries.** (encouraging the use of tools to reduce the workload of women, empowerment, and design, adopt appropriate machinery etc..)
- To establish and strengthen the organizational structure of quality standardization, regulation, monitoring and promotion of agriculture machineries for agricultural mechanization.
- **Policy 2078 needed for Access to Mechanization by Women?**

- Assuming investment in Mechanization is recoverable in a year..
- If only 1% of the Rs 300 billion is loaned in mechanization, it can add up Rs 3 billion income directly – with many multiplier effects – maintenance personnel, productivity livelihood enhancement, reduction of domestic violence....
- identified need of training, exposure,
- Information, catalogue of implements, leaflets, maintenance mechanisms.



What were the key entry points for women's adoption of mechanization

Govt's subsidy directed to women through MFIs
subsidy on interest through NRB policy on mechanization

Create ~10% fund for training, maintenance, spare and service parts.

Orient MFIs 20,000 staff on the benefits of mechanization and provide leaflets, catalogue and exposures.

Start modestly and modify policy as we go along...

