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Project description:

WEBSITE CLIENT	https://www.muktinathbank.com.np/
REGION	ASIA
COUNTRY	Nepal
SECTOR	Financial Services
SIGNING DATE	30 DAYS FROM PUBLICATION AT WEBSITE
TOTAL FINANCING	€300,000
FUND	ORIGINATING

Who is our (prospective) client?

Muktinath Bikas Bank Ltd, founded in 2007, is a Rural development bank in Nepal. Muktinath's philosophy is that "People should not come to the Bank; the Bank should go to the door of the people". The company has 176 branches, 22 ATMs and over 4,500 remittance terminals with a presence in all seven states of the Nation.

What is the intended funding objective (type of activity)?

The funding objecting and associated technical assistance package with SNV will support the company with the development of new financial products. This includes an assessment of the needs of coop members and the development of suitable financial products the bank will offer to rural coops. It also includes support services to the coops, through Muktinath Krishi, with key activities being market linkage support, financial literacy training, supply of climate-resilient agricultural inputs, improved resiliency through capacity building, and both ESG and GESI assessments.

The outputs of the project include:

- The development of suitable bulk lending products for rural cooperatives.
- Support services, which meet the needs of rural coops to improve climate resiliency and sustainably scale up agricultural practices.
- Improved livelihoods and resiliency to climate change for coop members and value chain partners.

Why do we fund this project?

Nepal is highly vulnerable to climate change and is seeing changes in weather patterns, which can disrupt agricultural practices and lead to glacial flooding of vulnerable communities.

This project is expected to achieve both a Rio-Marker one and two. The Rio-Marker one is achieved through Banking and Financial Services, providing credit lines for climate adaptation. The Rio-Marker two Rural Development is achieved by adopting sustainable agriculture for adaptation to climate change.

The impact of the originating stage includes:

- 17,500 people positively impacted, of which 50% are expected to be women.
- Mobilizing \$10 million of investment into Nepal, with at least 3 million addressing agriculture and rural livelihoods. Investments may also include, (MSME) Micro, small and medium enterprises, sustainable activities, and creation of climate resilience in agriculture, forestry and water supply, protection of ecological systems, woman-owned businesses and youth entrepreneurs: creating opportunities and promoting gender equality, innovations in inclusive business and access to basic goods and services.
- 2,450 hectares of farmland under sustainable management.