



# PRESENTS AGRICULTURE LENDING



<b>Background</b>	<p>The Agriculture sector is considered as a backbone of economy in the country. About 60.4% of the total population of Nepal is dependent on agriculture contributing more than one third of GDP and employing two third of labor forces . Due to the global impact of the COVID-19, the sector has become a more significant and high priority segment like our country. Similarly, it has been assumed that a large number of returnee migrants and informal sectors employees will engage in agriculture sector. Hence, proper policies, budget allocation, subsidies on inputs, products, and assured markets are utmost to see a revolution in agriculture despite COVID-19 crisis in Nepal.</p> <p>Being an agriculture dominant economy, the opportunities in this sector were ever present, however the recent agro-favorable policies have made this sector more attractive and prolific. Financial institution being a strong pillar for a nation’s economy can play a noteworthy role in the commercialization and development of Agriculture sector. Realizing this fact, the government has also more focused and internalized the agro sector as a key component for economic development and employment creation through its various policies mechanism like Fiscal policy, monetary policies etc. The Financial Institutions (A,B,C class) are now increased to lend 15 % from 10 % portion of loan portfolio to this sector by B.S.2080 and also already make their presence almost at all 753 local level areas where the most important economic activity is agriculture. Further, Microfinance institutions are required to lend 50% of their portfolio on agriculture sector.</p> <p>In this context, it becomes important for the Bank’s staffs to be resourced and capable enough to lend in this sector for understanding the agriculture lending. Agriculture financing is a really complex, different and versatile sectors to most of the bankers. Therefore, it is necessary for the Bank personnel to be acquainted with various aspects of agro sectors. Hence, this training will provide the conceptual knowledge of agro lending and emerging terminologies of agricultural sector.</p>
<b>Program Takeaways</b>	<p>General Objectives: Conceptualize the general overview of agriculture lending prospective at BFIs</p> <p>Specific Objectives:</p> <ul style="list-style-type: none"> <li>• To understand the clear concept of agriculture lending scenario, agricultural related policies in the county from BFIs perspectives.</li> <li>• To know about general concept and scope of value chain financing model on agriculture lending.</li> <li>• To understand and realization few common and high value competitive agriculture products in Nepal</li> <li>• To apprise various aspect of agricultural MSME lending techniques.</li> <li>• Understand basic concept of agro insurance policies in Nepal.</li> </ul>
<b>Date/ Time</b>	<p>2nd, 3rd and 4th October 2020</p> <p>2nd October (3:00 to 6:15pm) , 3rd October (9:00am to 12:15pm) 45 minutes break (1:00 to 2:00pm) and 4th October (7:30am to 9am)</p>

Target Audience:

Officials who are working/ involving in Lending function, credit marketing, Credit Risk staff, loan assessment and recovery function at any BFIs.

Level:

Middle/Low: Branch Manager, Loan Officer/Credit staff, Credit Marketing and Credit Risk staff, recovery function staff.

Program Delivery:

Presentation via Microsoft Team, Discussion, Case Studies, interaction with illustration.

Course Fee:

Nrs. 6,500 + VAT per person  
10% discount for individuals

**COURSE OUTLINE****Duration:8.5 hours****TOPIC****RESOURCE PERSON****SESSION****General understanding on Agriculture and Agricultural Lending in Nepal:****Banking Sector****I  
(90 Min)**

- Concept of Agricultural lending
- Status of Agricultural lending in Nepal
- Why agriculture finance different from other types of finance?
- Scope of Agricultural lending in Nepal
- Major huddles on Agriculture lending from Banking perspectives
- Government/NRB policies on agricultural lending in Nepal

**Subsidized Agriculture Loan Scheme in Nepal:****Banking Sector****II  
(120 Min)**

- Concept of agricultural subsidy-federal, province and local government practices
- Problems and consequences of subsidy on agriculture sectors in Nepal
- Interest Subsidy Loan Guidelines under “Unified Guidelines, 2075 for Interest Subsidy on Subsidized Loan” issued by NRB.
- Regulatory provision and reporting
- Opportunities and Challenges on interest subsidy Loan
- Major problems experienced by Bankers on Subsidy Loans

**Subsidized Agriculture Lending Scope through Value Chain Financing Model and Cross Product Selling Approaches****Banking Sector****III  
(90 Min)**

- Concept of agriculture Value Chain Financing
- Few example of successful value chain financing lending model in Nepal
- Opportunities of BFIs on agro lending through Value Chain Financing approaches
- Marketing and Financial linkage with Agro products of BFIs
- Cross Product selling approaches through subsidized Loan

**General understanding and Success story sharing of common and high value competitive agriculture products in Nepal****Agriculture Expert****IV  
(90 Min)**

- Technical overview and success story sharing on common agriculture products like Cereal, Crops, Poultry, Fishery, Dairy, Fruits, Ginger, Vegetables etc.
- General understanding and success story sharing on high value crops like Tea, NTFPs, Herbs, Cardamom, Yarsagumba, dragon fruit, avocado, Kiwi etc.
- Credit lending norms for these commodities-cost/benefit estimation

**Factors to be considered on MSME Agro Lending****Banking Sector****V  
(120 Min)**

- General approaches of credit appraisal on agriculture lending
- Various Risk factors on agro lending and its mitigation strategies
- Other considering factors while lending on agriculture segment

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## FACILITATORS PROFILE

**Mr. Keshab Khati**  
**Head – Micro, Rural & Branchless Banking**  
**Siddhartha Bank Ltd**

Mr. Khati is associated with Siddhartha Bank Ltd. as Head – Micro, Rural & Branchless Banking for the past 3 years. He has more than 15 years of versatile in-depth experience with D class Micro Finance Institute to A class commercial Bank specialized in Micro & Retail Banking Sector. Previously, he has varied exposures from entry level loan Assistant to policy level in different areas like credit, programme, operation, Branch Manager, Head Credit Department, Head Internal Audit Department in core leading micro finance institution; Nirdhan for 8 years plus and first commercial Bank's fully subsidized microfinance company Laxmi Laghubitta for 4 years plus since its inception. Academically, he has also completed Mphil Degree in Management from TU in the same financial background. He has long experiences on agro retails lending and participated agriculture trainings. Further, he has good exposures in National and International project management as well as others training programme.

**Mr. Babu Kaji Thapa**  
**Division Head Agricultural & MSME Department**  
**Agriculture Development Bank Ltd**

Division Head Agricultural & MSME Department at ADBL Head Office. Mr. Babu Kaji Thapa is currently working for Agriculture Development Bank Limited, Ramsahpath, Kathmandu at the capacity of the Head of the Agricultural Credit and MSME Department. He has accumulated more than 25 years of working experience in varieties of institutions both national and international at the capacities of Researcher, Social Scientist, Agriculturist and Team Leader. To name among them are Govt. of Nepal, New ERA, Action Aid, MEDEP/UNDP, IUCN, GiZ etc.. His major areas of expertise are from two sectors i.e. social/research sector and banking sector.

Mr. Thapa's social/research experience majorly includes-conducting socio-economic surveys such as baseline studies, feasibility studies, impact evaluations etc. and interpreting data both qualitative, quantitative and writing reports. Preparing project design matrix, log frame, project proposal writing, document translation, ToT course handling and project appraisal are also fall under his areas of experience in this sector. As far as his experience on banking or agricultural credit and MSME sector is concerned, he has gained a considerable experience on promoting peoples' access on banking and cooperative services for small, medium-scale agriculture, and non-agriculture enterprises through financial literacy sessions, workshops and seminars. Delivering agriculture credit and MSME related training sessions both to Entrepreneurs and BFIs staffs and preparing and appraising agriculture and non-agriculture business plans/schemes can also be categorized under his experience.

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