



Final event of the Financial Schemes for Passive innovations in Agriculture

21.08.2024



Output 1 : Design of Investment décision Tool

70 % of cooperatives consider that the Investment decision tool developed is understandable and appropriated

Achievement : 92%

Output 1 : Activities



Bibliographic reviews

- NAMAC Selenge cooperative database => 60
- Cooperative development fund Selenge database => 540



Focal Group Discussion

- Selection of the 30 cooperatives
- Design the survey
- 11th of January 27 cooperatives participate to the first FDG



Output 1 : Activities



Meetings with stakeholders

- Banks : KhanBank, Golomt Bank, State Bank
- Head of Agriculture and Food departement of Selenge
- Non banking financial institutions : VisionFund , LendMN
- NAMAC

Mapping of existing financial mechanism

- 60 very diversified financial products



VisionFund

lendmn



Output 1 : Activities

Define the return on investment

Survey 6 previous project cooperatives and work with construction company to define :

- **Investments cost** (material, transport, equipment, labor force, irrigation)
- **Operational cost** (seed, soil and growing medium, disease management, electricity for water pump and lightening , repair, packaging, logistic, marketing, labor cost)
- **Incomes** (regarding the vegetables and the seasons price)



Output 1 : Activities

Test and presentation of the Investment decision tool the cooperatives from the first FGD

- Jointly organized with ADRA at the occasion of their UPOAG training sessions the 25th and 26th of July
- Participants : 19
- Where : Green Asia NGO
- Feedback were included in the Excel Investment decision tools



Output 1 : Findings 1/3

Bibliographique reviews

Namac data base (60)

- 15 Vegetable only, 16 Vegetables + other
- Average members 56
- 26% < 41 years old
- 54% women
- Only 20 have a score between 20-40

FGD (27)

- 1 no vegetable, 9 Vegetable , 17 Vegatable + other
- Average members 27
- Women 66%, coop head who reply the most
- Revenus 34% <10M (38% no answer)
- 5 SMEs funds, 3 Banks ,19 from Projects
- 6 has comun saving, 7 has funds risks
- Difficulties : no collatéral, no constant revenues
- 13 Accountant, 18 Banks statements
- No shared capital, items, building, or land in the name of cooperatives => no collateral
- No pooling of the incomes, each member is directly linked to the market as an individual => no cooperative's income proof as a collective way
- A reel need of investement but have no capital (30% of them reply <10M)
- Most important expenditure Seed, pment, labor, transport

Selenge data base (540)

- 5/30 FGD coop have applied
- Majority loan < 10M MNT
- Bad loan 369/540
- 47/540 for vegetables,
- Purpose mostly construction or land

Output 1 : Findings 2/3

Financial mapping

Meeting with Financial Institutions

- ⇒ No history with cooperatives (no collateral or proof of collective income),
- ⇒ Cooperative are consider are really risky in banking sector
- => Willingness to improve their portfolio to address cooperatives
- => Agriculture loan, green loan, women's loan

Return on investment

in M MNT	PSGH	Eco cellar
CAPEX	25- 52	52-84
OPEX	10	11
INCOMES	15	44
ROI (without loan) Year	5 - 11	1.5 – 2.5

FGD 2

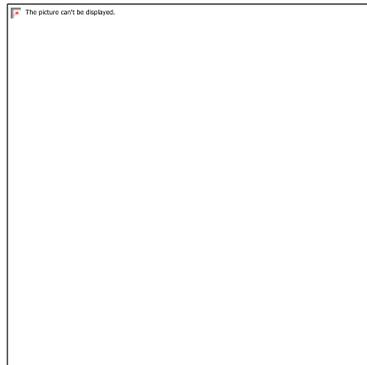
- Users tester of the Investment decision tool was excited to know the result
- Easy to use

Output 1 : Findings 3/3

	Banks	NBFI	DVP soum	International
Bad loan history	No	No	No	No
Amount in M MNT	10 – 5 000	4 - 500	0.6 - 2 500	800 – 8 000
Collateral	100-150% Non moveable assess	0-100% Moveable assess ok	Flexible	Bank requirements
Interest rate	14% (Gov 6%)	39%	3%	9%
Proof of incomes	Bank statement	Bank statement	Bank statement	Bank requirements
Debt Incomes/ratios	60%	70%		Bank requirements
Business plan proposal			Yes	Yes
Duration Years	1-10	1-unlimited	5	7 - 10
Monthly payment	Yes	Flexible	Yes	Bank requirements
Down payment				Yes

Output 1 : Testimony

Tsenrendavaa Tseren, Finance specialist from Department of Agricultural and Applied Mongolian University of Life Sciences, trained by FAO



Output 2 :

10 People acquired new skills relating to passive agricultural solutions

- Achievement 20

50% People in the cooperative able to use the investment decision tool

- Achievement 40%

Output 2 : Activities



Cooperatives selection

Mandatory criteria 15/31 (fulfill with NAMAC data)
1 women in the board - 60% women in the cooperative

Willigness 8/15 (call of interest)

Two cooperatives should be on the same soum
4/8

Selection of Mandal soum cooperative due their complementarity and UB proximity



Output 2 : Activities



Support : Construction

For both of them before construction **check on flooding area and soil pollution**

Project provided also:

- * Installation for irrigation
- * PH soil tester, Thermometer & hygrometer
- * Summer greenhouse



Output 2 : Activities



Support : Construction => Mandal Organic Foods

- Cooperative bought a land + well
- 240m2 PSGH + watchman room
- Self construction + mentor for metal frame
- New design blue printed by Geres (metal + change door)



Output 2 : Activities



Support : Construction => Zvvnxaraa Baylag

- Cooperative own a land but too far => usage of a member land with water supply
- 120m2 PSGH + watchman room
- Geres PSGH blueprint and construction by a company (with metal frame and door bigger too)



Output 2 : Activities



Support : Production , by Uyanga

Early spring : support to made seedlings for the new future PSGHs

	How to use PSGH	How to use Eco cellar
Date :	11/06/2024	6&9 / 08/ 2024
Participants	21	16
Where :	Mandal soum	Mandal soum & UB
Materials provided	Logbook to track expenditures, activities, results	



Output 2 : Activities



Support : Investment by Tsenrendavaa Tseren

Finance specialist from Department of Agricultural and Applied Mongolian University of Life Sciences, trained by FAO

	How to design futur business plan	Theoretical financial literacy	Presentation of business plan result
Date :	12/06/2024 Am- Pm	5 & 8 /08/ 2024	5 & 8 /08/ 2024
Participants	10 and 2	6 and 10	6 and 10
Where :	Mandal soum	Mandal soum & UB	Mandal soum & UB
Materials provided		PPT	Business plan



Output 2 : Findings

From cooperatives

- Happy to have been listen, flexibility
- Willingness to have the financial trainings for every cooperatives members

From Geres team

- Deliver the msg why and what to track important
- The usage of the passive solutions stay a critical part, moreover for PSGH were the benefit can be tight if not the case

From Tserendavaa trainers

- Was interesting to know more about the functioning of these solutions

Output 2 : Testimony

Mandal Organic Foods

- Head of Cooperative :Lkhagvadorj



Zvvnxaraa Baylag

- Head of Cooperative :Badam



Output 3 :

Communication and dissemination

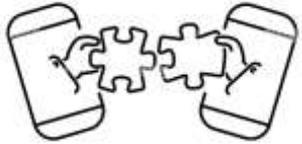
3 Recommendation actions have been designed and handed over to at least 2 structures and 1 of the recommendation should be gender specific

- Achievement 3 recommendations to 3 different structures , 3 of them include a gender specific financial levers

International relationship between cooperatives is initiated to encourage exchanges of experiences

- Yes

Output 3 : Activities



Twining with French Cooperative

Fb Group Create

1st Virtual visit : 27th of May

Topics : Discover french PSGH + Q&A prepared by the pilot cooperatives



2nd Virtual visit : 05th of August

Topics : Reverse

360 panoramique visits : [Zvvnxaraa Baylag](#) and [Mandal Organic Food](#)

Activity 3 : Communication and dissemination



Recommendation

Batch 1 : Identification of barriers

From cooperatives :

- * Price fluctuations, value chain challenges
- * Seasonal revenues
- * Uncertainty on common terms, roles and responsibilities
- * No knowledge about financial products

Key constraints faced by Women

- * Unavailability of essential equipment/machinery
- * Ownership
- * Tasks Conflict (family, production and marketing)
- * Willingness to negotiate with women

From Financial Institutions :

- * No knowledge in small agribusiness
- * Cashflow, repayment schedule
- * Willingness and risks
- * No partnership with suppliers

From Government Institutions:

- * Undervalue the complexity and challenges of the cooperatives
- * Insufficient Training and Capacity Building

Activity 3 : Communication and dissemination



Recommendation

Batch 2 : Policies reviews

Key interviews (MoFALI, NAMAC, Lendmn, MULS, KhanB, Selenge)
Draft of a batch of 9 recommendations

- 1-Business partnership building
- 2-Cost benefits analysis
- 3-Design suitable services for agribusiness by financial institutions
- 4-Raise awareness and capacity of the aimag/sum government officials
- 5-MoFALI transversality approach
- 6-Apply's herders good practices to vegetable growers
- 7-Government to invest in financial education
- 8-Aimags and Soums invest on efficient Agro park
- 9-Support the establishment of secondary cooperatives

Activity 3 : Communication and dissemination



Recommendation

Batch 3 : Narrow down to 3 recommendations

Recommendation	Barriers addressed	Women specifics	To whom
1-Business partnership building address	8	2	Financial Institutions
6-Apply's herders good practices to vegetable growers	7	3	MoFALI
9-Support the establishment of secondary cooperatives	9	2	International NAMAC Soum

Output 3 : Findings

Geres work for designing cheapest solutions or creative usages,

More awareness on the added value of PSGH and eco cellar

Geres is willing to continue to work on these topics with all the stakeholder and participate to the common goal of food security for Mongolia

Output 3 : Activities

In bulk

ADRA-Geres MoU 22/02



NAMAC event : 5/03



Mandal soums visit 14/03



Output 3 : Activities

In bulk

French Day : 8/06



Vegetable Delivery at the French embassy : 05/07



Handover of the recommendations

Handover of the recommendation

Turmunkh.N, Khan Bank Branch Director in Selenge Province

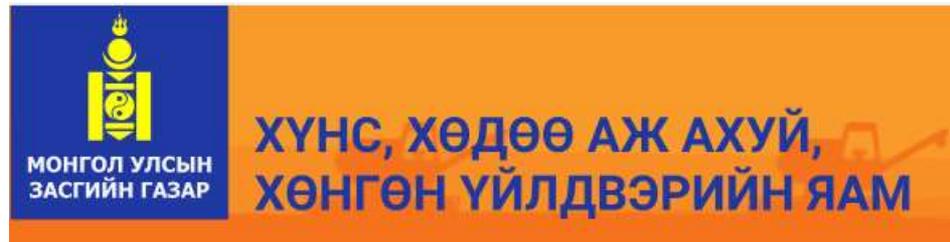
Business partnership building



Handover of the recommendation

Anar ENKHBOLD, Director of international Cooperation Division

Apply's herders good practices to vegetable growers



Handover of the recommendation

Altantuya TSEDEN-ISH, Director of National Association of Mongolian Agricultural Cooperatives ,

Support the establishment of secondary cooperatives



GROUP PICTURES

Thank you !

Do you have any questions ?



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