



# 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
- 11<sup>th</sup> 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 25<sup>th</sup> and 26<sup>th</sup> 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

### 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

### 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 commun saving, 7 has funds risks
- Difficulties : no collatéral, no constant revenus,
- 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

# 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

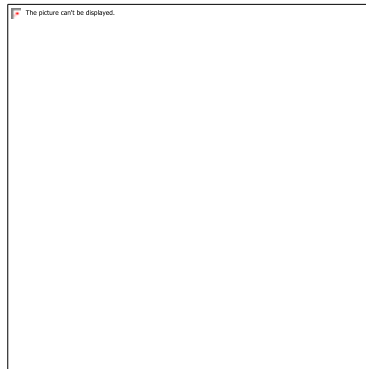


# Output 1 : Findings 3/3

|                           | 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%<br>Non moveable<br>assess | 0-100%<br>Moveable assess<br>ok | Flexible       | Bank requirements |
| Interest rate             | 14% (Gov 6%)                       | 39%                             | 3%             | 9%                |
| Proof of incomes          | Bank statement                     | Bank statement                  | Bank statement | Bank requirements |
| Debt<br>Incomes/ratios    | 60%                                | 70%                             |                | Bank requirements |
| Business plan<br>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<br>Am- Pm              | 5 & 8 /08/<br>2024             | 5 & 8 /08/<br>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 specifics**

- Achievement 3 recommendations to 3 different structures ,  
3 of them include a gender specifics 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](#)**

## Output 3 : Activities



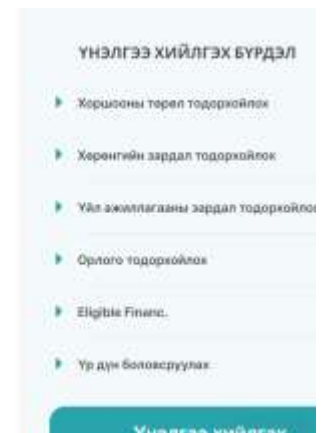
## Investement decison tool online

- Accessible by providing e-mail address
- Will be able to count how many people have access and survey after one year
- Useable on the phone
- Will be publish on Geres GMN facebook
- Link can be added to any organizations website interested : MofALI, NAMAC, MULS, Province, ...



ИДНИЙ ЗОРИЛГО

исний нэгдэл гаргагч хэрэгсэдийн эхдээ ажлын эрхэм хүчний шийдэлд өргөтгөх сүүтэй  
ломхтой эсрэг, хэрэг тийм билээ хамгийн тохиромжтой санхүүгийн сэмжүүд гэсэн занай бэлэн.



# 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**

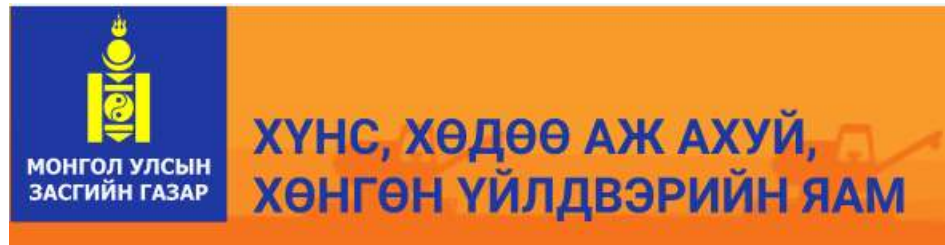
Business partnership building



# 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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