

PRODUCT UP-SCALING SUPPORT – FACTSHEET

Product Up-scaling Support	SCBF 2017-09: Promotion and pilot of appropriate credit for access to low-pressure irrigation technologies for small producers of high-yield crops
Country / Region	Nicaragua
Partner Financial Institution/s	Financiera Fundeser S.A.
Grantee	iDEal Tecnologías & Cía. Ltda
Overall Budget	CHF 188'273 (47% self-contribution)
SCBF Contribution	CHF 99'950 (53% SCBF funding share)
Date of Approval	08.03.2017 & 12.10.2017
Duration	11.2017 until 04.2019
Context	<p>The challenges of financial inclusion in the rural sector in Nicaragua, mainly for small producers, are high. Nearly 100,000 farmers do not have access to adequate financial services or products. The regulatory framework in financial inclusion focuses on public policies to offer innovative products, guidelines for sending and receiving money, anti-money laundering policies and combating financing of terrorism, and consumer protection.</p> <p>The intervention of the SCBF program is relevant and in line with the national policy. Its value proposition is novel and differs from traditional credit services; the intervention will have a value-chain approach and synergize financial and non-financial services. Only 3.7% of the arable area is irrigated in the country, which indicates lack of appropriate financial products. The program will develop an adequate and innovative financial product that will encourage the adoption of modern low-pressure irrigation technologies for small producers.</p>
Current Status of the MFI	<p>Financiera Fundeser, founded in May of 2014, is a non-bank financial institution supervised by SIBOIF. It serves various sectors of Nicaragua's economy through its credit products. The mission of Financiera is to improve the living standards of low-income people by providing inclusive financial services. At the end of December 2016, Financiera Fundeser had a market share of 1.1%, ranking no. 10 of 12 MFI in terms of loan placements. With 27 branches in 20 municipalities (10 departments), they offer a wide coverage in rural and urban areas. To achieve its goals and objectives, it needs a support and synergize with other institutions, especially in the area of diversification of its portfolio of products and services, with quality products at a reasonable price.</p>
Objective and Main Activities	<p>The objective is to promote an appropriate financial product for access to low-pressure irrigation technologies, to modernize agriculture and increase income of small producers in Nicaragua.</p> <p>The project activities are: (1) Diagnosis and potential needs, (2) Product design with financial and non-financial attributes, (3) Training on the different products, (4) Piloting, monitoring and evaluation.</p> <p>The objectives/expected results of the project are: (1) Financiera Fundeser has a credit promotion strategy for appropriate irrigation technologies. (2) The consortium has a strategy on placing a financial product of credit to promote appropriate technologies with financial efficiency and transparency. (3) 140 credit placements by the end of pilot. (4) It is possible to systemize the piloting experience and replicate it in other zones and crops in Nicaragua. (5) Three years later: The credit promotion strategy continues to facilitate access to micro-irrigation systems of low pressure and reaches more than 5,000 small producers.</p>