

Annual Progress Report - 2010

Project Title: Enhancing Access to Financial Services Project
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Award ID: 49650

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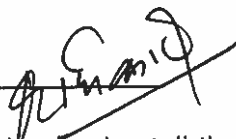
Source of Funds: UNDP/UNCDF

Implementation Modality: NEX

Project Beginning Year: July 2008

Project Ending Year: 2012

Signature



Name: Janak Bahadur Adhikari
National Project Manager

Signature



Name: Pradip Raj Panday
National Project Director /Executive- Project Board

1. Overview of the Project

Access to Microfinance by the absolute poor is critical from the perspective of poverty alleviation. Despite of efforts put for decades, financial services are yet to reach remote villages as well as many bankable clients. Currently, only 14% of the absolute poor 8.7 million people have so far been covered by microfinance. Weak coordination between retail and industry level financial services as well as their weak capacity are major problems in the microfinance industries in Nepal. This project "*Enhancing Access to Financial Services*" aims to provide technical assistance to both service providers and bankable clients by linking the demand for financial services with efficient and low cost.

The project assistance is expected to provide additional 330,000 clients with microfinance services in remote districts of Nepal. It is a subset of Access to Finance Project designed jointly by UNDP and UNCDF in collaboration with World Bank and will support the implementation of:

- i. A Fund for Inclusive Finance (FIF) to strengthen the capacity of financial institutions to expand access to underserved market segments and to carry out a financial literacy campaign.
- ii. Technical assistance to fund a public information campaign, project implementation, monitoring and evaluation.
- iii.

The main outcomes envisaged by the project are:

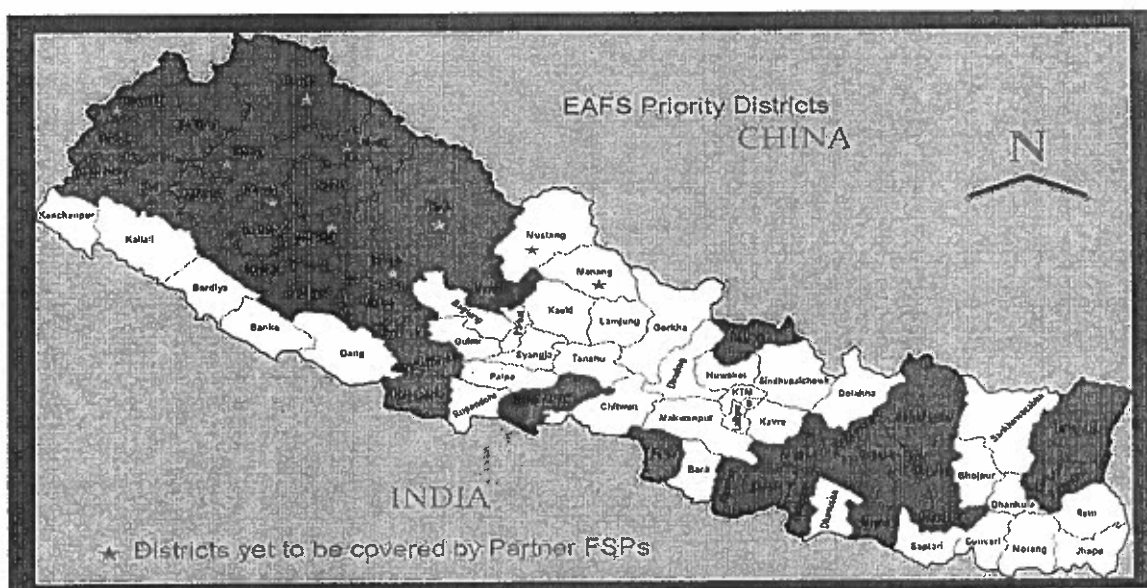
- i. Access to financial services provided to additional 330,000 clients through financial service providers (FSPs).
- ii. Financial linkages established between 10,000 Savings and Credit Groups (SCGs) and Financial Service Providers (FSPs).

2. Key results in 2010

Summarize three major results achieved in 2010, emphasizing changes in development conditions and/or people's lives. Explain how these interim results are leading towards the overall intended results of the project. (You may wish to report on some cumulative results)

Based on i) CBS poverty ranking of districts; (ii) Availability of microfinance services in the district; and (iii) Number of SCGs in the district; 38 districts (*see Map below*) were selected as the project priority districts (*Far Western – 7; Mid Western -12; Western – 4; Central – 7 ; and Eastern Development Region – 8*) .





Forging partnership with 18 Financial Service Providers (FSPs) by signing Performance Based Agreements (PBAs) for outreach expansion to 258,770 new clients by Mid-July 2012 (see Table -1) is the major breakthrough in the year 2010.

Based on the information provided by 18 partner FSPs, as of Mid-December, 2010; they have been able to increase outreach of 81,991 additional new clients against the target of the PBA 80,394 new clients by Mid-Jan., 2011 .

This report has been prepared based on the quarterly report till Mid-October, 2010 received from partner FSPs. Among the partner FSPs, 10 FSPs are strategic partners and eight partners are innovative. Strategic partners intend to increase financial services outreach through their existing working modality basically Grameen banking model. Out of the 10 strategic partners two have signed PBA with EAFS in the later part of 2010. And other 8 FSPs innovative partners came forward to pilot innovations for 1) cost effectiveness; 2) increased efficiency; and 3) use of new technology.

Table -1: Outreach Targets VS achievements as per PBAs (As of Mid-October, 2010):

S. No.	Partner Type	Target up to Mid July, 2010	Achievements as of October	Target up to Mid-Jan, 2011	Target up to Mid. Jan. 2012	Target up to Mid. July 2012
1.	Total Active client of strategic partners (cumulative)	564,837	596,584	713,624	813,612	857,775
2	Strategic Partner active New clients (Cumulative)	26,394	58,140	73,455	173,442	217,605
3	Total active client of Innovative Partners	-	157,826*	145,384	165,389	179,610

	(Cumulative)					
4	Innovative Partner active New clients (Cumulative)	-	2,293**	6,939	26,944	41,165
	Total	26,394	60,433	80,394	200,386	258,770
5	New service delivery units(new branches) Cumulative	40	57	63	87	95
6	% of female clients	80 %	99.91 %	80 %	80 %	80 %

Note: * = innovative partners progress as a whole organization; ** = new additional client through innovation only.

- The second achievement is the expansion of financial services outreaches of 58,140 active new clients by mid – October 2010 (Table -1) by 8 strategic partners.
- These 8 FSPs have opened 57 new branches to provide financial services. The new branches were able to contribute 22,269 outreach expansion under project support of which 11,865 clients are in project priority districts.

Capacity building initiatives were made during the year 2010. Table below summarizes the different types of technical inputs provided to the partner FSPs on their capacity enhancements activities.

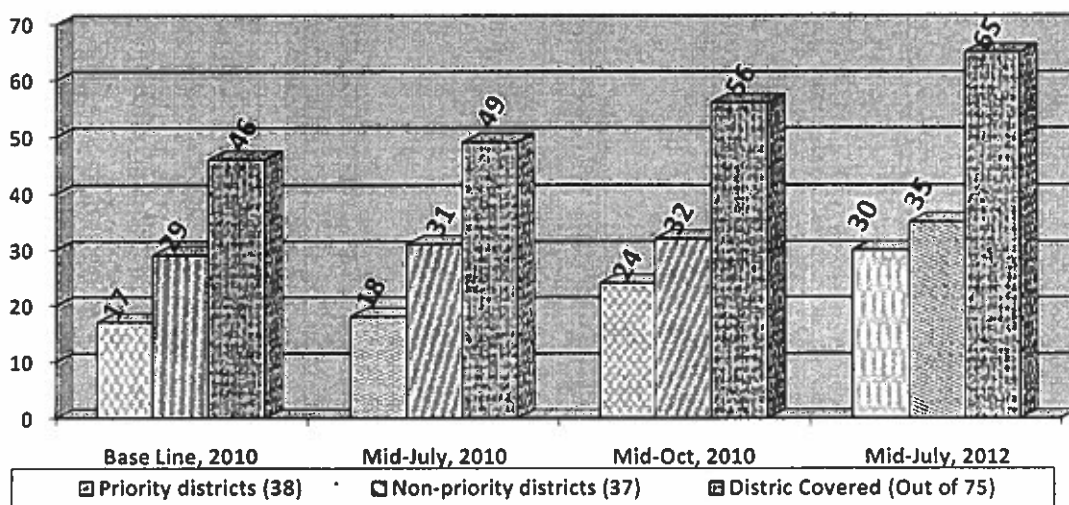
S. No	Capacity building initiatives completed in 2010	Participants	Remarks
1.	Business plan streamlining training workshop to potential strategic FSPs along with institutional capacity assessment	20 participants of 10 FSPs	Business plan refinement
2.	Business plan streamlining training workshop to potential innovative FSPs along with institutional capacity assessment	20 participants from 10 FSPs	Business plan refinement
3..	Training on Mix market	25 participants from 18 partner FSPs	It has helped partner FSPs to be familiar with MIX market and information required for MIX
4.	Interactive workshop on SCG linkages(2 events) between FSPs and development partners	18 partner FSPs and 9 development agencies	It has helped in identifying common working areas and explore linkages possibilities.
6.	Workshop on Microfinance Innovation	18 partner FSPs	Explore and shared innovation on microfinance
7.	Orientation to partners on quarterly reporting system	18 partner FSPs	Oriented and institutionalized QPR forms and formats

8.	On site mentoring	18 partner FSPs	Clarification on PBAs signed and its targets and Capacity enhanced on reporting
9.	Quarterly progress review workshop with partner	Two quarterly progress review workshops held	Progress reviewed, shared lessons, identified issues and developed coping strategies
10	SCG Rating Tool Orientation and Pilot Testing	8 FSPs (two events; one in east and one in west)	FSPs gained knowledge on the SCG rating tool that can be instrumental in linking SCGs for financial services

Partner FSPs were provided training on MIX market reporting system and arrange to send information to MIX market through Central of Micro-finance. Also developed SCGs rating/assessment tools and provided orientation on it. Rating work of 10 strategic partner FSPs are on progress. Market research and product development training was from 14-18 Dec. 2010.

Partners FSPs are currently working in 56 districts out of 75 districts in the country. Similarly, they are working in 24 project priorities districts out of 38. Moreover, they have planned to reach 65 districts out of 75, covering additional 6 priority districts and three non priority districts by July, 2012 (see Fig.1).

Fig. 1: District Coverage by Partner FSPs



However, there is a big challenge for the project to expand microfinance services outreach to Bajura and Darchula in the Far Western Development Region and similarly to Dolpa, Jajarkot, Jumla, Kalikot, Mugu and Rukum in the Mid Western Development Region. These districts are not planned to be covered by 18 partner FSPs within PBAs period (i.e. Mid-July, 2012).

Recommendation for Working District Approval from NRB:

Based on the business plan submitted by the partner FSPs, project has recommended to NRB helped partner FSPs for securing permission to work in additional 41 districts (see Table -2). that would obviously help for microfinance service expansion in Nepal.

Table 2: Recommended Districts for Working Permission

S.N.	Partner MFIs	No. of districts recommended for approval
1	FORWARD	13
2	JBS	4
3	CSD	5
4	NESDO	3
5	UNYC	1
6	WDCN	3
7	NWCSC	3
8	RWDC	4
9	MCDC	4
Total		41

Project key Interventions:

The key interventions of the project are as follows:

Activities	Achievements
Hiring of project staff	9 staffs (5 technical & 4 administraiton/finance) hired
Orientation Program on EAFS Project	Introductory orientation about EAFS Project provided to potential partner FSPs
Detailed Proposal/Business Plan Mainstreaming Workshop	Orientation to 10 shortlisted FSPs on Detailed Proposal/Business Plan Mainstreaming on to make them able to develop detail proposal on an expected course and information
Performance based Agreement (PBA)	PBA signed with 18 FSPs (10 strategic and 8 Innovative)
Training on Innovations in Microfinance	training provided on Innovations in Microfinance to 16 FSPs on 23rd, April, 2010
Rating of strategic partner FSPs by international rating agency	Rating of 10 partner FSPs is on going by M-CRIL
Mix Market Training	Two days MIX Market Training were provided to 18 partner FSPs with technical support of Centre for micro-finance (CMF) Nepal in Sept, 2010
Training on Market Research and Product Design for partner FSPs/EAFS project Staffs	Market Research and Product Development training provided to 30 participants from partner FSPs, NRB and EAFS Staffs from 14-18th of December 2010 by MicroSave
Quarterly Progress Review Workshop with Partner FSPs	Progress review meetings were held with Strategic Partners on 6th Sept.2010 and on 27/28 Dec of 2010.
Interactive Workshop on SCG Linkage with Partner FSPs	Two interactive workshops on SCG Linkage were held with stakeholders (18 FSPs, development agencies, SCG

	promoters) to create an environment for SCGs linkages on 25th May, 2010 and 7th Sept, 2010 respectively.
Capacity Building of FSPs on SCG Linkage	SCG Rating tool developed and pilot tested in eastern Nepal and mid western region together with partner FSPs. Also provided an orientation on SCG rating tool to 8 partners.
In-service training to project team	Interim CTA and a team from UNCDF had provided in-house training to EAFS Project staffs
Exposure visit/training on different models of microfinance	NPM and 3 EAFS Project Staff visited BASIX India
Microfinance related training	NPD and NPM have participated in BOULDER training in Turin, Italy. Two Project Officers have participated in Financial Mainstreaming of Micro-insurance & Saving training in Iloilo Philippines
In-service training	Two admin staff participated in negotiation in procurement training in Bangkok, Thailand
Monitoring of partner FSPs	Regularly monitored/ facilitated and provide onsite and offsite TA to 18 partner MFPs

Project Budget and situation of fund utilization:

The project was designed with a total budget US \$ 9,966,065. In the initial phase, UNDP and UNCDF have committed 1.5 M \$ each. Hence, there is a funding gap of about US \$ 7 M. The expenditure of this year is US\$ 839,248 out of planned annual budget US\$ 900,000.

Fund situation of the first phase of the project with US\$ 3 M is as follows:

EAFS Project Budget Status

Description	US\$
• Expenditure till 2009	121,199
• Expenditure 2010	839,248
• Planned budget for 2011	1,100,000
• Fixed cost for 2012 (SMART subsidies + Program Support)	785,734
• Remaining budget for other Program activities in 1012	153,819
TOTAL (US\$)	3,000,000



3. Achievements against Annual Work Plan (Annual Targets & Activities)

Annual Targets	Achievement (against Annual Targets)	Planned Activities	Achievements (against activities & actions)	Financial			
				Fund	Budget Code	Budget	Expenditure (pl take this info from Sunil's budget vs expenditure data)
A FIF established and operational.		Activity Result 1: Funds for Inclusive Finance (FIF) Operational Action a: Prepare FIF Operational Manual	EAFS project office established and started operation	UNCDF	71625 DSA		
				UNCDF	74525 Sundry		
				UNCDF	71610 Travel (local)		
				UNCDF	71615 DSA (intl.)	4,522	4,423.51
				UNCDF	71605 Travel (Intl.)	2,769	3,517.13
				UNCDF	72440 Connectivity charges	153	103.24
				UNCDF	71635 Feisal exp		67.98

<p>Provide technical assistance to selected FSPs/MFIs from FIF and monitor their operational and financial performance</p>	<p>Activity Result 2: Technical assistance provided to at least 9 FSPs/MFIs and their operational and financial performance monitored</p>	<p>Expression of Interest (EOI) assessment for granting technical assistance to FSPs/MFIs is on progress</p>				
	<p>Action a: Assess potential MFIs and select for partnership for increasing outreach</p>	<p>EOIs submitted by FSPs for strategic and innovative partnership assessed. Detailed project proposal evaluated and 18 FSPs selected for partnership.</p>	<p>UNCDF</p>	<p>71205 Int. Consultants</p>	<p>7,563</p>	<p>7,563.19</p>

			UNDP	72605 Grants	259,264	270,013
	Performance Based Agreement (PBA) signed with 10 strategic partner FSPs and 8 innovative partner FSPs. SMART subsidy provided to them based on the PBA	Action b: Provide SMART Subsidy (Performance Based limited time support)(to support linkage with new microfinance clients	UNCDF	72605 Grants	259,263	270,012
			UNCDF	72605 Grants	-	-
	M-CRIL selected as Rating Agency to conduct rating of 10 partner FSPs. The field mission by the rating agency will commence soon.	Action c: Rating of selected FSPs/MFIs by international rating agency	UNCDF	72125 Svc. Co-Studies and Research services	50,000	-
	MIX Market related training provided to partner FSPs with technical support of Centre for micro-finance (CMF) Nepal	Action d: Develop standard modules, provide training on reporting system of MIX Market and reporting requirements to partner FSPs/MFIs and EAFS Staff	UNCDF	72145 - Svc Co- Training and Education Services	1,150	1,166.55

			UNCDF	74525 Sundry	2,100	1,995
		Micro Save has been selected to conduct Market Research and Product Development training from 14 th of December 2010	UNCDF	71205 Int Consultant	4,500	-
			UNCDF	71605 Travel ticket-Int.	500	-
		Progress Review meeting held with Strategic Partners in the 3 rd Quarter. Next review meeting with Strategic as well as Innovative Partners has been planned for last week of Dec. 2010	UNCDF	71625 DSA/Meeting Participants	500	-
			UNCDF	71610 Travel ticket local	200	-
			UNCDF	74525 Sundry	300	298.33
		Technical Assistance required by the partner FSPs collected.	UNCDF	71605 Travel Ticket Int.	2,000	-
			UNCDF	71205 Int. Consultant	5,000	-
			UNCDF	74525 Sundry	6,034	-
			UNCDF	71625 DSA/Participants	1,000	-
			UNCDF	71610 Travel ticket local	1,500	-
			UNCDF	72145 Svc. Co Training and Education Service	5,000	-
Action e: Provide training on Market Research and Product Design for partner FSPs/EAFS Staff						
Action f: Quarterly Progress Review Workshop with Partner FSPs						
Action g: Provide need based technical assistance to FSPs						

2000 savings and credit groups (SCGs) promoted by UNDP and/or GOs/NGOs supported programmes linked to FSPs/MFIs.	Activity Result 3: SCGs linked with FSPs/MFIs for financial services	Action a: Update Inventory and mapping of SCGs	UNCDF	72125 Svc. Co Studies and Research Services	1,000	-
	Action b: Review Workshop with Partner FSPs	Inventory and mapping of SCGs in the 9 priority districts planned for 2011 (those districts where current partner FSPs will not be providing services till the project period) Two interactive workshops held with stakeholders (FSPs, development agencies, SCG promoters) to create an environment for SCGs linkages	UNCDF UNCDF UNCDF UNDP	71625 DSA-Participants 71610 Travel ticket local 74525 Sundry 74525 Sundry	695	1,364.27 6.08
	Action c: Capacity Building of FSPs for SCG Linkage	SCG Rating tool developed and pilot tested Exposure visit for selected FSPs to India postponed for January 2011.	UNCDF	74525 Sundry	1,100	1,201.75
			UNCDF	71610 Travel-local	400	-

Operationalis e project implementati on, monitoring and evaluation system and public information campaign	Activity Result 4: Enhanced Capacity to implement project; M & E system; and public information campaign Activity	Action a: Provide in- service training to project team	Action b: Provide exposure visit/training on different models of microfinance	Interim CTA and a team from UNCDF provided the training	NPM and 3 EAFS Project Staff visited BASIX India	UNCDF	71620 DSA- Participants	500	48.45
						UNDP	74525 Sundry	742	-25.48
						UNDP	71610 Travel Local	500	314.66
						UNDP	71605 Travel Intl.	6,000	-
						UNDP	71615 DSA Intl.	5,795	-
						UNDP	72145 Svc Co -- Training and Education Service	1,000	-
						UNCDF	71205 Intl Consultant	2,000	-
						UNCDF	71605 Travel -- Intl.	500	-
						UNCDF	74525 Sundry	1,000	346.34
						UNCDF	71605 Travel -- Intl	6,000	4,169.84
UNCDF	71615 DSA -- Intl	9,000	8,339.31						
UNCDF	74525 -- Sundry	1,000	306.10						
UNCDF	72145 -- Svc Co -- Training and Education	1,000	400						

					1,200	-
UNCDF			74525 Sundry		305	1,255.58
UNCDF			71610 Travel - Local			312.80
UNDP			72145 Svc Co. Training			-5.86
UNCDF	Action f: Program Review	Quarterly Review meetings.	71610 Travel - Local			
UNCDF		Mid Term Evaluation of the project planned for 2011	71625 DSA Participants			
UNCDF			74525 Sundry			
UNCDF	Action g : M & E System	On-going as a regular activity	71610 Travel - Local		1,507	628.12
UNCDF			71620 DSA - Local		2,569	3,224.15
UNCDF			73410 Maintenance, Operations of Transportation Equipment		1,076	1,051.14
UNDP			74525 Sundry		4,751	7.11
UNDP			71610 Travel Ticket - Local			-2.56
UNDP			71620 DSA Local			-13.53
UNCDF			71635 Travel Other			81.16
	Operation and Management					
	Activity Result 5: Programme Support					

Action: Project Office Equipped with Staff and Facility	All staff except for messenger on board. Office equipped with facilities	CTA	UNCDF	71205 International consultant ST Tech	52,040	84,745.49
		DTA	UNCDF	71405 Service Cont. Ind.	23,936	24,388.33
		UNDP Service Contract	UNDP	71405 Service Cont. Ind.	72,195	75,448.25
		Messenger	UNDP	71405 Service Cont. Ind.	770	-
		Cleaner	UNDP	71405 Custodian and Cleaning Service	792	133.13
		Cleaner	UNDP	73110 Custodial and Cleaning Service		1,338.8
		Staff Insurance	UNDP	71405 Service Cont. Ind.		1.82
		Insurance	UNDP	74505 Insurance	1,585	2,180.81
		Security Guard	UNDP	71405 Service Cont. Ind.		860.75
		Security Guard	UNDP	73125 Common Service Premise	5,182	8,830.26
		House Rent		73105 Rent	6,465	8,108.30

4. Results in Gender Equality, Women's Empowerment, and Social Inclusion

- A. In 2010, the project has recommended to NRB for working permission to the project partners to work in additional districts and NRB has positively considered it than the normal practice.

The project has forged partnership with 18 Micro Finance Institutions (MFIs) which has greatly contributed to the outreach expansion in terms of clientele numbers and outreach in new geographical areas, thereby contributing to geographical inclusion.

Secondly, the partner MFIs who had followed Grameen model generally targets only female clients. The introduction of the innovative partnership has helped to open up the avenue for prospective male clients as well, thereby contributing to gender inclusion of male within female pre- dominated model of the MFIs.

- B. In 2010, the partner FSPs were also encouraged to maintain a monitoring and information system (MIS) that allowed them to report on the inclusiveness of the number of clients. Quarterly reporting format was developed by the project team and institutionalized in the partner FSPs' reporting system accordingly.

During the project period, the project also supported to change the knowledge, perceptions, attitudes and behavior patterns of the concerned in the partner organization(s) to some extent. Basically, EAFS Project had organized two events of interactive meeting among FSPs and other development agencies with an objective to look at potential to develop linkages between the community groups/SCGs and the MFIs. These kinds of events had helped the stakeholders mainly the development partner agencies to reflect and realize the importance and possibility of linkages between the saving and credit groups (SCGs) with the MFIs.

- C. In 2010, the project had encouraged the partner FSPs to expand their microfinance outreach to the unreached areas and community by providing grant support to supplement their operational cost. Hence, partner FSPs have opened 57 new branches under EAFS project support and increased 60,433 outreach of which 13164 New client are in project priority districts by Mid- October, 2010. And furthermore, these partner FSPs are heading towards to achieve 80,394 outreach target of Mid-Janawary 2011.. Moreover, these FSPs were basically trained and practicing Grameen model of microfinance. Due to project support, some of them came forward with business proposal to practice some modifications in the existing Grameen model such as individual lending, linkage, use group member as agents, and monthly loan repayment schedule etc.

- D. In 2010, did the project have started to incorporate socio-gender analysis at the key milestones of project cycle to track changes in gender equality and social inclusion?

Quarterly progress report formats are designed for partner FSPs that captures the financial services inclusive data. The data reporting shows that out of total active new client 60,433 of wich 9,927 Dalits, 22,549 Janjaties and 27,957 are remaining Others cast. Most of the partner FSP's client are women but Madhya Paschimanchal Grameen Bikas Bank (MPGBB) and Mahuli Community Development Center (MCDC) have initiated to take male client too. So far, 55 male clients are reported till date.

- E. In 2010, the project support also incorporated gender equality and social inclusion specific components to consciously increase the human rights of women and socially marginalized groups. The project has been advocating and promoting inclusive financial services outreach in 38 project priority districts.

F. The key achievements below show that the project has initiated to address gender equality and social inclusion in providing financial services through its partner FSPs.

- Total outreach achievement : 60,433 additional new client
- Women client : 99.91 %
- Dalit client : 16.43 %
- Janjaties : 37.31 %
- New client in project priority district: 21.78 % (i.e. 13164)
- Opened 57 new branches with the support of the project.

5. Implementation Challenges :

The major issue for the project is deepening microfinance services in the rural areas of hills and mountains. To address this issue, a suitable microfinance model for hills and mountain yet to be identified. The main challenge lies to motivate and encourage partner FSPs to expand their services in such areas and innovations. Similarly, another challenge is to built confidence and create conducive environment for FSPs to extend their services in remaining eight project priority districts. These districts are the poorest districts, in terms of HDI, very poor access to financial services and so far untouched by the partner FSPs. It is even not planned to reach these districts by Mid-July, 2012 by the present 18 partner FSPs.

Basically, the FSPs are reluctant to extend their services in such rural areas, because of comparatively higher operational cost incurred in the existing or present practiced Grameen model of microfinance. It is constrained particularly due to scattered settlements coupled with poor infrastructure and limited economic and business opportunities. Due to the limited resources of FSPs, they are unable to innovate appropriate models to reach out in those areas.

In this context, EAFS project has to look at different options and share with project partner FSPs for increasing outreach to these areas. It is important from the perspective of both accesses to finance and inclusive finance as well.

Some other challenges:

a) Outreach and expansion

- To streamline project policy with NRB/GoN and develop common understanding of Fund for inclusive Finance (FIF);
- Partner FSPs are familiar and trained on Grameen model of microfinance. However, Grameen model has not been able to expand outreach in hills and mountains especially in the remote areas. The MFIs need to have innovative models/ products for reaching out to the unreached (geographical area, marginalized and very poor section of the society, youths and vulnerable groups of the society)

b) Limitations of the working model

- Partner FSPs are working with Grameen Model, and also reluctant to adopt new model like SCG linkage mode because of lack of information/exposure;

c) Need to enhance financial literacy conducting financial literacy campaign

- Lack of strategy for financial literacy/information campaign and communication;

d) More Technical Assistance needed



- CTA could not be on board on time as envisaged in the project document - gap in CTA's inputs.

e) **Funding Gaps**

- Project is designed with US\$ 9.99 M and present funding is US\$ 3 M. There is a funding gap of US\$ 6.99 M.

6. **Project Target and PBA:**

Project intends to expand microfinance services to additional 330,000 new clients. So far, PBAs has been signed with 18 partners FSPs to expand total outreach of 258,771 clients with grant support of US\$ 1,373,939 (see Table -3). There is a net gap of 71,229 outreach targets between the project document and PBAs targets signed with partner FSPs.

Table -3: Status of Grant Support and Outreach Target

PBAs signed	Client Target	Grant Support	Average (US\$)
Strategic (10 FSPs)	217,606	1,110,016	5.1
Innovative (8 FSPs)	41,165	263,923	6.4
Sub-total	258,771	1,373,939	5.3

7. **Lessons learned and next steps:**

Although, PBAs were signed between partner FSPs and project, a constant interaction/discussion with board/management of partner FSPs is deemed necessary to realize the PBA targets. Partner FSPs are comparatively in better position to achieve total new client target, but under stress to achieve total active new client in priority districts and in new branches supported by EAFS project. Similarly, innovative partners are facing difficulties to initiate proposed innovations as they laggs in clarity on it.

For projects continuing in 2011, describe priority actions for the following year to overcome any constraints, build on achievements and partnerships, and use the lessons learnt during the previous year. In particular, make clear recommendations for any required corrective action, for review by the project board.

- EAFS Project being implemented by Microfinance Promotion and Supervision Department of NRB/GON, it is deemed to streamline project policy with overall policy of NRB;
- Due to scattered settlements in rural areas particularly in hills and mountains, it is difficult to replicate/expand due to high operational cost in rural areas. Therefore, it is necessary to harness innovations in financial services delivery, pilot and develop suitable model to hills and mountain to address this issue;
- On time facilitation and technical assistance is important for partner FSPs to achieve PBA targets;
- Regular monitoring of each partner FSPs is also equally important to realize PBA targets;
- Exposure on SCG model to partner FSPs is important to expose partner FSPs on different model other than Grameen model and facilitate / encourage them to pilot the SCG linkage model;
- Financial literacy campaign is important to promote access and inclusive finance in rural areas;
- Ensure TA required by partner FSPs by hiring individual consultants or TA services providing agencies (national and international).

8. **Implementation Status of DEX or NEX Audit Action Plan (if applicable):**

Audit sport check has been done by UNDP.