

Cooperative Bhabishya Nirman Sana Kishan

COOP CARD*

Location: Dakshinkali, Kathmandu Valley

Year of foundation: 2012

N° of members: 920

Sector: Agricultural saving and credit cooperative

Key themes: Financial inclusion, women's and youth's empowerment, family farming



CONTEXT

The Small Farmers Agricultural Cooperative Limited (SFACL) is an innovative Nepalese cooperative model, part of the Nepalese community-based micro-finance institutions. This model has its roots in the government-led Small Farmer Development Programme, which was carried out back in the 1980's with the support of United Nations Food and Agriculture Organization and Development Programme (FAO/UNDP), and the Agricultural Bank of Nepal. The project was articulated in sub-programme offices (SPOs), with the aim of providing financial and non-financial services to smallholder farmers. It consisted of loans and saving services, social mobilisation and leadership development.

It was in the 1990's that, as a result of an action research project, the SPOs were encouraged to become autonomous, independent and self-managed cooperative enterprises, giving birth to SFACL. Nowadays, the SFACL is an agricultural saving and credit cooperative, operating throughout Nepal. The Nepal Agricultural Cooperative Central Federation ([NACCFL](#)) is the cooperative representative organisation - it gathers 995 cooperatives, of which 82% of members are women and 44% are young people. The NACCFL operates in three main areas; policy advocacy, capacity building, and network expansion. It provides financial and non-financial services, working in cooperation with the Small Farmers Development Bank Limited.

*Information collected during a field work carried out in March 2019.

AUTHORS

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COOP STORY

Dakshinkali is a municipality in the province of Kathmandu district in Nepal. Before the cooperative was set up in 2012, small scale farmers in the district faced problems as they could only get loans from landowners at a very high interest rate, requiring land as a collateral. Often, farmers lost their land because they couldn't repay the debt. Furthermore, getting the loans from the landowners meant that farmers were forced to work on their landlords' land. In order to offer an alternative to this, a group of people, led by Mrs. Parbati Upreti, the current cooperative manager, decided to found the Bhabishya Nirman Sana Kishan cooperative following the SFACL model. Through the cooperative, whose name literally means "Future Creation", they wanted to create new opportunities for smallholder farmers and their families. Today, Bhabishya Nirman Sana Kishan is an agricultural savings and credit cooperative: members can deposit their savings and take loans without any collaterals, paying a 9% interest rate, which is the lowest in the area. The only required condition is to have a project in which to invest the borrowed money, an income generating activity. In this way people can pay back the debt as well as expand their future opportunities. Aside from loans, the cooperative offers monitoring and training services as well as it facilitates market access. The cooperative thus offers all the tools to make income generating successful and sustainable activities.

Today Bhabishya Nirman Sana Kishan counts 920 members, out of which 740 (80%) are women and 557 (61%) are young people.



HOW HAS THE COOPERATIVE CHANGED MEMBERS' LIVES?

- **Economic dimension:** by receiving their loan, small scale farmers have been able to enter into income generating activities, which in turn contributes to improving their wellbeing conditions, such as access to good education for their children, improved nutrition, and healthcare.
- **Social dimension:** by enabling people's participation, members feel empowered. They feel proud of being farmers, as well as feeling independent, included, and accepted by the community.
- **Environmental dimension:** by encouraging farmers to engage in organic farming and share innovative sustainable practices, this contributes to sustainable development.

SELECTED QUOTE

“The main motivation of members to work together is for the sake of collective action, not to get benefits”

Parbati Upreti , Founder and Managing Director of
Bhabishya Nirman Sana Kishan cooperative



KEY LEARNING POINTS

- Saving and credit cooperatives, by implementing training and monitoring activities, are able to guarantee a sustainable improvement of people’s wellbeing, going beyond the provision of one-off money. Farmers involved in income generating activities have a sustainable source of income.
- Cooperatives can free people from a condition of slavery and from the domination of landowners, pulling them out debt traps.
- Cooperatives represent a sound alternative to capitalistic enterprises and unequal power relations in the market economy. This cooperative story shows that empowering people is the only way possible to ensure human and sustainable development.
- Cooperation among cooperatives is crucial to strengthen collective action. Networking and the possibility of exchanging good practices play a key-role for cooperatives’ capacity development programmes.

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