



# TECHNOLOGY DRIVEN MICROLOAN FUND FOR CLIMATE ADAPTATION OF REMOTE, VULNERABLE MOUNTAIN COMMUNITIES IN BHUTAN



For Rural Development

## Introduction

Tarayana MicroFinance (TMF) is the microfinance initiative of Tarayana Foundation a Civil Society Organization founded by Her Majesty The Queen Mother Ashi Dorji Wangmo Wangchuck.

## Climate Innovative Challenge

*“Catalyse financial institutions in SAR to make small loans for climate risk financing available to remote pastoral communities, Private financial institutions do not provide financing in remote mountain communities of Bhutan due to the high credit losses observed at government banks, and due to very high operating costs”*

## Expected Output

- 2 app integrations to be completed: TMF Cloud to mBOB and BOB Connect
- 30 microloan applications processed in pilot communities on TMF app

## Progress Report

- final signing of the MoU with Bank of Bhutan Limited as soon as the Lockdown ends. Technical expert from Singapore arranged
- Selection and interviewing of firms interested for the AV documentation of the highlanders access to micro finance and its process completed.
- Virtual consultation with District Governor and Planning officer conducted
- Awaiting unlocking of the districts to initiate financial literacy and loan processing for the beneficiaries

## Challenges

- COVID pandemic and complete national lockdown has impeded the initially planned progress

## Pilot aimed for beneficiaries of Laya and Lungo

Product and Process	App Innovation 1	App innovation 2
Product innovation: repayment schedule to match harvest flow and seasonality	Low-cost fully digital credit process	Microfinance – digital payments integration
Product innovation: Hire purchase agreements (first in Bhutan)		
Service innovation: Form filling; climate change training; business incubation	AppSheet	
Process innovation: Outsourced mandatory pre-savings		