



Unlocking Credit Financing for Solar Water Pumping Systems

Winrock International

Enhancing livelihood of Rural Farmers in Nepal



“I could install solar water pump because of easy credit facility from Sahara Nepal.”

- Ms. Pratima Bajagain

Solar Photovoltaic Water Pumping Systems are technically proven and are cheaper in long run as compared to using diesel water pumps. The technology is suitable for farmers to meet their need of irrigation, livestock watering and drinking water. However, this technology is yet to be adopted extensively in Nepal. The major barrier in adoption of the technology by farmers is the high upfront cost of the technology. In order to make solar pumping systems accessible to farmers, instruments are needed to improve access to credit and to make realize the economic benefits that can be accrue over the time to farmers.

The major obstruction was made easier through unleashing credit. Winrock International through USAID funded “Accelerated Commercialization Solar Photovoltaic Water Pumping” project in Nepal in collaboration with Renewable Energy for Rural Livelihood (RERL) project was successful in unlocking credit through bank and financial institutions (BFIs) for farmers to install PVWP systems. The project is closely working with BFIs to develop a loan product for solar pumping systems.

Furthermore, the project is working with private suppliers to introduce new and affordable products with wide range of technology considering the need and affordability of the farmers. Besides, the project is building capacities of BFI’s staffs, increasing the level of awareness among farmers and also linking BFI’s with suppliers and farmers to provide technology at affordable financial scheme.

RERL has provisioned incentive up to 30% of the system cost to 100 earlier adopters to inspire them to take loan to install PVWP systems for the purpose of irrigation. In this regard, the project has partnered with Sahara Nepal Saving and Credit Cooperative Society Limited (Sahara Nepal), Jhapa and Nepal Women Community Service Center, Dang to promote this technology within their members through



credit financing. The financing modality has been designed to better suit the smallholders farmers as the credit financing is crucial for upscaling the technology in Nepal increasing irrigation opportunity of smallholders.

“We have developed a loan product for solar water pumping and the technology is enhancing economic status of our members”, says Mahendra Giri, CEO of Sahara Nepal. He further shared that Sahara Nepal is targeting to promote 100 solar water pumping systems in 2017. Due to reliable irrigation facilities with suitable financing model and appropriate technology, the subsistence farmers are shifting towards commercial vegetable farming. Furthermore, Sahara Nepal has been developing capacities of its members in commercial vegetable and livestock farming. Solar pumping is fostering commercial vegetable and livestock farming increasing the income of their members and thereby increasing saving.

“I could install solar water pump because of easy credit facility from Sahara Nepal.” says Ms. Prati-ma Bajgain of Shivastasi, Jhapa. After the system

installation, she has started commercial vegetable farming planting tomatoes, green chilies and other seasonal vegetable in 4 Katha (1352 sq. m) of land. Similarly, 18 solar pumps have been installed through credit financing till February 2017 and installation is in growing trend. In 2017, total 140 systems are in pipeline to be installed through credit financing.

“Within a month of collaboration, we have been able to install 10 solar pumps in Dudhe of Jhapa” smiles Kopila Bajgain, Branch Manager of Saino Sahara. Saino Sahara unlocked the finance modality to its members only. Moreover, the farmers find this lucrative enough to obtain membership and install the system. Hence, this has been supporting to increase membership of FIs.

The project has been successful in establishing scalable and sustainable financial models for promoting solar pumps among smallholder farmers. BFIs are playing a crucial role in providing access to credit to embrace the solar pumping system and improve farming efficiency which has been stimulating socio-economic development in agriculture sector helping the smallholder farmers to fight against poverty.



Winrock International is a nonprofit organization that works with people in the United States and around the world to empower the disadvantaged, increase economic opportunity, and sustain natural resources.



Nepal Office

1103/68 Devkota Sadak | Baneshwor | P.O. Box: 1312 | Kathmandu | T 977.1.4467087 F 977.1.4476109
W: www.winrock.org.np | E: winrocknepal@winrock.org

Principal Offices

2101 Riverfront Drive | Little Rock, AR 72202-1748 | T 501.280.3000 F 501.280.3090
2121 Crystal Drive, Suite 500 | Arlington, VA 22202-3706 | T 703.302.6500 F 703.302.6512
W: www.winrock.org | E: information@winrock.org