

Executive Summary: Nyaya Microfinance

Mission: We aim to integrate existing village cooperative lending groups in rural Nepal into an online microcredit peer-to-peer lending network that enables the poorest-of-the-poor to access loans that simultaneously pay for essential health-related needs and microenterprise development.

Problem: In rural areas worldwide, limited access to credit is a critical impediment to economic development. This is particularly true in impoverished areas where average income is less than fifty cents a day. In such communities, microfinance programs are often unable to reach the poorest of the poor who suffer from acute needs related to health and nutrition. In many countries, citizens have themselves developed the infrastructure to address these issues: village cooperative lending groups. These cooperatives pool families' resources to pay for catastrophic healthcare costs, weddings, and funerals. Their reach is limited, however, owing to a lack of financial and technical resources. Peer-to-peer (P2P) online lending strategies such as Kiva and Microplace hold promise to meet this need, but their ability to reach the most impoverished and isolated communities remains limited.

Solution: We will apply online P2P lending strategies to equip village cooperatives with the technical and financial resources to expand their business lending activities while consolidating their work in the social sector. Our first site will be located in Achham, Nepal, where our team has been working on health and development issues among communities living on less than fifty cents per day. We will utilize a lending strategy in which borrowers may indicate – in the same loan—the percentage of the loan that they will utilize for their proposed enterprises and for essential health and nutrition needs. The exact percentage will determine the interest rate and maturity period. Both the health and the business needs will be catalogued and available to lenders so they may make informed investment decisions. All microfinance funds will be dispersed through the cooperatives themselves. No interest will be charged by the online lenders; rather, zero-interest loans will be provided to the cooperatives which then set the terms and disperse minimal interest-bearing loans to their members. Through this mechanism, we hope to sufficiently meet the basic health needs of the poorest of the poor so that previous financial barriers to business microcredit can be overcome.

Financial model: This is a non-profit venture undertaken by our organization Nyaya Health. By year three, we hope to achieve a sustainable, scalable model, dependent on volunteer web managers and field assistants and operated on a minimal budget feasibly met by charitable donations. Specific measurable outcomes include: 1) loan repayment rate; 2) number and percent of clients living on less than fifty cents per day; 3) percentage of loan outlays that are used for business development and for essential health needs; 4) interest rate and income earned by village cooperatives; 5) geographic expanse of the project to the most remote regions; 6) income generated and length of financial viability of the businesses funded.

Scale of Program	Year 1	Year 2	Year 3
Number of Lenders:	200	1000	15000
Number of Borrowers:	75	200	2500
Village Outreach Workers:	3	9	50
Average Amount of Loan:	\$50	\$100	\$350
Average Loan(months):	6	9	24
Average Annual Interest Rate:	2.5%	2.2%	2.0%
Total Amount of Loans:	\$3,750	\$20,000	\$875,000
Total Interest:	\$47	\$333	\$35,709
Loan Repayment:	95%	96%	97%
Operating Costs	Year 1	Year 2	Year 3
Salary for Program Coordinator:	\$7,500	\$7,500	\$7,500
Salary for Outreach Workers:	\$1,500	\$4,500	\$25,000
Monetary Transfers(in Nepal):	\$15	\$80	\$3,500
Monetary Transfers(to Nepal):	\$19	\$100	\$4,375
Miscellaneous Supplies:	\$500	\$500	\$500
In-country Travel:	\$800	\$2,000	\$10,200
Computers(\$1000):	\$1,000	\$1,000	\$2,000
Telecommunications:	\$1,800	\$2,700	\$5,400
Total Costs:	\$13,134	\$18,380	\$58,475

About Nyaya Health

Nyaya Health is a 501(c)(3) nonprofit organization working to improve the health of poor communities in Nepal through the provision of medical and public health services. Our organization is a unique assembly of Nepal- and USA-based public health experts and healthcare providers who use our collective expertise to develop long-term, system-level improvements in healthcare delivery in impoverished areas. Through the innovative application of epidemiological methodologies, information and communication technologies, and accountable community-based management structures, we seek to develop scalable models for expanding health equity and access to marginalized populations.

Where We Work

Achham is one of the poorest districts in Nepal and has been severely affected by war and poverty. It is home to 250,000 people who are served by only one doctor. The district suffers from some of the highest maternal and child mortality rates in South Asia. The annual per capita income is \$150, and many people migrate to India for work. Migration has fueled an HIV epidemic with 8-10% of returning migrants testing positive for HIV.

What We Do

The heart of Nyaya Health activities in Achham is a primary healthcare center focusing on maternal and child health, HIV and tuberculosis. The clinic is run by an all-Nepali staff consisting of a physician, a health assistant (comparable to a Physician's Associate), four midwives, a lab technician, a clerk, and a project manager. We are developing a network of community health workers who provide essential outreach and triage services to our geographically dispersed population. These services have been developed in collaboration with the government of Nepal; the long-term goal is full integration with public-sector health programs. Over the next year, with support from [Advanced Micro Devices and the Open Architecture Network](#), we are developing a community telemedicine center to apply information and communication technologies in innovative ways to improve the effectiveness and equity of our health services. In the long-term, we are renovating, restocking and restaffing a hospital that was abandoned 25 years ago to expand our medical, obstetric, and surgical capacity.

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