



Integrating Digital Technology for Digitalizing the Cooperatives

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2018 DIGITAL NEPAL FRAMEWORK

Digital Nepal Framework: 1 - 8 - 80

Under the Digital Nepal framework, eight sectors - agriculture, health, education, urban infrastructure, energy, tourism, finance, and connectivity - have been identified based on close engagement with stakeholders. The framework aims to guide Nepal on its journey toward becoming a Digital State.



Digital Nepal Framework

- 8 Verticals
- 80 Sub-sectors
- Digitization for Cooperatives in Nepal
- Empowering Cooperative Sector Through Technology



Cooperative in Nepal

- Integral part of the society
- 70 years of embracing inclusion and empowerment
- 29,866 cooperatives and 28% of Nepalese members
- Rs. 4 Kharba deposit with Rs. 94 Arba Capital
- Contribution to rural economies
- Digitization can revolutionize the cooperative sector by enhancing efficiency and accessibility



Challenges in Traditional Cooperatives

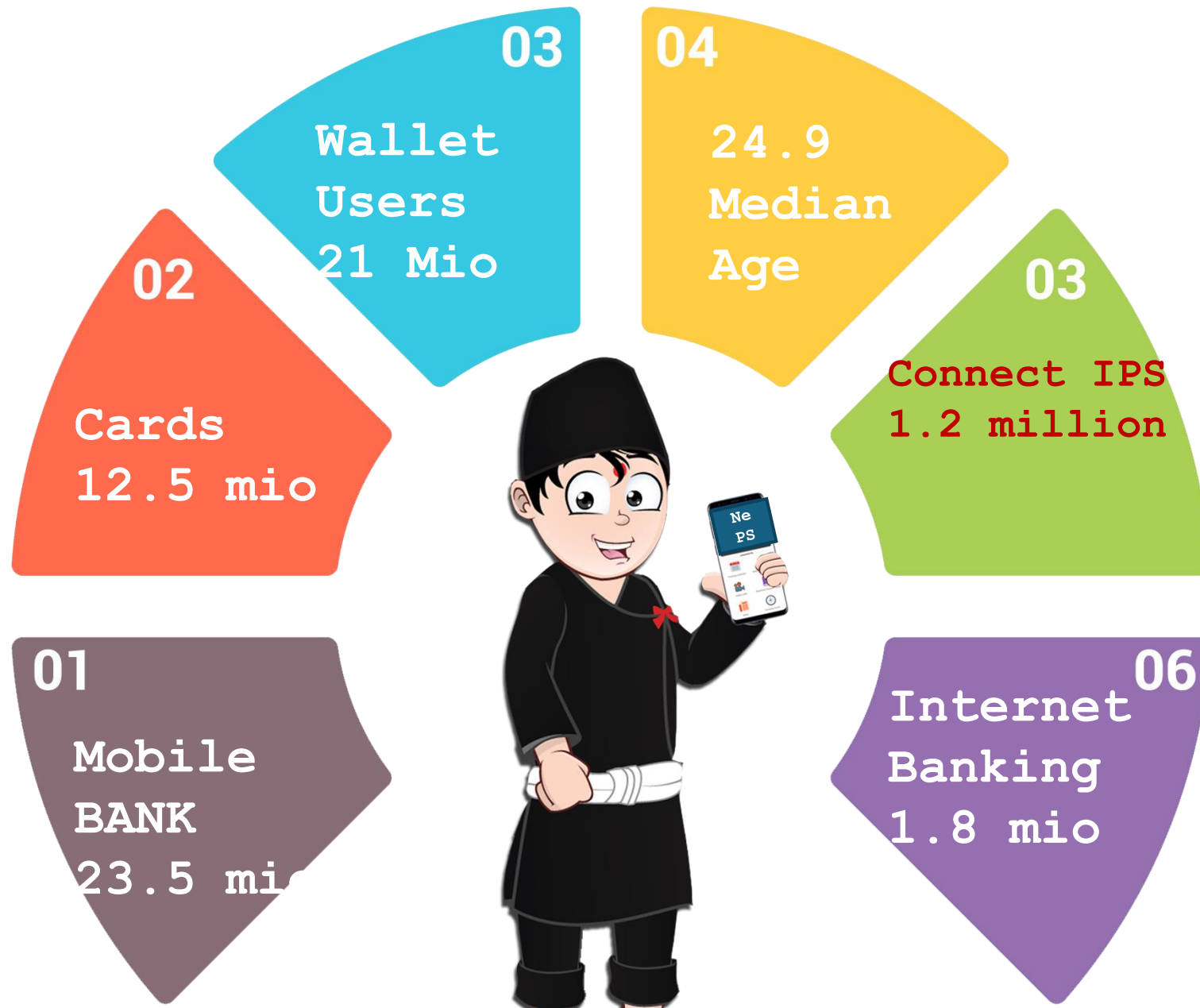


- Lack of proper record-keeping leading to inefficiencies in operations and decision-making.
- Limited access to financial services such as loans and banking facilities.
- Dependence on manual processes causing delays and errors in transactions and communication.
- Lack of resources for digitalizing the process.
- Lack of digital awareness among the stakeholders.

Benefits of Digitization

- Improved efficiency in operations (automation of tasks, removal of redundant tasks)
- Enhanced transparency and accountability by digitizing financial transactions and record-keeping
- Increased access to financial services for members, especially in remote areas
- Better member engagement and communication through digital platforms such as mobile apps and mediums
- Data-driven decision making
- Cost savings through increased efficiency and reduction of manual tasks





तिंकर

ओलाङ्गचुङ्ग
गोला



Digital Payment Solutions

- Digital payment solutions like mobile banking, e-wallets, and online payment gateways
- Digital payment solutions promote financial inclusion by providing easy access to financial services
- Advantages of adopting digital payment solutions (faster transactions, lower transaction costs, and reduced dependency on cash)

Digital Record-Keeping



Important to maintain accurate and up-to-date financial records.



CBS, Separate Accounting Software, Cloud-based Solutions, Integrating AI/ML-based solutions



Benefits of digitizing records - easy access and analysis, faster compliance, increase efficiency, transparency and accountability, community engagement



E- commerce and Market Access

- Potential of reaching a wider market beyond geographical limitations
- 24*7 availability
- Easier marketing, efficient sales and distribution, and faster collection
- Amul, HOPCOMS, IFFCO, etc.

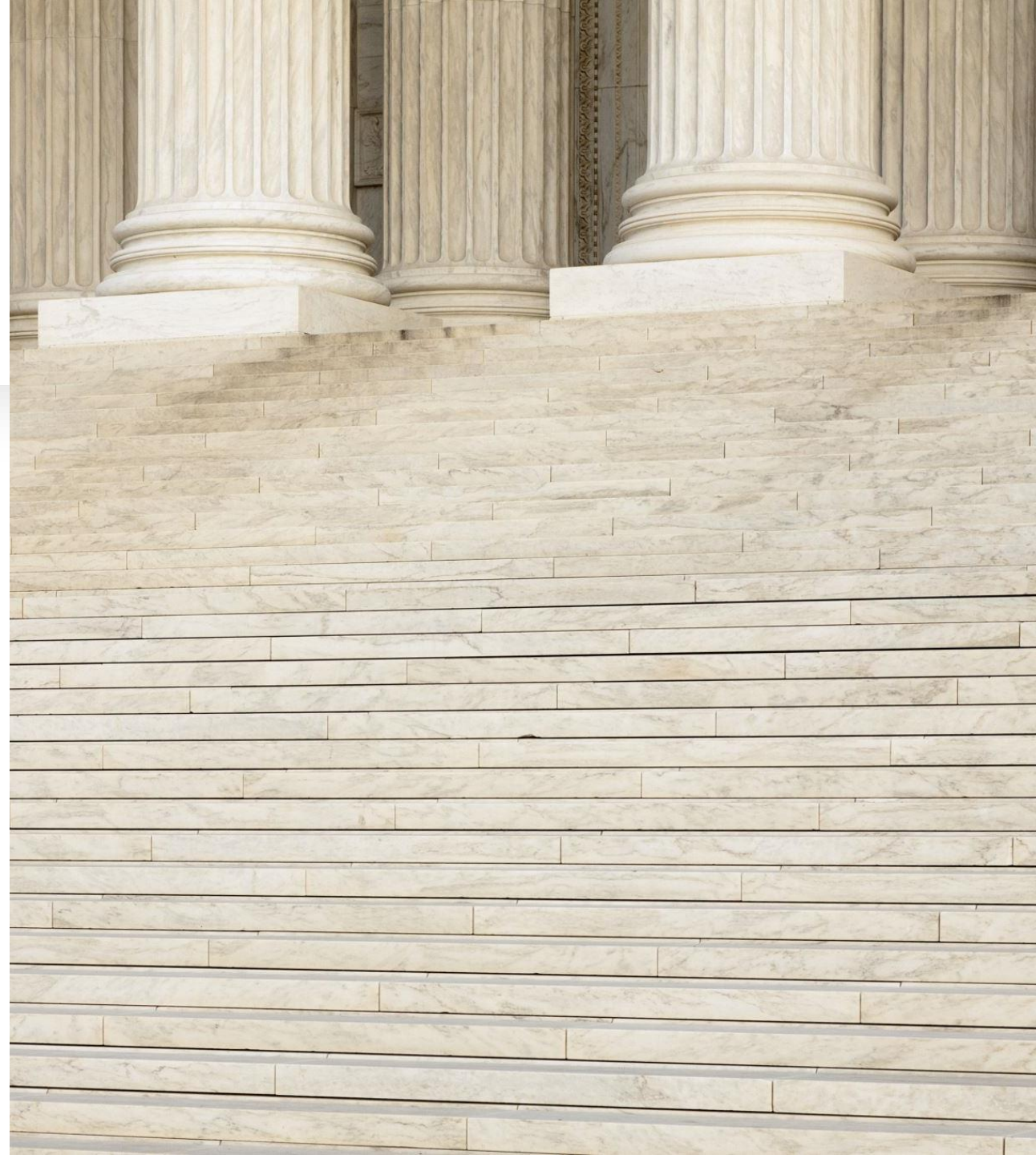
Training and Capacity Building

- Training and capacity building are vital for cooperative members to effectively utilize digital tools and platforms
- Digital literacy programs are needed to educate members on basic computer skills, internet usage, and online security
- Collaboration between cooperatives, and other agencies (government agencies, NGOs, and private organizations) to provide training and support for digital transformation initiatives

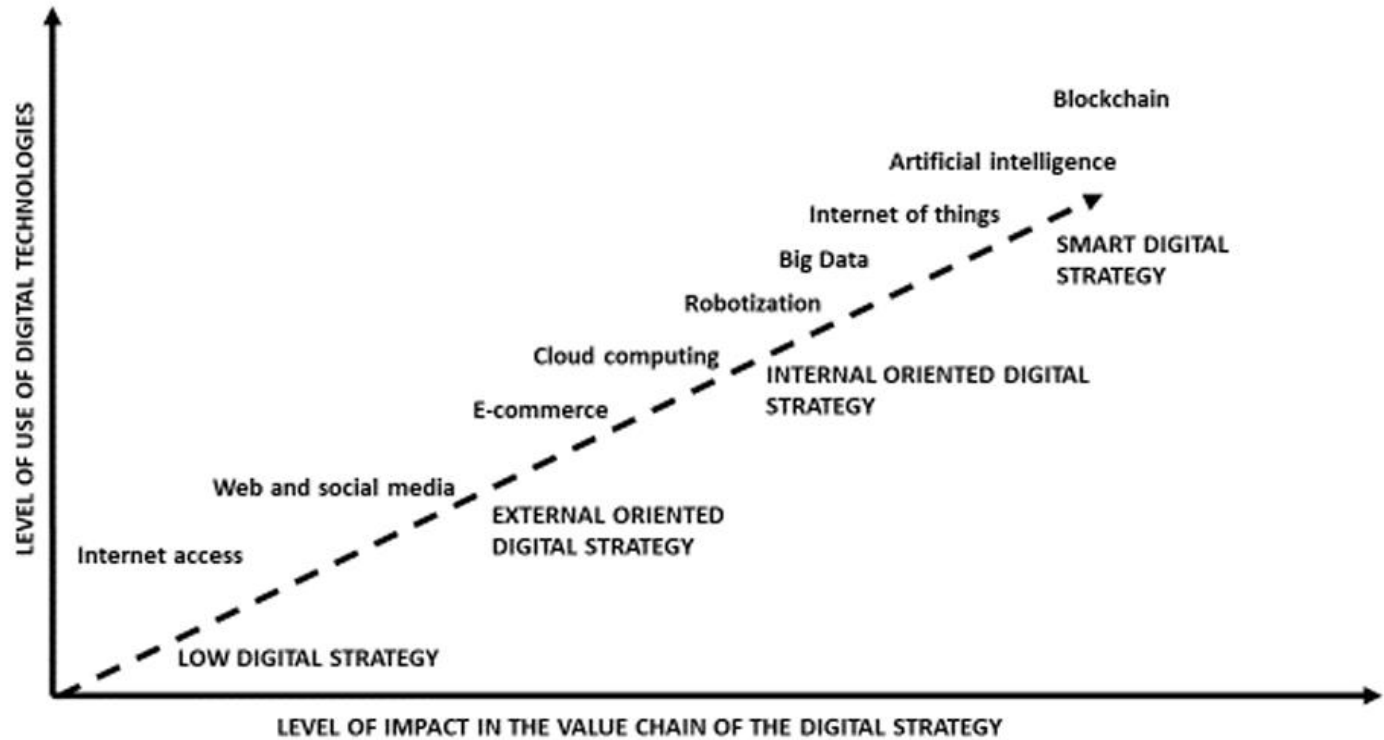


Government Support and Policies

- Government initiatives and policies are required to promote digitization in cooperatives
- Incentives and subsidies are one way to attract digitalization.
- Collaboration between government agencies, cooperatives, and financial institutions to create an enabling environment for digital innovation



Understanding Digitalization in Cooperative Societies



Challenges and Opportunities in Digitalizing Cooperatives



Challenges

Infrastructure and Connectivity
Skilled and Competent Human
Capital
Lack of Digital Literacy
Security Related
Financial Constraints
Resistance to Change



Opportunities

Financial Inclusion
Increased Efficiency
Increased transparency and
Accountability
Data-Driven Decision Making
Improved Service Delivery

Key Technologies for Digitalization



Mobile Banking
and Payments



Cloud
Computing



Data Analytics
and Business
Intelligence



Digital
Identity and
Authentication

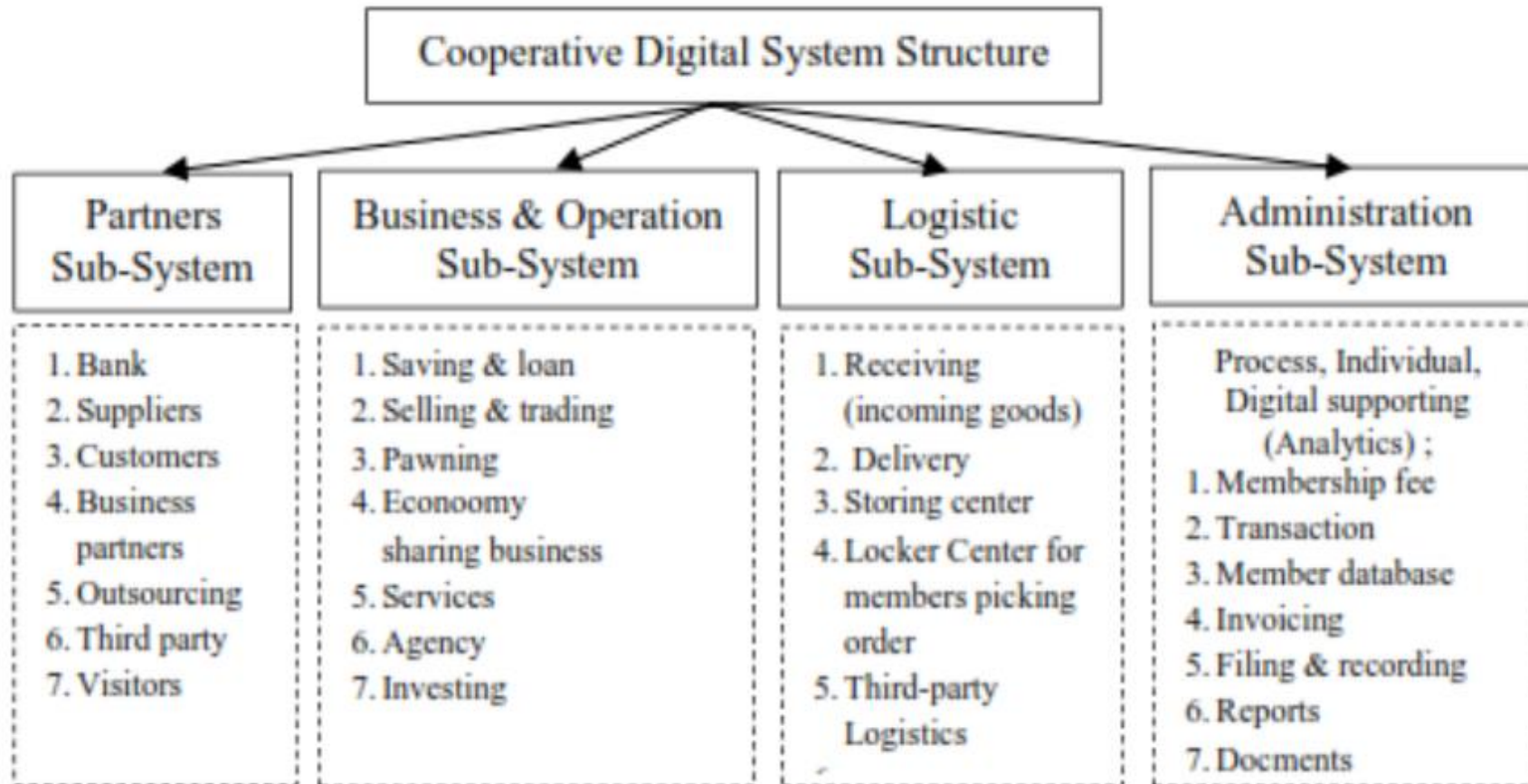


AI and ML



Internet of
Things (IoT)

Integrating Digital Technology into Cooperative Operations





Addressing Security and Threats

- Use of certified and licensed software and systems.
- Regular training and awareness to the employees, management, Board of Directors, and the members.
- Properly secure the network and infrastructure using modern tools and technologies.
- Encrypt the data and use proper access control mechanisms.
- Regular security audits and vulnerability assessments.
- Develop and implement a sound BCP and DRP.
- Proper due diligence of vendors before establishing business relationships with them.

Conclusion and Recommendations

- A common platform for all cooperatives.
- Technology in regulation and supervision.
- Partnership with technology companies.



Call to Action

- Digitization of cooperatives is overdue
- Financial Inclusion, DFS, and empowerment – all through digitalization
- Government, ministry, regulators, and leaders of the Cooperatives must own the digitization agenda
- Cooperatives to embrace digitization as a strategic imperative for sustainable growth and development



