



Community finance systems in **Nepal**



Community finance in **NEPAL** =

SAVINGS GROUPS

- 1,354 groups in 23 cities
- 29,816 saving members
- \$6 million in total savings
- Savings started in 1997



CITY FUNDS (set 1)

- 29 Women's S&C Cooperatives
- in 23 cities and towns
- \$5 million in lending capital
- First co-op started in 2000



CITY FUNDS (set 2)

- 5 Urban Comm. Support Funds
- Work with local govts in 5 cities
- \$300,000 in lending capital
- First UCSF started in 2004



NATIONAL FUND

- Community Women's Forum (CWF) National Fund
- \$51,000 in lending capital
- CWF Fund started in 2011

THE STUDY :

The study in Nepal was carried out by the Community Women's Forum (CWF), the national network of women's savings and credit cooperatives, with support from the NGO Lumanti, and focused on 20 of the total 29 women's savings co-ops in Nepal. Besides the summary of the Nepal study presented in these six pages, more details about various aspects of the Nepal community finance story are highlighted in later parts of the report:

- Savings and women (Pg. 40)
- Earthquake rebuilding (Pg. 61)
- Welfare funds (Pg. 62)
- Toilet-building loans (Pg. 64)
- "Easy loan" steps (Pg. 66)
- Loans from banks (Pg. 69)

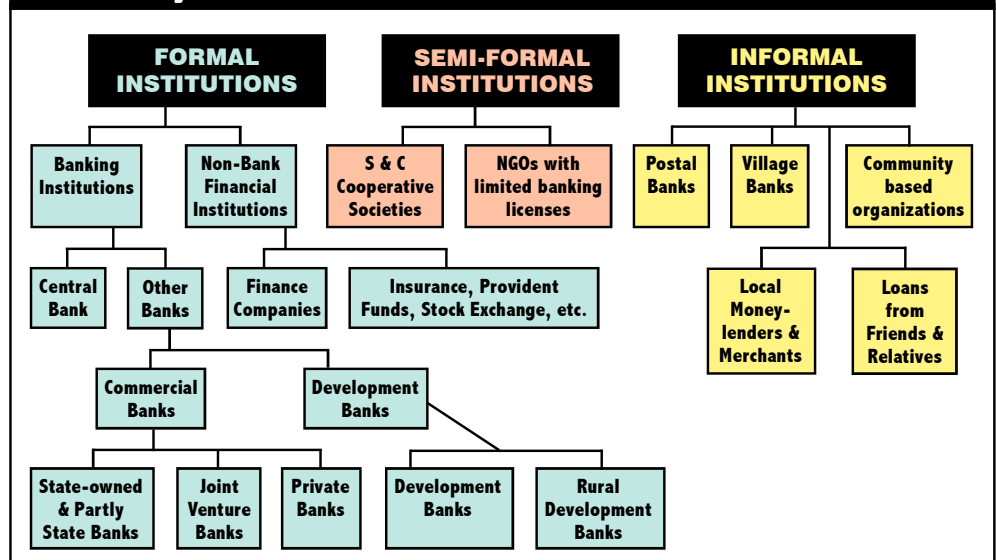
■ **CONTEXT IN NEPAL:** Nepal often figures on lists of the world's poorest and least developed countries. Between a quarter and a half of its 31 million occupants live in poverty, depending on which metric you use to measure access to nutrition, health care, housing, education and employment. It's position in the lap of the Himalayan mountains makes for some spectacular scenery, but also leaves the country vulnerable to devastating earthquakes and to the affects of climate change, both of which continue to drive poor migrants out of earthquake-hit and drought-ridden rural areas that are still untouched by any kind of modern development. Matters were made much worse by the long civil war, which further blighted the lives of rural Nepalis and stalled the country's development. And even after the war ended in 2006, and the Maoists took power, Nepal has continued to experience political upheavals and stagnation.

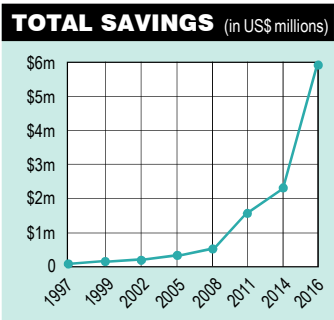
All these factors have caused cities in Nepal - and especially the Kathmandu Valley - to swell in all directions in unplanned development, with only the most haphazard infrastructure. For most poor migrants from rural areas, the only housing option is in slums, on bits of vacant government or privately-owned land, where conditions are bad and most build their own houses with bamboo, plastic sheets and recycled bricks. Because they occupy land informally and because many have no citizenship papers, the poor in Nepal's cities cannot access basic services like municipal water supply and electricity, and the threat of eviction looms. Nepal's caste system makes the poor from lower castes even more vulnerable and isolated.

■ **GOVERNMENT INVOLVEMENT:** There are a variety of government organizations dealing with issues of urban development, housing, poverty reduction and socio-economic development in Nepal, at the national level (the National Planning Commission, the Ministry of Urban Development, the Department of Urban Development and Building Construction, and the Ministry of Local Development) and at the local level (municipalities and district-level Development Committees). In recent years, efforts have been made to bring the participation of women, the poor and lower caste people into the process of mainstream planning and development, through collaborative Ward-level Citizens Forums, and the women's savings and credit cooperatives in many wards have become active in these forums. But when it comes to addressing the lack of affordable housing for the poor, the government has continued to follow its 1996 Shelter Policy, which relies on the private sector to fill the housing demand gap. As a result, the supply of cheap, substandard rental rooms is growing, but slums are growing much faster.

■ **FINANCE SYSTEMS IN NEPAL:** Despite being a small and low-income country, Nepal has a fairly diverse financial system. Besides the country's central Nepal Rastra Bank, there are 30 commercial banks, 84 development banks, 53 finance companies and 37 microfinance banks operating in Nepal. There are also semi-formal financial institutions that are licensed by the central bank to operate limited banking transactions, and these include 16 savings and credit cooperatives and 30 NGOs which implement microfinance programs. In addition, there are about 14,000 community-based organizations (which includes the Women's Savings and Credit Cooperatives described in this report), village banks and postal banks which mostly serve poor people - and particularly women - in remote and hilly rural areas.

Financial systems in NEPAL





SAVINGS STARTS IN 1997: In 1993, the Kathmandu-based NGO Lumanti was set up to support urban poor community development processes, first in Kathmandu, and later in cities across the country. With supportive links and exposure to community finance experiences in other parts of Asia, through the ACHR network, Lumanti helped set up of Nepal's first savings and credit groups in 1997, in three poor settlements in Kathmandu, where the women began saving just five rupees per month in a common loan fund. This was at a time when many people living in slums and squatter settlements were perpetually indebted to informal money lenders, who offered accessible loans, but at ruinous interest rates. These pioneering savings groups provided more than just a source of affordable credit - they were a means of building women's confidence, economic self-reliance and collective strength. The savings process in Nepal spread quickly, and was bolstered by exchange visits with the Mahila Milan women's savings collectives in India, as well as community-driven savings initiatives in Thailand, Cambodia, Philippines and other places. By 2016, there were 1,354 savings groups in cities around Nepal, with 30,000 members and collective savings of \$6 million - most of which is in constant circulation in loans.

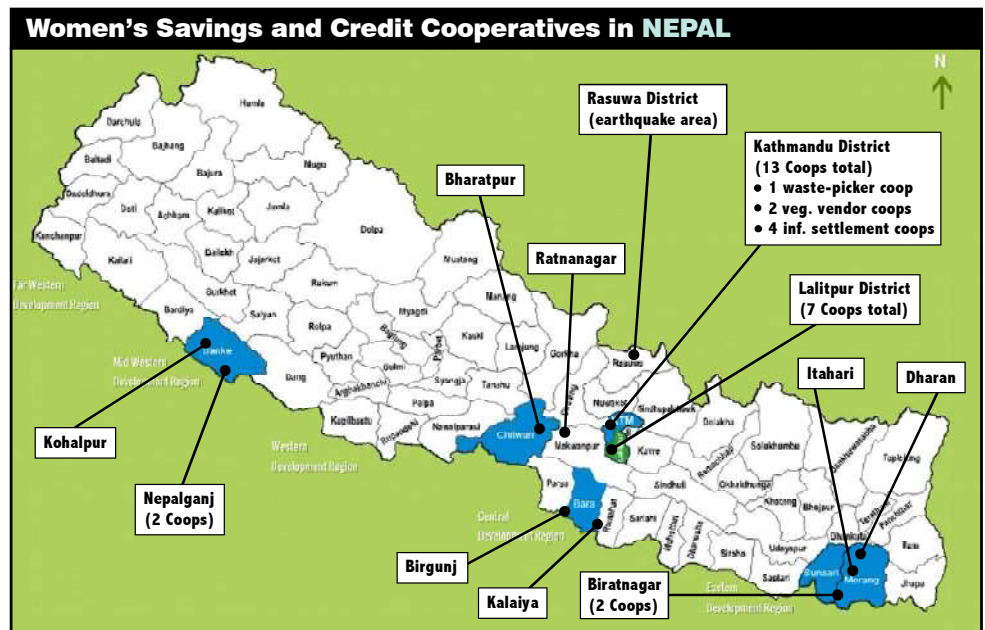
COOPERATIVES: The first community savings groups were completely informal, but later, as the savings process expanded, the collective savings pool grew and a variety of community-led activities took off. The women began to discuss the need for a structure which would give their savings and credit process a more solid legal status. The cooperative structure seemed to offer the most advantages, without compromising the informality of the community process. Under the government's 1991 Cooperative Act, women savings group members within five adjoining wards can form a cooperative - a formal mechanism to legally provide financial services and social support to its members, who are also shareholders in the cooperative, for purposes of economic empowerment and poverty reduction. The Pragati Mahila Savings and Credit Cooperative in Kathmandu was the first to be officially registered with the government's district-level Cooperative Division in 2000, and others soon followed.

The cooperatives gave the savings groups a mechanism to pool their savings and contributions in larger cooperative funds, which allowed their members to think more creatively about how to address their various needs and finance larger projects, like housing, settlement upgrading, group enterprises, welfare and larger livelihood initiatives. The cooperative mechanism also brought greater operating efficiencies to the savings movement and made it more self-sustaining - and even profitable. The savings and credit cooperative process grew quickly, and in 2006 began expanding to cities outside of the Kathmandu Valley. By 2015, there were 29 cooperatives registered in 23 cities around the country, with 30,000 members and combined lending capital of \$5 million - 100% of which comes from their poor women members.

COMMUNITY WOMEN'S FORUM: Since 2007, the cooperatives across the country have been linking together as a network and supporting each other with peer-to-peer learning and some inter-lending between cooperatives. In 2010, they formalized this linking and officially registered the Community Women's Forum (CWF), as a national umbrella organization for the savings and credit cooperatives around Nepal. The CWF provides technical support and training to new and existing cooperatives and helps facilitate loans between cooperatives. All of the CWF's activities are funded by yearly contributions from members of the 29 cooperatives. Since 2011, the CWF has managed its own national fund. A \$20,000 grant from ACCA to support the community-managed upgrading of historic towns in the Kathmandu Valley has also been added to the CWF capital, but is managed as a separate fund. The modest \$52,000 lending capital in the fund so far has been vigorously revolving, and \$191,750 has been given in loans for housing, land, upgrading, livelihood and other purposes since the fund was launched.

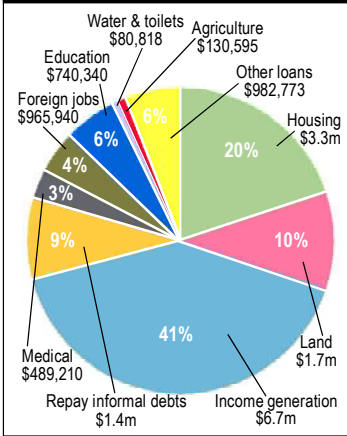


Nepal's 29 savings and credit cooperatives are built on the strength of some 30,000 working women like this, whose combined savings have created self-help loan funds with over \$6 million in lending capital, all of it circulating in loans.

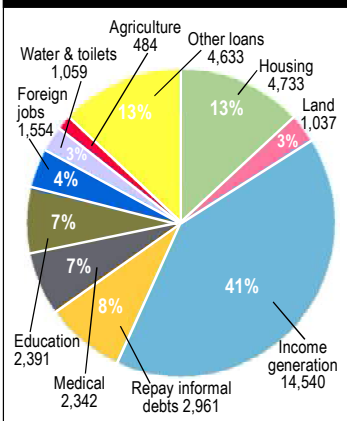




LOANS from 22 Cooperatives
 ● sorted by the amounts loaned



LOANS from 22 Cooperatives
 ● sorted by the number of loans



100% self-supported: All loans, activities, horizontal support, meetings, travel and training are supported by the members of the women's cooperatives themselves. As one leader put it, "We are fully empowered to sustain ourselves."

20 COOPERATIVES IN THE STUDY: The community finance study in Nepal was carried out by members of the Community Women's Forum, with support from their NGO partner Lumanti. The study focused on the women's savings and credit cooperatives, which have become the key people-driven financial organizations for the urban poor in Nepal. The study specifically set out to analyze the effectiveness of the cooperatives in empowering women and mobilizing finance for various kinds of community-driven development, and to explore opportunities for future expansion. 20 cooperatives were surveyed (in 11 cities, in 4 regions), and focus group discussions with each cooperative were organized, to gather information about the history, working mechanisms, effectiveness and opportunities. The process included interviewing key cooperative members. Workshops were then held in each region (central, eastern, western and Kathmandu Valley regions) to disseminate the study findings and continue discussions with the larger cooperative membership, before preparing the final study report.

COOPERATIVE MANAGEMENT: The formal status that comes with government registration means that the cooperatives must follow certain rules and procedures set by the government. Each cooperative is run by an elected executive board, drawn from representatives from the savings groups, with elections every two years. Under the board, there are three sub-committees: the education sub-committee (responsible for savings training and outreach), the accounting sub-committee (responsible for all the account-keeping) and the loan sub-committee (which decides on loans and manages repayments). Every year, each cooperative has a general assembly, where the board reports to the members on the cooperative's progress and activities, and new plans are discussed. Each cooperative has an office somewhere in the community, which is accessible to all the group members.

SAVINGS IN THE COOPERATIVE: A savings group typically has 10 to 40 members who live in the same community or in nearby communities. In large communities, there will be several savings groups. The groups meet once a month to collect savings and loan repayments and discuss new loan requests. Most women in the cooperatives save monthly; only the members of the vegetable vendors' cooperatives save daily, since their earning is daily. The meetings are also important opportunities for the women to discuss community issues, share problems, build solidarity and develop solutions as a group. All the savings is kept in the cooperative, not in the savings group. One member of each savings group is chosen to be the coordinator, who carries the savings, loan repayments and new loan requests to the cooperative and acts as a bridge between the group and the cooperative.

Beyond these organizational structures imposed by the Cooperative Act, each cooperative is free to set its own savings and loan rules, loan terms and procedures. All the cooperatives are 100% women-led; some men are members, but none are in decision-making positions. Most cooperatives require members to save at least 100 rupees (\$1) per month, but women with better incomes in big cities like Kathmandu save 500-1,000 rupees (\$5-10) per month. Most coops offer five types of savings to members:

- **Compulsory savings:** The mandatory monthly savings of at least 50 rupees (50 cents) per member, which cannot be withdrawn for at least three years, earns an annual interest of 8%.
- **Optional savings:** Requires making a deposit of at least 500 rupees (\$5), which can be withdrawn at any time and earns 7% annual interest.
- **Piggy-bank savings:** Minimum monthly saving of 30 rupees (\$30 cents), earns 5% interest and can be withdrawn only after saving for one year. (120 rupees is the one-time charge for the piggy bank.)
- **Children's savings:** This is the savings scheme for children under 13 years of age, who save a minimum of 20 rupees (\$20 cents) per month, on the 15th day of each month, earning 8% interest.
- **Fixed savings:** Allows family members of cooperative members to save, with a minimum deposit of 10,000 rupees (\$100). Earns 7% interest for a 6-month deposit and 10% for 3-year deposits.

20 COOPERATIVES in the study (US\$)

SAVINGS LINKED TO 20 CO-OPS

- Total number of members 17,203 members
- Number of savings groups 1,099 groups
- Total savings \$6.75 million

CAPITAL IN 20 CO-OPS

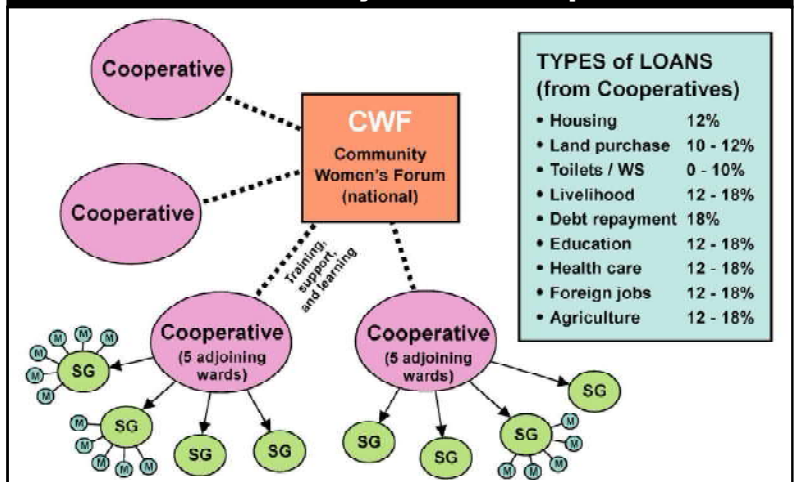
- Total lending capital \$6.75 million (100% from community shares and savings)

LOANS FROM 20 CO-OPS

- Housing and land \$5.0 million (5,770 hh)
- Income generation \$6.7 million (14,540 hh)
- Foreign employment \$0.97 million (1,554 hh)
- Repay informal debts \$1.4 million (2,961 hh)
- Education \$0.74 million (2,391 hh)
- Other purposes \$1.86 million (8,548 hh)

TOTAL loans \$16.9 million (35,764 hh)

STRUCTURE: Community Finance in Nepal



NEPAL: 20 Savings & Credit Cooperatives in the study (US\$)

Name of Cooperative	City	When started	# of members	Total savings	Loans outstanding
1. Prerana Mahila Utthana Coop	Inyatole, Kathmandu	2005	551	241,038	160,000
2. Thankot Mahila Jagaran Coop	Thankot, Kathmandu	2006	1,782	658,112	612,114
3. Basobasa Mahila Coop	Kohalpur	2006	2,443	397,001	349,703
4. Dibya Jyoti Mahila Ekata Coop	Dharan	2006	1,222	293,902	317,234
5. Shree Ganesh Mahila Coop	Thabo, Lalitpur	2006	620	104,119	104,119
6. Shree Junelee Mahila Coop	Tokha, Kathmandu	2007	564	106,340	76,586
7. Panga Mahila Coop	Kirtipur, Kathmandu	2007	758	2,109,351	187,056
8. Shree Amardeep Mahila Coop	Bharatpur	2007	1,602	602,350	724,354
9. Khokana Mahila Coop	Khokana, Lalitpur	2007	584	123,052	101,440
10. Heli Chu Coop	Seto Gumba, Kathmandu	2007	204	26,865	28,881
11. Nawa-Astha Uttan Kosh Coop	Lalitpur	2007	435	303,136	495,548
12. Bishnu Devi Mahila Coop	Machagaon, Kathmandu	2008	857	263,632	327,000
13. Shree Mahila Byawasayi Coop	Kalimati, Kathmandu	2008	453	819,260	800,998
14. Thecho Mahila Jagaran Coop	Thecho, Lalitpur	2008	1,984	332,610	752,434
15. Samjhana Mahila Coop	Biratnagar	2009	415	50,008	65,858
16. Didi Bahani Coop	Sanugaon, Lalitpur	2009	654	116,804	99,192
17. Samuhika Mahila Coop	Nepalganj	2011	93	3,425	2,066
18. Akriti Mahila Coop	Ratnagar	2012	565	48,847	52,705
19. Deepshikha Mahila Coop	Kalaiya	2012	733	30,394	63,036
20. Samyukta Jagaran Coop	Teku, Kathmandu	2012	684	119,285	50,471
20 Cooperatives			17,203 members	\$6,749,531 savings	\$5,370,724 in loans



The Panga Municipality has supported the women's cooperative there by providing training to members on various aspects of income generation and running small businesses such as bakeries, salons, soap and detergent making units and grocery shops. Cooperative members have also been trained and mentored by the Business Service Centre in Panga, in all aspects of entrepreneurship, from conceptualizing to startup to production. The cooperative now has 850 members and a loan capital of 200 lakh rupees (\$200,000), and is dreaming about running home-stay enterprises in their historic Newari town, in the Kathmandu Valley.



“ Membership in the cooperative gave me courage and brought out the entrepreneur in me. I borrowed 10,000 rupees (\$100) and started making dolls to sell in the market. Later I began rearing animals and now own a small restaurant also. I have been able to repay my loan to the cooperative and own businesses with a yearly turnover of eight lakh rupees (\$8,000). I no longer need to rely on my husband's financial support. I am a self-made woman, and I am very proud of it. ”

(Ranjeeta Katwal, a founding member of the Dibyajyoti Mahila Ekata S&C Cooperative, in Dharan)

■ **LOANS FROM THE COOPERATIVES:** Loans are provided only through the cooperatives, not by the savings groups, and the lending capital comes entirely from women's savings - no outside money at all. Loan decisions are made by the cooperative's loan committee, but only after the savings group approves each loan request and three members guarantee it. Each cooperative sets its own loan terms and interest rates (which vary from 10 to 18% - see diagram on previous page). Most require members to have saved for six months or a year before taking loans, and repayment terms are determined flexibly, according to loan size and the member's situation. Usually the loans must be guaranteed by two other members of the savings group. Loans are given for housing, land, livelihood, education, emergency needs, foreign employment, health, toilet construction, utility connections and paying off informal debts. Most loans are individual, but some loans go to groups for housing resettlement projects or collective enterprises. The cooperatives all follow up with borrowers after the loan has been disbursed, to make sure the loan is used properly and to help the members if repayment problems arise. Repayment is about 100%.

■ **BOOSTING INCOMES:** More than half the amount loaned from the 20 surveyed cooperatives (\$6 million) has gone for income generation loans. 12,020 women have received loans from the cooperatives to start their own small enterprises and revamp their already established business to sell vegetables, prepared food or handicrafts or to open beauty shops or tailoring businesses. 442 of these women took loans to improve their agricultural businesses, using the loans to purchase seeds, dig irrigation canals, compost manure, purchase farm-vehicles or raise animals for the market. 837 of the women took loans from the cooperative to pay the fees and travel costs of family members who had the opportunity to work abroad (Nepal is a big exporter of labor to the middle east). Many of these women have taken advantage of training workshops organized by the local government and other agencies to help them launch many kinds of small businesses, manage finances and increase productivity and earning. This added economic power has given poor women living in very difficult circumstances greater economic independence and bargaining power and more influence in their household and community-level decision making processes.

■ **SPECIAL COOPERATIVE FUNDS:** Besides their principal revolving loan funds for their members, most of the cooperatives also manage a variety of special funds, including:

- **Disaster management funds**, to respond to possible disasters such as landslides or fires. During the earthquake, several cooperatives used these funds to provide relief support in the earthquake hit communities, both in and outside their areas. Each member contributes 100-200 rupees (\$1-2) per year.
- **Welfare funds** started in 2014, with seed funds from ACCA, which provide grants to cooperative members for funerals, births, surgery and hospitalization. Each member contributes 100 -200 rupees (\$1-2) per year. 17 of the cooperatives now have welfare funds, with \$30,0125 of funds in them.
- **Community development funds** give grants for small-scale common infrastructure projects like paving, drainage and water supply systems (financed by 10% of the cooperative's interest income).
- **Bad debt funds:** Another 10% of the income earned on interest from various kinds of loans from the cooperative is set aside in a special fund to cover late payments and loan defaults.



“ The institutional arrangement of the community finance systems in Nepal is quite interesting. Their coops act as a legal umbrella and link all the small saving groups. Then they have the Community Women’s Forum, which acts as a national network for cooperation among the coops and for larger negotiations. Then, at the city level, they have also set up urban community support funds, as another joint funding system to link the people’s cooperatives with the city and other funding sources - including our ACCA funding, which is also put here. I feel it is quite interesting and very creative. ”

(Somsook Boonyabancha)

Looking at two cooperatives from the **INSIDE** . . .

As part of the CDF study process in Nepal, the survey teams interviewed ten of the savings group leaders who had been central in the process of forming their S&C cooperatives. A few excerpts:

1 Amardeep Mahila Utthan Cooperative, Bharatpur:

In the beginning we didn’t understand the concept of saving. It was only through membership in the cooperative that we understood how our ten rupees could grow and how poor women like us could access funds to buy land, build homes, send our children to school and for higher studies. Amardeep’s priority is providing loans for house construction, as homes are important for the safety, education and health of our children. But we also give loans for education, training and community projects to improve water supply and sanitation. When we repay loans in installments, it makes it easier on our pockets and doesn’t feel so painful. Even in our wildest dreams, we never thought that our cooperative would eventually have 45 groups under its umbrella, with 1,593 members and a capital of 8 Crore rupees (\$800,000). Now our priority is to establish a more positive working partnership with the local government. *(Kusum GC, chairperson)*



2 Shree Mahila Tarkari Cooperative, Kathmandu:

All the stalls in the wholesale vegetable markets were registered in men’s names, even though many of us vendors were women. We wanted to start our own businesses, but needed money to buy supplies, and nobody would give us credit. It was difficult to start saving, as we were all poor, but 12 of us got together, formed a group and began saving a few rupees every day. Slowly other women in the market joined us. Later, when we decided to register as a cooperative, it was difficult, since we didn’t own our vegetable stalls and had no citizenship papers. But with help from Lumanti and the CWF, we got our papers, and our registration came through. The cooperative gives loans for businesses, land, housing, education and medical treatment. Now 60 of our members have their own houses, and 32 members are making a new housing project on their own land, with support from Lumanti and CWF. *(Tara Devi Magar, member)*



“Some of our members’ male relatives have been very supportive of us and have encouraged their female family members to join our group and to be involved in our activities.” *(Sarala KC, coop member)*



■ **URBAN COMMUNITY SUPPORT FUNDS:** In 2004, a settlement along the Vishnumati River was evicted to make way for a road-building project. In a city where evictions happened all the time, that was nothing unusual. But this eviction sparked a new collaborative housing solution, in which 44 of the evicted families formed a savings group, found inexpensive agricultural land in Kirtipur and then planned and built their own two-story brick row-houses on that land. The land and housing loans were financed by a new Urban Community Support Fund (UCSF), which was set up as a collaboration between the women’s savings cooperatives, the Kathmandu Municipality, Lumanti, ACHR and SDI. The idea was to create a new financial tool specifically for informal communities in Kathmandu, which would channel soft loans and grants directly to community savings groups, to address their housing, land, infrastructure and other needs.

This was the first UCSF, and several others followed, adding a more collaborative and more city-oriented finance mechanism to the menu for Nepal’s urban poor. Some UCSFs have floundered in the country’s volatile political environment, but UCSFs in five cities are still going strong. These funds got a big shot in the arm from ACHR’s ACCA Program, whose funds for citywide slum upgrading projects were used to seed or to strengthen these city funds. The UCSFs have primarily been used to assist urban poor communities facing eviction and involuntary resettlement, and they are jointly managed by the cooperatives, local community organizations and the municipalities, with the idea of addressing problems of housing and land in more collaborative ways. The capital in these pioneering UCSFs has combined funds from the local governments and the savings cooperatives, with donor funds from ACHR, ACCA and SDI.

Urban Community Support Funds							<i>(all figures in US\$)</i>	
City	Date set up	Housing loans	Toilet loans	Tubewell loans	Livelihood loans	Total loans		
KATHMANDU	2004	200,000 (44 hh)	0 (0 hh)	0 (0 hh)	0 (0 hh)	200,000 (44 hh)		
BIRGUNJ	2009	5,000 (10 hh)	2,000 (200 hh)	8,000 (40 hh)	3,000 (10 hh)	18,000 (260 hh)		
DHARAN	2010	28,000 (31 hh)	5,000 (174 hh)	0 (0 hh)	0 (0 hh)	33,000 (205 hh)		
KALAIYA	2011	30,000 (20 hh)	11,770 (98 hh)	5,400 (54 hh)	2,500 (5 hh)	49,670 (177 hh)		
RATHANAGAR	2012	31,300 (31 hh)	0 (0 hh)	0 (0 hh)	0 (0 hh)	31,300 (31 hh)		
TOTAL		\$294,300 (136 hh)	\$18,770 (472 hh)	\$13,400 (94 hh)	\$5,500 (15 hh)	\$331,970 (717 hh)		



NEPAL: Community finance at work



1 LEVERAGING HOUSING LOANS FROM COMMERCIAL BANKS: In 2012, Lumanti and the savings cooperative in the city of Pokhara worked with the local government to convince a commercial bank to give loans to poor women who were members of the cooperative for their housing. They used funds from CLIFF as a guarantee fund, and repayment was 100%. Soon, similar loans were negotiated with a bank in the city of Lekhnath, with a lower guarantee fund. Now five commercial banks in Nepal are giving wholesale loans to women's cooperatives for their housing and slum upgrading projects, and the banks have found their best and most regularly-repaying customers yet. *(more details on page 69)*



2 GROUP ENTERPRISES: The Samyukta Saphai Jagaran Cooperative, in Kathmandu, brings together women who earn their living as waste-pickers and live in squatter settlements around the city's big waste-dumping site. They used a group livelihood loan from the cooperative to start their own enterprise to sort, buy and sell recyclable waste. To support their efforts, members of two nearby cooperatives - the Thankot Mahila Jagaran and the Thecho Mahila Jagaran Cooperatives - go door-to-door in their communities, one day every month, to collect recyclable waste (plastic, tin, paper, cloth) to sell to their friends in the Samyukta Saphai Jagaran cooperative. The cooperatives use the small money they earn selling these recyclables to partly finance the construction of much-needed community toilets. The women's waste-collecting enterprise comes with a truck, weighs the materials and buys them at fair price, sorts them and then sells them on to factories. In another project, the women in the Thankot Mahila Jagaran Cooperative, in the historic town of Thankot, used a 100,000 rupee (\$1,000) loan from the cooperative to start a collective soap-making factory, which is still functioning, still making a profit for the women partners in the enterprise.



3 FREE LAND FOR HOUSING: In several cities in Nepal now, there have been some striking changes in how local governments perceive the poor communities within their constituencies, and the activities of the women's savings cooperatives have played a big part in this. These changes have been manifested in cash contributions to city funds, increasingly fruitful collaboration with the cooperatives on livelihood training and infrastructure upgrading, and providing free land for housing in several collaborative and pioneering community-initiated housing projects - many of which were leveraged by the availability of housing loans from the women's savings cooperatives and UCSFs (using partly ACCA funds). These free-government-land projects include the on-site upgrading of the Salyani community (31 households) in Bharatpur, on land owned by the Forestry Department; the on-site upgrading of the Ekta Nagar community (320 households displaced by the civil war) in Kohalpur, on free government land; and the relocation housing project at Dome Tole (55 low-caste municipal sweepers) in Biratnagar, to land provided free by the municipality.



4 HISTORIC PRESERVATION BY PEOPLE: The Kathmandu Valley is facing all the usual modern problems that go with too-fast development. But it still has many beautiful historic Newari farming towns, where the buildings and public spaces look much as they've done for centuries, even though the farms are mostly gone. While Kathmandu's palaces and temples are the target of international preservation efforts, these old towns, with their mostly poor residents, quietly deteriorate. With a \$40,000 grant from ACCA, the women's cooperative in the historic town of Thecho began giving small loans to their members to repair their old, dilapidated (but historic) houses, to make them more earthquake safe and to add new rooms and toilets. They also used a \$15,000 grant from ACCA to finance projects in 19 communities to upgrade public spaces, and to leverage additional funds for preservation from the communities and local government. The process spread to nine other old towns in the valley, and later, the ACCA funds were merged with other contributions from the cooperatives to establish a special fund for upgrading the houses and public spaces in these old towns. The fund is now being managed by the Community Women's Forum, as part of its national fund, which they set up in 2011. So far, the fund has given \$191,031 in quickly-revolving housing improvement loans to 1,203 savings members in these historic towns to make improvements to their houses.



5 WELFARE FUNDS: Few of Nepal's urban poor can access the government's welfare programs, and without any formal welfare support, the poor have developed their own informal support systems to help each other when needs arise. Some of the women's savings cooperatives established their own welfare funds, using a portion of their savings or funds collected specifically for welfare. These pioneering groups set their own rules for how to manage their welfare funds. In the city of Dharan, for example, the cooperative mobilized over \$1,000 for its welfare fund and uses it to provide benefits to members for births, deaths, illnesses and medical emergencies, according to a few simple criteria they decided upon themselves. To boost this grassroots welfare process in as many cities as possible, the national CWF network used a \$16,000 grant from ACCA to give small seed grants (\$800 per coop) to help cooperatives launch new welfare funds or strengthen funds they were already running. Leaders from 17 cooperatives around the country gathered in Kathmandu to share ideas about managing community welfare programs and the first batch of welfare grants was handed over. In most cooperatives, members now contribute one or two dollars a year to the welfare fund, which give benefits for medical emergencies, disability, surgery and death. The 17 cooperatives in the study reported a total of \$30,0125 in their welfare funds so far. *(more details on page 62)*