

COMMUNITY WELFARE FUNDS GET A BOOST IN NEPAL

In the second phase of the ACCA Program, an attempt has been made to help community groups experiment with setting up their own community-based welfare systems, of the sort that the community networks in Thailand, Cambodia and Philippines have been running for years, as part of their community savings and fund systems. Some groups have taken up the idea and used the \$2,000 per city grant from ACCA to set up and test new systems for taking care of their poor, sick, elderly and needy community members, in different ways. The national network of community women's savings groups in Nepal has decided to spread the opportunity as widely as possible by using the ACCA funds to give smaller grants to more savings cooperatives, to help them launch welfare funds which they run as part of their cooperative operations. Here is an update on this interesting welfare fund experiment from Lumanti Joshi, a community architect with the Kathmandu-based NGO Lumanti:

Very few of Nepal's urban poor are able to access either of the government's two principal welfare programs - old age pensions or support for single women - even though they may technically qualify for benefits. Without this formal welfare support, the poor have developed their own informal support systems to help each other when needs arise. Some of the saving groups and women's savings cooperatives have established their own welfare funds, using a certain portion of their daily savings or funds collected especially for welfare (usually \$1 - 2 per member per year). These pioneering groups set their own rules for how they manage their welfare funds. In the city of Dharan, for example, the women's savings cooperative has mobilized 70,000 Rupees (\$700) for their welfare fund and are already using it to provide benefits to members in need, according to the following flexible rules:



- **Rule 1:** The cooperative will collect Rs 200 (\$2) from each member per year, at the beginning of the year, for the welfare fund.
- **Rule 2:** The cooperative will also allocate 10% of its loan interest earnings for the welfare fund.
- **Rule 3:** If a member dies or is disabled by an accident, she (or her surviving family) will be given Rs 2,000 (\$20).
- **Rule 4:** If a member's immediate family member dies, she will be given Rs. 1,000 (\$10).
- **Rule 5:** If a member has to undergo a major operation, she will be given Rs. 2,000 (\$20).
- **Rule 6:** If a member becomes terminally ill, she will be provided Rs. 3,000 to 5,000 (\$30-50), depending on the situation.
- **Rule 7:** If a member has a baby, she will be given Rs 2,000 (\$20) and Rs. 500 (\$5) to start the new child's saving.

The rules and benefits provided by the welfare funds vary from one cooperative to another, depending on their priorities and how much funds they have available. But everyone agrees these welfare funds - even though they have started on a small scale - have helped a lot to ease the situation of community members when they find themselves in difficult times.



In August, savings leaders from 17 cooperatives and 3 saving groups in 9 cities gathered in Kathmandu for a meeting in which the first batch of ACCA support for these growing welfare funds was handed over to the women's savings cooperatives in Kathmandu and several other cities. Before the meeting, representatives from the Community Women's Forum (a network of all the women-led savings cooperatives in the Kathmandu Valley) visited each of these towns and helped the savings group members to prepare their policies and practices for managing their new welfare funds.

The meeting provided an opportunity for community members to share their experiences on managing community welfare programs and to learn from their friends in other groups. Representatives from the Federation of Cooperatives were also invited, and they really appreciated the work these urban poor

women are doing to develop their communities through their saving groups. Each of 20 women's savings cooperatives around the country were given Rs 80,000 (\$800), from a \$16,000 grant from ACCA, as seed money to start new welfare funds or strengthen funds that are already in operation.

For more information about the welfare funds in Nepal, please contact Lumanti at: lumantijoshi@gmail.com