

Mainstream micro-credit for people affected by leprosy

Prakash Wagle
CBR Advisor
INF Nepal

International Nepal Fellowship

- Based in Pokhara, Nepal.
- Works towards the rehabilitation of people with leprosy/disabilities in western part of the country.
- 1975 Established as an outreach for the socioeconomic rehabilitation of people affected by leprosy.
- 1997 Community Based Rehabilitation for all types of PWDs and their families.
- 1999 Community Capacity Building and

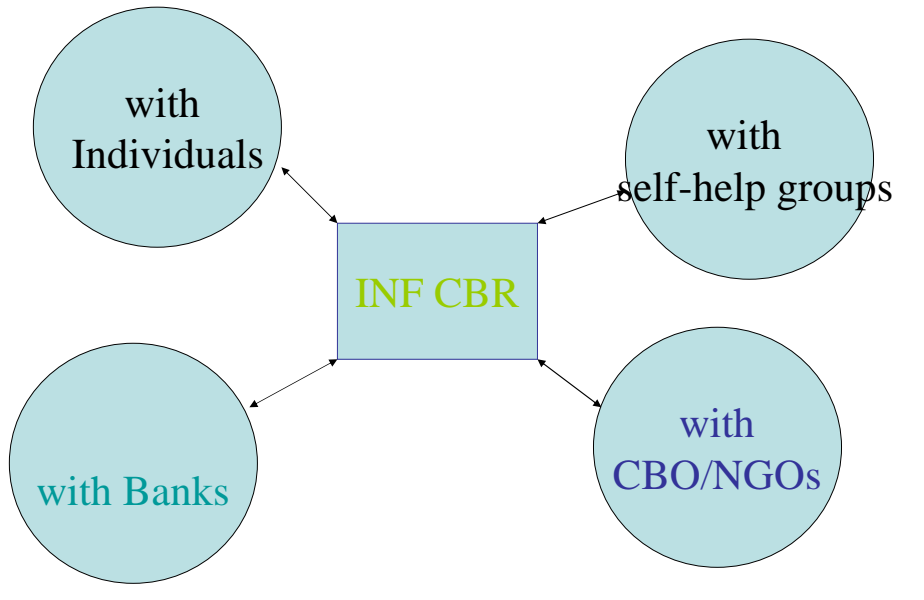
Micro credit

- Micro Credit is based on the philosophy “The smaller the debt the faster the repayment and the smaller the risk”.
- Micro Credit can be provided in monetary grants, seed capital, revolving funds or loan as one of the agents of change in a person’s socio-economic situation.

Importance of Micro Credit

- Assistance via MICRO CREDIT scheme can help maintain/increase a person’s self respect.
- A large loan, given with little thought can create a burden and therefore reduce the chance of successful rehabilitation.

INF Micro Credit Strategies



Working with banks

- The micro-finance policy of Government of Nepal has made various provisions to increase access of poor and marginalised people in micro credit.

But

- In practice banks/financial institutions do not want to take risk by investing on leprosy affected or disabled people

Working with CBO/NGDOs

- Forestry user's groups are well organised and strong groups in Nepal for rights and advocacy
- They undertake community development activities through the income they receive from the sale of the forest products

- INF made an agreement with forest user's group in Nawalparasi district to include issues of PALs/PWDs in their programme.
- The forestry user's group not only provide micro-credit but also undertakes awareness raising and other rehabilitation activities in the community

Forestry groups...

- Three forestry groups have included PAL and PWDs in the savings and credits groups and provide equal access to their micro credit
- They also provide vocational skills based on forest products



Working with NGOs.....

- Many NGOs run micro credit schemes for poor and marginalised groups but PALs and PWDs are not included
- INF works with those NGOs and advocates for inclusion of PALs/PWDs in their work

- Few NGOs and CBOs now include PALs/PWDs in their savings and credit groups and provide micro credits to PALs too.
- INF supports those organisations with training and exposure on rehabilitation

Lessons learned

- Micro credit enables poor people to increase their productive capital
- A Micro Credit Scheme should include measures of how to save money and to protect the income made.
- A Loan AND training in the business / micro finance should be seen as essential.

- NGO run micro credit schemes and co-operative societies are more appropriate to mainstream micro credit for PALs.
- Poor people afraid to borrow money as they lack appropriate training opportunities and self confidence

Problems encountered

- Financial institutions do not see PWDs, PALs as productive citizens and therefore do not believe that they will pay back the loan
- Long and complicated process of the banks and financial institutions
- PALs/PWDs wanting charities rather than credits
- Inappropriate bank loan terms to make an

Thank you very much