Learning from best practices and approaches of community management of MUS Systems

Usha Jha Ph.D, CEO Samjhauta Nepal
INTERNATIONAL MUS WORKSHOP, KATHMANDU, 25-26 Feb 2016
Experience Sharing from our recent work in Dadeldhura - still learning
Hydram/MUS Bhumiraj User Committee, DDL- (October 2015- February 2016)
What have they achieved at Community Level

- 33 Members Organised in ‘Bhumiraj User Committee’ and have a Constitution

- Constitution and Water Source Registration documents are at DDC-ready to be registered soon

- Support from Small Irrigation will be disbursed soon ( DADO)
Contd.

- Support for Gabion from other committee in VDC
- Committed to contribute cash and kind for Hydram construction by 33 members
- Leant writing minutes- Regular minute writing after every meeting
- Savings for Operators Cost Committed- Have a construction Committee
User Committee developed an action plan for Hydram Installation
Achievements at the Construction Level

- Constructed Hydram Drive tank
- Constructed pipelines
- Constructed RVT
Hydram Drive Tank
Almost Done- Hydram Tank with pipeline to Pump
Hydram Being Installed
Constructing RVT
Old and New MUS-Maintain
Beneficiaries Description

- Total HH coverage = 33
- Total Beneficiaries = 208
- Total Male = 111 (Dalit-38 and others-73)
- Total Female = 97 (Dalit-39 and others-58)
- 13 of total HH don’t have their own land
Fact Sheet on Cost Sharing (NRs)

- Total Cost = 758,994.00
- Community Contribution (Cash) = 59,758.00
- Community Contribution (Kind) = 156,100.00
- Renewable World = 493,036.00
- MAWTW = 50,000.00
- Staff cost excluded
Immediate Challenge

- 13 members were not ready to save as a member of user committee as they did not own land

- They could envision that once there is water for irrigation, the lease cost will increase and the owner might sell it at a higher rate to someone else

- So Why Should I contribute ?????

- This increased the cost of contribution ??
Solution - Financial Literacy training on Village Banking Package - as an alternative to savings for operation and maintenance

What is VB?

A community managed informal banking system that makes members the savers and the borrowers.

They set their own savings rate and interest rate and close it every six months.

They loan among themselves for productive entrepreneurship promotion and earn interest.
Financial Literacy Training - Bhumiraj Village Bank
Village Banking through Three lock box
Bhumiraj Village Bank in Action
Value added through Village Banking Method – Financial Literacy Package

- All 33 members joined this group and saved confidently as it is owned and managed by them.
- Could understand the importance of group solidarity developed through this for future works.
- An easy access to financial resources as and when needed.
Contd.

- Started saving Rs.20/month and increased it to Rs./30 month in two months time
- They decided their interest rate (al little lower than money lender) @ 2%
- They meet regularly on a monthly basis when they save and loan (under set criteria by them)- though informal, it is disciplined in comparison to cooperative there- which was developed and no more functional
- Operating Hydram’s account as well and have the fund for Operator’s Cost for operation and maintainance
Recommendation-suggested Steps for User Group/Committee Mobilization

Community need some time to start real technical work. We should not impose, rather work with them for some time to understand them and support them in planning.

Time depends on where we work and what type of community we work. It can’t be generalised.
First four months - Ground Work

- Group Formation - Organise members in Informal settings/ Savings Group with Management Committee members and following trainings:
  - Group management training
  - Leadership development training
  - Orientation of production, market, irrigation, IPM etc linking that the crops cycle
Fifth/Sixth Month - Construction

Orientation on MUS/Hydram, commitment for cash/kind and discussion on sustainability

Development of a construction committee and an action plan for construction with clear roles, responsibilities and cash/labor

Training on Village Banking, Village bank operation

Sustaining of the process for at least 12 months
Value Added

Sustainability of user committee

- as Individuals savings become bonding for each member
- Easy access to financial resources for vegetable production
- Not much of official obligation as needed in Cooperatives
- Operators maintenance cost comes from interest earned
Acknowledgement- the whole team working in DDL
Bountiful Dadeldhura!
THANK YOU

QUESTIONS ??