

## **Memorandum of Understanding**

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### **Between Rural Development Organization and DutaBullu Village, Baddibou**

#### **Preamble**

Rural Development Organization (RDO) supports the development of entrepreneurial activities in the village of DutaBullu. Overall objectives are to improve the life situation of the villagers and therefore to generate labor and income. RDO invests a total amount of GMD 1,600,000 in order to establish a solar pumping and watering system, part of the amount being a loan, part of it being a donation. The loan will be without interest. The system to be built up will be an asset, which can be used to generate a high grade of added value, benefit and income for the people of DutaBullu. It will provide potable water to be used for

1. watering the cattle, thus enabling the villagers to increase yield and sales by approximately 100 per cent;
2. watering the garden, thus enabling the villagers to start and develop market gardening;
3. supplying households with potable water, thus minimizing infections and diseases and being much more comfortable than manual pumping.

RDO is especially focused on a long term success of the project. Therefore it will be very important that the project will sustain itself after an initial phase. Because of that RDO will build up savings and reserves from the first day the system will be running. These will serve for maintenance and repair, for the renewal of the system and for new investments. RDO will manage and run the project in the initial phase free of charge, whereas the project is intended to pay for itself after a certain period of time. At this stage it is also intended that the people of DutaBullu manage and run the project on their own.

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This Memorandum of Understanding specifies the expectations and responsibilities, which RDO and the people of Dutabullu declare to be committed to as follows:

#### **On behalf of RDO**

1. RDO doesn't have any commercial interest. As a not-for-profit organization its only interest is to develop and support this project, so that the beneficiaries benefit from higher yield, sales and income, but also from more comfort and health.
2. RDO plans the system in cooperation with the people of DutaBullu.
3. RDO provides the amount of GMD 1,600,000 which is needed for the investment of the system.
4. RDO supervises the implementation of the system.
5. RDO manages the pumping and irrigation system after implementation in an initial phase.
6. RDO consults and supports the people of Dutabullu in all matters of dairy production.
7. RDO consults and supports the people of DutaBullu in all matters of market gardening.
8. RDO plans and manages sales and marketing of all dairy products and horticultural products of DutaBullu.
9. RDO collects a so called water fee from the people for using the system. The fee serves to build up funds for maintenance, repair and renewal of the system as well as for the repayment of the loan. It will be collected from the first day the system is being used.
10. After an initial phase RDO is free to ask for additional fees for services related to the management of the system or to build up reserves for new investments or special risks. These fees exclusively serve to cover already existing costs or projected costs.
11. As long as the system is not fully repaid it is still property of RDO. After full payment it will pass over to the village's property.

#### **On behalf of the people of DutaBullu**

1. They benefit of the system by an increase of yield, sales and income, but also of comfort and health to a high degree.
2. They will provide labor and part of the material needed for

- (i) digging the trenches from the borehole to the tap heads, to the drinking place for the animals and to the garden.
  - (ii) building the 4 ground reservoirs in the garden.
  - (iii) building a drinking place for the cows.
  - (iv) building the fence around the garden.
3. They set up and run committees for water usage, vegetable production, milk production. The various committees will be responsible for measurement, recording and reporting of the activities under each of the modules.
  4. They provide seeds and fertilizers for themselves at the garden.
  5. They accept a water fee for the use of the system. The fee serves to build up reserves for maintenance, repair and renewal of the system as well as for the repayment of the loan. At present the monthly fee will be GMD 50 per each individual participating and benefitting from the project, payable to RDO after the implementation of the system. Within a year the fee might be adapted to the seasonal income situation, whereas annual reserves must be at least GMD 300,000.
  6. They accept that RDO will adapt the water fee from time to time if it is necessary to build up reserves for new investments or special risks.
  7. They accept that RDO will charge a management fee after an initial period in order to cover operational costs of the organization.
  8. They carry out the maintenance and repair of the system after the implementation.

DutaBullu, .....

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 Malang Fatty, CEO RDO

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 Mbelly Jallow, Chairman of DutaBullu VDC

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 Aja Chargi Jallow, Head of the Woman, DutaBullu

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 Mbelly D. Jallow, Alkalo Representative

Participants (families, number of heads):

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