



# STAKEHOLDER'S POLICY BRIEF 5 FINANCING CO-MANAGEMENT - SOURCES AND GOOD PRACTICES

## BACKGROUND

The paper contains policy reflections of MACH stakeholder representatives from all three project sites<sup>1</sup> on the issue of *Financing Co-management - Sources and Good Practices*. The stakeholder views were generated through a workshop held in Sreemangal during the Co-management Convention in May 2006 jointly organized with another USAID environmental project, the Nishorgo Support Project. This Stakeholder Policy Brief, along with five others in this series, summarizes the workshop findings of only the stakeholders from MACH project sites. The workshop participants included Upazila government officials, Union Parishad Chairmen, Community based RMO<sup>2</sup> and FRUG<sup>3</sup> representatives. This document aims to inform future practice, planning and decisions at policy, program and project levels based on the experience of those actually involved in living and undertaking Community Based Co-management, and to guide formation of new local organizations for natural resources management.



## FINANCING CO-MANAGEMENT-SOURCES AND GOOD PRACTICES

### Key Reflections

#### Possible Sources of funding and its proper utilization

- The government and other projects working with community based co-management should promote MACH style of endowment fund.<sup>4</sup>
- The community based organizations or the RMOs could use portions of their membership fees to meet the operational costs of the organization.
- The RMOs can seek donations from the Social Welfare Department, other organizations or influential individuals.
- Until the government approves funding for co-management activities, organizations can seek help from donors or other NGOs.
- RMOs can cover costs of resource management from earnings from collecting fishing fees (tolls) and sale of fish and trees under the management of the organization.
- The Upazila administration should prepare annual development plans on the basis of which the central government can disburse funding annually. The RMOs should ensure that activities related to wetland conservation are included in the annual plan.
- Upon receiving any fund the organization should record it in its register. It should distribute the record-of its use according to various expenditure heads.

1. Hail Haor in Sreemongal, Turag-Bangshi river and wetlands in Kaliakoir and the Kangsha-Malijhee basin in Sherpur.

2. Resource Management Organization

3. Federation of Resource User Groups.

4. With approval from the Government of Bangladesh MACH has set aside some funds for use by LGC & RMOs to improve the wetland resource base that are managed by the local government committees.

- The concerned government departments at the Upazila level, the relevant elected Union Parishad Chairman, and the RMO President together should coordinate with each other and be responsible for oversight of any ongoing work.

### Good practice of MACH endowment fund

MACH has established an endowment fund that will provide modest funds in each of the Upazilas where it has worked. These are managed by the Local Government Committees (LGCs)<sup>5</sup> for use by the RMOs in conserving and further restoring wetland resources. Under this system the principal can never be touched but the accrued interest could be used to carry on the functions including meetings, awareness, and restoring wetland habitats. The workshop participants reflected on some issues necessary for good practice related to endowment fund operations.

### Management of Endowment Fund

- Timely disbursement of funding by the LGCs to each RMO's bank account is important.
- To avoid delay the RMOs should also make accurate estimates for schemes before submitting the funding proposals to the LGCs.
- Each LGC should establish a sub-committee for oversight and monitoring of ongoing projects.
- The LGC will be spending directly a part of the Endowment Fund (STD-1). S/UFO will present the statement of expenditure and progress of activities in the LGC meeting regularly.
- The RMO accountant will regularly maintain an account of income and expenditure by the organization and present the report at monthly meetings of the organization.

### Selection of appropriate schemes by the LGCs and their proper implementation

- A sub-committee should be formed by the LGC to review proposals forwarded by the RMOs consisting of one government official from the requisite department, one concerned UP chairman and the RMO President.
- The review committee will place the proposals at LGC meetings for approval with recommendations on the basis of immediacy and importance. If necessary a special meeting should be called to expedite approval of schemes by LGC members.
- The LGC should create a sub-committee to oversee proper implementation of schemes and arrange for capacity building trainings for RMO representatives involved in scheme supervision and execution.
- The scheme implementation sub-committee will regularly submit their progress report to the LGC Member Secretary.

### Transparency in use of the fund

- The RMOs should use vouchers and ledgers for financial record keeping.
- The general members of the organization and wider community should be kept informed by the RMO leaders about acquisition of new funds and its use.
- In the general body meetings of RMOs updated reports on the use of Endowment Fund should be presented for open discussion.
- The implementation sub-committee formed by LGC should monitor and supervise the activities under the Endowment Fund (STD-1 & 2) and will present the status of progress of the work and use of the fund in the LGC meeting.
- The RMOs should regularly report on their work in monthly Union Parishad meetings.
- RMOs should place signboards with description and related expenditure of the work at the entry point of the working sites.
- The RMOs should present reports of progress of work at LGC meetings and will take part in reviewing expenditure of STD-1.
- RMOs should inform the community about the schemes through many village meetings.
- Both STD-1&2 should be audited, internally and externally.

5. MACH has tried to formally link the RMOs and FRUGs with the Local government through the LGCs (Local Government Committees). The members comprise the leaders of all of the community organizations - the RMOs and FRUGs - in an upazila, the respective Union Parishad Chairmen, and the relevant government officials of the Upazila, including the Upazila Nirbahi Officer and Upazila Fisheries Officer.



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