



LSO Initiatives

LSO MAMTA

Lends for Solar Lights

What are LSOs?

LSOs are union council-level organisations consisting of grassroots communities and are central to the RSPs' approach of Social Mobilisation. Social Mobilisation entails the organising of rural communities (with a special focus on women and the poorest) into their own organisations through a three-tiered structure. LSOs consist of Community Organisations (COs) (neighbourhood-level community groups) and Village Organisations (federations of COs at the village level). These two tiers federate to form the LSO at the third tier in order to carry out community-led development of the union council. LSOs are able to carry out development through self-help initiatives, linkages with NGOs, donors and the private sector as well as work with and hold local government accountable due to their advantage of numbers.

The Background

Mithrio Bhatti is a Union Council (UC) of District Tharparkar. It has 47 villages. Out of 3,923 households of the UC, 2,972 have been organized into 264 men and women Community Organisations (COs) and 30 Village Organisations (VOs). This work has been done by local communities in collaboration with the Thardeep Rural Development Programme (TRDP), a member of the RSP Network. On 26 November 2006, the COs and VOs formed a Local Support Organisation called Magh Malhar Taraqiati Adara (MAMTA), which is a UC level organization.

Since its formation, LSO MAMTA has taken several initiatives, including bringing the poorest households into the COs that are part of the LSO and the provision of Rs. 7.2 million (US \$ 82,500) of loans to 429 poor and poorest members. These loans were provided from the Rs one million (US \$11,500) LSO endowment fund provided to them by the TRDP. The average loan size is Rs 16,800 (US \$ 195)

mainly taken for small enterprises and livestock rearing.

The Problem

A majority of the people of the area are very poor. Out of 47 villages, only 8 have electricity. Due to lack of electrification, lighting of houses at night is both an economic and safety issue. The alternative source of lighting is kerosene oil, but due to its high price it has become difficult for most villagers to buy this. The average expenditure on kerosene oil can be as high as Rs. 1,000 per month (US \$ 12), or one third of a household's monthly income. Therefore, a majority of houses spend the entire night in complete darkness. There are dangerous snakes in the area that come out at night looking for food, resulting in a large number of people being bitten and even dying. The highest ratio of snake bites in Pakistan is in Tharparkar District. And the main reason is lack of proper lighting at night.

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The Solution

Some years ago, TRDP had successfully experimented with solar powered lights in the area and several villages have since been provided solar light projects by government and donors. A solar light agency called Malir Solar Energy has opened its outlet in Mithi Town, the main town of Tharparkar which has a 40% Hindu population, and provides complete solar lighting systems with back up services.

A number of MAMTA LSO members asked the LSO to provide them with credit to buy solar lights for household use. The LSO discussed the issue in its monthly meeting in April 2010. It constituted a three member Solar Credit Committee headed by the LSO Chairman. This committee did credit appraisals, and the verification of the installation of the lights. The members of the Solar Committee met with the solar light agency staff and explored options for the most suitable plants at the household level. They finally decided to finance a 20 watt plant which provides power to 5 low energy consumption bulbs throughout the night, with a battery that is charged for four hours during the day. The cost of one plant was Rs. 10,677 (US \$ 124).

The LSO decided that loans would be given for the solar lights for a six month period, payable back in six equal instalments with a service charge of 7.5% or Rs. 801 per plant (US \$9). An amount of Rs. 600 (US \$ 7) was added to cover



Made Safe by Light

Children are now able to play free outside, safe from snake attacks, within the vicinity of their well-lit houses

transport and installation charges. The total cost of one unit came to Rs. 12,078 (US \$ 140) and the monthly loan repayment instalment was fixed at Rs. 2,000 (US \$ 23).

The LSO then took in loan applications from interested members through the CO/VOs. It received 30 loan applications from 12 villages. The Solar Credit Committee members reviewed the applications, visited applicants' houses and confirmed their loan repayment ability and finally approved the applications. One member of the Committee received training from the staff of the solar shop in the installation and repair of the solar units.



Members of LSO MAMTA in front of the LSO office

The Committee hired transport, loaded all 30 plants into it, and installed them at the houses of the applicants in three days. The Committee members did the installation work voluntarily. Thus the LSO had to pay only the total transportation charges of Rs 10,000 (US \$ 115) and it saved money on installation i.e. about Rs. 8,000 (US \$ 93). The total amount of the loans, the service charge and installation charges amounted to Rs. 362,340 (US \$ 4,201). The members paid their loan instalments on time.

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The members are quite happy with the project. They said that apart from having light at night, they can recharge their cell phones and v-phone sets now. Due to extended light hours, the children now study longer hours and women do embroidery work at night. Snake bite incidents have dramatically reduced. There is no maintenance cost except replacement of one or two bulbs that costs around Rs. 200 to 250 per bulb (us \$ 2-3). The agency has given a ten year warrantee for the units.

Inspired by the success of the project, more people started applying for loans to buy solar lights. Thirty more members are in line to light up their lives.