

The Microfin Daily

« Regional workshop on micro finance in the water and sanitation sector »

Opening ceremony

« *The micro finance sector is developing quickly, thanks to national public policies* ». These are the words of the Secretary General of Enda Tiers Monde, who set the event off. Beside him, M. technical advisor, representing the Minister of prevention, public hygiene and sanitation, Mrs. Catarina Fonseca, Programme manager at IRC International Water and Sanitation Centre, the Netherlands, M. Cheick Tidiane Tandia, Director General of CREPA, chaired the opening ceremony of the regional workshop on Micro finance in the water and sanitation sector organized at CESAG from 12 to 14 December 2005.

Linking up the micro finance and WASH sectors is the main objective of this international meeting featuring representatives from 13 different countries (Benin, Burkina Faso, Côte d'Ivoire, France, Ghana, Indonesia, Kenya, Mali, Niger, Philippines, Senegal, Togo and Zimbabwe).

Many factors come into play around this issue: responding to social demands, managing funds dedicated to improving water supply and sanitation services etc. This was one of the key messages of Catarina Fonseca of IRC, which has been working with CREPA for about 10 years. Mrs. Fonseca further highlighted the first micro finance experiment in Bangladesh by the Grameen Bank, which helped improve the lives of the poor and she went on stating that micro finance in the WASH sector would help « *bridge the gap to reach the Millennium Development Goals and alleviate poverty* ».



In his turn, the representative of the Ministry of Prevention, public hygiene and sanitation insisted on setting partnerships between various sector stakeholders: Government, micro finance institutions and local populations in order to find appropriate strategies to develop this sector



The Executive Secretary of Enda Tiers Monde stressed the importance of linking up micro finance mechanisms with local expertise in the water and sanitation fields. He reminded participants that the themes tackled, recommendations formulated and conclusions drawn during this workshop should contribute to further develop a body of knowledge to map micro finance once and for all in the WASH sector and to connect institutions, partners and States.

The Prevention, Public Hygiene and Sanitation Minister's technical advisor reminded everybody that 2005 was the United Nations' Micro finance year, even though there are still many efforts yet to be made on this front. The Advisor encouraged participants to share experiences and lessons learnt and to discuss strategies to scale up micro credit.

M. Cheick Tidiane Tandia, Director General of CREPA, while reminded his organization's mission: to build capacities of various stakeholders using CREPA's sustainability engineering approach: combining development of appropriate technologies with social engineering in community participation, gender approach and channelling local funds and expertise.

M. Tandia put emphasis on the importance of the workshop to « *identify financing mechanisms at local level* », a mission treasured by CREPA.

Focus...

On some presentations around innovative experiences with micro finance in the water and sanitation sector

The Kenya experience, focusing on water supply for urban and rural communities of about 2000 to 3000 inhabitants, sparked lots of interest from participants, as an innovative experience that was developed with 90 water supply committees, in partnership with regional organizers.

This initiative is striking by its high community participation in spite of limited capacity to provide funds. The presenter explained this was mainly due to the fact that users are very keen on finishing off their project and see themselves as the best placed to finance their own project.

The importance of political commitment to support micro finance was highlighted and Kenya was recognized as fairly advanced in terms of its pro-micro finance legislation.

Participants also warmed their hands up and *set fire* for the presentation on the experience of micro financing for women collecting trash in Burkina Faso. The case study demonstrated that good management and morality would help micro finance institutions open budget lines for these women groups and lead to cost recovery figures of about 95-96% on average, and up to 100%.

Support mechanisms provided for these groups were among others: providing equipment by the Caisse Populaire, guarantee to facilitate access to credit by women, capacity building / training when the micro finance project is set up and 50% cost recovery from the Swiss Cooperation, on the 50% they did not subsidize.

The author of the presentation, representing a micro finance institute insisted on four key principles to prepare a good proposal for micro finance: good morality, monitoring of activities, of commitment and of guarantees.

The efficient set up of the project REGEFOR (Réforme sur la Gestion des Forages / Reform on water points' management) also grabbed the attention of participants.

The REGEFOR project involves various stakeholders: Government, private sector and community participation via ASUFOR (Association des Usagers de Forage / Water points' User Association)

Key in REGEFOR is the effective channelling of funds, community involvement in management and ownership by rural populations in this process.

Awareness raising craze

Information and communication ought to be at the forefront of our approach, whether at funding or at technology level. It is the only way to get populations' buy-in and to stimulate their sense of ownership on alternative water supply and sanitation technologies.

Some excerpts from participants' discussions on the matter:

- « *If you don't have latrines, you can't have a wedding* ». A message is needed to convince people therefore information and communication efforts are essential to develop micro credit mechanisms ».
- « *Lack of sanitation is not linked to poverty but it has to do with raising awareness* ».
- « *Awareness raising is not good enough. Sector stakeholders have to respond to community demand and to share information with micro finance institutions to urge them on investing in the WASH sector* ».
- « *Advocacy towards micro finance institutions* ».
- « *Organize meetings and opportunities to share and exchange information* ».
- « *Use information and communication at all levels of micro finance to guarantee sustainability* ».
- « *Resort to solidarity and collective management by grassroots organizations* ».
- « *Provide technical and methodological guidance to local populations* ».

Participants speak up

« *I appreciated this morning's presentations, in particular those relating to the guarantee, like the one managed by the Swiss Cooperation (Burkina experience).* »



This type of organizational set up allows to progressively disengage the collaboration with micro finance institutions to set up a guarantee that was previously not in place. This is an experience unheard of in Benin »

[Jean Yadouleton – Director CREPA Benin]