

# **SOLIDARITY AND DECENTRALISED FORMS OF FINANCING ACCESS TO WATER AND SANITATION FOR ALL**

November 2005



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## 1 CONTEXT AND OBJECTIVE OF THE STUDY

More than 1.6 billion people in the world lack access to safe water and more than 2.5 billion lack any form of basic sanitation. Through the Millennium Development Goals the governments of the world undertook in 2000 to halve this number by 2015. However, in 2005 we are not on track to meet this objective, and the funds being put towards water and sanitation need to be considerably increased in order to get progress back on track.

Decentralised forms of funding led by local authorities, the water sector or NGOs focusing on water and sanitation and based on a principle of solidarity between North and South are making a significant contribution to water and sanitation provision. The advantage of this type of solidarity lies not only in the financial resources it generates but also in the form and duration of the kind of co-operation with which it is associated.

The objective of this study is to identify the different initiatives involving "solidarity financing mechanisms" that exist around the world, to explore how they raise and use their funds and examine the potential of such initiatives for helping to meet the MDGs in water and sanitation.

At the 3<sup>rd</sup> World Water Forum in Kyoto in March 2003, pS-Eau presented a preliminary study of such initiatives. This study builds on those findings and will form the basis for further sharing of experience and for providing help and ideas for those wishing to start up such initiatives. This will be the subject of a Session entitled "*Solidarity and decentralized forms of North/South and South/South funding*" at the 4<sup>th</sup> World Water Forum in Mexico in March 2006, under the framework theme "Water for All" and cross-cutting perspective "New Models for Financing Local Water Initiatives".

## 2 METHODOLOGY AND LIMITATIONS OF THE STUDY

This study draws on the preliminary study "*Enquête sur la collecte de financements pour des projets de développement Nord/Sud dans le domaine de l'eau*", pS-Eau, March 2003 and the IRC – King Baudouin Foundation study "*Plugging the Leak – Can Europeans find new sources of funding to fill the MDG water and sanitation gap*", June 2005.

Decentralised initiatives for financing water and sanitation projects based on a principle of solidarity between users in the North and users in the South were researched through existing contacts and the Internet. In view of time constraints and the random nature of Internet research, the examples found are by no means exhaustive, and further initiatives no doubt exist.

The study set out to examine these initiatives according to the following framework:

<b>Creation</b>	How did this initiative arise?
<b>Context</b>	What is the administrative, legal and social context in the country that enabled it to arise?
<b>Operation</b>	What are the sources of funding that it mobilises How does it build on a feeling of solidarity between users in the North and South How are funds used in order to promote capacity building and sustainability of water and sanitation infrastructure?
<b>Volume</b>	What is the volume, efficiencies and potential leverage of the initiative?
<b>Impact</b>	Where are actions carried out? What has been the impact of this initiative?
<b>Successes/problems</b>	What lessons learnt could be pertinent for others?
<b>Future Plans</b>	Where is the organisation going from here?

Existing documentation (web-sites) was examined in light of these questions, and some of the organisations were consulted for clarification and a more qualitative assessment of the issues. Interviews were mostly held by telephone and were relatively brief (no longer than one hour), therefore the information gathered is not exhaustive.

It should also be noted that some of the aspects highlighted in the interviews, particularly with regard to the social context in the country are subjective and the opinions expressed are influenced by the interviewee's own perceptions.

The categorisation of financing mechanisms developed in the IRC study is used in the study. An explanation of this categorisation is appended.

### 3 EXAMINATION OF FINDINGS

15 initiatives are explored in this report. Some are long-standing, some are in the first stages of implementation and some are still on the drawing board. These initiatives may be led by local authorities, others have arisen at the instigation of actors in the water sector itself.

This section describes the different initiatives and the context in which they have evolved. Initiatives that are in the very early stages are described, with an explanation of the ideas being discussed and the issues facing the stakeholders. The report also looks at aspects of impact for longer standing initiatives. The initiatives have been grouped into regions: Europe, the Americas and Asia-Oceania.

## EUROPE

### 3.1 BELGIUM

#### 3.1.1 Country Context

##### 3.1.1.1 Context

##### Administrative:

Belgium is divided into three political regions, which benefit from a significant degree of autonomy and have different official languages.

- Flanders (Flemish speaking)
- Wallonia (French speaking)
- Brussels (combination French and Flemish)

##### Water:

Each region is responsible for management of its water resources. Water is not a federal issue.

Water is the responsibility of each regional authority. The *communes* group together, in what are called inter-municipality structures, to set up publicly owned companies responsible for water management and water supply.

There is increasing transferral of financial charges from Federal level to regional level. Therefore there is increased pressure on the water distribution companies to invest their profits in local activities.

Water and sanitation management in each region is as follows:

##### **Flanders**

- All water companies are public.
- 60% are run by inter-municipality structures
- 40% are run by regional government-owned water companies.

There are very few mixed public-private partnerships.

## **Wallonia**

- All water companies are publicly owned
- All are run by inter-municipality structures

## **Brussels**

3 inter-municipality structures are responsible for water and sanitation:

- drinking water production,
- drinking water supply
- waste water treatment and sanitation.

### Social:

There has been a large, nation-wide campaign to raise awareness among Belgians as to the importance of managing water resources and problems faced in developing countries. A central NGO platform put pressure on government and a manifesto was drawn up the "Belgian Water Manifesto". This led in 2005 to a resolution passed by the Federal Government on "Water For All".

### Actions:

Within this context, some water companies have already been active in giving funding to water-specific NGOs, in giving technical support or equipment to companies in the South and in actively fundraising on behalf of NGOs (as in UK). However, such actions remain small-scale and isolated.

Efforts to co-ordinate actions are beginning in Flanders and Brussels. These actions are described below.

### **3.1.2 Flanders – "Water and Development" Flemish Partnership Initiative**

Information regarding this initiative was provided by PROTOS, a Belgian NGO for development co-operation specialising in drinking water, hygiene, sanitation and the use of water for agricultural purposes. With 25 years experience PROTOS assists local communities that want to move forward in their own development. The support provided is well integrated within the local culture and closely linked into local circumstances.

#### *3.1.2.1 Creation*

Discussions began in 2002 between the Ministry of the environment, NGOs, and Flemish water companies to decide on what they could do to help international water and sanitation actions. The idea was that the 6 million people in Flanders could provide water for 6 million people in the developing world.

This partnership has not progressed any further than the signing of the agreement in 2004 and the terms remain very vague. No real lines of action have been agreed upon and none of the signatories have yet taken any steps to back up their commitment on paper.

The current Minister responsible for water (it should be noted that since 2002 there have been 3 different ministers) has, however, committed 100,000€ to the project which is to pay the salaries of those people co-ordinating the partnership within the Ministry.

### 3.1.2.2 Successes/problems

The process has been dominated by the government, which has taken on the central co-ordinating role for the initiative and the resulting partnership. This is seen to be a blocking factor.

The process itself was very long and drawn out, and now the partners do not seem to be motivated to actually take concrete action.

There is a lack of synergy between different actors – e.g. development co-operation is the responsibility of the Federal government, and water is the responsibility of regions so there is little opportunity for discussion between the two.

### 3.1.2.3 Future Plans

New initiatives have been announced:

- Ministry of the Environment would like to subsidise this partnership
- Ministry of International Relations plans to raise awareness within the water companies

Protos is working to meet the following challenges:

- Increase awareness at *commune* level as shareholders in the water distribution companies
- Increase communication on successful partnerships between development organisations and water companies
- Build on the awareness and mobilisation raised by the Tsunami
- Lobby for a cent/m<sup>3</sup> policy as in France

## 3.1.3 Brussels Region – Green Belgium

Created in 1997, Green Belgium officially became an NGO in 2001.

They focus action on future generations, i.e. young people, both in the South and in the North. They are leading action in the Brussels region, and participate in action in Flanders.

On World Water Day 2005 Green Belgium launched their "Free the Water Carriers" campaign in partnership with Moroccan water authority ONEP and supported by the Brussels inter-municipality responsible for water supply.

This campaign aims to bring a safe water supply to rural villages in Morocco, to free the children from the chore of fetching water, a chore that can take them all day, preventing them from going to school.

Three actions are involved:

- Policy awareness-raising with those responsible for water resource management in Morocco – promoting water as a human right. E.g. a conference was held for the directors of ONEP.
- Designing and carrying out of a drinking water supply project in rural villages (pilot project is underway in three villages, financed by Belgian Rotary clubs and the International Rotary Foundation, and a small contribution by the Brussels region drinking water supplier). The objective is to use drinking water supply as a stepping stone to further sustainable rural development.
- Organisation of exchanges between young people in Europe and Morocco and between rural and urban areas. The first Young Water Ambassadors Conference was

held this year. Young people from Belgium went to live with families in the villages in Morocco for a few days, then together with young people from the villages went to spend a few days in an urban area with a water supply. The young people were set the task of developing their own solidarity project.

In the Brussels region Green Belgium is working on a consumer participation programme in conjunction with the King Baudouin Foundation. The three actions involved are:

- Creation of a consumer focus group to see whether water consumers would be willing to pay more money for their water if the extra were to go to developing countries
- A consumer survey consisting of a questionnaire. This survey is run by the Brussels Youth Water Parliament. These young people are elected to represent the young people of the Brussels region and work with the people responsible for water resource management. They will ask for the public's opinion through the questionnaire.
- A conference will be held in December to present the results of the focus group and the questionnaire.

## **3.2 FRANCE**

### **3.2.1 Decentralised Co-operation and the Loi Oudin**

#### *3.2.1.1 Creation*

Twinning for Reconciliation, Peace and Co-operation

In a bid to reconstruct relations between the different European countries following the Second World War, the practice of "twinning" arose. Two towns in two different countries would strike up a relationship, with the aim that if the citizens could meet and get to know each other and build up ties of friendship, this would help to build a unified Europe. During the years of the cold war, this practice extended across the iron curtain to create ties with Eastern block countries. In the 1970s, as African colonies obtained independence and the "Third World" emerged on the international stage, the twinning relationships became a means of uniting local authorities in industrialised countries and those in developing countries in order to build a new form of co-operation, favouring human relations.<sup>1</sup>

#### *3.2.1.2 Context*

##### Administrative/Legal

As these relationships evolved, so to did the practice of community action to help the people of the "twin" town. This involved financing development actions, usually in the field of education, health or water. Typical actions would be the building of a school or a well for instance. The decentralisation laws of 1982 in France helped give impetus to this newly emerging form of "decentralised co-operation" by giving more power to the local authorities<sup>2</sup>

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<sup>1</sup> [www.cites-unies-france.org/html/cooperation/index.html](http://www.cites-unies-france.org/html/cooperation/index.html)

<sup>2</sup> In this document the term "local authorities" is used to translate the French term "collectivités locales." In terms of French administration and decentralised co-operation activities, the "local authorities" may refer to the local government of: a town, a "département", a region or a "grouping" i.e. towns / communes that have grouped to work together or a *syndicat* (the structure responsible for service provision, including water, for a group of local authorities).



and widening their scope for action (economic development, land use, teaching, research, town planning etc.).

This was followed by the Circular of 26 May 1983 from the Prime Minister, recognising the local authorities' right to establish relations with local authorities in other countries within the scope of their responsibilities and under the control of the State, which appointed a Delegate for 'overseas action by local authorities'.

Throughout the 1980s more and more local authorities entered into such relationships and a landmark piece of legislation was the 1992 law on the territorial administration of the Republic which provided a formal framework for this practice, creating the term "*coopération décentralisée*". Title IV "On decentralised co-operation" legally recognises French local authorities' right to "sign agreements with foreign local authorities, within the limits of their competence and in line with French international commitments"<sup>3</sup>.

The law of 1992 also created appropriate institutions such as the National Commission for Decentralised Co-operation (*commission nationale de la coopération décentralisée*). According to the statistics given by this commission (CNCD) there are currently 1983 decentralised co-operation relationships between French local authorities and countries outside the European Union.

### Water

While the local authorities have an overall budget which they can use as they see fit, they also have "annexed" budgets. One of which is the water and sanitation budget. Until 2005, any revenue accruing from services rendered in water and sanitation had to be put back into such services.

For those concerned with promoting development actions in the water and sanitation sector, the French National Assembly passed a key piece of legislation in January 2005. Known as the "Loi Oudin" or Oudin law after Mr Jacques Oudin who brought it before the Senate, the law allows that "the communes, public inter-communal co-operation establishments and the authorities responsible for the public service distribution of drinking water and sanitation may, in the limit of 1% of the resources that are assigned to the budgets of these services, carry out co-operation actions with foreign local authorities [...] in the field of water and sanitation."<sup>4</sup>

#### 3.2.1.3 Operation

The new law opens up new opportunities to use the system of decentralised co-operation with a water and sanitation focus.

Water authorities are under no obligation to make use of this new opportunity. However, should they wish to do so, they are free to decide the amount, 1% of their budget being the maximum they may contribute, and they are free to decide how to actually raise the funds and how they will communicate on their action.

Some examples of decentralised co-operation actions in the field of water and sanitation are given below.

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<sup>3</sup> Title IV, Law of 6 February 1992 relating to the territorial administration of the Republic

<sup>4</sup> C. Guené, 2005, p. 37

#### 3.2.1.4 Syndicat Mixte de la Vallée de l'Orge Aval (SIVOA)-Niger

##### Type of project

Provision of sustainable access to drinking water through the sinking of modern cemented wells.

##### Location

The *arrondissement* of Ouallam in Niger

##### Partners

- The SIVOA, a French public body responsible for river management and sanitation in the Essonne, which covers 33 communes, with a total population of 370 000, finances the project.
- The French Association of Volunteers for Progress (AFVP) is responsible for project implementation and monitoring.
- Local companies are carrying out the work.
- Local inhabitants are contributing to project funding and also participate in the construction work.
- Management committees representing the people are responsible for overall project management.

##### Characteristics and background of the partnership

In 1997: an initial project carried out by the SIVOA involved the sinking of several wells, but the initiative was interrupted by the coup d'état.

In 1999, SIVOA's work started up again within the framework of a three-yearly agreement signed between the SIVOA (backer), the sub-préfecture of Ouallam (project management role in the absence of a local authority with elected representatives – the first elections were held in 2004), the AFVP (project implementers) and the local NGO, AMAN IMAN (co-project implementers).

Following this first experience, further projects are under study:

- Environmental protection and erosion prevention,
- Education and awareness raising on environmental conservation,
- Setting up of local structures.

##### Forms of financing

- The SIVOA contributes 0.0015 Euro per cubic meter of water that it processes. This represents 34 000 Euro per year.
- Co-financing by the French Ministry of Foreign Affairs provides complementary funds of between 21 000 and 30 000 Euro per year.
- The local inhabitants contribute 250 000 CFA Francs per well. Taking into account the provision of food and lodging for the well diggers, the villagers' contribution amounts to 1 200 000 CFA Francs per well, i.e. 36% of the cost of the project.

### 3.2.1.5 Grand Lyon - Lebanon

#### Type of project

Support of capacity building in the public water sector in Lebanon. This programme has the following objectives:

- To modernise and build the Lebanese public water sector's management capacities,
- To promote integrated water resources management,
- To encourage joint management and participatory approaches: service users, local players, other local authorities.

#### Location

Beirut and three regional water establishments.

#### Partners

- The Greater Lyon area, an urban authority covering 55 *communes* with a total population of 1.2 million.
- Lebanese Water services.
- The Rhône-Alpes region, the French Ministry of Foreign Affairs and the European Union (financial support).
- The National Office of Drinking Water of Morocco, and the town of Aix en Provence (technical support for capacity building).
- French and Lebanese companies (local contracts) to carry out the restoration work.
- French Development Agency (AFD) to help manage the project, and share experiences to prepare handover to the Water Office of Tripoli.

#### Characteristics and background of the partnership

In 1997, a friendship charter was signed between the town of Lyon and the town of Beirut. In the context of this partnership, Beirut asked Lyon to support its project to modernise its water services and build the capacities of the Beirut Water Office.

In 1999 a first decentralised co-operation agreement was signed for a duration of two years between the Greater Lyon area water directorate and the Beirut Water Office. This agreement was renewed in 2001 and 2003, for a two-year period each time.

In 2003, following the restructuring of various water offices to form four regional water establishments, and at the request of the Ministry of Energy and Water, the Greater Lyon area extended its co-operation actions to three of these establishments. Agreements were thus signed with Beirut and Mont-Lebanon Water, North-Lebanon Water and Bekaa Water.

#### Forms of financing

The budget of around 2 million Euro that has been spent since 1999 came from:

- Greater Lyon area: 500 000 Euro
- Rhône-Alpes region: 900 000 Euro
- Subsidies (Ministry of Foreign Affairs, EU): 350 000 Euro
- Lebanese partners: 250 000 Euro.

### 3.2.1.6 SEDIF

Responsible for the water supply of 144 local authorities, the Syndicat des eaux d'Ile de France (SEDIF), whose primary mission is to distribute around 300 million cubic metres of water per year, successfully supports decentralised co-operation actors.

This inter-communal authority, which carries out its mission in one of the richest regions in the world considers that helping the most disadvantaged populations in the world is part of its public service responsibilities.

From its own revenues, the SEDIF attributes the equivalent of 0.3 Euro cents per cubic meter of water sold. This provides 1 million Euros, representing 0.2% of the authority's annual budget. This money is used to fund projects voted on by representatives of the 144 local authorities concerned.

In 17 years, based on the "solidarity contribution" of the "cent per cubic metre", the SEDIF has funded 160 operations with the support of 25 partner NGOs in 16 countries, benefitting 1.8 million people. The total amount donated is 9.2 million Euro.

### 3.2.1.7 AESN

The Agence de l'Eau Seine Normandie (AESN) supports the cleaning up of pollution in the basin of the Seine and small Normandy rivers, covering 8 700 *communes* with a total population of 17 million people. Between 1991 and 2003 it contributed 7.7 billion of the 13.8 billion Euro spent on work in the basin.

In 1997, with the launch of its 7<sup>th</sup> financial programme, the Agency began a humanitarian fund, which disposes of 0.8 million Euro per year, representing 0.1% of AESN's budget. This fund has supported 104 projects to provide access to safe water and sanitation run by 40 French partners in 31 developing countries, directly affecting 1 022 000 people.

For the AESN these projects have taken different forms ranging from emergency aid (Honduras, Armenia) to support in sustainable service management, leakage reduction, awareness raising on the links between water and health, to international water classes (Mali, Armenia).

### 3.2.1.8 Eau Vive

Eau Vive is an NGO with its head office in France, and operational offices in Senegal, Niger, Burkina Faso and Mali. Eau Vive works with rural communities in the Sahel region of West Africa to help them carry out projects using a community-development, capacity building approach. The initial focus of their work is access to water and sanitation. This is fitted into a wider context of fighting poverty and includes activities relating to education, health, environmental protection and income generation.

Eau Vive often work as the "operator" in decentralised co-operation actions. The role of an operator in such actions is primordial. Their expertise in community-driven development and familiarity with local particularities provides valuable support to the decentralised co-operation partners, often otherwise inexperienced in such areas.

Their on-going presence on the ground is also critical. The Northern partners in decentralised co-operation actions are able to provide funding and regular exchanges between the countries enable relationships to be built. However there is also a need for the day-to-day support with technical aspects, managerial capacity building etc., that requires more than a yearly visit.

Operators such as Eau Vive are able to fulfil this essential role in decentralised co-operation actions.

### **3.2.2 Aquassistance**

#### *3.2.2.1 Creation*

Aquassistance is an association that was created in 1994 by employees of the company Lyonnaise des Eaux. They volunteer their skills in water and the environment to people without access to water.

Members of the association give up their time, using paid holiday leave, to go and carry out projects in developing countries.

The company (Lyonnaise des Eaux and Suez Environment) subsidises the projects.

#### *3.2.2.2 Context*

##### Administrative:

The association is a registered non-profit charity under French law.

##### Social:

A key factor in getting this initiative off the ground was the commitment of both employees and management.

It is very important to keep the interests of the company separate from the action carried out on a volunteer basis by the employees. The employees are more than willing to give their time to help disadvantaged population, as they know that these actions are not used to promote the company.

#### *3.2.2.3 Operation*

##### Where does the money come from?

A large part of the funding comes from the companies Lyonnaise des Eaux and Suez Environnement, which has a Humanitarian Action department, with an annual budget to finance such actions.

Money also comes from membership fees, donations and fundraising activities.

The Seine-Normandie Water Authority, Foundations etc. co-finance projects.

The type of funding is **Voluntary Individual** and **Voluntary Corporate** (cf definitions, Appendix II).

The association has members in the different sections and sites of the company around France, who organise events and fundraising activities. For instance in one town a pétanque tournament was organised by the company. Members of the association offered to provide child-minding services, for a small fee. The money was donated to the association.

##### How are the ties of solidarity built and reinforced?

Those who donate their time are strongly involved. Other members of the association are also actively involved organising fundraising activities.

After a mission has been carried out a one-page feedback report is produced giving updates on project progress and reporting on the mission's accomplishments. This is sent to all members of the association and distributed widely through the company.

A quarterly newsletter is also produced, and in between short report updates are also written. Information is also available on the Website and in the Annual Report

#### How are funds used?

The criteria for selecting a project to be presented to the Board of Aquassistance for approval are that the project must:

- Be within the field of competence of Aquassistance (water, sanitation and solid waste)
- Target the most disadvantaged populations
- Involve real participation of the population
- Involve the members of Aquassistance
- Present an initial study

Projects may come from different sources, Aquassistance works frequently with the same NGOs on projects they are leading, or in a region where they are working neighbouring communities will approach them for assistance too.

The project is then presented to the Board, which bears in mind security, feasibility, need and ethical issues before making a final decision.

Issues of sustainability are addressed from the outset. Before beginning any infrastructure work the time is taken to ensure that the real needs have been expressed and understood and shall be addressed by the project. Time is taken to ensure that the population is committed to the project and that they shall be involved. Water management committees are set up where infrastructure is being installed, and future water payment systems decided upon.

Monitoring of the project after completion is difficult. Where an action is being carried out in the same region as a previous project, the other project can be visited. With the advent of the Internet, contact is often possible after completion.

It has just been decided that a system of following up on projects five years after completion is to be implemented. 2005 is the first year that these visits are to be run.

#### *3.2.2.4 Volume*

2004: **500 000 €**

85% goes to the projects.

#### *3.2.2.5 Impact*

Aquassistance has carried out 270 missions in 67 countries since 1994.

Projects include installation of infrastructure, technical assistance to water service bodies, training in areas such as technical (treatment, networks, etc.), customer service, accounting etc., donation of equipment.

### 3.2.2.6 Successes/problems

This model has been taken up by employees of the Moroccan affiliate, who have created Aquassistance Maroc. In Belgium a similar structure has been created for the energy sector, EnergyAssistance.

To succeed in such an initiative, it is very important to have both management support at as high a level as possible and committed support at grass-roots level.

## 3.3 ITALY

### 3.3.1 **Regione Emilia-Romagna**

#### 3.3.1.1 Creation

The local government of the Emilia-Romagna region is taking action on three levels to initiate water solidarity through raising awareness about the importance of using water carefully.

On World Water Day 2002, they launched an initiative to encourage people to save water. The resulting savings were converted into a money amount, estimated at 160 000€ which was given to the region's decentralised co-operation department to fund water-related aspects of their international development projects.

Secondly a pilot-study was run in Bologna to test the effectiveness of water saving devices. A simple device was distributed to all residents and the resulting savings estimated at around 30 000€, again given to the decentralised co-operation department.

Finally, the legislation has just been changed in Italy to allow local authorities to modify the way water charges are calculated. The Emilia-Romagna region wishes to use this to adjust the pricing system in order to give the water companies some incentive to encourage their customers to save water. The law was changed in July 2005, so reflection on this aspect is just beginning.

#### 3.3.1.2 Context

##### Legal:

New legislation to enable the regional government to adjust the tariffication system.

##### Social:

It is felt that if people save water they are going to want to see the resulting savings on their water bill. Thus the emphasis is on the companies to participate financially.

#### 3.3.1.3 Operation

The awareness campaign was organised by the regional authority and included the creation and distribution to all households of a pamphlet giving ten tips on how to save water at home and radio and TV advertisements.

Thus far action has focused on raising awareness with Italian water users about their own use of water. With the new law the regional government hopes establish a more permanent and sustainable initiative by involving the water companies. They will encourage their the customers to save water and will contribute funds; it is not yet decided whether companies

will be given the option to participate in the initiative or if it will be made compulsory. Thus this action may be classified as "**Mandatory**" or "**Promoted/facilitated voluntary**" (cf Appendix II) depending on the final choice made.

#### *3.3.1.4 Volume*

The above sums have been given to the decentralised co-operation department which already has programs supporting international development actions. Therefore this money will be able to be used directly and in full to complement the water-related aspects of these programmes. Projects are run in various parts of the world, the funding from this initiative has not yet been attributed.

The third aspect is just beginning.

#### *3.3.1.5 Successes/problems*

The paradox that the Emilia-Romagna region has wanted to get around is that in asking people to contribute money per cubic meter of water consumed, you are not addressing the water shortage problems that exist in their own country. They wanted to link both water awareness and conservation in Italy with providing water to people in developing countries.

They have also found that it is very difficult to quantify the amount actually saved. The figure settled on above of 160 000€ was an estimated lump sum.

### **3.4 NETHERLANDS**

#### **3.4.1 Aqua for All**

##### *3.4.1.1 Creation*

A4A was created in 2002 at the initiative of some water sector professionals in a bid to show their solidarity with people in the developing world. Initiated by employees, employers joined the initiative.

Dedicated to providing sustainable water supplies and sanitation for poor people, essentially in rural and peri-urban areas, A4A is a very small structure, consisting of 5 part-time staff members. A4A works primarily through partnerships, helping to bring together different areas of competence. A4A does not implement projects itself, but works closely with other NGOs and Dutch water companies wishing to donate money, time and share expertise. They also work with the public sector, banks, the private sector, research centres etc.

##### *3.4.1.2 Context*

###### Water:

Water is completely public. Holland is divided into provinces, some provinces have 100% control over their water, others share 50/50 control with the municipalities.

Water is supplied by limited companies which have a board of governors and the shareholders are the public authorities.

###### Legal:

By law, the companies have an obligation for cost-effectiveness. The tarif they propose to their customers must be the most efficient possible. Therefore, they cannot justifiably add to the price of water to cover other costs (such as a development project).

###### Social:



Dutch people like the freedom to choose. You cannot impose things on them.

### 3.4.1.3 Operation

#### Where does the money come from?

The forms of financing mechanisms are **Voluntary corporate** and **voluntary individual**.

The resources of A4A come from water companies and water boards through membership fees and fundraising activities and donations. They also provide expertise, which is a key factor in their contribution.

Contributions also come from private companies, consultancy agents, Sponsors, EU, SENTER and Postcodeloterij

A4A coordinates two nation-wide campaigns: an annual sponsored 'walking for water' annual charity walk and a Christmas card campaign. It also offers fundraising support if required

The water companies or water boards organise their own fund-raising activities too. Or use occasions such as company milestones or jubilees to make an exceptional donation.

Private donations : linked to personal occasions, anniversaries, service club activities etc.

#### How are the ties of solidarity built and reinforced?

Donors are companies. They are very committed and involved. They are very keen to contribute their expertise, and in whatever field A4A might need expert knowledge for a project they have at least two or three companies to hand willing to provide staff with the appropriate expertise.

For the company, this is an effective way of motivating their staff, making them feel good about themselves, about their skills and about their company. And such feelings have good repercussions for their work.

A4A report on results. An annual report is produced and large donors can request a tailored report but this is not encouraged as it takes time and resources away from the projects.

The emphasis is on qualitative rather than quantitative reporting. – Number of people given the possibility to take their destiny in hand as against the length of pipeline laid.

### **"Fundraising"**

In the approach of A4A and the nation-wide initiative under discussion (see below), even the use of the word "fundraising" is being questioned. The approach very much favours partnership, working together and synergy – A4A is not just another NGO searching for funding. They are a broker, they do not compete with other NGOs for funding, their name is not well enough known and anyway this seems an inefficient means of working. They are really seeking to set up a global solidarity system where north and south work together to provide water, where the exchange is two-way and contributions are not just in money but also time and expertise.

#### How are funds used?

A4A ties in with activities being undertaken by existing structures. Selection criteria below must be met, the main focus being to get water to the poor.

Project applications are assessed twice yearly by a selection commission of people from the water sector with expertise in project management. They review the projects against a clear list of selection criteria. The most important being that the project be aimed at sustainable improvement of drinking water or sanitation supplies of households and contribute to development of rural and semi-rural areas.

Special attention is also given to the position of women and involvement of local populations.

#### 3.4.1.4 Volume

2003: € 886 000

2004: € 1.2 million (from: public sector: 700 000, private sector: 300 000, misc: 200 000)

2005: € 2.5 million (1 million of which is provided by the government – for every Euro given by the market, the government has undertaken to match it.)

#### 3.4.1.5 Impact

A4A has helped 150 000 people, the overall objective being the MDGs.

70% of their budget goes to water and sanitation projects and 10% each goes to finance micro projects by womens groups and agricultural cooperatives, gender projects and appropriate technologies.

A4A is not involved in the project as executing agency. Management, monitoring of results and reporting are the responsibility of the project owner or organisation requesting funding.

#### 3.4.1.6 Successes/problems

Two different experiences in communication have been very telling. A water company that decided to donate money for international development, estimated the amount donated amount as being the equivalent of 0.50cents per household per year. They communicated on the action they undertook in their company bulletin, showing the commitment of the people involved, the success of the programme and what the amount had represented per household. The spontaneous reaction of customers was enthusiastic. They even felt that 0.50cents was nothing, and that imagine what they could do with more – they should increase the amount!

Another company approached the communication differently. They asked their customers what they felt about such an initiative and whether they thought the company should do it. The reaction was that it was a nice idea, and that the developing world should definitely be helped – just not with their money. The people felt that to be the government's role through its overseas development budget.

### 3.4.2 A Nation-wide Initiative

A meeting was recently (early September 2005) held in the Netherlands to follow up on the IRC / King Badouin foundation report *Plugging the leak. Can Europeans find new sources of funding to fill the MDG water and sanitation gap?* to discuss what approach the Netherlands should take to implementing water solidarity financing mechanisms, what instruments would suit them. The meeting brought together government, water boards and water companies and NGOs

All agreed that Dutch people like the freedom to choose. They will not be pleased with anything that looks like a tax. It was therefore decided to choose the "**Promoted/facilitated**

**voluntary**" type of solution, and encourage the water companies and water boards to participate.

The idea would be that water companies communicate to users that they have decided on an amount of money, that they will be putting towards a clearly identified, specific and worthy goal. Of primordial importance will be the way they communicate about:

- why they have chosen to do so and
- what they plan to do with the money

The **motivation** for the public in general and the water companies and water boards is two-fold:

- Wanting to support good actions abroad (therefore important to prove the money is used in an appropriate way, on water supply for the poorest, highlight the connections – same core business, able to share expertise etc.)
- For the company itself such actions are a part of Corporate Social Responsibility – global awareness, global solidarity, feeling part of global water system. Furthermore, by mobilising staff to participate and directly work and share their expertise and exchange with people in the developing countries they themselves feel good about their job, are happier and therefore this contributes to HR satisfaction.

A second stage would be to increase the impact by offering consumers the possibility to add something more if they wish to do so. For instance a blue water tariff (like the green energy tariff already in existence in the Netherlands) whereby people can choose to pay the standard rate for their water or a higher rate, the excess going to development projects.

The use of the money raised is primordial. It needs to be used effectively and efficiently and the systems need to be seen to work.

Discussions thus also focused on the notion of a water label, establishing an umbrella image that guaranteed that everything that happens under that label meets the quality criteria such as

- Money used for water and sanitation projects
- Used to provide water and sanitation for the poorest
- Used in line with meeting the MDGs
- Used in such a way as to ensure sustainability of actions etc.

It would be a quality label for the way the money collected **is used** (as against a quality label for the water you are buying).

The approach has government support and the national development agency will be presenting it at European level.

### **3.5 SWITZERLAND**

#### **3.5.1 Nation-wide discussions**

##### *3.5.1.1 Context*

##### Administrative:

Under the Federal authority of the Confederation, Switzerland is divided into 23 Cantons. Each canton is subdivided into districts, and within the districts there are municipalities. In total, there are 2929 municipalities.

#### Water:

Each municipality is responsible for its water resource management. Only five serve more than 100,000 people and half the municipalities have less than 1000 people to serve.

#### Social:

The Swiss are very proud of their decentralised system, and are suspicious of anything that looks like it might be being centralised or imposed without due consultation of the people.

A systems of a "cent per m<sup>3</sup>" is perceived as a tax if it is imposed.

#### *3.5.1.2 Successes/Problems:*

In Switzerland, 70% of the population rents their accommodation. They do not receive a separate utility bill; their water charges are covered in their overall rent. Therefore it is not possible to communicate or build an initiative around the water bill.

Two meetings have been held with the municipalities and their water utilities. They agreed to support initiatives to promote solidarity between users in the North and in the South and finance water and sanitation projects in developing countries, but insisted on the importance of finding decentralised ways to implement such initiatives that ensured the people were able to participate fully in the decisions taken.

Indeed, some action has been taken by some of the municipalities. One very small municipality (200-300 inhabitants) has instigated the "solidarity cent" whereby consumers pay a little extra for each cubic meter of water they consume, and the amount goes to international development projects.

The Canton of Jura (the smallest Canton) is discussing the introduction in its new cantonal constitution of a paragraph making the "solidarity cent" obligatory.

#### *3.5.1.3 Future plans*

Nevertheless, this context makes a consensual, nation-wide initiative very complicated to implement.

The Swiss Agency for Development and Co-operation (SDC) has been investigating the feasibility of promoting a nation-wide initiative. In light of the above, they are considering proposing that the municipalities introduce a "solidarity cent" system in agreement with their constituents, and then donate the money raised to approved NGOs running water and sanitation projects.

This action could be co-ordinated by the SDC, an association of water utilities and NGO representatives.

## 3.6 UK

### 3.6.1 WaterAid UK

#### 3.6.1.1 Creation

WaterAid itself came about as a consequence of the men and women in the UK water industry (employees of companies, professional associations, public authorities, trade unions, etc) wanting to respond to the UN Decade of Drinking Water & Sanitation (1981).

WaterAid is the UK's only major charity dedicated exclusively to the provision of safe domestic water, sanitation and hygiene education to the world's poorest people.

WaterAid works by helping local organisations set up low cost, sustainable projects using appropriate technology that can be managed by the community itself.

WaterAid also seeks to influence the policies of other key organisations, such as governments, to secure and protect the right of poor people to safe, affordable water and sanitation services.

WaterAid is independent and relies heavily on voluntary support.

#### 3.6.1.2 Context

##### Administrative:

The UK government is committed to the not-for-profit sector and offers that tax-relief on donations for both individuals and companies.

##### Water:

The water industry in England and Wales was privatised in 1989. Nine water plc's (public limited companies), a National Rivers Authority and OfWat – the government regulator – were created.

In Scotland water is still state owned, and the regional water boards report to central government.

##### Legal:

WaterAid's mandate is established with its registration with the Charity Commission. Raising funds is on a voluntary basis and so there is no specific requirement for additional legislation.

The main legal question faced by WaterAid in the past ten years was over Data Protection. Do water supply companies have the legal right to include a fundraising leaflet in the water bill about WaterAid given that the companies have privileged access (being monopolies) to the customers' names and addresses to provide water and sewerage services, not to raise funds for the South? The Data Protection Registrar ruled that the appeal with the water bill was well established custom and practice, was part of the UK companies' awareness and education work in the UK, and had not resulted in a significant number of complaints from the UK public. But it is worth noting that the purpose for holding names / addresses on a database is a significant issue.

As a UK registered charity and limited company, WaterAid needs to meet a number of legal requirements on annual reporting. Other reporting requirements include an internal audit programme. And within each country, WaterAid must comply with local legislation.

In terms of national standards for consumption, water quality etc, WaterAid works to the standards set down by the national government. In some cases, these may be lower than WHO Guidelines, but are judged by WaterAid to be appropriate given the individual circumstances.

Data protection and the manner in which charities can raise funds from the general public (direct mail, street collections, etc) are likely to make fundraising more restrictive.

### Social:

There is a long history of charitable support of those in need. England's charity laws go back to the time of Elizabeth I and giving to charity and fundraising is accepted practice.

There is also a strong international awareness, perhaps again due to Britain's history and the British empire.

There is a strong pride within the water industry for the impact they made on the health of the British people in the nineteenth century.

#### *3.6.1.3 Operation*

##### Where does the money come from?

Each component of the UK water industry is a constituent member of WaterAid. Water supply companies, OffWat (the economic regulator), the Environment Agency, the professional association (Chartered Institute of Water & Environmental Managers), trade unions (UNISON), etc all work in different ways to support WaterAid. They do this through a variety of different mechanisms – employee donations, fundraising events, corporate sponsorship, access to the water bill for an appeal to customers etc

So the majority of money is from **Voluntary Individual** and **Voluntary Corporate**.

Some **Promoted/facilitated Voluntary** systems have been tried. Rounding up the bill did not prove very successful – a large number of people were giving very small amounts on a one-off basis. Payroll giving is becoming increasingly common in the UK. It is not a major source of income for WaterAid UK at the moment.

##### How are the ties of solidarity built and reinforced?

Though WaterAid has not used the language of ‘water solidarity’, the basic proposition is that people through their awareness of their own access to water / sanitation services are likely to connect with people in the South who do not have access.

The annual Customer Appeal (the appeal with the water bill) is the foundation for raising funds from individuals. It is negotiated on an annual basis with each company. 23 million leaflets were sent in 2003. There are probably 20+ companies participating in the programme. Some companies do not participate each year and WaterAid uses a variety of means to persuade them to re-join the programme. Companies generally pay for the leaflet and its distribution.

There are usually a number of core-messages that are then tailored for each company. Having core-messages enables WaterAid to undertake national publicity, whilst the individual companies will tackle their own local / regional publicity opportunities. Some companies have different leaflets for different customers, since their customer billing system can identify different socio-economic locations and it is possible to tailor the amount requested to the potential for the household to give. Customers in arrears are not sent the appeal when these customers can be separated out in the mailing process.

WaterAid now asks for a regular monthly donation from each customer. This has the advantage of allowing WaterAid to claim the tax back from the Government on the donation (if the customer is a tax-payer), provides a stronger link between the donor and WaterAid and provides more money for projects. Regular donors give more and for longer periods – and it is less expensive than finding new donors each year.

The Customer Appeal provides the basis for other fundraising support from individuals; general links with the water industry provides access to enhanced activities in the community through church and social groups (e.g. Rotary Clubs).

WaterAid generally invites donors to support the principles of WaterAid rather than individual projects; about 70% of WaterAid income (almost all of the voluntary income) is not restricted to specific projects / activities. They do accept 'restricted' or ear-marked funds but only where these projects / activities are already part of the country strategies and programmes of work.

In order to encourage linkages between donors and projects, WaterAid has a Project Linking Scheme. If a donor / groups of donors plans to raise more than £5,000 this can be linked to one of the planned projects from the annual country programme work plan. Donors receive initial project information, an interim report after six months and a final report usually after 12 months; this is in addition to general WaterAid material. The figure is set as high as £5,000 because of the administrative costs of the scheme.

Large regular donors may have a fundraising target for funds for a country programme. This is not allocated to any one specific activity within the programme.

- Regular donors can receive a twice a year magazine (Oasis): donors are asked if they want it.
- Donors with a project link receive three reports (initial, interim and final) specifically on the project from the country programme office.
- Donors are invited to receive a bi-monthly e-newsletter: this is an opt in.

Water companies and other organisations have regular features in their own magazines and staff communications on what their own employees, customers, companies, local groups are doing for WaterAid.

#### How are funds used?

WaterAid's five year strategy is approved by trustees, after it has been developed through stakeholder involvement. Current strategy aims to create a sufficient critical mass of work in the current 15 country programmes so that each of them can be strategic in their impact on water policy in these countries; and that within a reasonable timeframe, WaterAid will have funded projects that cover up to 10 million people.

Within the mandate of WaterAid's five year strategy, each country develops a Country Strategy usually lasting three years, and an Annual Programme of Work. Funds raised from UK voluntary sources are allocated to country programmes through an annual budgeting process which measures how programmes are developing towards their overall strategy.

WaterAid has a risk assessment process which requires a six-monthly report to Trustees.

WaterAid works in 15 countries in Africa and Asia. WaterAid's projects were initially all in rural areas until 1990 when it began working in urban areas on a small scale. Now WaterAid has major urban projects in seven countries and is developing projects in five others.

As more poor people migrate to towns and cities, the populations living in overcrowded, unsanitary conditions in urban slums continues to rise. Often the settlements that they live in are illegal and so, as unregistered citizens, these people aren't entitled to basic services such as water and sanitation, as they simply do not exist in official figures. WaterAid is aiming to allocate around 30% of its funds to urban work in the future to address this huge, growing problem.

#### *3.6.1.4 Volume*

2003/04 : **25.6 million €**

32% Admin, Fundraising and publicity

68% Towards strategic aims

The voluntary funding base is seen as attractive to the UK Government and has made WaterAid eligible for a **£3.75 million** Partnership Programme Agreement over five years for core-funding of WaterAid's five year strategy.

#### *3.6.1.5 Impact*

In total this year (2003/04 Annual Report) WaterAid-funded projects helped 600,000 people gain access to safe water supplies and 500,000 people gain access to sanitation in 15 of the world's poorest countries in sub-Saharan Africa and South Asia.

Furthermore, WaterAid's lobbying activities and its ability to mobilise public support play a large part in bringing water to the policy agenda in Britain. WaterAid supported the UK government's policy to include sanitation as a target for the millennium development goals. They also challenge the government, and have helped to turn around DfID international development policy on water and sanitation. Funding for such projects had been dropping sharply and the water unit within the department was to be closed down. Lobbying and public support helped change that, and the Secretary of State announced in March 2005 that financing for water in Africa would be doubled.

#### *3.6.1.6 Successes/problems*

The benefit of a generic Customer Appeal is that it is relative low-cost since major elements are managed within the corporate social responsibility / marketing budgets of the organisations sponsoring the appeal. WaterAid attracts donors and supporters who want to know specifically about water and sanitation, and therefore are likely to be more loyal to WaterAid as the UK's main development agency focusing on these issues.

#### *3.6.1.7 Future Plans*

More investment in Advocacy work.



## AMERICAS

### 3.7 CANADA

#### 3.7.1 WaterCan

##### 3.7.1.1 Creation

WaterCan was created in 1987 at the initiative of some federal government civil servants as Canada's action to mark the UN decade of water. Its structure was largely inspired by WaterAid in the UK. It is a registered charity, relying entirely on donations and subsidies and is dedicated to providing clean drinking water to the world's poorest people. In order to maximize health benefits, all WaterCan projects include three important and inter-related components - appropriate water systems, sanitation facilities, and hygiene education.

WaterCan attaches great importance to public education efforts in Canada. These activities help to ensure that providing clean water and sanitation services to the world's poor is an important priority for Canadians and other members of the international community

##### 3.7.1.2 Context

###### Administrative:

WaterCan is a registered charity under Canadian law, and as such is able to raise funds from the general public and obtain ODA funding from CIDA. It should be noted that the CIDA funds are provided on a matching basis. That is to say that for every C\$1 raised from voluntary donations, the Canadian government contributes C\$2.

###### Water:

Each municipality is responsible for its own water provision. Water companies are publicly owned and the municipalities act independently of each other.

###### Legal:

Water comes under provincial jurisdiction and rules and regulations vary from province to province.

###### Social:

Canadians very active and generous with money and time for helping others in the community, but very small percentage goes to international activities. (reports on Canadian giving available on: [www.imaginecanada.ca](http://www.imaginecanada.ca).)

Recently, the Walkerton Disaster (May 2000) in Walkerton, Ontario focused Canadian's attention on water issues and particularly the vital importance of clean water. After a particularly heavy rainstorm, cow manure contaminated the town's water supply. 7 people died and 2,300 became sick, some with chronic on-going illnesses.

Since then awareness has sharply increased and water control regulations have tightened considerably. It is a poignant link that enables Canadians to relate to the problems faced by people in developing countries.

##### 3.7.1.3 Operation

###### Where does the money come from?

Canadians from all walks of life support WaterCan. There is no particular supporter profile. The forms of financing used are:

###### **Voluntary individual**

- Individual (gift giving, monthly giving, legacy)
- Kids and adults (fundraising ideas – raffles, garage sales, walk-a-thon)
- School involvement (educational materials, fundraising)
- Community groups (eg church groups, clubs, watercan can make presentations)
- Municipalities (municipal partnership programme – distribute watercan flyers through consumers' water bills)

### **Voluntary corporate**

- Corporations and Foundations (sponsor overseas projects, special events and fundraising and awareness campaigns in Canada)

### How are the ties of solidarity built and reinforced?

Donors are encouraged to get involved with many fundraising ideas offered on the website. Information is sent out periodically with direct mailing operations and donors can keep up to date with the news posted on the website.

### How are funds used?

WaterCan focuses on one region at a time in order to make best use of its limited resources and works with carefully selected local organisations to ensure that knowledge and capacities are passed on locally. Projects are reviewed and approved by WaterCan's International Programme Committee made up of a few Board members who are development experts. The programme director is responsible for ensuring projects are properly run.

Current focus is on Africa. Projects focus on areas where coverage is low, this can be targeting communities without coverage within an area which is otherwise well-covered.

WaterCan works by developing partnerships with indigenous NGO's, selecting between 3-5 in each country, identifying and organizing capacity building opportunities for these partners, and supporting knowledge networks that facilitate collaboration among local and international stakeholders in the water and sanitation sector.

#### *3.7.1.4 Volume*

Income 2004: **553 500 €**

Percentage that goes to programmes: **74%**

#### *3.7.1.5 Impact*

To date, WaterCan has supported seventy-six projects serving approximately one million people in 32 developing countries.

Also WaterCan is carrying out action in Canada on public engagement and public education. This accounts for about 10% of programme budget

#### *3.7.1.6 Successes/problems*

While "bill-stuffing" (see Appendix II) was key to getting WaterCan off the ground in the early years, it is now no longer such a feasible option as more and more customers choose to receive and pay their water bills by Internet.

A major factor for success is the subject matter – Water is an easily explained and understood issue; it does not take long for people to realise how important it is. This greatly helps communication and fundraising.

### 3.7.1.7 Future plans

WaterCan is now turning its attention to how to adjust to new technologies. They still use traditional fundraising methods, but with the advent of the Internet (and Canada is one of the highest users) new methods of reaching the public need to be developed

## **3.8 USA (& CANADA)**

### **3.8.1 Water for People**

#### 3.8.1.1 Creation

Created in 1991 (1995 in Canada) by the American Water Works Association at the instigation of a few individuals who were inspired by the shared vision of a world where all people have access to clean water, adequate sanitation and basic health services, it has become the social responsibility of the water industry.

Charity of choice of the AWWA and the Water Environment Federation, Water for People partners with NGOs and communities in 43 countries around the world helping people address their own basic water, sanitation and hygiene needs.

Ongoing support of WFP programmes helps to expand the consciousness of the worldwide community and to improve the health of neighbours in need of life's most basic essential – clean water.

#### Context:

Water For People is incorporated as a 501 (c)(3) international nonprofit development organisation in the US, and is a registered charity in Canada.

#### 3.8.1.2 Operation

##### Where does the money come from?

The AWWA, the Water Environmental Federation, the Water Quality Association, the National Association of Water Companies, the Association of Metropolitan Water Agencies and other sectors of the North American water industry, including the manufacturing and consulting engineering sectors endorse Water for People.

Further support comes from individuals and groups such as schools, churches and civic organisations.

##### How are the ties of solidarity built and reinforced?

Fundraising activities and events are organised by donors to raise funds for WFP.

The forms are **voluntary individual** and **voluntary corporate**. Some **promoted/facilitated voluntary** also with "workplace giving" (which provided 240 000 USD in 2004 (200 000€)):

- Payroll deduction
- On-line giving – through secured web-site
- Fundraising activities within the workplace.

Reports are regularly produced and are freely available on the WFP website. WFP also organises events and presentations for specific programmes and is present at international events.

WFP also offers country tours where donors can visit one of the countries where WFP works, see how their money is being used and meet the people who are benefitting from the projects.

#### How are funds used?

WFP works through local partner organizations to build the skills of people so they can operate and maintain water and sanitation systems for years to come. WFP recognizes that capacity-building must also include health education programs so that communities understand the connection between unsanitary hygiene practices and the spread of disease.

#### **Latin America and the Caribbean**

Guatemala, Bolivia, Honduras – work with indigenous pre-Hispanic peoples living in very isolated conditions and often in extreme poverty. Projects favour technologies appropriate to the geographical terrain and lifestyles.

#### **Africa and the Middle East**

Malawi, (rural areas) and Malawi, Kenya, Uganda, Tanzania and Zambia through the partnership with US Environmental Protection Agency in the "Water for Africa" initiative – to help the growing number of urban poor in the unplanned and informal settlements of African cities obtain safe drinking water. Focus on capacity building, development and support for long-term sustainability.

#### **Asia**

India – Arsenic removal project

Vietnam – Clean Water for Schools project (with CARE Australia and Kien Giang Provincial Education Department). – To improve water and sanitation facilities and basic hygiene knowledge for school children. Construction of toilets and facilitation of hygiene education.

##### *3.8.1.3 Volume*

2004: **1.7million €**

18% goes towards administration, general and fundraising.

##### *3.8.1.4 Impact*

One example of WFP's work is the Water for Africa programme funded by the Environmental Protection Agency. This programme started in 2000 with 595 000 USD (494 000€). Eleven primary projects were provided funding through local NGOs (approx 20 000\$ each) in peri-urban settlements in Malawi, Zambia, Uganda, Kenya and Tanzania. Actions targeted communities where water and sanitation facilities were nonexistent or severely inadequate. The focus, rather than on traditional infrastructure-construction approaches, was on capacity building, development and support. Successes were in health and water-related improvements, greater community engagement and participation, impacts to policy and governance and leveraged infrastructure improvements (capacity building strategies resulted in the leveraging of more than \$200 000 of new infrastructure resources from donors such as

world vision, UNICEF, French Embassy in Kenya, Rotary, AusAid and local social action funds and city councils.)

## ASIA-OCEANIA

### 3.9 AUSTRALIA

#### 3.9.1 WaterAid Australia

##### 3.9.1.1 Creation

WaterAid Australia was created in 2004 at the initiative of actors in the Australian Water Industry wishing to establish an overseas charity modelled on the WaterAid UK charity.

It is governed by a board made up of representatives from the Australian water industry and Australian NGOs. It has a licencing agreement with WaterAid UK to use the name in Australia and shares its vision and mission as well as many policies and practices of WaterAid UK. It is an international NGO dedicated exclusively to the provision of safe domestic water, sanitation and hygiene education of the world's poorest people.

##### 3.9.1.2 Context

###### Administrative:

WaterAid Australia is a registered charity in compliance with Australian legislation

AusAid is the government's aid agency and provides funding to NGOs. They have given verbal support to WaterAid Australia, but WAA need to be accredited before they can apply for funding. The accreditation process takes 2 years.

###### Water:

All water authorities are publicly owned. They can be quite small. Private companies provide services that the public authorities wish to outsource.

###### Legal:

The law does not specifically prohibit the giving of money by the public authorities to international development activities. Thus it depends on the interpretation of each water authority. The majority interpret the legal texts as allowing them to do so.

###### Social:

The water industry is strongly supportive of such an initiative – the fundamental motivation is goodwill. There can be seen to be a strong goodwill element in water industry.

Water is an emotional driver (Australians will respond positively and empathise with those in need of safe water)

Australians are not used to proactive and regular giving (it is more an emergency response culture), and the water industry is inexperienced in this field, although there is a cultural familiarity with fundraising approach.

##### 3.9.1.3 Operation

###### Where does the money come from?

Funds are raised directly through the water companies – their membership fees and fundraising activities by the employees and sponsored events. Individuals can also donate. The following forms of fundraising are encouraged:

**Voluntary individual**

- Donate online
- Subscribe to the free monthly eNewsletter
- Consider establishing a direct debit arrangement for WaterAid Australia
- Attend WaterAid Australia events
- Register as a volunteer
- Become a WaterAid speaker

**Voluntary corporate**

- Join as a member for only \$5,500pa. (different levels)
- Join as a corporate supporter
- Consider utilising an existing event and adding a fundraising element for WaterAid Australia
- Support staff and your suppliers to participate in WaterAid Australia events
- Consider donating prizes for WaterAid Australia fundraising events
- Consider sponsoring WaterAid Australia fundraising events

**Promoted/facilitated voluntary**

- Speak to your employer about making regular payroll deductions to WaterAid Australia
- Establish a staff payroll deduction scheme and add WaterAid Australia as an option

How are the ties of solidarity built and reinforced?

At the moment only the water sector is targeted, as there is not yet the budget to do wider campaigns. So awareness is being raised and the relationships built up with the water companies and their employees. They are encouraged not just to give money but to be actively involved in fundraising activities and attend or volunteer at WaterAid Australia events.

Donors are given information on water issues and where their money is going through the E-Newsletter, the LearnZone for teachers, the website and the Annual Report. For large donors, 6-month and annual project reports are provided.

How are funds used?

WaterAid Australia works with communities and local partners to ensure local participation, capacity building and sustainability. It uses appropriate, low-cost technology and projects include sanitation and hygiene education.

Action is concentrated in South-East Asia and the Pacific as it is close to home and because Europe is already very active in Africa and South Asia.

Australian aid agencies identify appropriate water and sanitation projects.

A Projects Advisory Committee plans, appraises and recommends projects to the Board. Clear selection criteria are defined relating to focus, experience of partners, project design and management, cost-effectiveness, monitoring and evaluation.

WaterAid Australia is responsible to its members and donors through its Board.

WaterAid Australia partners with local non-government organisations that understand the specific situation and culture and can deliver good results cost effectively. Overseas programme staff identify projects and appropriate organisations to implement them, allocate

funds, verify outcomes and monitor performance, as well as liaise with local governments and the broader aid community.

WaterAid Australia ensures that all projects integrate water supply, sanitation and hygiene promotion. Each project is assessed in terms of the technical viability, commitment of the benefiting community and cost effectiveness. Typically the projects for the first 12 – 18 months cost between \$50-75,000.

#### *3.9.1.4 Volume*

Income 2004: **177 000 €** (first year of existence)

Target for 2005: **627 000 €** (on track to meet this target)

Percentage that goes to programmes: In their first year of existence, high set-up costs have to be taken into account. However WaterAid Australia will aim to put **75%** of funds into the programmes.

#### *3.9.1.5 Impact*

The organisation is in its first year, however WaterAid Australia has completed its first project in Papua New Guinea (PNG) in conjunction with Oxfam CAA, Oxfam NZ and ATprojects. The project has directly benefited over 5000 schoolchildren and indirectly over 13,000 local community members by helping them to build latrines.

Funds from WaterAid Australia have supported the building of 84 latrines in 14 primary schools in the Eastern Highlands province of the country.

Monitoring and Evaluation is currently carried out through WaterAid UK system for projects run by them (internal project monitoring and external audit) and by Oxfam NZ for the project in PNG.

#### *3.9.1.6 Successes/problems*

Aid and development industry highly developed and competitive – difficult for new entrants, but no one is focused on water and sanitation – it is a new "market."

The strong support and clear model provided by WaterAid UK was a huge help – there was no need to re-invent the wheel. They also seconded staff to help in the early stages.

Having a board made up of water industry professionals and development sector professionals has enabled WaterAid Australia to benefit from the expertise of both areas.

In terms of fundraising methods, it is early to say what is the most successful.

#### *3.9.1.7 Future plans*

Build up WaterAid Australia.

After five years, having built up credibility and proved utility, turn to awareness raising and advocacy aspect.

## **3.10 NEW ZEALAND**

### **3.10.1 Water for Survival Programme (Oxfam NZ)**

#### *3.10.1.1 Creation*

1988 – Creation of Water for Survival by a water engineer on an individual basis, he worked from home, concentrated on fundraising, and gave the proceeds to WaterAid UK. Then, in 2003 Water for Survival was absorbed by Oxfam New Zealand as the programme was getting too much for one person to manage.

The Oxfam Water for Survival Programme raises funds for projects that provide clean water and sanitation for people in some of the world's poorest regions. Funds are raised through donations from the New Zealand public. Within Oxfam, the water programme projects are linked to other projects particularly education and peace building.

#### *3.10.1.2 Context*

##### Water:

Water is the responsibility of the local councils, and, apart from the Auckland area, water is just a part of the general rates bill, it is not separated out. So people do not know how much they spend on water.

##### Legal:

City councils are limited regarding giving. There are clauses in the by-laws that mean that money has to go towards the constituents, and if any money goes outside (for instance international aid) there has to be some form of reciprocity, the constituents have to get something in return (This has sometimes meant volunteer trips).

##### Social:

New Zealanders are not particularly active donors or volunteers.

Water is an issue that really resonates with New Zealanders. They pride themselves on being "green", environmentally aware, and they take water issues and problems faced by developing countries seriously.

#### *3.10.1.3 Operation*

##### Where does the money come from?

##### **Voluntary individual**

There is an annual appeal (direct mailing sent to all people in donor database and the former "Water for Survival" donor list) and giving is encouraged on website.

##### **Voluntary corporate.**

The corporate and water industry sector is currently being targeted and developed.

They are being encouraged to run fundraising events; and Oxfam WfS runs awareness raising, development education and advocacy activities within companies.

An approach to encourage regular giving is the Community Sponsorship Programme whereby employees are encouraged to set up a regular direct debit donation. This is favoured over payroll giving which for the moment is being left to one side as being complicated to set up.



### How are the ties of solidarity built and reinforced?

There is actually a move away from the idea of close, direct involvement with partner community. Donors are encouraged to adhere to a cause, and donate money to that cause.

Oxfam is also placing great emphasis on development education within New Zealand.

Feedback on projects is given to donors through the website, Oxfam news and information is sent out with the receipt for a donation. Large donors receive a specially compiled report, based on the annual report, but shorter and more accessible (more pictures etc.)

### How are funds used?

Oxfam NZ has recently adjusted regional focus. Through concentrating on a restricted area they hope to have more impact. They now centre their actions on the Pacific region (particularly Melanesia) and East Asia (East Timor, Papua New Guinea and Indonesia). This is close to home, it is the region where the government is focusing and many NZ residents have migrated from these areas.

An integrated approach to programmes has been adopted, so water programmes are linked to other programmes Oxfam is running in the locality. The Programme Manager has significant input in choice, within the framework of the integrated approach.

A Programme Committee, which has a strategic advisory role principally, also approves the final choice and the programme manager is responsible for proper implementation.

Projects combine access to safe water, basic sanitation and hygiene education. OWfS works through local partner organisations to directly implement projects. These local partners; usually NGOs and local government departments undertake the direct day-to-day management of projects. In return OWfS offers financial support, training and technical advice as well as assistance with planning, budgeting and institutional development.

#### *3.10.1.4 Volume*

Income 2004: **400 000 €**

(The New Zealand government contributes a further \$2 for every \$1 raised.)

Break-down of figures not available as absorbed into overall Oxfam budget.

#### *3.10.1.5 Impact*

Measuring of impact is currently undergoing changes. There is a move towards programme logic and Most Significant Change techniques. The MSC technique involves a story-telling approach. Local partners collect stories from beneficiary communities regarding the impact of the projects on their lives. They sort out the most representative and insightful stories

## **3.11 JAPAN**

### **3.11.1 Japan Water Forum**

The recently created Japan Water Forum (2004) has set up a fund that will be fed by 3% of its annual membership fees and will award up to 1,000 US\$ per activity or project.

For the application period of 1 July to 31 July 2005 the fund received 156 applications from 34 countries and gave grants to 10 projects in Africa, 8 in Asia, and 1 in Latin America.

## 4 ANALYSIS

### ***Designing solidarity financing mechanisms depends on the way services are organised in the donor country***

The legal and administrative context in the countries involved in solidarity financing affects the type of mechanism that can be developed. At a more local level, the way the water and sanitation services are organised influences what mechanisms can be envisaged.

When local authorities are responsible for water and sanitation services and define the way they are to be provided (by the authority, delegation to a public or private operator), they may have the necessary decision-making power, particularly regarding their budget, to assign a part of their local budget to international development actions. This is the case in France and is being developed in Italy.

However, in some countries, there is a greater need for consultation and participation of the population in any decisions taken. The experience of Aqua for All has shown that the way a water company communicates on international development action it takes or wishes to initiate is critical. Furthermore, the issue of public approval is at the forefront of discussions of nation-wide initiatives in the Netherlands, Switzerland and Belgium.

In countries where there is a duty to re-invest water and sanitation revenues in local provision, or where water is not publicly managed, decentralised actions are less appropriate. One solution is to centralise donations (from individuals or companies in the sector) via a nation-wide organisation, as is done in the UK, Canada, the USA and Australia. It should perhaps be noted that the success of these centralised approaches could be partly attributed to the long tradition of public mobilisation through charity events and organisations.

Finally, it can be seen that a large part of the success of both decentralised and centralised mechanisms can be attributed to the active role of the water companies providing a link between the consumers in the North and consumers in the South, communicating with households via the water bill. In countries like Switzerland and New Zealand where water is not billed separately or directly to the household, this critical communication vector is not available.

### ***Solidarity financing mechanisms respect the principle of transparency***

In countries where water and sanitation service providers raise funds from their own budget (as is the case in France), the funds are managed in a decentralised manner: the money is raised locally and how it is to be used is decided locally. While this mechanism is not based on a direct voluntary contribution by the user, its implementation is a political choice, guaranteeing its legitimacy: it is the publicly elected representatives who decide, on behalf of the users, to undertake international development actions based on a feeling of solidarity. At the same time, communication actions (that can include meetings with the users) mean the local policy makers can report back on international co-operation policies.

In countries where funds are collected by a nation-wide organisation such as an NGO, these funds are managed in a centralised manner. Funds are raised through voluntary contributions by the service users, water sector employees or by the water companies themselves. Communication campaigns (through the media and specific events) are the main way of mobilising support. They are combined with campaigns that report on the programmes carried out and underway. Organisations that centralise funds have considerable financial capacity,

enabling them not only to implement projects giving access to basic services, but also to carry out field research, to better understand the sector. The majority of these recognised solidarity organisations also promote their work in the international arena.

***Actions are principally aimed at those areas not being reached by the major funders***

Experience shows that solidarity-based and decentralised financing initiatives target zones where access to water and sanitation is lowest. These are rural and peri-urban areas, areas that are frequently not reached by national programmes.

***Solidarity financing initiatives support approaches that complement international co-operation practices***

Solidarity financing initiatives implement actions that are based on a local-to-local relationship, without passing via State services or bodies. This approach makes it possible to support and strengthen decentralisation processes, giving legitimacy to local elected representatives.

Compared with national programmes, solidarity financing often works at a much smaller scale, mobilising smaller sums. This positioning on small programmes and not national but local commitments, makes it possible to implement innovative tools and methods.

A significant part of the experiences gained from solidarity financing focuses on partnership approaches rather than project approaches. This provides strong support to the local authorities in the South in setting up public water and sanitation services.

By working with local partners, capacities are also built with local NGOs, technicians and stakeholders.

***Proven effectiveness***

These initiatives have a proven potential to raise significant funds and the cases of WaterAid UK, Aqua for All, WaterAid Australia and Water for Survival show that there is potential to increase the funds each year.

The initiatives relying on voluntary individual and voluntary corporate forms of financing show that there is huge potential for generating funds through raising awareness with the general public and appealing to corporate social responsibility.

Initiatives led by local authorities show that there is potential to raise significant sums when there is popular and local government commitment and support.

The actions carried out thanks to solidarity funding, because they are "local" in both size and target, are highly flexible and reactive in responding to local needs.

***Promising potential impact on National Overseas Development Aid***

Many actions carried out thanks to solidarity financing help to bring water and sanitation problems to the front of the political stage in the North and the South. Far from replacing ODA, these initiatives encourage a raised political awareness that leads to stronger commitment from governments.

## 5 CONCLUSIONS

The capacity to manage water resources is clearly required at local level, and the close, local-level co-operation relationships struck up through solidarity funding are not yet sufficiently well-known or recognised.

Even if examples of such co-operation abound and are regularly highlighted in reports, many players wishing to get involved in international co-operation actions do not know where to start or whom to approach. This report highlights the experiences that can be shared and the methods that can be applied, regardless of the country concerned, to participate in this movement of international solidarity.

At the same time, while the 2003 World Panel on financing water and sanitation infrastructures highlighted its importance for reaching the Millennium Development Goals relating to access to water and sanitation, the real impact of this form of co-operation is not yet fully understood. It is therefore essential to highlight the significance of these financing mechanisms and in particular the fact that, based on the formation of sustainable bonds, they foster the sharing of experience and help build the capacities required for decentralisation.

The 4<sup>th</sup> World Water Forum that will be held in Mexico in March 2006 is the occasion to promote the solidarity between users that has developed over the past few years. This is the opportunity to launch this great solidarity initiative that contributes to one of the main cross-cutting perspectives of the coming World Water Forum: "New Models for Financing Local Water Initiatives" in order to provide access to the basic services of safe water and basic sanitation.

## 6 REFERENCES

- PS-Eau *Enquête sur la collecte de financements pour des projets de développement Nord/Sud dans le domaine de l'eau*
- Fonseca, C et. al (2005), *Plugging the leak. Can Europeans find new sources of funding to fill the MDG water and sanitation gap?* IRC International Water and Sanitation Centre

## APPENDIX I – PEOPLE CONTACTED

Organisation	Country	Contact
A4A	Netherlands	Sjef Ernes
Aquassistance	France	Lisette Provencher
Green Belgium	Belgium	Jo Van Cauwenberge
IRC	Netherlands	Catarina Fonseca
Oxfam New Zealand	New Zealand	Kate Medlicott Kathryn Beckett
PROTOS vzw	Belgium	Stef Lambrecht Geert van der Stichele
Regione Emilia-Romagna, "Acqua Risparmio Vitale" Campaign	Italy	Giuseppe Bortone
Regione Emilia-Romagna, Decentralised Cooperation	Italy	Rossana Preus
SDC	Switzerland	François Munger Fritz Brugger
WaterAid	United Kingdom	Stephen Turner
WaterAid Australia	Australia	Chris Wootton
WaterCan	Canada	George Yap

## APPENDIX 2 – FINANCING MECHANISMS

Ways to raise funds (categorisation, terms and definitions taken from IRC study "*Plugging the Leak, Can Europeans find new sources of funding to fill the MDG water and sanitation gap?*", June 2005)

Category	Methods	Definition
<b>Mandatory</b>	Levy on water charges	Consumers pay a levy on each cubic meter of water for “development activities”. The amount of the levy is set by the water utilities/local authorities, usually in the form of X per cubic meter.
	Unaccounted for Water	This covers raising funds through reducing leakages
	Hypothecated taxation levy	Hypothecated taxes are specific taxes or levies for a specific purpose and the money can only be spent for that purpose. They are transparent but are less popular with governments for whom they represent a loss of control over spending. In its simplest form, this would mean that a named percentage of general income tax would be allocated to water (or to ODA with water receiving a specified percentage of ODA money).
	Increase ODA to pledged level and allocate larger share to water and sanitation	
<b>Promoted facilitated voluntary</b>	bill ticking	Water sector examples include ‘bill ticking’ where, water customers are reminded of the needs of poorer countries when they think about their own water supplies, and ‘tick’ a box on their bill to give a small amount to a specified water charity or agree to ‘round up’ their bill to the nearest Euro or Pound.
	payroll giving	Payroll giving combines the ‘box ticking’ approach with tax benefits. The employee ticks a box to select a charity/charities (from a list), and determines the amount to be taken from his or her monthly earnings. The employer takes responsibility for collecting and forwarding the amounts along with the tax benefits.
	Fair Trade/Fair Water	For water, this would differ from bill ticking in that instead of “rounding the bill up” by a few Euro cents, a voluntary percentage of the water bill (say 1% to 10%) would go directly to a “Fair Water” Initiative.
	Local authorities/federations	Local elected officials of water authorities decide to donate to water projects. This mechanism has been common in France for some years. It is now possible for local authorities to earmark a maximum of 1% of their allocated to water and sanitation budget to international cooperation.
	Lotteries	Consumers buy lottery tickets, partly in the hope of winning large prizes, but aware that the money also goes to ‘good causes’.
<b>Voluntary Individual</b>	Donate to NGOs / charities	Water-related charities find that individual donors respond positively. An established practice in some countries is ‘bill-stuffing’, i.e. including publicity and educational material with requests for donations in water bills. This appears to benefit the water company’s reputation, and the water charity. Charities seek to persuade donors to take out Direct Debits which ensures that contributions continue without the donor having to arrange further payments or remembering to pay again.

Category	Methods	Definition
<b>Voluntary Corporate</b>	Corporate Social Responsibility / Corporate Philanthropy	Corporate philanthropy, often known as Corporate Social Responsibility, has become part of the plan for achieving a company's goals in the 21st century. Companies align philanthropic objectives with their business missions and focus on giving in areas that are important to the broad spectrum of their customers and staff. Integrating socially and environmentally friendly policies into business attracts investors who support similar social and environmental commitments.

NB:

"**Mandatory** modalities, such as taxation, levies or surcharges which the customer or target group cannot avoid, can raise large amounts of funding but they often fail to inform, let alone convince, tax-payers of reasons for giving. They take away people's choice to give or not give. They are unpopular with politicians and citizens,

**Promoted/facilitated voluntarily modalities** use some mechanism to make it easy for individuals or organisations to give more and to give more regularly with lower overheads. Lotteries make it attractive for people to give perhaps for a mix of motives. Bill ticking and payroll giving allow money to be added to bills or deducted from net wages. Fair Trade products allow people to buy into their commitments. Contributions from local authorities may fall into this category, if people are aware of the choice they are making when they elect them.

**Voluntary methods** such as charity giving, such as responding to appeals included with water bills ("bill stuffing"), provide the greatest choice. However, voluntary donations, whether by an individual, a group or a corporate entity are dependent upon reminders, publicity and marketing, giving rise to significant overheads and an uncertain return." (IRC, 2005, p. 14)