

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. Far from replacing ODA, these initiatives encourage a heightened political awareness in the North that leads to stronger commitment from the government in financing overseas development.

In New Zealand, the government has undertaken to contribute \$NZ2 for every \$NZ1 mobilised by the Water for Survival programme of Oxfam NZ.

The Dutch government contributes 1 Euro for each Euro mobilised by Aqua for All. In 2005, of Aqua for All's total income of 2.5 million Euros, 1 million Euros came from the government.

And it is not only in an increase of overseas development aid that the effects of solidarity financing can be felt. The supporters of different mechanisms have proved their ability to communicate on the results of their actions with users in the North. Solidarity fosters solidarity: the success of these initiatives makes it possible to mobilise additional individual and corporate donations to develop similar actions.

In France, solidarity financing initiatives supported by local authorities and NGOs help mobilise co-financing from the French government via the Ministry of Foreign Affairs. In 2002, the French government thus contributed 30 millions Euros to co-finance 430 projects.

Going further: a global platform for developing solidarity between users

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 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. We must throw the net wider and share not only experiences but also the methods that can be applied, regardless of the country concerned, to participate in this movement of international solidarity, the need for which is no longer in doubt. To do this, a network of players met in Paris on 24 March 2005 and is keen to contribute to building a global platform for sharing good practice and supporting new initiatives. Join this network to increase its influence.

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.



Private tap, Mali (pS-Eau)

The 4th 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. Let us 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 sanitation.

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Solidarity financing When water users in the North finance access to water and sanitation for users in the South

For several years now, and in several countries, different solidarity financing mechanisms have developed between the users of water and sanitation services in the North and users in the South. Such mechanisms could be strengthened or developed in other countries. Far from being marginal, the funds that can be mobilised through these initiatives help to make a significant contribution to development in the South, targeting zones and populations that are sometimes isolated from institutional co-operation.



Experiences to be shared, initiatives to be developed

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 provided (by the authority, delegation to a public or private operator), they hold the necessary decision-making power, particularly as regards finances, to assign a part of their local budget to international development actions.

In France, decentralisation has given local authorities considerable autonomy. This, combined with a long-standing tradition of twinning with towns in other countries has given considerable impetus to decentralised co-operation between local authorities (towns and regions), whether it be technical co-operation or financial co-operation or, most frequently, both. The recent Oudin-Santini Law authorises these local authorities (and the water and sanitation authorities) to dedicate up to 1% of their water and sanitation budget to finance international development actions.

In this context, the "local" water sector is able to actively contribute to decentralised co-operation initiatives.

For over 20 years, the SEDIF (Syndicat des Eaux d'Ile de France), a public authority responsible for providing water to 144 local authorities, has been carrying out effective decentralised co-operation actions aimed at improving access to safe water. The money to fund these actions is taken from the authority's own revenues. The equivalent of 0.3 Euro cents per m³ consumed is contributed, amounting to 700 000 Euros per year. Every 5 years, almost 70 operations are financed in this manner, benefitting around 650 000 people.

In those countries where the local authorities do not have such autonomy in the management of their water and sanitation services (allowing them, for instance, to draw on their local budgets to finance international activities), decentralised actions are less appropriate. One solution is to centralise donations (from individuals or companies in the sector) via a nation-wide organisation.

Water Aid (United Kingdom and Australia), WaterCan (Canada), Water for People (United States and Canada) and Oxfam Water for Survival (New Zealand) offer

solutions for those water sector players who wish to get involved in international development actions, but have to comply with certain organisational or regulatory restrictions.

The centralising of funds with a single organisation in these countries is also successful due to the long tradition of public mobilisation through charity events and organisations.

Over 75 companies participate in "Workplace Giving" to raise funds for Water for People, an American NGO. Payroll deductions, online giving and fundraising activities organised by employees raised 200 000 in 2004.

During 2005, The Seine Normandy Water Authority (AESN) committed 1.92 million Euros (around 0.2 cent per cubic meter) to finance water and sanitation projects in Southern countries. Since 1997, the AESN has financed 104 projects in 32 countries.

Solidarity financing mechanisms are transparent with regard to user-donors

In countries where water and sanitation service providers raise funds from their own budget (as is the case in



Vip latrine, Cameroon (pS-Eau)

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 (WaterAid in the United

Kingdom or Water for People in the United States), 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.

In the United Kingdom, WaterAid makes use of the sending out of water bills to communicate with 23 million British households. At the same time, WaterAid organises wide public campaigns to recruit new donors. The NGO has developed clear communication tools to keep their donors informed of how the money is being used, such as a bi-annual magazine, a bi-monthly e-newsletter and articles in water company internal magazines, and the local press. Finally, donors with a project link receive three specific project reports (initial, interim and final) from the country programme office.

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

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 5 000 schoolchildren and indirectly over 13 000 local community members by helping them to build latrines.

areas, areas that are frequently not reached by national programmes.

A large part of WaterAid UK's action targets the disadvantaged zones in large towns. In these rapidly expanding zones of illegal settlement overlooked by town planning, access to water and sanitation is a health priority for the people who live there and an environmental priority in terms of preserving water resources.

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

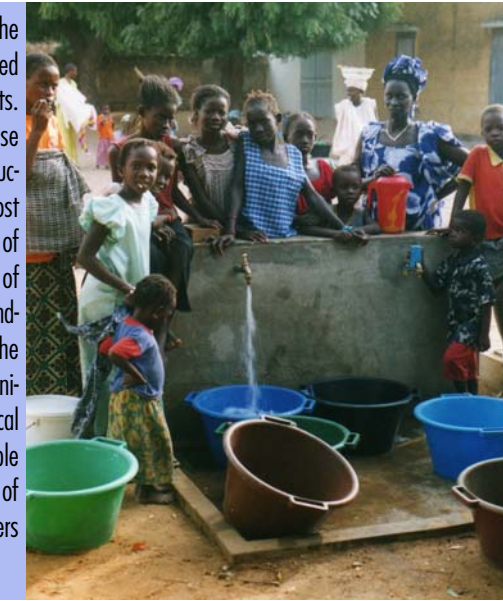
Solidarity financing initiatives implement actions that are based on a local-to-local relationship, without passing via State services or bodies. This approach makes it possible to support and strengthen decentralisation processes, giving legitimacy to local elected representatives.

Compared with national programmes, solidarity financing often works at a much smaller scale and mobilises smaller sums. This positioning on small programmes and not national but local commitments makes it possible to imple-

ment innovative tools and methods (such as the definition and implementation of municipal strategies for gaining access to basic services).

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 .

The French local authority of Bretteville sur Oudon and the rural community of Ouonck (Casamance, Senegal) twinned in 1992 to support the implementation of small projects. Since 1996, to support the development of Senegalese rural communities, an ambitious inter-village water adduction system project has been launched, benefiting almost 12 000 people in 17 villages. With the financial support of the Seine-Normandie Water Authority, the commune of Bretteville is helping to manage the project, providing funding and co-ordinating the different financial partners. The twinning committee is responsible for operations and monitoring. The company Eau de Paris is providing technical support and training of the people who will be responsible for operations and maintenance. The Rural Council of Ouonck, as project manager, co-ordinates the stakeholders and makes sure users participate in the project.



Public tap, Africa (Eau Vive)

To carry out its projects, WaterCan mobilises overseas NGO partners who have their own local field staff. They identify reliable and competent local partner organizations with existing programming capacity in the water supply and sanitation sector. Working with local partners makes it easier to share information, raise awareness and fosters effective relations with local officials and the community. The use of local skills makes it possible to better respond to the needs and requests of the users and lessons learned in the field can inform national policies.

Proven effectiveness

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

- The limited number of actors (certainly less than in government projects) facilitates negotiation, means approval can be gained rapidly to readjust a project if the need arises, and in certain cases reduces considerably the time required to complete an action.

- The speed of decision-making and releasing funds makes it possible to guarantee the local populations a short time lapse between information meetings and the beginning of construction of public infrastructure.

- The capacity to mobilise additional funds and external skills makes it possible to carry out small local-scale projects in collaboration with development professionals.

The decentralised co-operation relationship between the SIVOA (Syndicat Intercommunal de la Vallée de l'Orge Aval), a local public authority responsible for rivers management and sanitation in Essonne, a French department, and the arrondissement of Ouallam in Niger involves close co-operation between all stakeholders ensuring that money goes to where it is most needed, and that actions fully supported by all stakeholders:

- The SIVOA cofinances the project.
- The French Association of Volunteers for Progress (AFVP) is responsible for on-site implementation,
- 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.