

# AFD, WATER AND SANITATION



## WATER, A MAJOR GLOBAL ISSUE

Water is one of the emblematic topics of sustainable and equitable development. It is vital for life and ever-present in all mankind's activities: for drinking water supply, as an agricultural or industrial production factor... It is a natural risk and a disease carrier. Water is also seen as something sacred in our collective consciousness. All this must be taken into account when operating in the water sector.

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## DRINKING WATER AND SANITATION, A LEADING SECTOR FOR AFD

Water accounts for 20% of AFD's commitments and is a core feature of its identity. AFD has a 2009 financing target of 290 million euros, with 50% allocated in Africa. This corresponds to AFD's contribution to France's pledge to double its aid in the water sector.

This target was met as early as 2007: a total of 317 million euros were committed in the sector, half for drinking water and the other half for sanitation. 57 million euros of grants were allocated, 99 million euros of sovereign loans and 161 million euros of non-sovereign loans. Africa was the first recipient of this effort with 180 million euros of new commitments (57% of the total amount). Thanks to this financing some 3 million people will gain access to drinking water and 1 million people will have access to appropriate sanitation. AFD also committed some 60 million euros to local authorities in Overseas France for this sector.



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Promoting hygiene: water for health

## NIGER BASIN – INTEGRATED WATER RESOURCE MANAGEMENT AND MOBILIZATION

The River Niger is Africa's third major river by its length (4 200 km) and its watershed area (1 500 000 km<sup>2</sup>). Nine countries share the river: Guinea, Mali, Niger, Benin, and Nigeria share its main stem and Burkina Faso, Cameroon, Côte d'Ivoire and Chad share its tributaries. A hundred and twenty million people live in this basin. The level of development of States riparian to the River Niger requires implementing a concerted development policy for the basin and an optimal use of its resources. This policy is led by the Niger Basin Authority (NBA).

From this perspective, AFD has been supporting NBA since 2003 in a widely participative process for a shared vision of the integrated development of the basin. In 2007 this process led to the design of a Sustainable Development Action Plan which sets out an investment program for the next twenty years.

## SUSTAINABLE AND CONCERTED WATER MANAGEMENT



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Infrastructure for integrated water management

"Integrated Water Resource Management" (IWRM) aims to organize water consumption, knowledge about the resource and to preserve its quality at watershed level in consultation with users. Sound institutional capacities are required in order to define technical and socioeconomic rules for water sharing and conflict resolution. Sectoral strategies must be implemented by well-trained actors within a participative approach and with appropriate technologies. The sustainable management of irrigation, which accounts for 80% of withdrawals, is a major issue for this.

Water-related risks must be integrated into water resource management: water is a source of conflict in regions showing hydric stress and is the first cause of natural disasters which have hard-hitting economic consequences wherever they occur.

## BENIN – IMPLEMENTATION OF A PROGRAMMATIC APPROACH

AFD is co-financing a drinking water supply program in Benin's rural and peri-urban areas with Danish and Dutch cooperation. In addition to the investments, which are planned within a harmonized financing mechanism, the implementation of this financing tests the programmatic approach to rural water which supports and strengthens the local authorities' decentralization process.

### ACCESS TO WATER AND SANITATION FOR ALL

Access to sanitation aims to improve public health and protect natural environments. Access to water is a double-edged issue: firstly, it involves providing each individual with safe drinking water and, secondly, reducing the burden of water-related chores which are mainly carried out by women and children.

It is estimated that today 1.1 billion people do not have satisfactory access to water and 2.6 billion have no access to sanitation. The Millennium Development Goals (MDGs) set measurable targets which underscore the extent of the challenge: "to halve by 2015 the proportion of people without sustainable access to safe drinking water and basic sanitation services".

The poor quality of water consumed and the lack of sanitation are the first causes of human mortality: every day over 8 000 people die in the world from diseases related to unsafe water. The figure is higher than the number of deaths from wars or HIV/AIDS. 90% of domestic or industrial waste is not treated and pollutes water and environmental resources. Health and life expectancy can only be improved by scaling up access to water and sanitation.



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Standpipes:  
access to water for the poorest populations

## PALESTINIAN AUTONOMOUS TERRITORIES - BETWEEN URGENCY AND DEVELOPMENT

AFD has been active in the Palestinian Autonomous Territories (PAT) since 1998. Its aim, within the fragile political context, is to work for social protection and stabilization. Financing for the water sector accounts for the bulk of AFD's commitments in the PAT. It aims to improve access to water and sanitation services and at the same time contribute to building institutions which will take charge of the sector in line with the Oslo Agreements. It is based on an enhanced operational dialogue with all crisis management or prevention stakeholders (donors, city-to-city cooperation, emergency or development NGOs).

AFD is participating in a mega sanitation project in northern Gaza which initially aims to reduce health and humanitarian risks related to untreated effluents which threaten to destroy nearby houses. The second phase of the project comprises the construction of a wastewater treatment plant for the population of northern Gaza. It will also protect the groundwater aquifer which is currently threatened.



## MOROCCO – WADI SEBOU DEPOLLUTION PROJECT IN FES

Wadi Sebou is one of Morocco's most polluted wadis. This stems mainly from untreated domestic and industrial waste discharge from the city of Fes into the natural environment.

The Water Authority, with financial support from AFD, is implementing a project to depollute Wadi Sebou. The project comprises the construction of an activated sludge wastewater treatment plant for 1.2 million equivalent inhabitants and the implementation, upstream, of a multi-sector industrial depollution program (oil mills, tanneries, breweries, textile plants etc).

The project also aims to reduce greenhouse gas emissions by developing biogas from sludge digestion at the plant.

## THE NEED TO IMPROVE SERVICE MANAGEMENT

In order to meet the Millennium Development Goals it is imperative to ensure the sustainability of drinking water and sanitation services and prevent the deterioration of existing infrastructure. In addition to financing equipment, aid must also contribute to capacity building for stakeholders and institutions within a framework of policies tailored to local socio-cultural contexts.

Water and sanitation services must first be supported by a legitimate public organization accepted by all stakeholders. There is also the need to promote drinking water as a right for all, made available by equitable cost sharing which requires solidarity systems and social tariffs.

Improving services must be a priority for authorities that mobilize multiple partnerships. This requires effective demand-responsive management. There is no one-size-fits-all approach: delegating management to the private sector can sometimes be a solution but it can, in some cases, come up against stumbling blocks. Alternative solutions must consequently be put forward, such as to support existing entities or companies.

A key issue is payment for services. This has both social and economic dimensions. Services which aim to mobilize and distribute water come at a cost. A minimum user contribution means services can be extended, controlled, made sustainable and a balance of power between users and managers can be established. All the examples of "free" water seen up until now show that there is always a cost for the poor who pay a high price for it, or have to resort to unsafe and remote water supplies.

## CAMBODIA - PHNOM PENH WATER AUTHORITY

The Phnom Penh Water Authority is a model of effective public management. Its management indicators are on par with the highest international standards. Such good results means it can now borrow directly from donors. In 2006 AFD allocated a concessional non-sovereign loan to support its investment program. It is also contributing to strengthening the operator's management quality and to financing capacity investments. The City of Paris is providing additional financing, under France's Oudini-Santini Law, for supply extensions via annual aid for social connections.



## AFD'S INTERVENTION STRATEGY: TOWARDS AN INTEGRATED APPROACH

AFD's intervention strategy is based on an integrated approach which combines providing access to drinking water, improving sanitation services and/or hygiene education within a framework of sustainable water management. It aims to provide disadvantaged rural and urban populations with access to water, support strategies to mobilize and preserve water resources and a catching up process in terms of sanitation. This involves a whole host of sectors such as major river management, water control via water storage reservoirs and transfers, natural risk and flood prevention, village water, urban water services, community supply for poor neighbourhoods, sanitation and treatment systems etc.

AFD's strategy targets effectiveness in its financing and the measurement of its impacts. In terms of population ownership, AFD has a widely participative approach which meets requests made by beneficiaries in the field. Finally, it gives priority to programmatic approaches in partnership with other donors.

## CONTRIBUTING TO FRENCH INITIATIVES

Water is a reference sector for public aid and French actors and brings together local authorities, mining and engineering firms, academic research, water agencies, development companies, public or private suppliers and equipment suppliers.

AFD is an active member of the French Water Partnership and is actively involved in furthering ideas and defining France's positions at the international level. It has also extended partnerships with NGOs and city-to-city cooperation on the basis of France's Oudin-Santini Law which provides for voluntary contributions to the water sector.

## FRANCE'S OUDIN-SANTINI LAW, A NEW OPPORTUNITY

The Oudin-Santini Law was published in France's Official Gazette on 9 February 2005. It allows local authorities to allocate up to 1% of their "water" budget to international solidarity actions in the water and sanitation sectors. A specific aim of the law was to allow local authorities and agencies to mobilize and participate in improving access to water and sanitation services.

## MOVING KNOWLEDGE AND IDEAS FORWARD, AN ISSUE FOR AFD

AFD contributes to reflection on how to support water and sanitation sectors in South countries. The following thematics are a specific focus: sanitation, emerging local private sectors, water and health, operations in fragile States, management of cross-border underground resources, water and education.



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Keeping up with urban growth: an issue for water and sanitation services

## A WIDE RANGE OF FINANCIAL PRODUCTS

AFD has a wide range of financial products tailored to its partners' needs: loans to States for mega infrastructure, loans to operators with subsidies for their social activities, local authority financing, bond guarantees to raise local savings, grants to States to support reforms, grants to NGO programs, cofinancing for city-to-city cooperation actions etc. Support for reforms, social connections and sanitation are among priority areas for grant financing.



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Sanitation: a voluntarist approach



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Agence Française de Développement is a public establishment with a mission of general interest: to finance development. As a specialized financial institution, AFD supports projects with economic or social impacts in both public and private sectors: infrastructure and financial systems, urban and rural development, education and health.

AFD today operates in over sixty developing countries and in all France's Overseas Local Authorities via a wide range of financial instruments from grants to market condition loans. It also contributes, in collaboration with its supervisory authorities, to public policy design and France's influence in the development world.

AFD commits, in all its activities, to promote the Millennium Development Goals, at the crossroads of imperatives such as economic growth, poverty reduction and sustainable development which are priorities for France's official development assistance. AFD commitments in 2007 totalled 3.5 billion euros.

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