

# Presentation

Presentation from the 2009 World Water Week in Stockholm  
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**WORLD**  
in Stockholm,  
August 16–22, 2009 **WATER**  
**WEEK**



**Micro-credit for Supporting Water Supply  
Service for the Peri-Urban Poor Populations:  
Experiences and lessons learnt in Burkina Faso**

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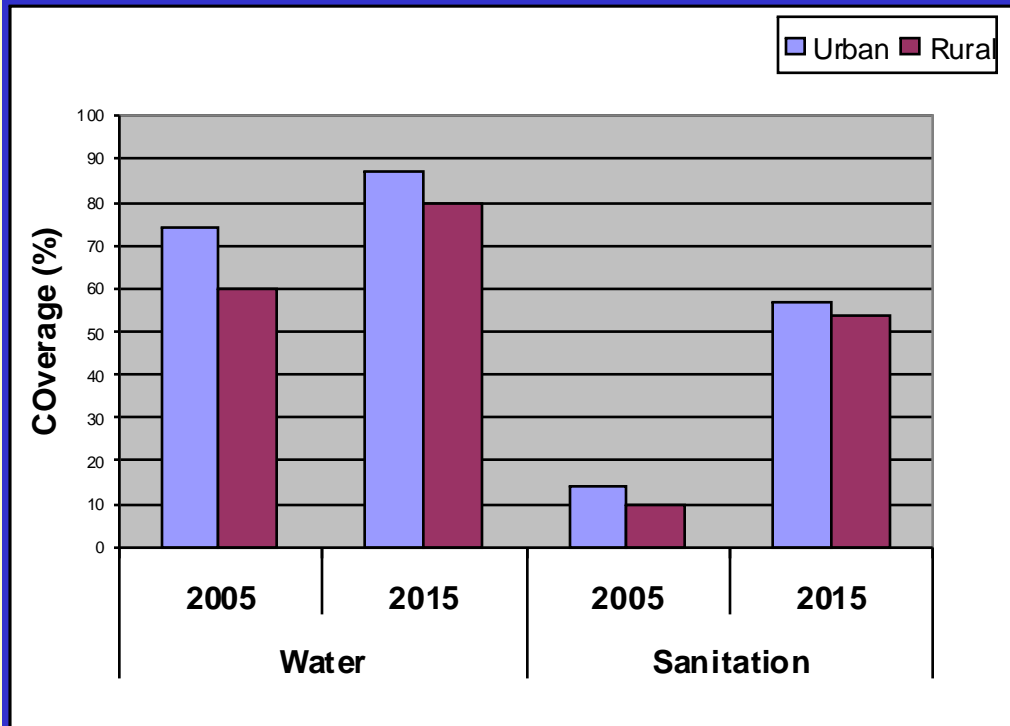
*Burkina Faso*

[www.reseaucrepa.org](http://www.reseaucrepa.org)



# 1. Context of Watsan in Burkina Faso

13.5 millions inhabitants



- National Strategy for improving sanitation
- Sanitation tax
- Strategic sanitation plans for urban areas
- National WATSAN Programme 2015



## 2. Context and objectives of microcredit

- Water Connection Cost : 400 USD → 100 USD
- Water Tariffs (social tariff) : 0.5 → 2 USD
- Conditions of payment : not adapted to low-income households
- Lack of financial mechanisms at micro level for Watsan
- Etc.



## 2. Context and objectives of microcredit

- Creating sustainable mechanisms suitable for low-income households
- **Building/Reinforcing financial capacities to favor the access to Watsan services**
- Contributing to improve the Watsan coverage
- **Attracting MicroFinance Institutions in Watsan**



### 3. Methodology of promoting microcredit : 4 models

- **Community-based Model**
- **MFI Model**
- **NGO Model**
- **Municipal Model**

**Partners:** CREPA, National Water Company, Municipal authority, UN-HABITAT, NGO-ADAE, MFI-URCPB





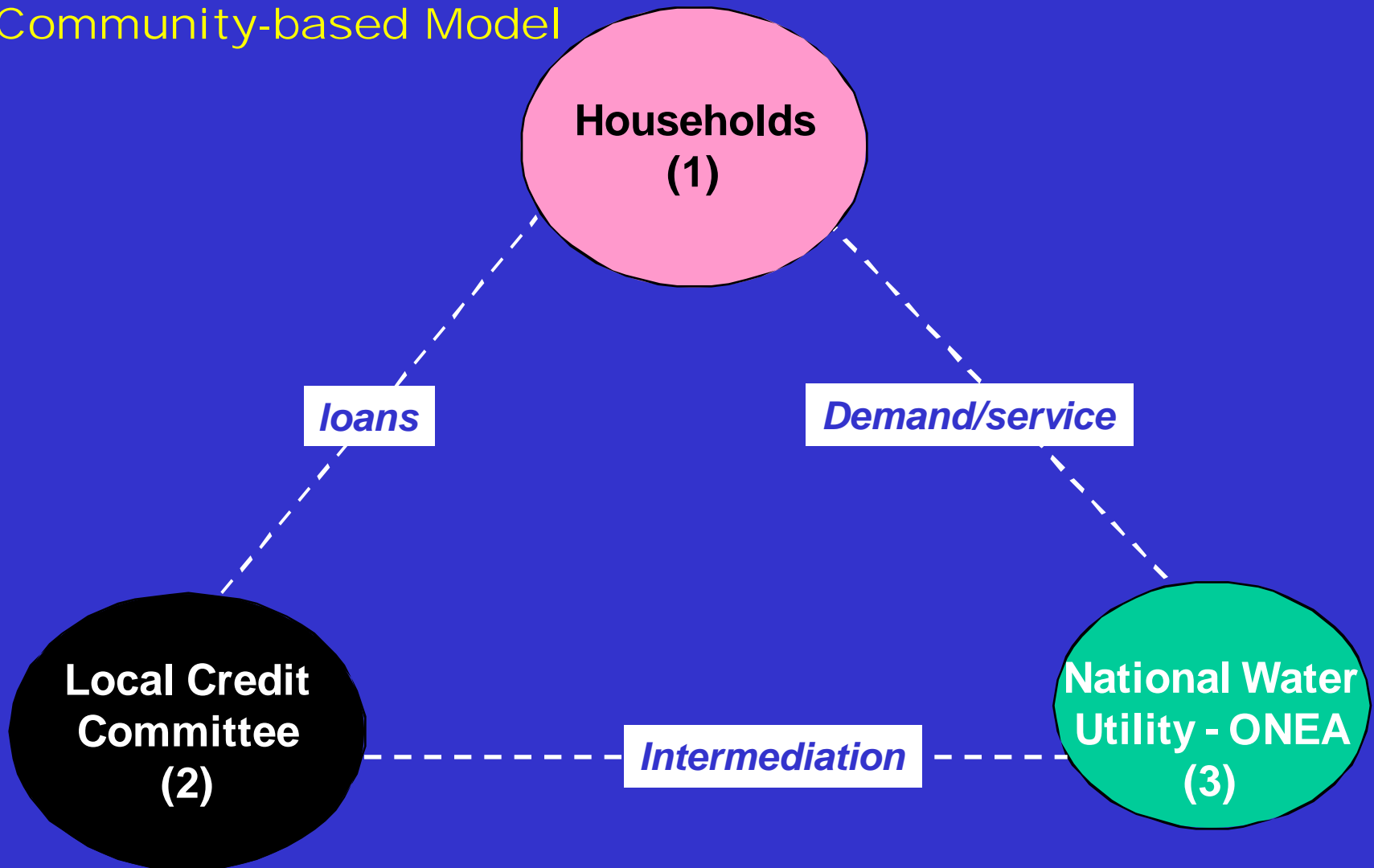
### 3. Methodology of promoting microcredit : 4 models

	<b>Community-based model</b>	<b>MFI Model</b>	<b>NGO Model</b>	<b>Municipal Model</b>
<b>Initial Fund (USD)</b>	16.000	<b>10.000</b>	20.000	20.000
<b>Loan (USD)</b>	<b>100</b>	<b>104</b>	<b>100</b>	-
<b>Pay-back Time (Month)</b>	10	<b>12</b>	10	24
<b>Interest Rate (%)</b>	<b>7%</b>	<b>9.75%</b>	<b>7%</b>	<b>0</b>
<b>Monthly payment (USD)</b>	10.7	<b>5</b>	10.7	-



### 3. Methodology of promoting microcredit : 4 models

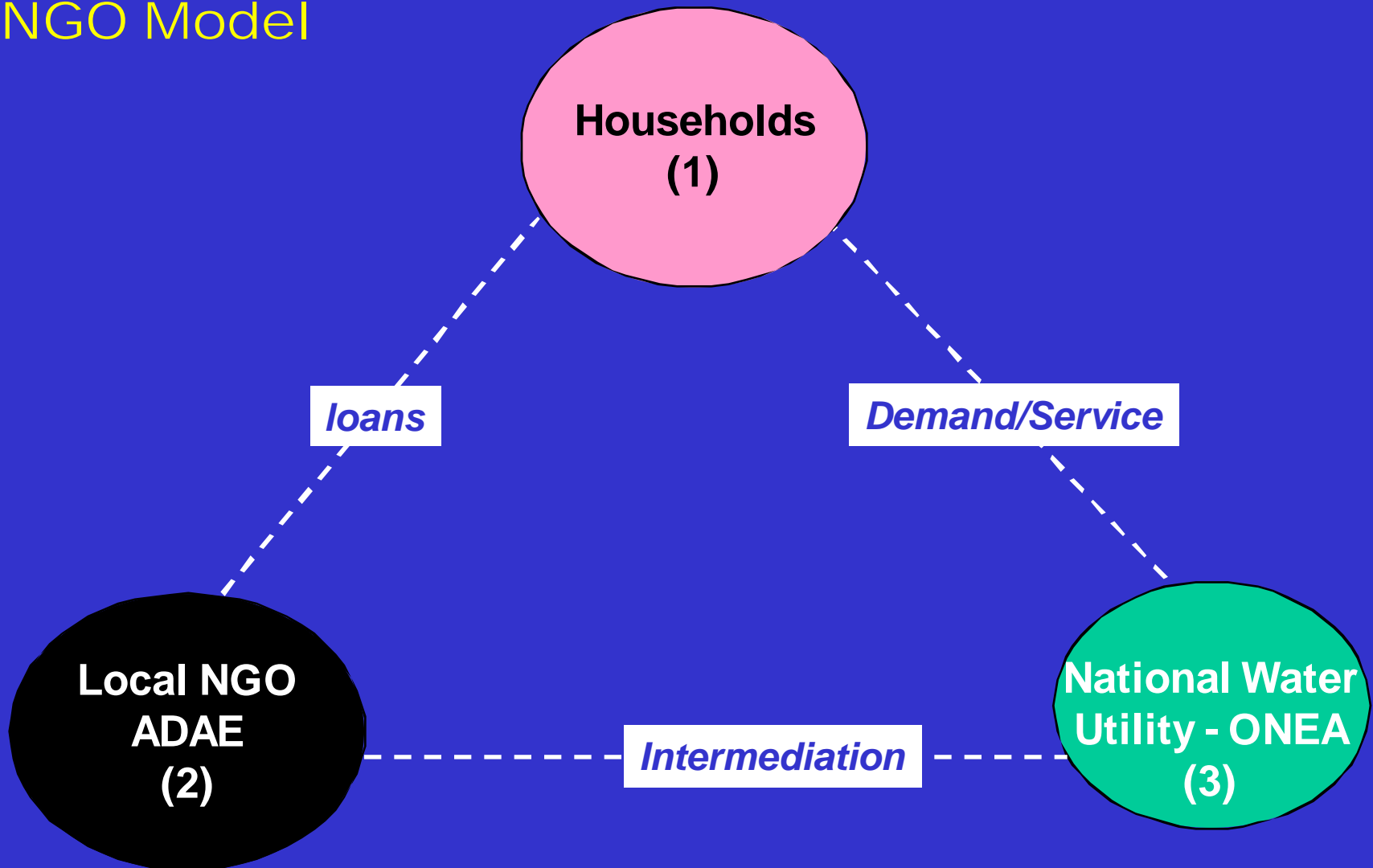
#### Community-based Model





### 3. Methodology of promoting microcredit : 4 models

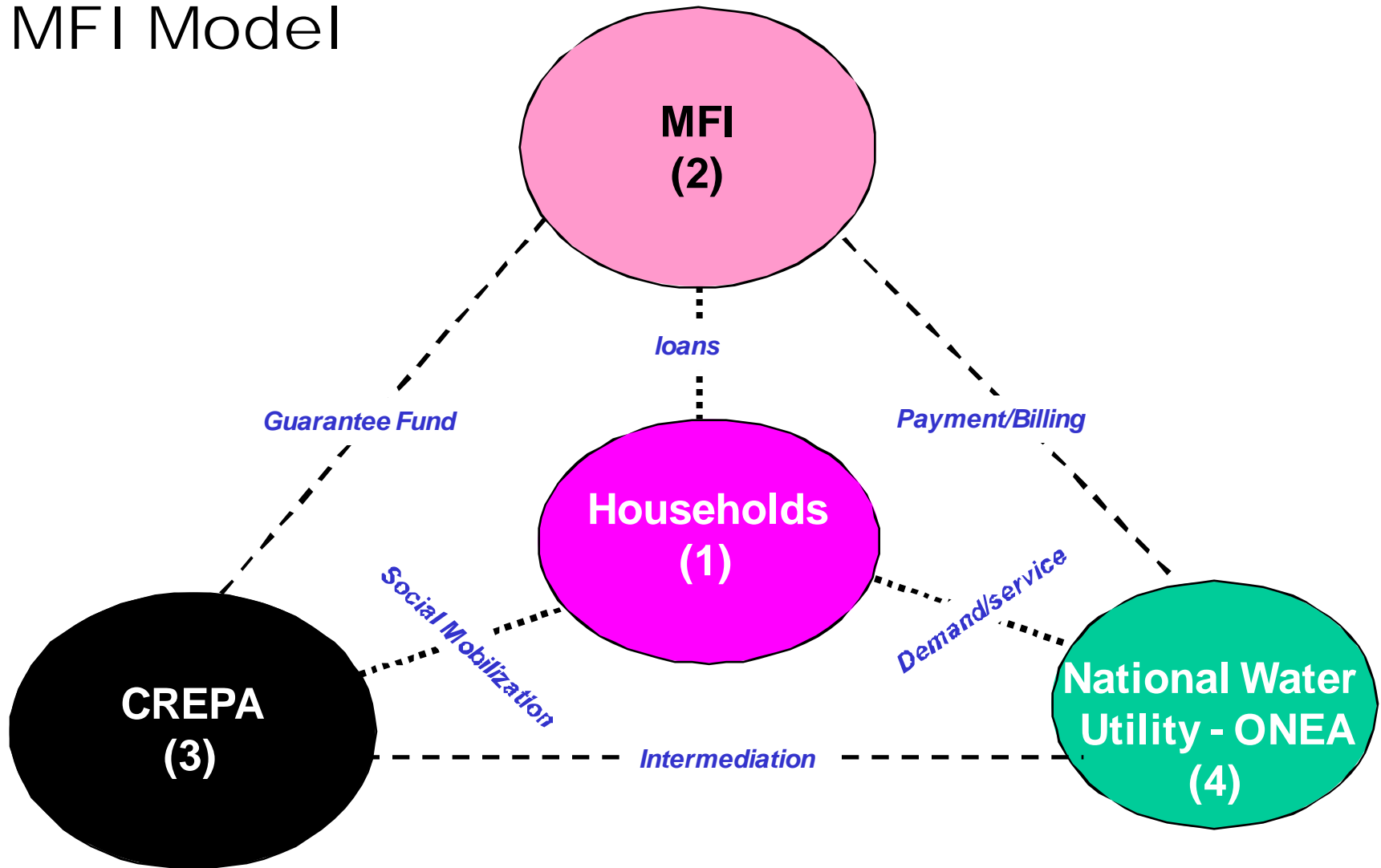
#### NGO Model





### 3. Methodology of promoting microcredit : 4 models

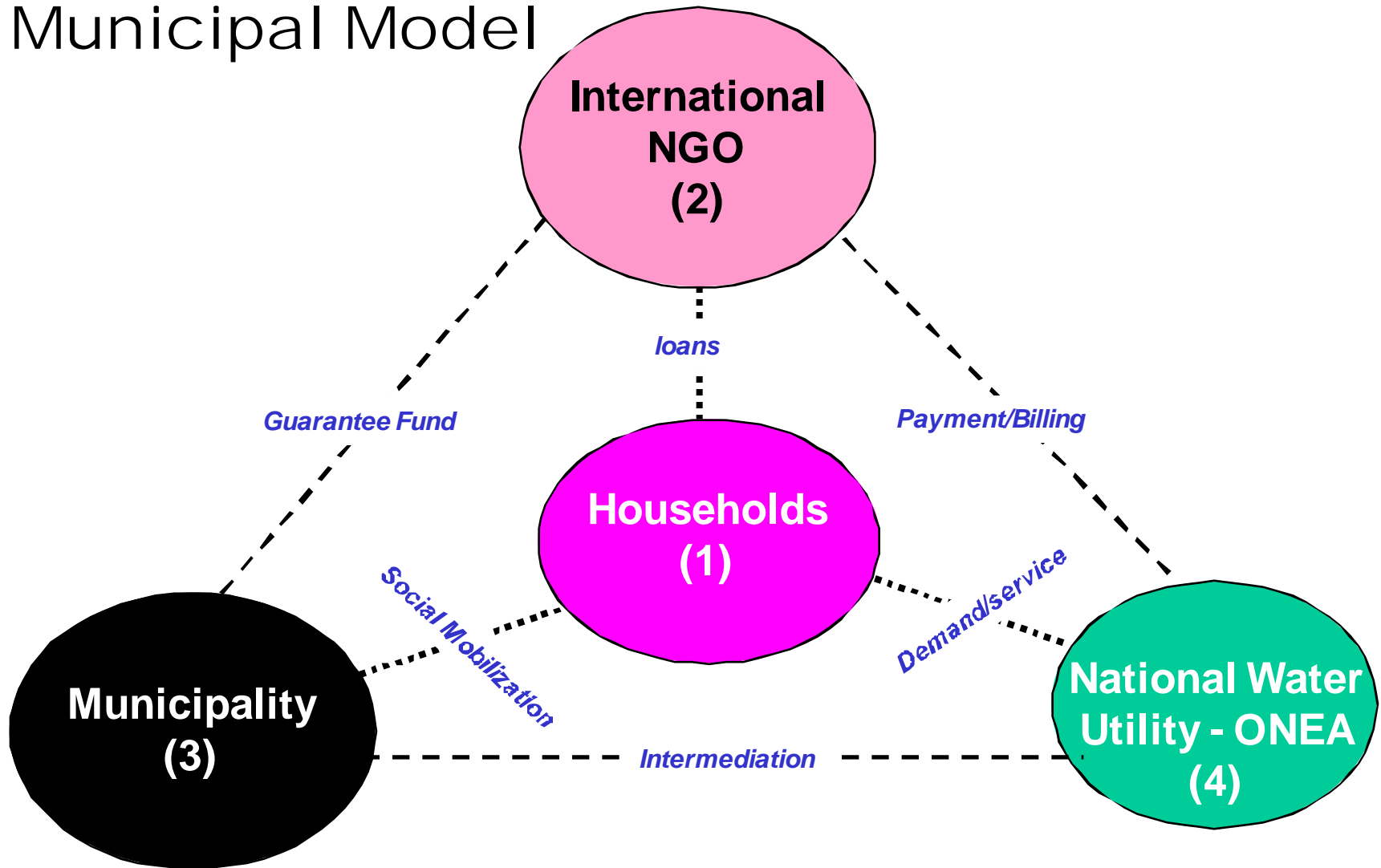
#### MFI Model





### 3. Methodology of promoting microcredit : 4 models

#### Municipal Model



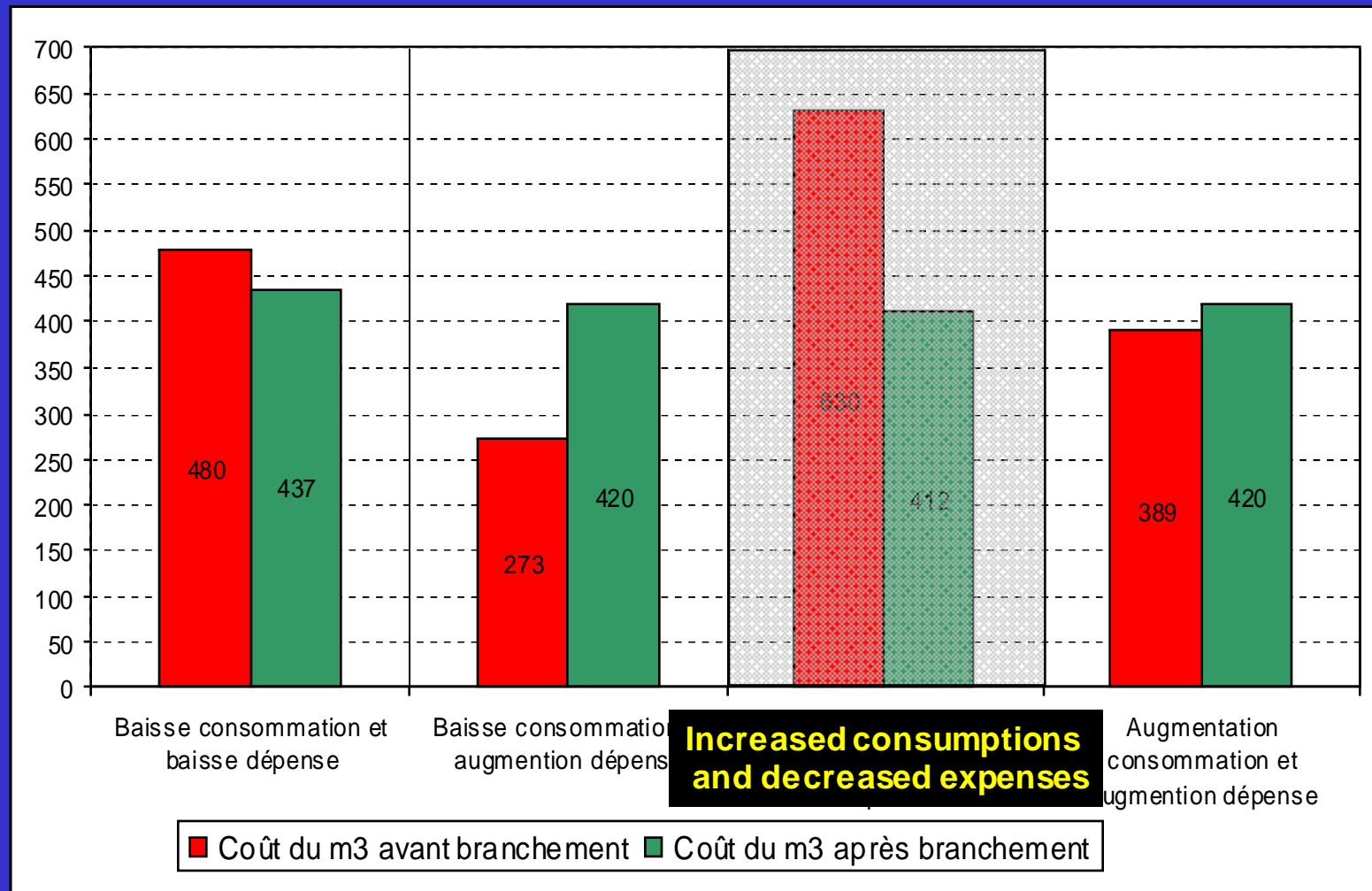


## 4. Main Results

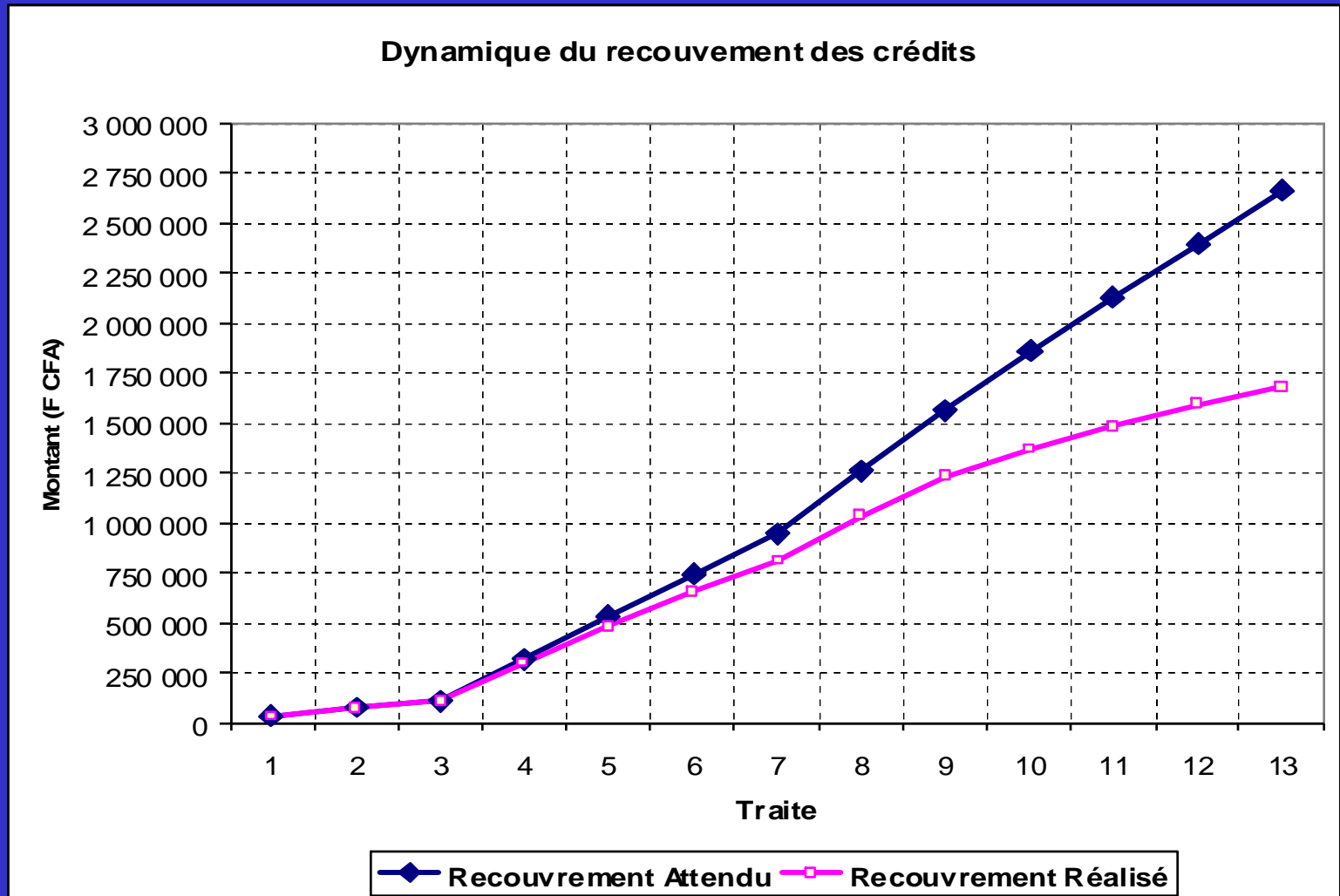
	<b>Community-based Model</b>	<b>MFI Model</b>
<b>Number of demands</b>	<b>245</b>	<b>231</b>
<b>Number of beneficiaries</b>	<b>74</b>	<b>100</b>
<b>Populations connected</b>	<b>740</b>	<b>1000</b>
<b>Recovering Rate</b>	<b>40%</b>	<b>80%</b>

No termination of water subscription ...but some complains due to long period before being connected and ...billing

## • Profile of the beneficiaries



- Dynamic of credit recovering : Community-based model





## 5. Lessons learnt

- Microcredit is an approach adapted and requested by low-income populations
- **Social marketing is a key function**
- Community-based model is problematic
- **Water Utility play a key role : delay and conditions for connecting to water network, billing**
- MFI are interested to develop financial products in WATSAN Sector



## 6. Challenges

- **Extending Pay-back time : 5-10 years**
- **Financing the social mobilization**
- **Decreasing Interest Rate: (MFI > 10%)**
- **Developing a specific financial product for Watsan (by MFI without guarantee fund)**
- **Establishing an enabling Watsan environment (incentives) for the MFI.**



# Thanks for your attention

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