Internal financing mechanisms at village level

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The hunter-gathering approach

Hunter-gathering is a process of rapidly collecting and collating information, experiences and contributions. In a workshop setting, hunter-gatherers self-select a topic they are most interested in championing and work together in groups to produce a short report (2-6 pages) by the end of the workshop – groups and topics will be decided upon on the first day. Each day, dedicated time is given for people to collect relevant information from one another. Over the course of the session the groups self-organise collecting contributions and feeding into other topics. Participants are asked to collect information informally through breaks and meals. They may also like to use the opportunity in plenary sessions to take notes on their particular topic and ask questions to presenters that could help them with their reports. Outputs are action-orientated, with groups asked to reflect on what should be done moving forward and recommendations for policy and practice.

The notes produced are not meant to be polished or exhaustive, and they are not peer reviewed. They are rapid explorations into priority topics, which are written and disseminated quickly in the hope that they will trigger further conversations, debate and interest. As such, they are not for citation.

This methodology is very much a work-in-progress. Comments and suggestions to strengthen and develop the hunter-gatherer process and method, as well as content and structure of the notes would be very welcome. Or if you wish to do a rapid exploration into a topic that interests you, please contact us: clts@ids.ac.uk

In the implementation of the CLTS approach, the organisation, the community dynamics and social norms are all important elements in achieving and sustaining open defecation free (ODF) status. One of the major elements remains the establishment of sustainable and inclusive internal financing mechanisms, which are able to support the needs of all sectors of the community.

1. Problems and difficulties

The difficulties noted in the financing of sustainable sanitation programmes could undermine the efforts made by stakeholders in recent years. Indeed, the predominance of basic latrines makes (ODF) status precarious in high-rainfall, sandy or even flood risk areas. We often see the collapse or the flooding of pits, which leads to a return, temporary or permanent, to open defecation (OD). Difficulties come from various origins and present themselves as follows:

- Approaches commonly used in order to facilitate access of households to improved latrines
are not always inclusive. Indeed, the acquisition of the works requires a substantial prior financial contribution from the household. Thus, low-income households are very often left behind in the implementation of projects/programmes.

- The absence of a line of credit or the high interest rate applied by micro-finance institutions make the purchasing of an improved latrine by poor households and those with specific needs difficult.
- Some households classified as poor or low-income often spend their money on purchasing goods and services more expensive than the cost of a latrine. In fact, most households easily invest money in the purchasing of mobile phones, motorbikes, telephone credit, etc. The purchasing of these goods and services clearly shows what their priorities are in relation to the construction of a latrine.
- Insufficient monitoring of the sanitation financing mechanisms put in place at the local authorities level.

2. Recommended solutions

Taking into account the needs of vulnerable groups requires the establishment of internal financing mechanisms which include a monitoring system capable of ensuring their viability. These mechanisms will be accompanied by social marketing campaigns to help people to understand and take responsibility for their own sanitation, including taking into account the needs of the most vulnerable.

3. Internal financing mechanisms

The following three models are proposed:

**Solidarity funds, an innovation tested by the Global Sanitation Fund (GSF), a programme in Senegal**

The funds are initiated by women, with a collection system during the collective clean-up operations of the village. These collections were first introduced to take into account the needs of the most poorest people, to make it easier for them to purchase a toilet and to make sure that each member of the community has a latrine at its disposal.

After reaching ODF status, the contributions continued and enabled the purchase of improved latrines for anyone who requested one, through a loan system of loan for the buyer and the terms of repayment by equal instalments defined by the committee in charge of the management of the fund (sanitation committee or AVD). However, particular attention is given to persons considered vulnerable (widower, widow, people living with disabilities), and among these, those who are identified by the community as being very poor receive a donation from the fund.

The organisation around the fund has increased social cohesion and helped transform village committees into legally recognised Associations Villageoises de Développement (AVD). In addition to hygiene and sanitation activities, the AVD will act as a gateway for any project or activity targeting the development of the village (sanitation and hygiene, nutrition, agriculture, water, farming, etc.). The multitudes of funds that exist at the village level will be united into one solidarity fund, which becomes the AVD fund with various commissions, including that of sanitation and hygiene, and a bank account is opened on behalf of the AVD. Income-generating activities have been initiated, which help to bail out the fund but also to empower the community, in particular the women community, who, this way, increase their income.

**Revolving funds, which have been tested in Mali by WaterAid NGO**

Revolving funds are allocated to women's groups in order to develop IGAs and market products related to hygiene and sanitation. These funds are repaid over a period of two years, with a zero interest rate. To facilitate access to credit, women's groups gather together and set up cooperative unions. The unions are responsible for the collection and management of loans with cooperatives and act as interfaces between the union's cooperatives members and financing institutions.

In order to make actions sustainable, two meetings are organised to:

- Internally present their know-how and define the minimum requirements to obtain loans.
- Invite micro-finance institutions to present the services available, the terms, conditions, products and services available in terms of access to credit in the short, medium and long term.

Following these meetings, the MFIs, which have been reassured, are committed to bringing to cooperative unions the necessary technical and financial support to develop and market products within the limits defined by the project's stakeholders. In order to secure funds, cooperatives' unions open accounts in partner MFIs, where funds will be held with the cooperatives. The guarantee funds are made available to MFIs through the project and are monitored by the municipal authorities.
Latrine credit, tried in Niger by RAIL NGO

A fund managed by the municipality is set up with the support of a partner so as to facilitate access to latrine for the population by granting credit repayable without interest over a period of twelve months. Loans have enabled beneficiaries to buy the materials and to pay the masons to build a sump-latrine system technically adapted to the geological context. Repayments make it possible to renew the initial fund every year in order to finance new households.

To facilitate the collection, beneficiaries are invited to form a committee of ten members (depending on their affinity and geographic proximity). The committee's treasurer is responsible for collecting and returning loans. The committee is responsible for selecting and paying the mason trained under the project, identifying the suppliers and taking charge of the excavations.

The municipality provides the committee with its dump truck to facilitate the transportation of local materials as well as a pump out system (tank-carts) which serves to evacuate faecal sludge.

4. Support activities

- Strengthening of information and communication activities to achieve behaviour change;
- Establishment of a monitoring system at all levels to ensure the repayment of loans and make activities sustainable;
- Capacity building of elected representatives on the opportunities (mining fund, water fund...) in order to finance hygiene and sanitation activities.
- An advocacy campaign with political and administrative authorities for the inclusion of a column in the budget nomenclature for the municipalities intended for sanitation financing.
- The construction or the renovation of community infrastructures after reaching ODF status in order to motivate the most dynamic villages.

5. Emerging issues

- Isn't it necessary to allocate to municipalities a licence fee on funds derived from the exploitation of multi-villages boreholes in order to finance sanitation?
- Is it possible to think about the establishment of village committees dedicated to water, hygiene and sanitation for village water supply (mini-boreholes), with the aim of integrating the sectors?
- How can the guarantee funds be returned to municipalities for the construction of public lavatories and other commercial equipment?

6. Recommendations

- Apply legislation regarding the use of funds (mining funds, water funds...) made available to municipalities;
- Accumulate and document experiences on the mechanisms set in place to facilitate their scaling up;
- Take into account the financing of sanitation activities in the municipalities' budgets;
- Set up an internal control system in order to detect weaknesses and failures in time.