Solidarity Financing Mechanism in Laos

MIREP Program

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Structure of the Solidarity and Decentralized forms of Funding Session, 19 March 2006
Background of the Country

- Background of the country
  - Population: 5.6 million
  - Urban population: 1.4 million (about 25%)
  - Urban water supply coverage is only about 55%, especially low in small towns
  - Laos is one of the poorest country in the region

- Objective of the MIREP Program:
  - Develop the installation of piped water system in small towns
MIREP Laos, 4 partners:

- **WASA (Water Supply Authority) of Laos**
  - Regulator of the urban water supply industry in Laos
  - Coordination and promotion of private sector in water supply sector
- **SEDIF (Syndicat des Eaux d’Île de France)**
  - The major water utility in France
  - Dedicates financial and technical means for international development
- **GRET (Research and Technological Exchange Group)**
  - A large experience in developing small scale piped water systems with private sector participation
- **The province of Vientiane, where the program takes place**
MIREP: Project and Roles

WASA: Approval, National Supervision, Replication at national level

SEDIF: Financing TA, and subsidies to lower tariff and facilitate the access to the poor HH

Province of Vientiane: Local implementation

The first 2 piped water systems with private sector investment built in Laos

GRET: Program management, technical assistance, communication

6000 persons will soon be served with potable water
Specificities of SEDIF financing (1/2)

• Innovation:
  – SEDIF finances an innovative project with a high potential of replication in Laos and in the region

• Support to decentralisation:
  – SEDIF signs a convention with a province
  – Encourage local decision making process

• Long term commitment:
  – SEDIF has financed the pilot phase (1.5 years)
  – Is going to finance the extension phase (6-8 other projects, 4 years)
Specificities of SEDIF financing (2/2)

• Combination with other resources:
  – Locally, SEDIF brings about 30% funding, the rest is brought by local private sector and users
  – SEDIF helps us to attract other international (including French) funding

• Expertise:
  – SEDIF funding allows the mobilisation of international and local experts
  – SEDIF has provided in house competences to prepare the local contracts
  – SEDIF mobilizes his technical partners
Thank you!

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