



# **MICRO-CREDITS for WaSH & Small Scale Irrigation Services**

**September 21, 2012, Queen of Sheba Hotel  
Addis Ababa**



**Ministry of Water & Energy,  
Netherlands Embassy & COWASH Project**



**Arto Suominen on July 23, 2014 in WaterCredit  
Assessment Review Workshop**

# Step before the workshop

NETWAS training course in July on  
*Micro-finance for Water Supply & Sanitation*  
*Exploring Opportunities for Sustainable*  
*Scaling-up*

- COWASH and Netherland Embassy financed
  - Ato Merga Bekele - ESHET MF
  - Ato Befekadu Kassahun- SNV
  - Woiz. Saba Berhie – ACSI
  - Ato Muluneh Genetu - COWASH





# Workshop finance

- Workshop was organized and facilitated by the Community-Led Accelerated WaSH (COWASH)
- It was co-financed by the Government of Netherland funded CASCAPE project.



# Participating organizations

Plan Ethiopia	Eshet
CoNCERN	DECSI
Oxfam GB	Buusaa Gonofaa
Action for Development	Eshet
IRC	COWASH
RiPPLE	BECSI
SNV	UNICEF
MoA	Netherland Embassy
MoWIE	Finland Embassy
	Terrafina



The workshop was officially  
opened by H.E Ato Kebede Gerba  
from the MoWIE





# Workshop outcomes

- Established MFI/WASH Coordination Committee
- Plan to prepare WASH/MFI framework and situational analysis



# **Joint WaSH/MFI Committee**

## **Committee members**

1. MoWE representative (Chair)
2. MoA representative
3. MoH representative
4. WSF representative
5. Donor representative
6. AEMFI representative

# Action plan of the Coordinating Committee

- Organize the committee
- Present the workshop findings in the DAG water meeting
- Participate in the Supply Chain and MFI workshops
- Establish WaSH/MFI network
- Propose concept paper to implement situational analysis
- Organize 2<sup>nd</sup> stakeholder workshop



# Identified MFI roles in WASH/MUS Implementation

## **Present**

- Providing banking for individual savings accounts
- Providing savings account facility for WASHCO up-front cash contributions in CMP approach
- Providing savings account for WASHCO Maintenance Fund savings
- Transfer of funds to communities in CMP approach
- Providing credit for individuals in WASH/MUS projects

## **In future**

- Providing credit for WASHCOs in WASH/MUS projects
- Providing loans (Micro Banks) for the establishment of Supply Chain Outlets
- Providing commercial credits for WaSH/MUS/energy products
- Providing micro-insurance for WaSH/MUS/energy services

# Other major findings and observations

- Micro-finance in broader term and include banking, insurance and loans
- Micro-credit means only the provision of loan
- Business opportunities for possible credit-products were seen higher in the sanitation sector than in drinking water sector
- Micro-Finance in WaSH/MUS should provide finance for WASH products, WASH insurance, WASH fund transfers and private sector development
- Some MFIs have liquidity problem due to the CBE rules
- Credit for productive use of water is actually used for drinking purpose
- Drinking water supply projects are not seen as attractive credit projects
- MFI “coverage” area is limited to 2 hour walking distance from the MFI sub-branch office
- In order to get credit the water user groups do not need to be legalized

**Thank You**

**[www.cmpethiopia.org](http://www.cmpethiopia.org)**

**arto.suominen@cmpethiopia.org**