

The water kiosk: a VERGNET HYDRO concept

As a result of exchanges and discussions undertaken jointly between the Mali government (the Ministry of Labour and Professional Training, the Ministry of Energy, Mines and Water), institutional players in the water and sanitation sector, users' associations and SOMAHER (its Mali subsidiary), VERGNET HYDRO has designed and developed a new concept, the "water kiosk". This equipment responds to two major issues in Mali:

- The issue of the water service and, more generally, of the efficient and permanent distribution of drinking water to the population.
- The issue of the rural exodus and the creation of activities in exodus areas, providing employment for young people.

The water kiosk, new equipment that is both solid and functional, responds to these needs. The principle, of helping young rural people to install, manage and expand an activity selling a staple such as water and at the same time making it easier for people to have access to a basic service, seems an extremely pertinent concept. The water kiosk has become a development tool and offers young rural people an opportunity to earn money. In the long term, it helps slow down the rural exodus.

Thus, VERGNET HYDRO and SOMAHER have invested time and technical, human and financial resources in developing the "water kiosk", which is their own concept. Its turnkey sale is based on:

- A specific technical system consisting of a 2000 liters storage reservoir installed on a 2m-high metal mast equipped with a distribution rail with

3 taps and a 1 m³ covered soakwell for waste water, combined with a VERGNET Hydro India or HPV-60 hydraulic force pump.

- A unique service and expertise, which contribute to the long life of the system in two ways: firstly through the know-how brought to the recruitment of the young managers, their comprehensive training and the monitoring and support; and secondly the 2-year manufacturer's warranty, which gives them peace of mind while they pursue their apprenticeship and get established.

In these conditions, the estimated operating accounts for the water kiosks show that, based on known operating costs for this type of installation and realistic assumptions of water sales, two managers can be employed full time. A fixed-price maintenance package allows good control over expenditure and therefore sales uncertainties can be compensated for. As a result, the operators' remuneration can be estimated at 720 to 1,440 Euros / year, which is 30 to 60 Euros / month, for each of the two managing partners.

This water kiosk concept was officially presented on 10th July 2008 at the 1st "job fair" organised by the Mali government. It got a very favourable reception and a pilot project proposing the installation of 5 units has even been launched. Potentially, this means that more than 15,000 water points can be installed, in the short term, leading to 30,000 jobs being created and 7.5 million people benefitting from local water points drinking water, a real water service, permanent control over water quality and the guarantee of long-lasting access.



Through this programme, VERGNET HYDRO has made a long term commitment to contribute to Mali's Economic and Social Development Programme ("Programme de Développement Economique et Social"), but a number of organisations in various countries are already interested in this concept.

A brief glance at our "Mother Company", which has just won a historic contract in Ethiopia

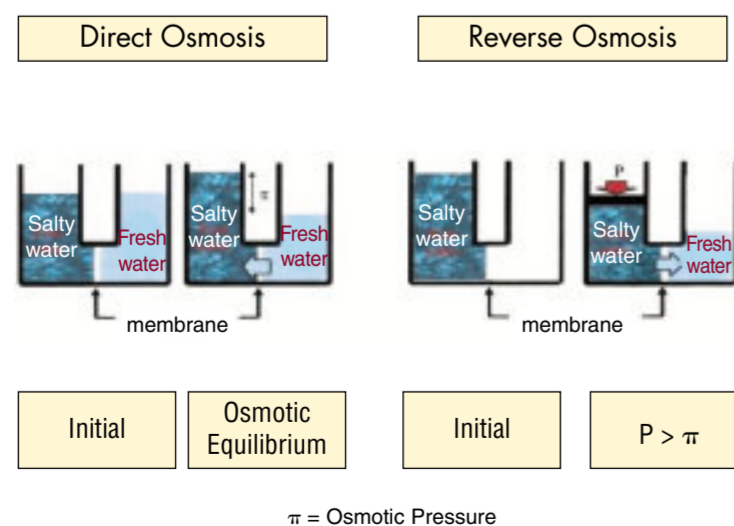
Vergnet SA, the only manufacturer of wind-turbines in France, is going to install a major wind farm in Ethiopia. They have won a 210 million contract to build what will become the largest wind farm in sub-Saharan Africa, at Mékélé (about 780 kilometres north of the capital Addis-Ababa). Through this contract the Ethiopian national power company (EEPCo) has purchased 120 one-megawatt wind-turbines from the Vergnet group. The wind farm will be fully operational in three years time, with the first phase, which concerns the installation of 30 units, due for completion in 2009.



Photo source: <http://extranet.vergnet.fr/Communication>

Desalination

VERGNET HYDRO's research and development team are currently working on a wind-powered seawater desalination system. This technology combines a 15-kilo-watt GEV 10 Vergnet wind turbine with an inverse osmosis unit, which can produce upto 10m³ of fresh water a day. As a reminder, the inverse osmosis process consists of the hyperfiltration of a solution through a semipermeable membrane, which separates the initial fluid into filtrate (water with most of its salts removed) and concentrate (effluent containing the salts retained by the membrane) under the effect of a pressure greater than the osmotic pressure.



New staff members

- **Christophe LEGER**, Polytech'Orléans engineer, with a specialization in geological engineering, joined VERGNET HYDRO in January 2008.

Former director of ANTEA's international department, his career began in sub-Saharan Africa as an expatriate project manager on rural water supply programmes.

At the head of the technical and development department, he is in charge of managing the new products marketed by VERGNET HYDRO and the company's deployment in new geographical markets.

- **Mohammed KHALLOUF**, operator, joined VERGNET HYDRO on 5 May 2008 after working for more than 18 years in the installation and commissioning of bakers' equipment nationally and internationally for MATFOUR.

- **Mikael DUPUIS**, graduate of ISTOM (FR) and holder of a Masters in Agricultural Economics and Management (NL), joined VERGNET HYDRO in Burkina Faso in May 2007.

He first acquired experience as a projects manager in Mozambique for a Dutch group.

He is now in charge of monitoring VERGNET HYDRO's projects in Burkina Faso, and in particular he coordinates the actions of our subsidiary, FASO HYDRO, carrying out contracts.

- **Claire PERRIARD**, assistant, joined VERGNET HYDRO on 29 September 2008 after ten years working in the banking/insurance, audit and pharmaceutical sectors.

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Editorial

Supplying drinking water to populations living in rural or semi-urban areas must become even higher in our list of priorities.

Indeed, while forecasts present alarming confirmation of the scale of urbanisation in the years to come, in 2030 40 % of the world's population, nearly 3 billion people, will still be living outside large metropolitan areas.

The Millennium Goals statistics, which combine the rural and urban sectors, do not show this "abandonment" of the rural world.

It is known that more than 75 % of funding in the water sector goes to urban areas. Indeed, it is much "easier" to supply towns than rural areas: per capita investment is much lower and installation time is much shorter.

Consequently, if more than 75 % of resources are targeted at urban areas that means that the coverage rate in rural areas is decreasing since, far from improving living conditions for the rural populations, we are not even managing to keep pace with the natural population growth.

Isn't this encouraging a process that in reality we want to discourage?

By developing rural areas we could in fact limit the exodus to the large cities. We must, as a matter of urgency, take notice of this and do everything we can to offer rural areas and semi-urban centres the conditions under which opportunities for economic activities can emerge. This would mean that the village could offer its inhabitants the means of living with dignity and raising their children. They would then stay there instead of going to the town, where they believe life would be better.



Basic services, i.e. water and power, are therefore priorities.

The technological responses vary depending on the context. This is why VERGNET HYDRO has developed, firstly, a complete range of human-powered pumps to handle all types of local conditions, in particular great depths, and secondly a range of reservoirs for supplying water to small centres of population. This technological aspect is combined with studies to try and find employment solutions for the rural areas. The Water Kiosk is a good example of this, and so is delegating the management of small networks.

In the same spirit, we have also decided to expand our operation to all continents. Other situations give rise to other problems and we are working on technological solutions suited to them: desalination powered by wind turbines, water treatment systems, etc.

The fight for the rural world has to escalate and VERGNET HYDRO is making sure it is ready.

Thierry BARBOTTE
Managing Director

Millennium Goals (MDGs): what progress at the mid-point?

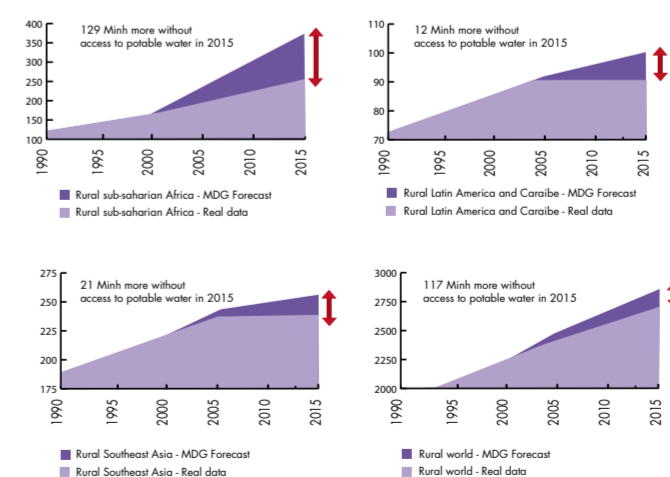
In September 2000 every Member State of the United Nations adopted the Millennium Declaration, setting goals for the well-being of populations to be met by 2015.

What progress has been made to date, at the mid-point of this programme?

In 2007 the United Nations published a report that presented the most comprehensive worldwide evaluation of the MDGs based on reliable indicators calculated from 2004 national data. Unsurprisingly, it shows that the ratification of the MDGs has instigated an "unprecedented level of commitment by developing countries and their development partners" but that "the results are (...) uneven".

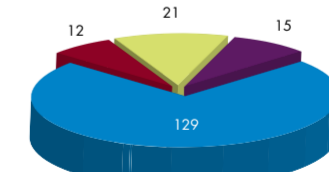
Even though, in their speeches, access to drinking water is a major preoccupation for the governments, for the countries in which VERGNET HYDRO operates, reality would earn them a red card. This can be seen in the following graphs:

THE GAP BETWEEN MDGs AND ACTUAL TRENDS



Source for 1990-2004 data: 2007 MDG report, United Nations - UNDP; Human Development Report 2007/2008 - Projections: VERGNET HYDRO

Gap of potable water supply in 2015 (in millions of inh) compare to MDG



keeping up. At the rate at which the programmes are currently being carried out, scarcely 50% of the rural population will have access to drinking water in 2015, even though the MDGs specified 70% coverage.

So what can be done? Accelerate the movement, of course: that means encouraging the richest countries to increase public development grants, working with governments to improve the implementation of projects through joint measures, making the procedures for granting contracts easier, and putting in place control procedures that are concise yet effective.

Let us not forget that, with the sustained economic growth that the richest countries have experienced over the last 25 years, our generation is the first in history that can cut poverty in the world by half with a commitment of 0.7% of the donor countries' GNP.



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All design, fabrication, distribution, installation and maintenance services for VERGNET HYDRO hydraulic systems are ISO 9001 version 2000 certified.



Visit by the President of the French Republic

The Head of State, Nicolas SARKOZY, visited the VERGNET Group in the context of the implementation of the "Grenelle de l'Environnement" (Grenelle Environment Forum)* on 25 May 2008. Accompanied by Mrs. Christine LAGARDE, Minister for the Economy, Industry and Employment, and Mrs. Nathalie KOSCIUSKO-MORIZET, Secretary of State for Ecology, the President of the French Republic toured all departments of the VERGNET Group, and was able to meet all the employees.

The visit by the Head of State ended with an informal speech in front of the VERGNET Group's 250 employees, during which he emphasised the Group's dynamism due to its strong international presence and the fact that it has always supported sustainable development.

Indeed, this year VERGNET SA, which designs and manufactures wind turbines, is celebrating its 20th birthday, and some of the earliest hydraulic pumps were installed more than 30 years ago!



* With reference to the agreements of the 1968 Grenelle, the "Grenelle Environment Forum" is a programme developed and initiated by the Head of State. Its aim is to put sustainable development at the heart of every French company so as to respond in particular to the issues of climate change, preserving biodiversity and preventing the effects of pollution on health. For more information, visit the site <http://www.legrenelle-environnement.gouv.fr>



Burkina Faso

first country in sub-Saharan Africa to test this new procedure. It offers a number of advantages: it saves time for the future users, since a new call for tenders does not need to be launched to select the operator; water distribution starts as soon as possible after the work has been accepted; and there is a greater guarantee of the quality of the work, which benefits the financial backers, contracting authorities and users.

Indeed the operation of the network is directly linked to the quality of the equipment. The underlying goal is to ensure the durability of the investments and provide continuity of service for the populations' drinking water supply. This contract constitutes a veritable challenge for VERGNET HYDRO. It is at the intersection of significant changes in Burkina Faso's water landscape: strengthening partnerships between private companies and territorial collectivities, assisting the very young communities in their new duties with regard to their citizens, helping the State to transfer expertise in its services to the local authorities, and implementing an innovative water network management system. There will be an initial review of this project in one year, and we hope that this proactive approach will be adopted by other countries.

Major Drinking Water Supply Projects in 2008

Niger

In the context of the programmes that Niger has launched to reach the Millennium goals, at the beginning of 2008 the BP SOLAR/VERGNET HYDRO/Franzetti consortium won what is without doubt the largest small scale water project ever to be carried out to date in West Africa. The goal of this project, financed by the European Development Fund, is to set up a water conveyance network providing drinking water to 106 villages in the regions of Tahoua and Maradi in Niger in a record time-scale of 24 months.

To do this, the consortium must supply and install:

- 106 solar-powered photovoltaic pumping stations (380 kWp),
- 106 Vergnet RSR-type water towers (with a capacity of 10 to 100 m³),
- Approximately 120 km of pipes and 400 standpipes.

With regard to this project, it should be noted that our responsibility extends beyond the final delivery date. In effect, thanks to the VERGNET HYDRO subsidiary VERGNET NIGER, which will propose preventative and corrective maintenance contracts to the operators, our commitment will be a long-term one.



Niger



Guinea

As part of an ambitious Rural Water Programme in Upper Guinea ("Programme d'Hydraulique Rurale en Haute-Guinée": PHR-HG) financed by the African Development Bank, VERGNET HYDRO has been awarded a contract to realise 6 complete solar-powered Water Conveyance Systems for SNAPE.

The work is in progress and will see the practical application of a range of technologies and expertise on the part of VERGNET HYDRO and its partners: all the sites will be equipped with on fill water tanks and powered by photovoltaic generators supplied by PHOTALIA, a "sister" company of VERGNET HYDRO, thus showing the beginning of real synergies between the companies of the VERGNET Group.

Burkina Faso

In the context of the programme applying the policy reforming the management system for the infrastructures supplying drinking water in rural and semi-urban areas in Burkina Faso, VERGNET HYDRO has signed a major contract for the construction of 6 water conveyance networks and the renovation of another one. The original feature of this contract is the fact that the company is carrying out the work and it is also committed, from the call for tenders stage, to operating the networks for at least 7 years. Burkina Faso is the

New Partners

In 2008, at the same time as these major contracts were signed, VERGNET HYDRO obtained a number of contracts in Southern African countries: Madagascar, Angola, the Democratic Republic of Congo (DRC) and Burundi. This demonstrates the pertinence of the diversification operations undertaken in these areas.

Always with the aim of offering, in the long term, a better service by building on the proximity of the beneficiaries, VERGNET HYDRO:

- Is strengthening its position in water applications
 - in West Africa with a new partner in Togo, the ECM company, whose expertise in the field of electrical¹ and hand pumping is widely recognised in Togo. It also has experience in water supply networks projects in several countries in the sub-region.
- Is ensuring success, outside Africa, for its policy of geographic diversification in Asia and Latin America, through 2 new partners:
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With 4,900 pumps and 130 reservoirs sold, 2008 marks a record in the history of VERGNET HYDRO.

¹ Pumps for fresh water and waste water (drinking water, sanitation, industry)



Vergnet Hydro continues its deployment efforts in South America

In 2007, VERGNET HYDRO took its first steps in South America, in Peru. In this country, which has the strongest economic growth in Latin America, access to drinking water remains a problem not just in the countryside but also in the peripheral areas around the large cities, which on their own are home to more than 50% of the population. In May 2008, VERGNET HYDRO participated in the Expo' Francia 2008 exhibition, which took place during the Latin American States - European Union summit. SEDAPAL (the Water Company serving Lima and Callao), a benchmark company in the water distribution sector, installed a first pedal pump and demonstrated in the field that, solely using arm or leg power, it was possible to pipe up the precious liquid high up to where houses had been built on steep hillsides with no access to a distribution network. The VERGNET hydraulic pump will thus allow thousands of people living in Lima's outlying districts to be supplied with water. Since then, SEDAPAL has carried out an inventory of all Lima's wells.

Building on this initial experience on the South

American continent, VERGNET HYDRO is prospecting in other Andean countries where conditions are similar to those in Peru. Contacts have been made in Ecuador with administrative authorities in charge of housing development. In this country regions are also faced with real water supply problems. People get their water from rivers whose water is polluted by activities upstream, often mining. The alternative is water trucks carrying raw water drawn from the streams and untreated, which supply the villages with no guarantee of quality or quantity.

In order to find a solution to the problem of the drinking water supply in the country areas, VERGNET HYDRO has joined with a local partner to offer Ecuadorians solutions that are adapted to their needs.

Lastly, VERGNET HYDRO is moving into the Colombian market by taking part, via the French Pavilion, in the international trade fair at Bogota - FIB 2008. France is the third ranking investor in this country, whose economic results, international experts agree, are improving.

Activities in Asia

VERGNET HYDRO has been present in Asia since 1993 (Vietnam and Cambodia) and has always maintained close links with its representatives in this zone. As a result, during the tragic events that followed the December 2004 tsunami in Indonesia, VERGNET HYDRO and its local partner were able to meet with the various NGOs mobilised in the area to give them the benefit of their expertise and work together to develop the affected area.

In addition to this single example, and as part of VERGNET HYDRO's business expansion policy, a number of contacts have been made in Asia and especially in the Philippines, where the Asian Development Bank has its headquarters, in order to discuss and examine our respective visions for sustainable development with regard to water in the rural Asian sector. These initial discussions have been very fruitful and could foreshadow good prospects for VERGNET HYDRO. This has led us to take part in a number of trade shows so that we become better known.



Communities at the heart of a development project

Like many African countries, Burkina Faso has engaged in the democratic process following the famous speech at La Baule / France in 1990. Decentralisation, opening the way to local governance, features prominently in its constitution, adopted on 2nd June 1991. This is why, gradually, local elections led in 1995 to the first communities, known as urban communities, being formed.

In 2006 Burkina then underwent an overall process of communalisation with the setting up of rural communities. The creation of a Delegate Minister responsible for Territorial Collectivities testifies to Burkina Faso's commitment to making decentralisation a route for grass-roots development and local governance.

In December 2007, Burkina Faso organised a conference in Ouagadougou on Franco-Burkinabe decentralised cooperation with the theme "The contributions of decentralised cooperation players to the development of territorial collectivities". About 200 representatives from French territorial collectivities, twinning committees, organisations and players involved in decentralised cooperation at the local or national level took part in this event.

This is concrete evidence of the fact that in Burkina Faso local governance is working and emphasises the fact that each community should develop cooperative relationships with towns in the Northern Hemisphere with a view to establishing mutually beneficial relationships.

The basic needs of Burkina's rural communities are in the social area: food safety, drinking water & sanitation, health and education. Until these needs are fully met, achieving the harmonious development of our communities will be difficult, not to say impossible. That is why, as part of its campaign to reach the MDGs in 2015, the Government of Burkina Faso initiated the National Programme for the Supply of Drinking Water and Sanitation ("Programme National d'Approvisionnement en Eau Potable et d'Assainissement": PN - AEP) in 2006. The basic principle underlying the implementation of the PN-AEPA is to boost the involvement of rural

communities in the local management of drinking water and sanitation projects. Finance is provided by a joint basket fund from several backers.

To this end, any project or organisation that wishes to invest the AEP sector must fall within the framework of the MDGs and operate in accordance with the PN - AEP directives.

As an example, with funding from the European Union from 2008 to 2010, Eau Vive (an international NGO created in 1978 and based at Montreuil/France) is implementing the Drinking Water and Sanitation for Sustainable Human Development Project ("Projet d'Eau Potable et d'Assainissement pour un Développement Humain Durable": PEADHD) in two (2) rural communities in the Yagha province/Sahel region of Burkina Faso. The request for support was made by the communities and Eau Vive prepared and obtained the financing for the project. The PEADHD thus falls within the scope of the realisation of the Millennium Development Goals (MDGs) and is therefore carried out in accordance with the PN - AEP directives.

The two communities are the key players in carrying out the main actions of the PEADHD:

- Assisting each community to draw up and implement its local AEP Community Development Plan ("Plan Communal de Développement sectoriel AEP": PCD-AEPA), which forms a reference document for its com-

munal policy regarding drinking water and sanitation,

- Assisting the communities to install and/or renovate hydraulic facilities (boreholes and wells) to supply drinking water and water for growing vegetables,
- Strengthening the abilities of the local elected officials in local governance with regard to AEP (local governance management and literacy).

The main aim of the PEADHD is, ultimately, for both communities to be able to carry out the project management themselves for various drinking water and sanitation operations, i.e. initiating and setting up the projects; finding financing; and carrying out, monitoring and evaluating the projects planned in the PCD - AEPs. This is a major goal to be met by assisting the communities of Mansila and Tankougounadié to develop decentralised cooperation partnerships between the communities of the northern and southern hemispheres. In connection with this, Mansila and Tankougounadié have launched a call for proposals for twinning - cooperation projects to communities in the northern hemisphere (Europe, America and Asia).

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Quality control of the "baudruches"



Very rigorous checks mean that a 3-year warranty and a 15-year statistical working life can be offered. This inspection comprises a number of steps:

- Checking the dimensions and traceability at the manufacturer.
- Examination by VERGNET HYDRO's receiving department.
- Carrying out a lifespan test on a test bench.
- All "baudruches" are inspected visually when the pumps are assembled.
- Traceability of shipments: the serial number of each "baudruche" shipped is recorded, together with the destination project and country.