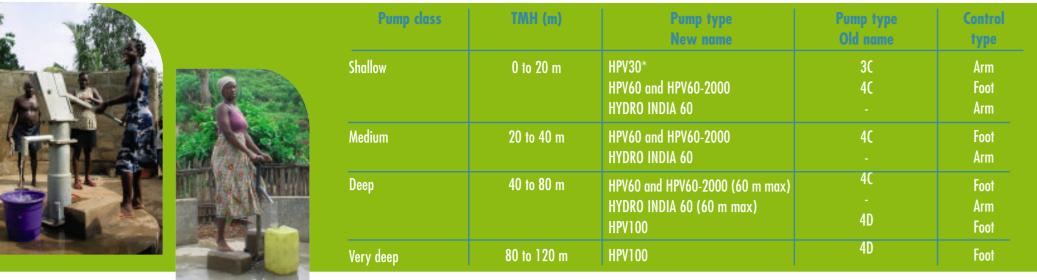


### The current range of pumps

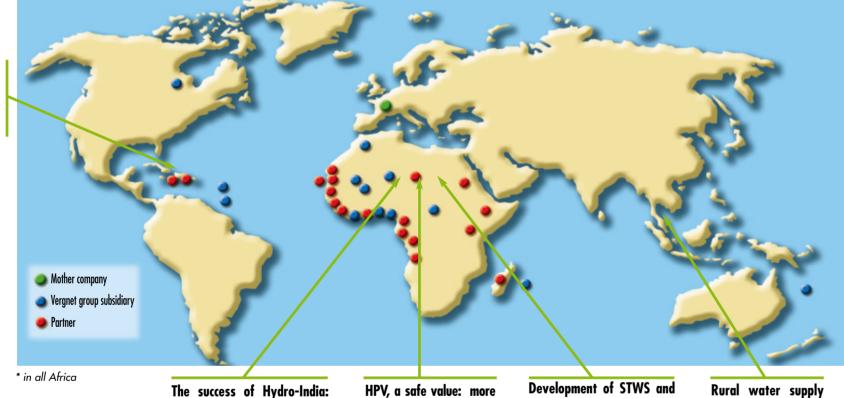


<sup>\*</sup> Does not exist in reverse option



# VERGNET HYDRO developments and consolidations in 2006

The first innovative projects in the Caribbean (Haiti and the Dominican Republic)



than 70 000 equipped



### VERGNET HYDRO, our team

**Thierry Barbotte**, managing Director, former Manager of the BURGEAP international department. He joined VERGNET HYDRO in August 2004.

almost 1 000 units installed \*

Etienne Decherf, deputy managing Director Jean-Michel Chabriais, sales Manager

Frédéric Aresté, project leader
Jean-Philippe Dubois, project leader
Dominique Bouzerma, project leader
Philippe Nicolas, project leader

Stéphane Delamare, technical Manager

Corinne Pellé, ATV (Water conveyance and treatment) assistant

Brigitte Goronflot, HPV (Hydropumps) assistant
Jean-Charles Collin, Management accounting

Thierry Laneurie, draughtsman





unipole water tanks : at

least 100 villages equipped

by the end of 2006 3

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

expanding in Asia

## VERGNET HYDRO



### newsletter



Millennium development goals

The water conveyance and treatment range

The current range of pumps

Vergnet Hydro developments and consolidations in 2006

Our team



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### Editorial

Welcome to the world of VERGNET HYDRO, subsidiary of VERGNET SA.

I wanted to restart VERGNET HYDRO's newsletter as it was in the 1990s.

We have so much to say and so much to learn in this immense adventure to control potable water in the rural world, and its expectations, ambitions and disappointments.

During 30 years, we have battled alongside our African and European partners, consulting engineering companies and financial backers to spread a doctrine for rural water supply throughout Africa.

And this doctrine works quite well, regardless of what "Cassandras" and doom mongers would have us believe: villages are provided with appropriate structures such as user associations, management committees, etc.

They learn to save, manage and sell water. Pumps are maintained. Spare parts are available. Craftsmen are trained. Pumps are at least partially manufactured locally.

I can confirm the success of these last 30 years of efforts: the average age of installed VERGNET pumps is 16 years, they now supply more than 70 000 villages and more than 80% of them are in operation.

Figures for some other pumps are similar.

At the moment, a tremendous motivation in Africa and throughout the international community led by the NEPAD "New Partnership for Development in Africa", and the millennium development goals oblige us to:

**Be ambitious:** This is essential when attempting to achieve the aim of making potable water and sanitation available to half of the world population that does not have it today, within 10 years.

I hope that history will reward the success of such an achievement, but there is also a danger of fragmentation if this vital need (potable water) is not satisfied.

**Be imaginative:** We have been setting the "seeds for success" during the first period of rural water supply, over the past nearly 30 years. Results can now be seen all across Africa, at manufacturers and operators level in the South and North, in consulting engineering companies, administrations, governments, and lenders.

They are called:

#### DELEGATED MANAGEMENT:

Privatization of maintenance is the only way to assure long term operation of infrastructures and consequently the long term supply of a high quality service.

New private African operators are emerging. They form part of a new generation of rural African technicians, salesmen, managers and contractors.

#### **TECHNOLOGICAL INNOVATION:**

African men and women build using African techniques, rather than using techniques imported from the North as has often been the case.

**DECENTRALIZATION:** Decentralization will make it necessary for programs and projects to be organized and implemented on large regions. It is only in the last few years that the rural world has had the opportunity to defend its interests and control its own local and regional development. For me, this is the biggest message of hope for Africa.

THE PUBLIC / PRIVATE PARTNERSHIP: Massive public / private cooperation is the only way to achieve the ambitious objectives of the Millennium. It will provide a means of associating the dynamics of private industry and respecting the concept of a public service. The "financial lever" effect will increase the extent of programs.

**REFORM:** Legislation, regulations, legal and regulatory frameworks suitable for a public/private partnership need to be developed. A genuine institutional reform needs to be initiated

### A NEW COMMITMENT MODE AND IMPLEMENTATION OF PROGRAMS AND PROJECTS:

We need to innovate and be bold.

It is essential to commit and release funds quickly for worthy projects.

A procedure is necessary based on trust, objectives, results, and a posteriori rather than a priori control, etc.

A new public/private partnership is necessary between proactive Northern and Southern operators working in cooperation, to reveal a new operational and economic interaction.

Make a commitment: I will be part of this adventure. I make a commitment for myself and VERGNET HYDRO. This ambition is shared by thousands of men and women who no longer want to wait.

We should not be content simply to ask: "when does the millennium begin?".

It is now

We can never learn to swim if we do not dive in... to action.

The NEPAD's Short Term Action Plan (PACT) encourages us to be bold, enterprising and adjust our aim through the use of pilot projects.

We should remember the lessons in humility that Africans have given us. Thus an image I received from farming communities in Burkina Faso during my very first development projects remains with me, and is more in the news now than ever before: "Do not talk to us about this treasure, because we and our children will believe in it, and it would be awful if you cannot give it to us".

Let us make a reality of our promised budgets so that political will in Africa and the international community is not simply a mirage of solidarity.

We have all promised.

#### Marc VERGNET

Président



Veiled reference to the past

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# Millennium development goals

Objective 7 "Achieve a sustainable environment", paragraph 2: "Halve the percentage of the population that does not have long term access to potable water supply"

### **Ambitious objectives**

An important factor towards achieving the objectives is the capability of mobilizing funds (an average of 3 to 4 billion dollars per year for rural Africa for 10 years) and to set up financing at the same time. At the same time, it will be necessary to assure that investments are durable by identifying economically viable management systems. We must not reach 2015 to find that only 30% of the objectives fixed in 2000 were achieved, nor to find that what has been done since 2000 is no longer operational and therefore has to be rehabilitated.

Despite the amounts involved, the international conference held in Paris on April 1 2005 to achieve the millennium development goals for water and sanitation in

400 Million people

300

200

100

rural Africa showed that the commitment of funds is apparently not a major problem, although access to these funds might be. Considering all International Financial Institutions (IFIs), existing project financing procedures are incapable of releasing funds at a fast enough rate. Another problem is the ability of the client to absorb such a sudden and massive input of funds in a single sector.

Therefore, it is essential to find innovative mechanisms capable of increasing fund release rates, and consequently infrastructure construction rates in the field while guaranteeing long term investments and thus sustainably achieving the fixed objectives. In particular, these mechanisms could form part of a public-private partnership combining the vitality of private enterprise with the guaranteed permanent presence of public services through the involvement and control of local communities, namely the owners.

### **Proposals**

In 10 years, 30 billion dollars

2007 2008 2009 2010 2011 2012 2013 2014 2015

One solution could come from the definition of turnkey projects with a commitment to results by contractors, within a well-defined framework. This DBL (Design - Build -Lease) approach has been used successfully in Asia but not yet in Africa.

To face this challenge, VERGNET HYDRO would like to increase its proximity and reactivity by creating a regional subsidiary with outlets in the different countries.

VERGNET HYDRO could then get involved in DBL type setups. A SISIB (Company for Investments and Services in Basic Infrastructures) type of management structure would be created in which VERGNET HYDRO would be a partner alongside

- mic studies of water supply systems, carried out by a consulting engineering company on behalf of the owner,
- → A 10 to 15-year commitment by the SISIB, according to the business plan
- Possibly SISIB participation in financing the project, for 5 to 10% of its cost,
- → A reform of call for bids procedures designed to
- Setup projects based on obligation of results, speed, quality and durability of the structures, rather than means and a

Obviously, the existing field network (repair craftsmen and stores) would be maintained and even extended.



potential investors involved in development.

In order to offer a **guarantee** to each participant (beneficiary, IFIs, owner, SISIB) and to assure economy **viability**, setting up such a management mode requires:

- Preliminary technical and socio-econo-
- $\odot$  A commitment by the owner that remains to be defined but that is based on the above mentioned studies, related to known financial means of the populations concerned,
- based on the studies,

- priori checks,

- A greater margin of maneuver available to the private sector, particularly allowing the SISIB to organize and program the work with its partner com-
- In general, reframing of calls for bids towards financial and management aspects rather than purely technical aspects
- Local acceptance of this type of reform so that the administrations or communities concerned will enable transfer of responsibility towards the private sector while strengthening their role as owner, for example in the choice of partners.

Over the years, VERGNET HYDRO has developed technologies adapted to the African rural environment. VERGNET HYDRO produced the water pump for use in the villages, and then turned towards the supply of small towns and the development of different water network components, taking care to develop them with future users taking account of constraints specific to the rural world - water tank, pumping windmill, solar chlorinator, vertical shaft pump, etc.

At the moment it appears clear that techniques are well controlled, together with the

networks



implementation, but management of systems in the long term is inadequate.

All previous experiments carried out by VERGNET HYDRO in terms of management of water supply systems in the different countries in Africa (Burkina Faso, Central Africa, etc.) now put it in a position to offer innovative and sustainable management modes such as DBL.

The non-exhaustive conditions listed above would enable the commitment of DBL type procedures on large numbers of systems so as to satisfy geographic priorities defined by the different governments, by setting up a genuine sustainable dynamic public-private partnership.



### **Pumping windmill**

Water tank



#### Solar chlorinator



### Vertical shaft pump





The water conveyance

and treatment range

Long life valve, volume meters

for pre-payment, etc