

# **Changing the Focus of Lending**

## Catalyzing Water Investments to the Rural Poor and Small Towns

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# **Cities Can Look after Themselves:**

## Rural Populations Need Assistance

- Most investments go to cities
- Cities can afford to build and run 24 hour water supply services
- Cities such as Chengdu, Shanghai, Phnom Penh and Tashkent show what is possible

## **The Rural Poor Do not Have the Economic, Institutional or Political Capabilities to Meet their Needs**

We need to build the capacity of community, government, and NGOs at the local level to ensure that the poor and women benefit from water-related actions

## **Water Is Fundamental to the Lives of Rural Communities**

### **3 key areas for action:**

- Rural water supply, hygiene promotion, and sanitation
- Water for production and sustainable rural livelihoods
- Prevention and mitigation of water-related disasters in rural areas

## **Development Assistance Can and Does Help the Rural Poor Meet their Needs**

- Investments in water supply & sanitation, small-scale irrigation, watershed conservation, disaster mitigation etc
- Build capabilities and empower the poor in rural areas and small towns
- New ideas and technologies

## **Focusing on rural areas and small towns**

- has greater poverty reduction impacts
- will contribute to reaching the MDGs
- gives us more bangs for our bucks

## **How can we make this work?**

### **Two Fold Challenge**

- Increase the flows of investments to small towns and rural areas
- Improve the quality and effectiveness of existing and new projects

## **We Need a Streamlined Process of Designing and Implementing Participatory Rural Investments**

### **They should:**

- Target what aspects of the needs of the poor we are focusing on
- Define criteria for selecting investments, prioritising what to support
- Make sure we put our policies into practice.

## **The key is:**

- partnerships to catalyse pro-poor investments and scale-up successful local solutions
- to put the principle of common but differential responsibility into practice

## **Conclusion**

**Invest where  
the needs are  
greatest**

