

## Glossary Sustainable Water Fund

<b>Access to safe drinking water and sanitation</b>	Providing access to safe drinking water and improved sanitation in households, but also in institutions such as schools, combined with attention to hygiene, has a significant impact on health, and therefore productivity. It is important to prevent failure of systems and to pay attention to water quality at household level. Wherever possible, water management and environment will be used as the framework for the management of drinking water supply, sanitation (including solid waste), sewage, and drainage. Women and girls deserve special attention because they are often responsible for the drinking water and because they have special needs regarding menstrual hygiene.
<b>Application</b>	Completed and signed application form, including all mandatory annexes.
<b>Applicant</b>	The party that submits the grant application to the SWF on behalf of the partnership. This organisation is at all times the point of contact for RVO.nl. Both Dutch and foreign parties can be applicant.
<b>Business</b>	This includes businesses or enterprises. An enterprise is any kind of entity that pursues economic activities, no matter how the entity is financed. Economic activity involves the supply of goods or services on the economic market. Entities that engage in economic activities on a 'not for profit and not for loss' basis can also qualify as a 'business' in the partnership.
<b>Business case</b>	The assessment and reasoning of an enterprise to commence an activity (a product or a service), which includes a cost benefit analysis (often documented in a business plan or operating model). This also includes the way in which a company generates profit from these products or services.
<b>Child labor</b>	The definition of child labor has been codified in international treaties, drafted by the International Labor Organisation (ILO). It regards children who do work that is mentally, physically, socially, or morally damaging or dangerous and that interferes with the normal schooling of the child. The treaties set rules on the minimum age of children to be allowed to work (ILO Convention 138) and define the worst forms of child labor (ILO Convention 182). ILO Convention 138 prohibits children younger than 15 years old and children that are subject to compulsory education from working. Summer jobs and chores at home after school are allowed. In less developed countries, the minimum age is sometimes 14 years old. ILO Convention 182 bans the employment of children younger than 18 years old in unhealthy, unsafe, and immoral work.
<b>Efficient water use</b>	To improve water use in irrigated and rain fed agriculture, and make it more sustainable. Efficient water use will allow for a sustainable increase in the production of food and production crops. It will ensure the preservation of natural resources and allow for higher resilience of the food supply to the consequences of climate change. Additionally, it

will lead to an improvement in the lives of small farmers, laborers, fishermen, and people working in animal husbandry, with special attention for women.

**Financial sustainability**

All the activities that are supposed to continue after the termination of the PPP need to be financially durable. This means that the projects should be able to continue without the subsidy of foreign donors.

**Forced labour**

The ILO defines forced labour as work that is performed under coercion or under the threat of punishment and for which a person did not apply of free will. Forced labour also includes forced overtime and overtime that is necessary in order to achieve the minimum wage. An employee must feel free to refuse to work overtime. Other forms of forced labour are bonded labour, payroll deduction, deposits, and the seizure of identity papers.

**Government/Public inst.**

The entire body of centralized and decentralized government parties (the state, province, municipality, or any other local form of this). Also semi-governmental parties can be part of the partnership as a 'public' institution. This often regards institutions that perform judicial tasks or serve the public good and that are financed by public money. In the water sector, this also includes oversight institutions.<sup>1</sup>

**Hardware (HW)**

Capital that is used during the production process, like machines, buildings, and installations (this also includes potential computer software). Goods that only last for one production cycle or goods that depreciate within one year, will not be classified as investments in hardware, but rather as operational costs and are thus not eligible for subsidies.

**Improved river basin management and safe deltas**

The sustainable management of river basins aims to ensure that all water using groups (households, fishery, agriculture, industry, hydropower, and nature) have enough water and that this water meets the quality standards – while sustaining natural resources. The theme 'improved river basin management and safe deltas' also aims to create a safe living environment by preventing disasters such as large floods. It allows for regulation and mitigating the consequences of climate change.

**In-kind contributions by local governments**

These can consist of the deployment of human capacity in the project and/or investments in hardware, such as (resources for) facilities or infrastructure. From a sustainability-perspective, the in-kind contribution of a local government party in the form of capacity is not eligible for subsidies.

**Knowledge institution**

Knowledge institutions are teaching and research facilities that contribute to the exchange of knowledge. In order to qualify as a knowledge institution, these activities should be part of the core activities of the institution (independent research, knowledge transfer),

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<sup>1</sup> Exceptions for the SWF:

- (Dutch) drinking water companies are defined as 'companies' despite the fact that they receive public financing. This is the case because they have a specific added value to the PPP.
- The Ministry of Foreign Affairs (headquarters and embassies) also forms an exception. This department functions as the financier of the PPP-facility water, but it will not play an active role in the subsidized partnerships. The Ministry of Foreign Affairs will, however, in cooperation with AgNL, act as a broker between the different departments, the water sector, and the network of embassies. This is done to create synergy between the different instruments and institutions.
- Knowledge institutions are part of the partnership based on their core tasks (independent research and knowledge transfer), regardless of whether they are part of the government or not.

regardless of whether the institution also performs economic activities or is a part of the government.

**Labour costs**

This refers to direct labour costs: The gross income according to the salary table that is established by the Collective Bargaining Agreement (CBA) that applies to the individual contract. It also includes a vacation bonus and an end of the year bonus that is independent of the generated profit. Additionally, other employers' costs directly associated with the employee's contract (as mandated by the applicable laws) are included in the direct labour costs: the employer's part of the pension contribution, unemployment premium, health care insurance, etc.

**NGO**

**(Non-governmental organisation)** A social organisation without the aim of making a profit; 'not for profit'. This party must be registered as such.

**Own contribution**

The part of the overall project budget that will be financed by the partners themselves. The required own contribution of the applying partnership has been set as at least 40% for the subthemes Drinking water/Sanitation/Hygiene (WASH) and Efficient water use in agriculture. The own contribution for projects in the area of water management and Safe deltas has been set as at least 30%. Half of the own contribution can be sourced from other subsidies (not coming from the Ministry of Foreign Affairs) and of finances of not-for-profit organisations. This means that respectively 20% and 15% of the overall financing must be derived from business partners in the project.

**Partnership**

The parties that will jointly implement the project. For the Sustainable Water Fund, the partnership needs to include at least one public institution, one company, and one NGO. A knowledge institution can be a partner. At least one of the parties must have legal standing according to Dutch law and one party must be from the country where the project will be implemented. Dutch parties must be registered at the Dutch Chamber of Commerce (Kamer van Koophandel). Foreign parties must be registered at a similar (local) institution<sup>2</sup>.

**Partner country**

One of the 15 countries that has a bilateral cooperation relation with the Netherlands. See Annex 1 of the subsidy decision for an overview of the different partner countries.

**Poverty reduction**

The OECD<sup>3</sup> defines poverty as a person's inability to fulfill their economic, social, and other human capabilities. Poverty reduction thus focuses on the empowerment of people in order to allow them to fulfill their economic, social, and other human capabilities.  
<http://www.oecd.org/dataoecd/47/14/2672735.pdf>

**PPP**

A Public Private Partnership is a collaborative venture involving, on the one hand, one or more government bodies and, on the other hand, one or more non-profit-making organisations from the business sector or parties which are intent on implementing common objectives through

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<sup>2</sup> Multilateral organisations can participate in the partnership as a knowledge institution or an NGO.

<sup>3</sup> Organisation for Economic Co-operation and Development, OECD, 2001 The DAC guidelines, Poverty Reduction.

activities, such that each of the parties delivers part of the necessary input and bears part of the accompanying risks (according to art. 10.1 Subsidy Arrangement MoFA).

<b>Private party</b>	See 'Business'.
<b>Project</b>	The whole range of activities for which an FDW application has been submitted. The project consists of investments in hardware and technical assistance and is described in the application and the associated project proposal.
<b>(Project) budget</b>	The amount of investment that is required for the implementation of the project for which the FDW grant is requested.
<b>Project proposal</b>	Attachment to the application form in which the project is described according to a standardized, mandatory model.
<b>Proselytism</b>	A desire to convert people to your beliefs.
<b>Self-reliance</b>	The extent to which the target group is capable of solving its own problems and is less dependent on aid. See also 'Sustainability'.
<b>Subsidy recipient</b>	The organisation to which the subsidy is awarded. In this case the main applicant to the partnership.
<b>Sustainability</b>	<p>The (contribution to) sustainability of proposed projects will be judged according to the FIETS-criteria:</p> <p>F (financial): The extent to which the projects can be continued without any subsidy of foreign donors;</p> <p>I (institutional): The extent to which the project is embedded within the local institutional systems, procedures and policies, and the capacity of the local Project partners and governments (knowledge transfer);</p> <p>E (ecological): The extent to which the projects contribute to the long-term availability of natural resources, climate resilience, and a healthy environment.</p> <p>T (technical): The degree to which the technologies match the local situation and needs, are of good quality, affordable, and operationally sustainable.</p> <p>S (social): The extent to which activities are socially and culturally acceptable and with positive results for the most vulnerable groups of society (for example: women, indigenous peoples).</p> <p>Projects must comply with the rules – in proportion to the risks – regarding International Corporate Social Responsibility (OECD Guidelines for Multinational Enterprises 2011)<sup>4</sup>.</p>
<b>Target group</b>	The specific group of people that is the subject of the partnership's activities. Target groups of the SWF include poor households, farmers, fishermen, vulnerable groups, local SMEs, and local officials.

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<sup>4</sup> Geeft invulling aan motie Dijkers (32505/27), alsmede motie Ferrier (32605/45) en El Fassed (32605/34)

<b>Technical assistance (TA)</b>	TA includes activities such as project management, training, certification, legal and architectural consulting services, etc. This is the part of the project budget that is not spent on hardware and other goods.
<b>Theory of change</b>	A methodology whereby the long-term goals are defined with respect to a preferred situation, after which the necessary process of change is identified. Here, the assumptions and logic (causal relationships) between results in time will be described in order to explain the proposed approach to the problem (the intervention).
<b>Track Record</b>	The past accomplishments of the applying organisation and its partners.
<b>Vulnerable groups</b>	Groups in society with a heightened risk of poverty and social exclusion compared to the overall situation. Most of the time, these groups are less capable of dealing with changing circumstances in the context of disasters, stress, or economic shocks. Vulnerable groups include poor households, women, children, the handicapped, homosexuals, and indigenous people.