

The Problem

A large proportion of the neighborhoods in the outer, “second belt” of greater Buenos Aires suffers from high levels of poverty. Within this area of approximately 1,650,000 people, 64% live below Argentina’s poverty level. In general, this population lacks urban infrastructure (sidewalks, paved roads, drainage systems), has little access to utilities (gas, water, electricity), and experiences high levels of health problems associated with poor living conditions. Although there is a high demand for goods and services within this area, there is a general lack of companies willing to do business there because of the perceived investment risks. Similarly, many of these families find it difficult to acquire credit in formal markets or can only do so at exorbitant interest rates. As a result, it is extremely difficult for the poor in Buenos Aires to purchase the materials necessary to improve their quality of life.

The Solution

Within this context, FPVS works to ameliorate the discrepancy between supply and demand in poor areas. FPVS’s strategies focus on creating incentives for private businesses to invest in poor communities and helping the local population borrow money so that they can afford to purchase necessary goods and services.

FPVS does this through the creation of a common mobilizing event capable of letting investors decrease their risk-premium while also allowing the neighbors to better organize in order to save money and fulfill their financial obligations.

Since 2000, we have started a new improvement program in five neighborhoods in the Cuartel Five area (Moreno county), building natural gas lines as well as the corresponding connections to individual properties. This project has its base in the community management of a trust fund financed by FONCAP and the World Bank, with the repayment of the loan being financed by the savings garnered by the switch from propane cylinders to gas lines. With a net investment of \$ 1,720,000, the program benefits around 3,600 families.

This investment has allowed for the creation of 70,000 meters of external piping and 2,600 internal home connections in four years. Savings from fuel substitution have cut costs by a factor of four, as each neighbor now spends approximately US\$45 as opposed to US\$200. After the initial investments are repaid, this saving has a direct impact on family budgets. It is estimated that the savings generated will increase real family incomes in the neighborhood by a full seven percent¹. The project also has an important impact on health and wellness by decreasing respiratory diseases and increasing the quality of cooked food.

Aside from the infrastructure, this methodology leaves a capacity for increased social capital through the renewing of trust among neighbors (bonding social capital) and with outside

¹ Based on an annual income of \$441,000

actors (linking social capital). In order for this capacity to be utilized, new instruments are required to organize demand (neighbors committees) and supply (trust funds).

Although the project has been highly successful in bringing gas to family homes, there remains a need to connect community buildings such as schools, medical clinics, daycares and shelters. These community centers are often neglected by the public sector and it is difficult to find private individuals willing to pay for the gas connections to these buildings. Consequently, FPVS has decided to focus its efforts on bringing gas to these vital community centers. Your donation will help us bring heat to classrooms and doctor offices during winter months, hot and more nutritious meals for school children, and improve the overall quality of life in these neighborhoods.

Why gas?

Replacing propane cylinders with a natural gas network provides a number of advantages, including:

- The living conditions of families improve considerably. Hot water and heating are readily available, and it allows a healthier and more efficient way of cooking food.
- A gas network can also generate savings by eliminating the use of the more expensive, combustible forms of gas: the portable cylinders cost 4 to 10 times the amount more than gas that comes through the gas line.
- There is no longer a dependence on individual gas cylinders which are unreliable and need to be refilled regularly. This provides the inhabitants with a greater level of comfort and security in the sense that they no longer need to go out to buy cylinders or have to worry about running out of gas.
- Increase in house prices.
- Health risks are significantly reduced, respiratory related illnesses in particular.
- Gas is an eco-friendly form of energy that reduces more carbon monoxide emissions compared to firewood, coal, and kerosene.
- For those families who do not have a document of ownership, formal gas payments are a step forwards towards a legitimate claim of house possession.



“Comunidad Organizada”. The public services cooperative that was formed after the first gas project as a result of FPVS’ effort to unite the community.



Natalie Stuard, next to her new gas line.



Inauguration of the first gas project



Inauguration of the first gas project



Training the neighbors how to be leaders of the gas project.



Groundbreaking for the external gas network.



Extending the gas lines