

# Water.org

## AID PRIORITIES

The primary organizational goal of Water.org is to stimulate and catalyze investment in water supply and sanitation (WSS) access in developing countries and to raise awareness of and investment towards water supply and sanitation finance for achieving SDG 6. Water.org is dedicated to helping solve the global water crisis through making capital for WSS affordable and ubiquitous to those living at the base of the economic pyramid.

Water.org partners with carefully selected local financial institutions to design, pilot, and scale affordable water and sanitation loans. Water.org provides technical assistance and small grants where needed. Initiatives like WaterCredit help bring the expert resources needed to provide small loans to those who need access to affordable financing to make household water and toilet solutions a reality. It is a pay-it-forward system that makes it possible to help more people in ways that will last, as repaid loans can be lent to another family in need of safe water and sanitation. Water.org also partners with water and sanitation providers to enhance their capacity to obtain financing in order to expand as well as improve service delivery for their customers.

In 2018, Water.org had an organizational budget of US\$ 28 million, all of which was devoted to the WASH sector. Priority countries for WASH development cooperation include Bangladesh, Brazil, Cambodia, Ethiopia, Ghana, India, Indonesia, Kenya, Peru, Philippines, United Republic of Tanzania, and Uganda.

Water.org maintains its headquarters in the United States and currently has offices in Bangladesh, Ethiopia, India, Indonesia, Kenya, Peru, and the Philippines.

## WASH PROGRAMME TARGETS/ OUTCOMES

Over 2014–2018, Water.org reached more than 17 million people with improved water and sanitation facilities and services across 17 countries. The organization has mobilized more than US\$ 1.4 billion in capital from financial institution partners and borrowers through its WaterCredit initiative. In doing so, it has also pioneered a financing model that others can adopt to reach more people over time and the principles of which can be adapted to finance larger-scale utilities and WASH social enterprises.

Water.org aims to reach 60 million people with access to safe water and sanitation over a five-year period from 2018 to 2022, with the following projections of people that will be reached with improved services and facilities (in millions): India (21.6), Bangladesh (6.9), Ethiopia (0.9), Kenya (2.5), Uganda (0.7), Ghana (1.0), United Republic of Tanzania (0.9), Indonesia (10), Philippines (7.5), Cambodia (4.6), Peru (3.0), Brazil (1.0), Mexico (0.2). At a minimum, basic levels of services are to be provided, with an assumption that some of these services will be safely-managed. Water.org targets the base of the economic pyramid in its efforts, which the organization defines as people living on US\$ 6 per day or less.

## WASH STRATEGY/ACTIVITIES

Water.org works towards universal access to water and sanitation through multiple layers. At the grassroots level, the organization works with local financial partners to help them establish microloans for low income households to finance the toilet that they want or to connect to a local water supply. At regional and national levels, the organization works with governments, the financial sector, and other involved stakeholders to ensure that institutional and/or policy barriers to financing for water and sanitation are removed. At the global level, Water.org contributes to sector dialogues to draw large-scale visibility to the need for innovative financing solutions to the water and sanitation crisis.

### ADDITIONAL INFORMATION

1.7 million loans disbursed through WaterCredit in 2018.

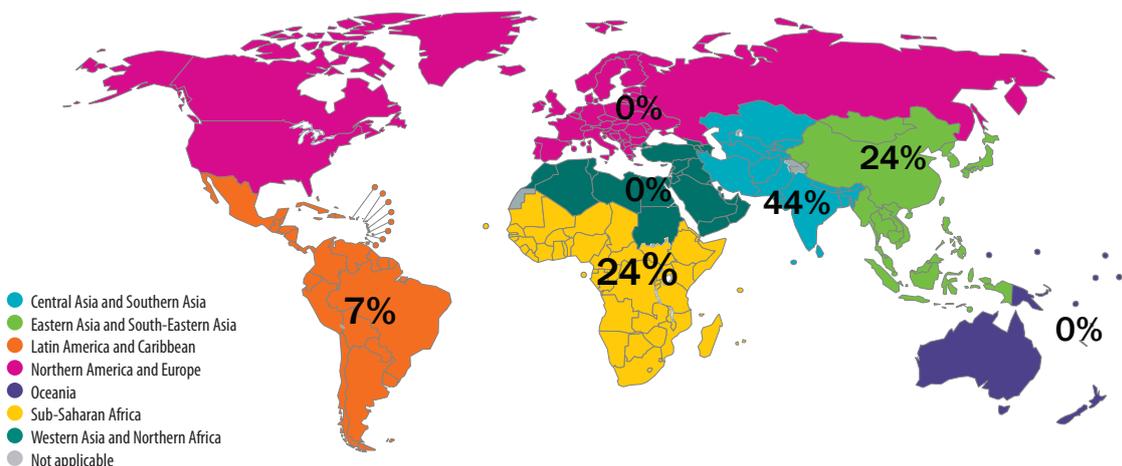
99% of loans are repaid.

86% of borrowers are women.

\$400 is the average loan size (with the disclaimer that there is a wide variation across countries as well as between water and sanitation loans).

## Water.org WASH AID PRIORITIES: DISTRIBUTION OF AID DISBURSEMENTS

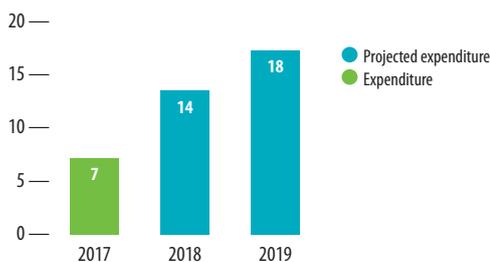
By region in 2017



Source: GLAAS 2018/2019 ESA Survey

## WASH AID COMMITMENTS AND DISBURSEMENTS

US\$ millions



Source: GLAAS 2018/2019 ESA Survey

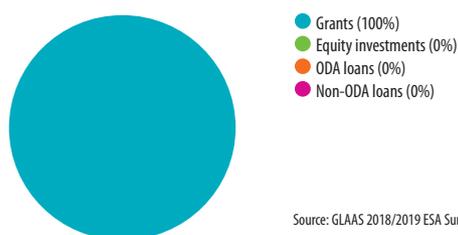
## TOP AID RECIPIENTS (2017)

The countries which received the largest amount of grants and/or WaterCredit programme funds in 2017 include:

Bangladesh, India, Indonesia, Peru, and Philippines

## WASH SECTOR AID FLOW TYPES

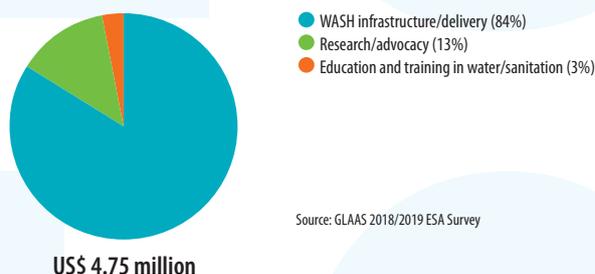
Percentage of aid in the form of grants, equity investment, ODA & non-ODA loans



Source: GLAAS 2018/2019 ESA Survey

## FUNDING ACTIVITIES

A breakdown of funding channels for 2017 aid disbursements is provided below:



Source: GLAAS 2018/2019 ESA Survey

## LEVERAGING OF AID

Water.org provides technical assistance, connections and resources to help financial institutions in developing countries establish water and sanitation loans in their portfolio of offerings. Water.org has leveraged US\$ 26 million in philanthropic funds to mobilize US\$ 1.4 billion for water supply and sanitation finance. The US\$ 1.4 billion is the amount in loans disbursed by Water.org's financial partners in-country, who have sourced that capital locally.

## LESSONS/IMPACTS

In a rural municipality of Palawan province in the Philippines, Water.org started providing technical assistance to a municipal water utility, Narra Water Supply System, in September 2017. This technical assistance focused on building capacity to develop a business plan, set targets for client acquisition, and effectively market their services to attract said clients. Within one year of collaboration, the utility doubled its monthly revenue. Based on these results, the provincial governor has solicited Water.org to assist in similar capacity building across the province. This programme has confirmed the need and value for utilities in financial and administrative management skill-building. Additional insights included extra measures that can and should be taken to ensure that water service providers grow their confidence in low-income households' ability to pay water tariffs on time, such as the development of a "new member orientation" for new water clients.

## COLLABORATIVE BEHAVIOURS FOR MORE EFFECTIVE DEVELOPMENT COOPERATION

### Enhance government leadership of sector planning processes

Proportion of water and sanitation aid allocated to water and sanitation policy and administration and education and training (%)

Data not available

### Strengthen and use country systems

Percentage of WASH spending using country procurement systems (%)

Not applicable

### Use one information and mutual accountability platform

Active participation in mutual assessment exercises/reviews (% of countries)

Not applicable

### Build sustainable WASH sector financing strategies

Percentage of WASH funding published/information shared with Ministry of Finance (%)

Water.org WASH loan data are often shared in an aggregated way with decision-makers to help demonstrate the value of removing financial barriers to water and sanitation access.

## FUTURE OUTLOOK

Water.org's mission is to ensure household-level access to water and sanitation at scale and targets can be expected to increase annually. Priority countries will remain the countries in which Water.org is currently active, and the organization will be evaluating regional approaches that potentially extend beyond its priority countries. Over the period 2018–2022, Water.org believes it can reach up to 60 million people via a complementary set of strategies: building upon and expanding WaterCredit across broader channels and expanding its influence across the WSS finance sector.

To accelerate the pace of impact on the water and sanitation crisis and better align with the objectives of SDG 6, Water.org plans to expand its historical level of impact exponentially. The organization is diversifying its local partners in-country from microfinance institutions to assorted types of banks, water and sanitation service operators, WASH enterprises and entrepreneurs – all those who contribute within the water and sanitation ecosystem and who need access to finance to ensure that adequate services and materials transform into assets at the household level. Water.org is scaling its approach by working at the association level instead of exclusively on a one-to-one basis. It is also working more intentionally at the national and sub-national level with government stakeholders to assist in the design and implementation of strategies that serve into national or global water and sanitation targets.

Looking at the problem from the perspective of unlocking more capital into the ecosystem, Water.org is preparing to co-launch a credit enhancement vehicle with IFC to encourage more commercial banks to invest in developing water and sanitation portfolios. This investment has the potential to unlock up to US\$ 1 billion in over 2.7 million loans by banks over the life of the facility, improving access for over 13 million individuals. The first facility will launch in India, with replication planned for other priority countries. Finally, Water.org continues to partner with like-minded stakeholders to drive and influence the global conversation around innovative finance for addressing the SDG 6 finance gap and ensure that sustainable finance models are developed and deployed.

Developed and coordinated by the Water, Sanitation, Hygiene and Health (WASH) Unit of the World Health Organization (WHO). Results contained in the ESA Highlights have been compiled by the ESA and GLAAS using data from the Organisation for Economic Development and Cooperation (OECD) Creditor Reporting System (CRS), estimates and text provided in the responses to the GLAAS 2018/2019 ESA survey.

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