

Water.org – An Overview

October 2013

Water.org | Overview

Water.org was formed in 2009 via the merger of WaterPartners International and H2O Africa; runs water, sanitation credit programs and provides grants in India, Bangladesh and Kenya, among others

Water.org Overview

- **Water.org**, co-founded by Gary White and Matt Damon, is a non-profit organization focused on **enabling access to safe water and sanitation**
 - Formed by the merger of **WaterPartners International** (WPI, which was formed in 1990) and **H2O Africa** in 2009
- Uses a **community-led market based approach** to develop solutions for water and sanitation issues
 - Pioneered **WaterCredit** since 2003, an approach to enable access to water and sanitation through **financing**
 - Provides **grants** to communities to **repair / rehabilitate water systems** as well as to **NGOs to use as a revolving loan fund to extend water and sanitation loans** (with a portion of the grant to be used for demand generation)
- Headquartered in the **US**, with offices in India, Kenya and Peru; has interventions in **Asia** (India, Bangladesh, Indonesia) and **Africa** (Kenya, Ethiopia, Uganda), among others
- Has strategic alliances and support from organizations such as **Bank of America, CamelBak, Caterpillar Foundation, PepsiCo Foundation**, etc.

Key Elements of Approach

- **Use of local partners**
 - Works with local partners who have the expertise needed to implement projects
- **Community ownership of projects**
 - Encourages community participation through cost-sharing, local leadership and designing of projects according to community demand
- **Use of appropriate technology**
 - Encourages local partners to develop standardized products that cater to their local context, topography, etc.
- **Focus on monitoring results**
 - Apart from internally monitoring performance of its projects, also contracts **third-party organizations** to monitor and evaluate projects

Water.org | WaterCredit Overview

Launched WaterCredit, to use credit to enable access to drinking water, sanitation facilities; so far, has disbursed ~207,000 loans (valued at USD 37Mn) through its partners across focus geographies

WaterCredit Overview

- WaterCredit aims to use philanthropic funding to drive **credit for water and sanitation**, thereby raising **access to drinking water and sanitation** in a **more scalable** manner
 - WPI initiated credit-based models in the urban slums of **Dhaka**, Bangladesh in **2003**; introduced in **Tamil Nadu, India** in **2004** through Gramalaya
 - Initially structured as grants for revolving loan funds; **WaterCredit model introduced in 2008-09**
- Through WaterCredit, Water.org **offers subsidies to MFIs¹** (or affiliated NGOs²) for **operational costs**, such as baseline surveys, market research, product development, awareness generation, salaries, etc.
 - Also provides **credit advisory, technical support** to organizations setting up WASH³ portfolios
 - Partner MFIs can then **raise commercial funds to provide WASH loans** (funds given by Water.org are not to be used directly in providing loans)

Global WaterCredit Statistics

Parameter	Status (as of May, 2013)
# WaterCredit Loans	207,000
Total Loan Value	~USD 37Mn
Water.org Investment	~USD 8.3Mn
Avg. Loan Repayment	98%
# Beneficiaries	~1 Mn
# Partner Organizations	30 (21 in India)

WaterCredit vs. Microfinance – Key Differences

- **Water or sanitation loans**, unlike most MFI loans, are **not income-generating loans (IGLs)**
 - **Repayment tenures** usually **longer** than for IGLs
- Also have **higher operational costs**
 - **Higher marketing, demand creation costs**
 - Need **more training for loan officers**, given complexity of underlying asset (e.g. a toilet)

Water.org | Partners in India

Water.org entered India via a partnership with Gramalaya in 2004; now manages WaterCredit projects with 21 partners across India, who have given over 113,000 toilet loans, benefiting over 380,000 people

Select WaterCredit Partners in India



Gramalaya, a Tamil Nadu-based NGO, pioneered WASH credit in India in 2004; it later set up a non-profit MFI, Guardian, dedicated exclusively to water and sanitation loans



Guardian, set up by Gramalaya in 2007, was the first water and sanitation-only MFI in India



Started in 1999, **Grameen Koota** is an NBFC¹ MFI with over 360K active borrowers across 161 branches in 3 states of India; started working with WaterCredit in 2009



Hand in Hand, an MFI set up in 2004 in Tamil Nadu, started its WaterCredit pilot in 2008; also focuses on health and hygiene promotion



Bandhan, an NBFC MFI with a reach of 3.5Mn households, has over 1,500 branches across 15 states in India; has recently started working in water and sanitation credit with Water.org

Water.org Partners' Statistics (until Sept, 2013)²

MFI	# WASH Loans	# Toilet Loans
Grameen Koota	74,817	48,639
Gramalaya	22,450	16,556
Guardian	19,182	11,033
Hand-In-Hand	16,813	6,676
ESAF	13,393	3,581
SKDRDP	9,160	5,330
Bandhan	4,897	3,614
Others ³	36,544	17,797
Total	197,256	113,226

Over 380,000 people have benefited from these toilet loans

¹ Non-Banking Financial Corporation; ² Numbers shown here include only loans given by the organizations under their partnership with Water.org; may have given WASH loans separately as well – e.g. Guardian has given ~40,000 WASH loans in total since inception, including 25,000 toilet loans; ³ Includes Adhikar, BWDA, MHT, Mythri, etc.