WaterCredit – A market-based solution for BOP access to WASH

Margarita Salasyuk
Senior Portfolio Manager, Southeast Asia

Water.org

Southeast Asia – Cambodia, Philippines, Indonesia
About Water.org

Founded by Gary White and Matt Damon, Water.org is an international nonprofit organization that is pioneering market-driven financial solutions to the global water and sanitation crisis.

Water.org believes:

• There will never be enough charity or public funding

• Enhancing financial inclusion at the BOP for water and sanitation

• In market-based approaches
What is WaterCredit?

WaterCredit is a program that empowers people by helping them access small, affordable loans that enable them to install household water connections and toilets.

The objective of WaterCredit is to provide technical and financial support to financial institutions to develop sustainable water supply and sanitation (WSS) loan products for clients at the Base of the Economic Pyramid (BOP)
WaterCredit – A Proven and Powerful Approach

Microfinance → Borrowers → Contractors

Capital Markets

water.org®
WaterCredit Program Model

**Initial Research & Design**
- 3-6 months
- • WASH Team
- • Demand & Supply Surveys
- • WASH Loan Product Design
- • Staff Training

**Pilot & Refinements**
- 3-6 months
- • Pilot evaluation & model refinement
- • Community education
- • Local authority engagement

**Scaling**
- 2-3 years
- • Rollout across all branches
- • Full operational integration of WASH operations
- • Staff capacity building

**Sustainability**
- • Sustainable & successfully operating WASH loan portfolio
- • Loan capital secured
- • Water.org exit
WaterCredit – Global Network

80 Active partners
13 Countries
7 Field offices
WaterCredit Global Impact (as of Dec 2017)

- 9.8M: Close to ten million people have been reached across thirteen countries
- 2.2M: 2.2 million loans have been disbursed through WaterCredit
- $722M: Capital disbursed by WaterCredit partners
## WaterCredit Metrics (as of Dec 2017)
### Loan Profile + Borrower Profile

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Loan Size</td>
<td>$325</td>
</tr>
<tr>
<td>Repayment Rate</td>
<td>99%</td>
</tr>
<tr>
<td>Average Months to Repay Loan</td>
<td>18</td>
</tr>
<tr>
<td>Borrowers are Women</td>
<td>90%</td>
</tr>
<tr>
<td>Borrowers live in rural areas</td>
<td>61%</td>
</tr>
<tr>
<td>Households living under $3.10 per day</td>
<td>69%</td>
</tr>
</tbody>
</table>
# WaterCredit in Southeast Asia (as of Dec 2017)

<table>
<thead>
<tr>
<th>Metric</th>
<th>Cambodia</th>
<th>Indonesia</th>
<th>Philippines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active Partners</td>
<td>5</td>
<td>12</td>
<td>7</td>
</tr>
<tr>
<td>People Reached</td>
<td>198,635</td>
<td>292,047</td>
<td>1,558,409</td>
</tr>
<tr>
<td>Women Borrowers</td>
<td>85%</td>
<td>81%</td>
<td>98%</td>
</tr>
<tr>
<td>Rural Borrowers</td>
<td>91%</td>
<td>74%</td>
<td>30%</td>
</tr>
<tr>
<td>Loans Disbursed</td>
<td>46,690</td>
<td>57,248</td>
<td>348,680</td>
</tr>
<tr>
<td>Capital Mobilized</td>
<td>$18,998,832</td>
<td>$12,139,329</td>
<td>$74,760,229</td>
</tr>
<tr>
<td>Average Loan Size</td>
<td>$407</td>
<td>$212</td>
<td>$214</td>
</tr>
<tr>
<td>Average Loan Term (months)</td>
<td>19</td>
<td>20</td>
<td>12</td>
</tr>
<tr>
<td>Average Effective Interest Rate</td>
<td>23%</td>
<td>33%</td>
<td>20%</td>
</tr>
</tbody>
</table>
WaterCredit in Indonesia

• **12 MFI partners** (Islamic Cooperatives, Rural Banks, Venture Capital Company, and a Holding Company)

• **57,248 loans** and **292,047 beneficiaries** reached

• **$12.1M USD disbursed** in WASH capital

• **Variety of facilities are financed**, including wells, household water connections, water filters, and latrines with septic tanks
Beyond WaterCredit – Innovation in Indonesia

Water.org is expanding financing in water and sanitation space beyond household lending:

Rural Utilities
• Water.org is providing technical assistance and facilitating financing for Community Based Organizations (CBOs), which supply drinking water in rural areas.

Urban Utilities
• Water.org is piloting technical and financial assistance to several state-owned water utilities, providing urban and peri-urban services, to extend credit for pipe connections to new clients.
Key Conclusions

• Water and sanitation financing is an **critical component** that should not be overlooked

• There is **high demand for water and sanitation financing**

• **WaterCredit** program model is a **phased and agile approach** for financial institutions

• **Sustainable product design** is critical for the financial institutions to continue offering water and sanitation loans in the long run

• Emerging opportunities **beyond household lending. Join us!**
THANK YOU!

10 MILLION!

Feel free to contact me:
Margarita Salasyuk • msalasyuk@water.org