



Closing the financing gap for safe water and sanitation

Access to safe water and sanitation
gives women hope, children health,
and communities a future.





The water crisis has long been one of humanity's most urgent and intractable problems. According to the World Economic Forum *Global Risks 2015* report, the water crises are the biggest threat facing our planet over the next decade.

Global leaders established Sustainable Development Goal 6 to ensure availability and sustainable management of water and sanitation for all by 2030. National efforts underpin this global goal, the most ambitious of which is Swachh Bharat Abhiyan (Clean India Mission), which aims to eliminate open defecation by October 2019. Momentum is building; we stand at a unique moment in time when leaders across multiple sectors are prioritizing access to safe water and sanitation.

According to the World Bank, current levels of financing for water and sanitation fall short by billions of dollars. Closing this financing gap is critical to achieving universal, sustainable, and equitable access to water and sanitation. Water.org and WaterEquity address this significant capital barrier through access to affordable financing, tapping global capital markets to attract greater resources and enabling household-level loans for water and sanitation.

Significant demand for household-level financing exists: with access to affordable financing, 565 million people could solve their water crisis, representing more than \$12 billion in demand.¹ Together, Water.org and WaterEquity are focused on accelerating the pace at which the world meets that demand.

1. Mehta, Meera (2008). *Assessing Microfinance for Water and Sanitation: Exploring Opportunities for Sustainable Scaling Up*. Bill & Melinda Gates Foundation.

Building the market for water and sanitation

In response to these financial realities, Water.org leverages market forces. Through our WaterCredit work, we develop local financial markets and empower people living at the base of the economic pyramid with small, easily repayable loans that make household water taps and toilets a reality.

WaterCredit:

- Responds to \$12 billion in demand from those living in poverty for household water and sanitation services.
- Fuels personal ownership, empowering people to invest in their own, long-term solutions.
- Leverages existing infrastructure – local organizations, business practices and business models.
- Builds a local, sustainable marketplace for meeting household water and sanitation needs.
- Represents a cost effective approach to reaching large numbers of people with improved water and sanitation access – and quickly.

WaterCredit works

7M

people reached with
water and sanitation

\$19 M → \$463 M

philanthropic funds turned
into capital disbursed in loans

1.6 M

loans disbursed

67

WaterCredit partners

99%

repayment rate





Social impact investing for water and sanitation

Enterprises providing water and sanitation goods and services cite affordable, accessible capital as a key barrier to scaling WaterCredit. To address the need for dedicated, low-cost financing, in 2015 we launched the world's first investment fund connecting social impact investment capital to those in need of water and sanitation. This fund is projected to reach one million people in India over seven years, and will yield distributions to investors starting in Fall 2017. This year, we've established an organization to lead this work: WaterEquity.

As a social impact investment fund manager, WaterEquity creates the opportunity for investors to put their capital to work to achieve powerful social impact with financial returns. WaterEquity scales proven solutions like Water.org's WaterCredit, significantly increasing the availability of small, affordable loans to meet the tremendous market demand for water and sanitation.

WaterEquity's new \$50 million fund, WaterCredit Investment Fund 3, provides an opportunity to scale water and sanitation lending through microfinance partners while growing a pipeline of purpose-driven enterprises who manufacture and distribute water and sanitation goods and services to unserved populations. Leveraging the networks built by WaterCredit initiatives throughout India, Cambodia, Indonesia, and the Philippines, this Fund is projected to reach 4.6 million people over seven years and provide a 3.5% financial return for investors.

WaterCredit Investment Fund 3 has attracted financial institutions, development finance institutions, foundations, companies, and individuals, sending a strong signal to the social impact investing community about impact-first investments in water and sanitation. This Fund is critical to reaching more geographies with necessary capital and fully leveraging the potential of Water.org's work now and in the years to come.

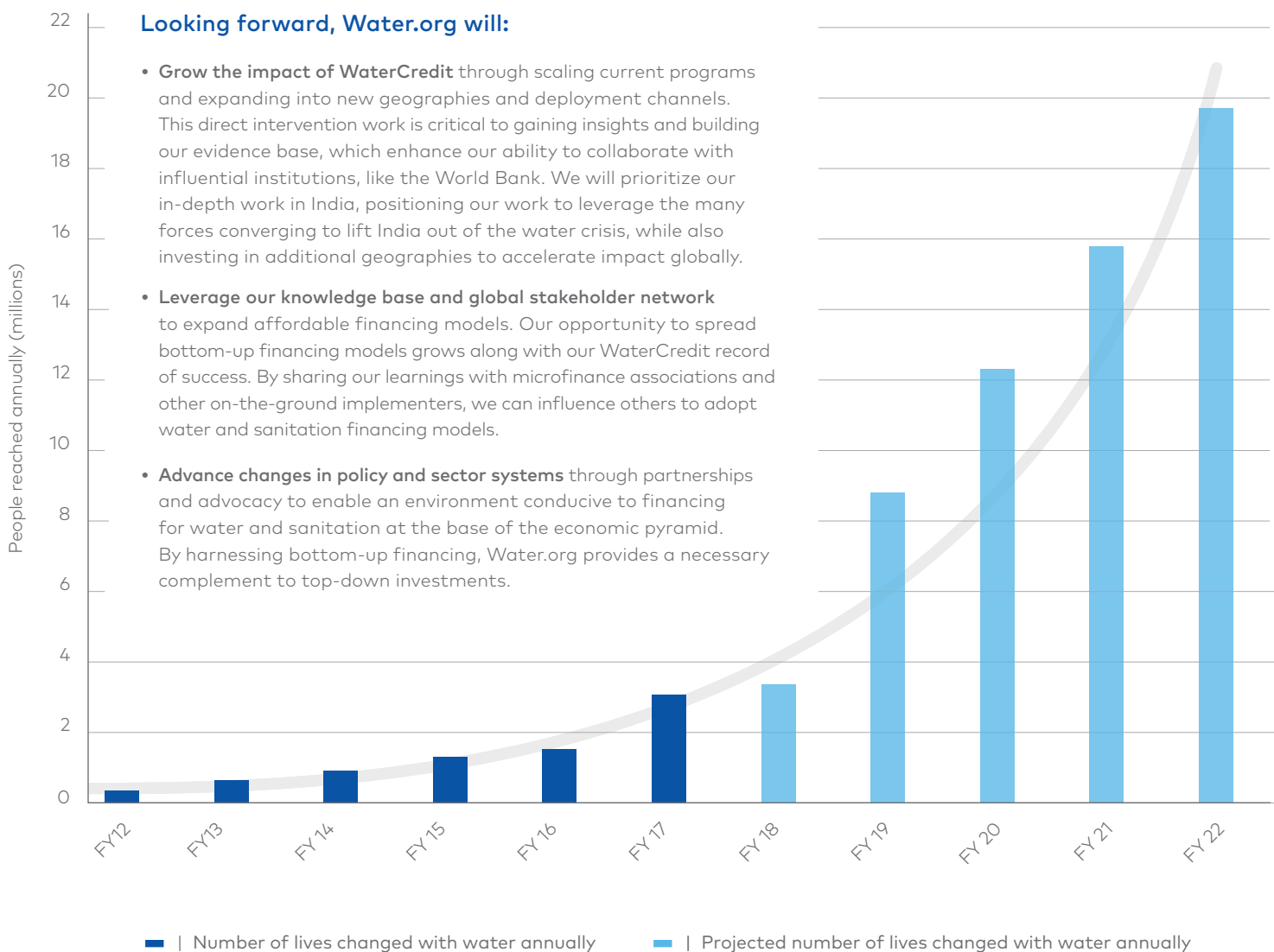
You can contribute to this effort through: 1) membership interest investments providing a 3.5% financial return, and 2) philanthropic donations to support a first-loss guarantee. With \$3 million in donations dedicated to the guarantee and \$10 million in investments by the end of 2017, we will unlock the full \$50 million Fund.

Our vision for the future

In the first 20 years of Water.org’s work, we reached our first million people with safe water and sanitation. Today, Water.org reaches one million people in a matter of months. This is the power of putting capital in the hands of those in need. In the next five years, we aspire to transform 60 million more lives.

Water.org’s approach is proven and powerful, and our impact is accelerating. Expansion of our current approaches and shifting our work toward system-level change will significantly increase our total impact and improve the efficiency of capital deployed against water and sanitation solutions for people at the base of the economic pyramid.

We must expand our network of thoughtful, discerning funders to secure the revenue required to realize this vision of transforming 60 million lives. Water.org seeks \$5 million in new philanthropic donations by the end of 2017 to immediately put life-saving capital to work. Early and substantial investment will unleash exponential growth in impact, paving a path for innovative financing models to reach millions of people with safe water and sanitation.



The time to act is now

Now, more than ever, we have the opportunity to dramatically transform lives. Commitment to ending the water crisis has never been stronger or broader reaching, creating unprecedented windows of opportunity. It is time to concentrate your philanthropy in smart solutions that work.

We seek your support. By the end of 2017, please consider:

- Donating to support exponential growth in Water.org's impact; we seek \$5 million to immediately scale our work in India and beyond.
- Supporting the WaterCredit Investment Fund 3 first-loss guarantee; \$3 million in donations will leverage capital from a broad range of investors.
- Investing in WaterCredit Investment Fund 3 to achieve unparalleled social impact with a 3.5% financial return; \$10 million in membership interest investments alongside the first-loss guarantee will unlock the full \$50 million Fund.

We envision the day when everyone in the world has access to safe water and the dignity of a toilet. Join us.



"Time to work my rice fields means more money I can make for my family. Our life is better."

— Aisyah, Indonesia

Invest in water. Invest in her.

Meet Aisyah. Aisyah is a wife, a mother, and a farmer. Until recently, a typical day for Aisyah included waking before sunrise to walk a few kilometers to collect water. Her options for water varied – a river, a community pump, or her neighbor's bore well – none reliable. After several back-and-forth trips to collect enough water for her family's needs, finally a tired and often frustrated Aisyah made her way to the rice field.

As a smart business woman growing one of Indonesia's most desired crops, Aisyah recognized lack of access to water at home as the main obstacle keeping her from having enough time to farm. So, she took out a small loan made possible by Water.org to construct her own water tap. Now the obstacle between Aisyah and time to produce large harvests has been removed. An investment in water is an investment in her.

Together, we will see the day when everyone in the world has access to safe water and experiences the dignity of a toilet. **Join us.**

