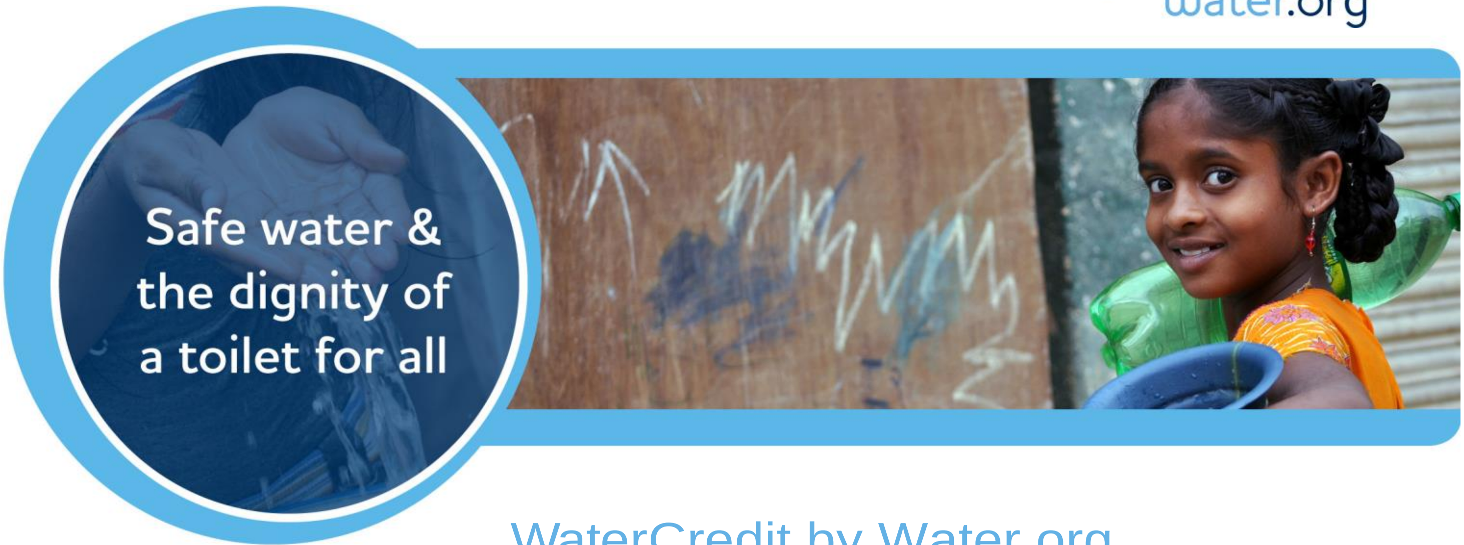

WaterCredit by Water.org

WaterCredit represents the creation of a new space at the intersection of water and sanitation and microfinance. By catalyzing small loans to individuals, entrepreneurs and communities in developing countries who do not have access to traditional credit markets, WaterCredit empowers people to immediately address their own water needs. As loans are repaid, they can be redeployed to additional people in need of safe water and sanitation.

WaterCredit provides access to affordable credit, empowering people to address their own water and sanitation needs.

Big Idea for a Big Problem

The cost to bring safe water and sanitation to the world's poor is staggering. For decades, generous philanthropy has been attracted to the cause but little progress can be seen at the macro level. There will never be enough charity to solve the water crisis. Those living in absolute poverty will continue to require subsidies, but many low income people simply need access to capital to invest in their own communities. It is estimated that at least 60% of people worldwide without access to improved water and sanitation earn enough income to be able to invest in their own water and sanitation solutions if they gain access to capital via WaterCredit.

Water.org has catalyzed $97 million in capital, reaching more than 2 million people.

Water and Sanitation as Investments

WaterCredit dollars go further. Investments made by Water.org leverage more funds to meet water and sanitation needs than traditional grant-driven expenditures. Over a 10-year period, five times as many people can have safe water with WaterCredit than with a similar amount of traditional grant funding.

Empower the poor. WaterCredit loans empower low-income people to address their own water needs. Also, by establishing creditworthiness, households gain access to additional financial services.

Free up limited grant resources. WaterCredit frees up grants to go where they are needed most – to the poorest of the poor.

Foster sustainability. As subsidies in water projects increase, sustainability decreases. With WaterCredit, users have a financial stake in their water and sanitation facilities and a greater incentive to ensure proper operation and maintenance.

Philanthropic investments in WaterCredit stimulate private investment. Water.org's WaterCredit subsidies to microfinance institutions have leveraged capital from MFIs, banks, and social investors to lend to prospective borrowers.

Inspiration for WaterCredit

On a site visit to India in 2003, Gary White, Water.org CEO and Co-founder, met a woman who was paying a loan shark 125 percent interest to buy a toilet. She was living on two dollars a day and absorbing a crushing debt for sanitation. Gary realized that this woman – and many people like her – were paying outrageous rates, up to 20 percent of their income, to address their water and sanitation needs. This was the inspiration for WaterCredit.

If the poor were paying such ruinous rates for water and sanitation, they'd certainly be willing to pay a lot less. Not just willing but, with some help, able. Gary believed that if we could provide people with small loans at reasonable rates for water connections and toilets, we would create customers and participants in solving the water crisis. It meant there was hope for this woman, her family and her community to get sanitation without losing their economic livelihood.

WaterCredit Indicators & Metrics *(as of January 2015)*

Total Investment:	Water.org has invested $10.9 million in WaterCredit
Implementing Partners:	48
Number of Loans:	500,469
Value of Loans Disbursed:	$97 million
WaterCredit Beneficiaries:	More than 2.1 million people have benefited
Cumulative Loan Repayment:	99%
Average Loan Size:	$194 USD
Women and WaterCredit:	More than 90% of all borrowers are women

Future Plans

Water.org does not aspire to be the water bank to the world. Instead, we see our role as accelerating natural market processes. This means fostering relationships between microfinance institutions and organizations in the water and sanitation sector to help them understand each other better. Water.org can also work with local stakeholders to accelerate access to capital. Using microfinance, Water.org is acting as a catalyst to introduce financial markets to the water and sanitation sector. This same approach has been proven in many other sectors, and we are highly encouraged by the results to date.

About Water.org

For 25 years, Water.org has been at the forefront of developing and delivering sustainable solutions to the global water crisis. Founded by Gary White and Matt Damon, Water.org pioneers innovative, community-driven and market-based solutions to provide universal access to safe water and sanitation, giving women hope, children health and communities a future. To date, Water.org has positively transformed millions of lives around the world, ensuring a better life for generations ahead.

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