

INFORMATION SUMMARY FOR THE PUBLIC

Host Countries:	India, Indonesia, Cambodia, and the Philippines
Name of Borrower:	WaterCredit Investment Fund 3, LLC (the “Fund”), Delaware, USA
Project Description:	<p>According to the World Health Organization, an estimated 844 million people in the developing world lack access to safe drinking water and 2.3 billion lack access to proper sanitation. As a result, an estimated 892 million people defecate in the open, which poses a major health hazard especially among the poor. At the same time, research by the Bill and Melinda Gates Foundation in 2008 estimated up to \$12 billion in demand among poor households for affordable financing, such as small loans, to meet their water and sanitation needs. In response to the need for a commercially-sustainable solution to the global water and sanitation challenge, WaterEquity will aggregate and deploy \$50 million in social investment capital to microfinance institutions (“MFIs”) to scale up their water and sanitation (“WSS”) lending portfolios. Most of the target MFIs in the Fund’s pipeline launched their WSS portfolios with technical assistance provided by Water.org. WaterEquity will also lend to small and medium enterprises that provide affordable water and sanitation products and services to low income families, i.e. those that typically earn less than \$10 per day. Over the seven-year life of the Fund, WaterEquity estimates that as a result of the microloans financed through the MFIs on-lending programs, 4.6 million people will obtain access to safe water and/or sanitation.</p>
Proposed OPIC Loan:	\$20,000,000 (<7 years)
Total Project Costs:	\$55,500,000
U.S. Sponsor:	WaterEquity, Inc., Kansas City, Missouri
Foreign Sponsors:	TBD
Policy Review	
U.S. Economic Impact:	The Project is not expected to have a negative impact on the U.S. economy as it involves financial services in Asia. The Project is expected to have a net negative impact on the U.S. balance of payments over the first five years of operations.

<p>Developmental Effects:</p>	<p>The Project will have a highly developmental impact in Asia by expanding access to finance for consumers and producers of water and sanitation devices. The World Health Organization (“WHO”) estimates that 844 million people globally are without access to basic drinking water and 2.3 billion people lack access to basic sanitation. The WHO estimates that the lack of adequate water and sanitation results in deaths of nearly 1,000 children every day. The Fund estimates that the Project countries account for 20 percent of the population without access to safe water, and 40 percent without sanitation. The Fund expects that over 90 percent of Project funds will help financial intermediaries in the Project countries expand their water and sanitation microloan portfolios. This is expected to improve the availability of water and sanitation financing to low income and rural populations. These populations access clean water and sanitation at lower rates, and typically lack access to financial products that finance clean water and sanitation products. The Project will also provide loans to small and medium enterprises that produce water and sanitation goods and services. The Project aligns with U.N. Sustainable Development Goal 6 (Clean Water & Sanitation), Goal 8 (Decent Work & Economic Growth), and Goal 10 (Reduced Inequalities).</p>
<p>Environment:</p>	<p>Loans to SMEs and to financial institutions for the purpose of providing micro-loans are screened as Category C projects under OPIC’s environmental and social policies and are subject to conditions related to the use of proceeds. Excluded activities include lending to entities engaged in categorically prohibited activities or activities likely to have a significant adverse impact on the environment. The Fund has developed a comprehensive Environmental, Social and Governance Policy that integrates environmental and social due diligence, assessment, and monitoring of its borrowers’ credit and includes an investment approval process.</p>
<p>Social Assessment:</p>	<p>The Fund will be required to operate in a manner consistent with the International Finance Corporation’s Performance Standards, OPIC’s Environmental and Social Policy Statement and applicable local laws. OPIC’s statutorily required language will be supplemented with provisions concerning non-discrimination and the timely payment of wages. Standard and supplemental contract language will be applied to all Project workers, including contracted workers. Investments in small and medium enterprises and financial intermediaries will be restricted with respect to the Fund’s operations, including the employment of minors and other applicable labor laws. The Fund has developed an Environmental, Social and Governance</p>

	<p>Policy, which includes the process through which prospective investments are screened, assessed for risks, and monitored against its environmental and social standards, including prohibitions on forced and child labor. This review covers the commensurate human rights risks associated with small and medium enterprise and financial intermediary on-lending in India, Cambodia, Indonesia and the Philippines.</p>
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