Early Warning System

IFC-41575

Water.org Global Credit Enhancement Facility

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Quick Facts

Countries	Bangladesh, India, Indonesia, Kenya, Philippines
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	U
Voting Date	2019-11-22
Borrower	Water.org Inc.
Sectors	Finance
Investment Type(s)	Guarantee
Investment Amount (USD)	$ 50.00 million
Project Cost (USD)	$ 50.00 million

Project Description

According to the bank document, IFC and Water.org have teamed up to create a market-based, credit enhancement offering called the Global Credit Enhancement Facility (GCEF or Facility). The GCEF is designed to support financial institutions (FIs) such as commercial banks and microfinance banks to increase the availability of water and sanitation (WSS) loans to borrowers at the base of the economic pyramid still lacking basic services.

The Facility will provide credit enhancements structured as risk-sharing facilities for portfolios of water and sanitation loans made by local banks, thus mitigating credit risks and enabling local banks to introduce or scale up lending for WSS assets. GCEF's credit enhancement offering will consist of guarantor funding raised by Water.org, as the subordinated or first loss tranche, and IFC funding, as the senior or second loss tranche. The GCEF will look to support banks in a number of countries, including India, Kenya, Bangladesh, the Philippines and Indonesia.

Investment Description

- International Finance Corporation (IFC)

The proposed GCEF would be capitalized by a two-tier structure consisting of a first loss tranche of subordinated notes and a mezzanine or second loss tranche of senior notes. GCEF is looking to attract US$50 million in first loss funding and US$50 million in mezzanine funding from IFC. The proposed IFC investment, a second loss credit guarantee facility of up to US$50 million, will be used to purchase tranches of senior notes issued by the GCEF.

Private Actors Description

The project sponsor is Water.org, an international non-profit organization that has positively transformed more than 22 million lives around the world through access to safe water and sanitation. Founded by Gary White and Matt Damon, Water.org pioneers market-driven financial solutions to the global water crisis. For more than 25 years, it has been providing women hope, children health and families a future. Water.org currently has active programs in 13 countries located in 3 regions, representing approximately half of the global need for water and sanitation.

Contact Information

1/ Project Contact

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ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/