

Orissa WaterCredit Project

Project Location: Towns of Berhampur and Aska, Central Eastern India

Beneficiary Information

Number of Households: 250
Number of beneficiaries: 1,430 individuals (estimated)

Project Start Date: August 2006

Project End Date: July 2007

Project Budget: \$52,325

Cost Per Beneficiary: \$36.00



General information about WaterPartners' WaterCredit Initiative:

The WaterCredit Initiative™ challenges the notion that all projects have to be financed totally by grants. By making small loans to individuals and communities as part of a revolving fund in areas where credit is not readily available, WaterCredit is extending the reach of resources devoted to water supply.

“We have always been grounded in the philosophy that those in the developing world understand best how to solve their own problems,” says WaterPartners Executive Director Gary White. “WaterCredit empowers people to finance their own water solutions—on their own timetables. And since the vast majority of water projects worldwide currently operate on a 100% grant basis, any cost recovery at all is going to greatly extend the number of people who can be helped.”

The WaterCredit Initiative was originally pilot-tested in two countries with highly encouraging results. For example, about halfway through the loan cycle in a project in the slums of Dhaka, Bangladesh, the repayment rate has been 99 percent. And in rural Tamil Nadu, India, about 40 percent of loans to project areas have now been repaid with a default rate of less than 10% to date. The program has recently been expanded to include Kenya.

Background:

With more than 1 billion people, accounting for 15% of the world's total population, India's population size is second only to China. Yet, it has only 4% of the world's water availability. With a population size that is continuing to increase and strain its natural resources, India faces a severe water crisis. While the Indian government has made progress in the supply of safe water to its people, gross disparity in coverage still exists across the country. In rural India, the preventable contamination of existing water sources is of increasing concern.

With only 14% of the rural population having access to latrines, the current sources continue to be contaminated, leading to an increase in water-related diseases.

Community Description

This project will address the water and sanitation needs the towns of Berhampur and Aska, along with the surrounding rural villages, all located in the rural district of Ganjam in the state of Orissa, India. The Ganjam district is in the bottom third of the districts in the state of Orissa with regard to economic development. 55% of rural households in this district live below the poverty line.

Water Crisis:

These communities have an acute need for water and sanitation. 1% of household have toilets and only 6% have water taps. Most members of these communities rely on a public water tap for their drinking water source and the nearby pond/river for their bathing and washing water source. The impact of unsanitary conditions has had devastating effects on adults and children alike, but in these communities the children are the one's who suffer most. The incidence of child mortality and morbidity are on the rise and the children are often sick with diarrhea. Each episode hinders a child's growth by lowering his appetite and reducing his calorie and nutrient uptake. Persistent diarrhea and severe diseases, such as cholera and dysentery, also jeopardize children's healthy development.

Solution:

The families living in these communities are ready for a change and will do whatever it takes to make it happen. They are willing to take out loans for the construction costs and long-term maintenance fees to build household water sources and sanitation facilities. WaterPartners International and our India partner will help provide the funds in a loan capacity to get these projects started and will work with these communities to develop and implement a sustainable community water supply and sanitation system.

The goal is to provide each household in these communities with the opportunity and resources to fund and build their own water and sanitation facilities. Our partner in this region carried out market research in this area to determine what demand existed in these communities for water and sanitation services. They found 81% of households were interested in taking out a loan for a water or sanitation facility. The majority of households were interested in taking out the loan for sanitation facilities (toilets). Community members will be given access to credit and connected with local contractors and retailers to buy the supplies and get the expertise needed to build their desired water or sanitation facility.

By allowing each household to be responsible for it's own individual water project, community members are empowered to take action and make change.

**Estimated Total Project Budget
Orissa, India (Berhampur and Aska)
In U.S. \$ Dollars**

Project Management	\$4,360
Water/Sanitation loan fund	\$43,605
Total Direct Cost	<hr/> \$47,965
Indirect Costs	\$4,360
Total Project Cost	<hr/> \$52,325