

Report on Program Monitoring – Borrower Visits

Submitted To



Submitted By

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Executive Summary

Background: Bangladesh is in high need of water and sanitation improvements. More than 1.8 million people in Bangladesh lack access to an improved water source, and 36 million lack improved sanitation¹. Since 2003, Water.org has partnered with some of Bangladesh's leading microfinance institutions to empower more than 4 million people with access to water and sanitation through small, affordable loans. Water.org offers smart solutions that break down the financial barriers between people living in poverty and access to safe water and sanitation. Water.org empowers people to take action and deliver solutions that accelerate progress and impact. WaterCredit program's work is comprehensive and demand-driven—communities know what solutions will work best for them in the long term – and rooted in local technologies and innovations.

Human Development Research Centre (HDRC) has been assigned to conduct periodic monitoring of the field activities of the partners of Water.org in water and sanitation microfinance. Monitoring visits took place with the WaterCredit clients of eight financial partner institutions (FI partners), i.e., Basic Unit for Resources and Opportunities (BURO) Bangladesh, People's Oriented Program Implementation (POPI), Rangpur Dinajpur Rural Service (RDRS), Sajida Foundation, Thengamara Mohila Sabuj Sangha (TMSS), United Development Initiatives for Programmed Actions (UDDIPAN), Village Education Resource Center (VERC), and WAVE Foundation of Water.org in Bangladesh. In the case of conducting this survey, HDRC also conducted a client survey to identify risks, gender dynamics, concerns, and best practices within the program implementation period. Moreover, HDRC recorded the household's water and sanitation conditions to verify household WASH improvements to assess program progress, user satisfaction, and information reported by the partner. This will include assessing partner services, WASH improvement and usage status, and immediate impacts on quality of life.

Methodology: HDRC adopted a mixed-method approach. The firm collected the quantitative data via telephone using the WaterCredit Client verification survey at the household level in the program areas. Clients were randomly selected from monthly reports provided by the partner organizations to Water.org. Qualitative techniques included Key Informant Interviews (KIIs) and Micro-narratives or Case studies. HDRC prioritized the skillful usage of both techniques, which later maximized the required information, improved data quality, and reduced the chance of bias. HDRC surveyed 2,060 Water Credit clients via telephone. Based on previous experience, the non-response rate of telephonic interviews was very high. So HDRC selected a sample that was at least four times higher compared to the 2060 final surveys. This higher sample selection was possible considering the number of borrowers.

Household Income status: The average monthly income of borrower households was BDT 16,870. The average monthly income has large variation among the borrowers of different partner organizations ranging from BDT 10,507 (TMSS) to 24,413 (BURO). This is an indication of a diverse group of people taking a loan from partner organizations. Among the borrower households, 98 percent had an income of more than USD² 180 (equivalent to 6.0 USD per day).

Purposes of taking out the loan: Half of the borrowers took out a loan for sanitation improvement (50.9%). Another 33 percent took a loan for water improvement and 4.9 percent for both water and sanitation improvement purposes. Overall, these proportions differ from the partner organisations' record (i.e., borrower 'X' responding taking water loan but partner list includes borrower 'X' as

¹ <https://water.org/our-impact/where-we-work/bangladesh>

² Assuming a conversion rate of 1 USD = 85.5 BDT (Bangladesh Bank, September 2021)

sanitation loan). 11.2 percent of respondents mentioned that they used the taken loan for other purposes, i.e., buying livestock, land, van, agricultural purposes, etc., rather than WASH improvement. Nevertheless, the survey data indicate that BURO followed by TMSS kept the most accurate record. Interestingly, these two partner organizations with the borrowers with the highest and lowest monthly income consecutively.

Amount of loan taken: The average amount of loan borrowed is BDT 33,179. Over half of the respondents took loans around BDT 10,001-30,000 (51.6%). Only 6.9 percent of the respondent borrowed more than BDT 50,000. Sajida Foundation gave out the highest proportion of loans for water and sanitation package (17.6%), followed by TMSS (5.6%).

Decision-makers for taking out the loan: In 83.3 percent of instances, the decision to take out a loan is a joint decision. This ratio does not show much variation except for BURO and VERC. However, evidence suggests that more than 91 percent of the borrowing involved decision making by women. Nearly a quarter of the respondents (23.3%) reported that the decision was somewhat influenced due to the COVID-19 pandemic.

Loan payment status: More than two-thirds (67.6%) of respondents paid their loan or instalments on due time, while 18.7 percent of respondents sometimes and 13.3 percent of respondents rarely missed a loan payment or installment on a scheduled time. Despite the COVID-19 pandemic, there is limited evidence of loan default. The key informant indicated that the partners did not collect the installments during the COVID-19 responding to humanitarian causes. It may be difficult to assess the extent to which loan payments might burden clients, as the partners suspended payment collection during Covid-19, relieving clients of the responsibility of making payments during that time. As a result, clients may have underreported missing payments as no payments were required.

Water Improvement Type: The data indicate that most of the water sources are protected tubewell (61.5%) and piped water (33.6%) now (after receiving a WASH loan). Also, there is evidence of the installation of water filters in 6.1 percent of households, indicating a growing awareness of the importance of clean/safe drinking water. Along with the water point installation/renovation, the loans have created the opportunity of installation of handwashing facilities (24.5%). The installation of handwashing facilities is likely to improve the handwashing practices at critical times, reducing health hazards and health costs.

Sanitation Improvement Type: As of now (after receiving WASH loan), After taking out a loan for sanitation improvement, 46.3 percent of borrower households had flush and pour toilet to septic tank or pit, followed by pit latrine with slab (43.8%) and flush and pour toilet piped to the sewer system (13.6%). The survey also reveals that 12 percent of the newly installed/renovated latrines (using WASH loan) are shared with neighbours or extended family members.

WASH Improvement: more than 99 and 98 percent of the water or sanitation product borrowers consecutively had functional and improved WASH facilities with some variations among the partner organizations. The respondents reported the status of water quality improvement associated with the water point improvement. Most respondents believe that the water now tests better, is cleaner (no mud or dirt), and is now clean, imposing less risk of water contamination/pollution during collection. The WASH improvements resulted in fewer sickness/health hazards.

Quality of Life: Almost all borrowers (98.8%) reported that the overall quality of their life improved after taking out a loan for WASH improvement. The respondents with improved and well-built water and sanitation services are getting social values and admire. They feel more comfortable and live with dignity. In terms of health, they are less vulnerable to waterborne diseases. The treatment cost for WASH disease is now spent on nutritious food or savings for emergencies (making them more capable

of disaster resilience). There is extra time for familial and/or income-generating activities. They become more conscious of WASH practices and hand-washing actions.

Some recommendations are given below according to the findings of the study; where can this project work further:

1. Not all people in an area can come under this project. The exclusion is likely to affect the sustainability of the project achievements. For example, a Key informant said that 'if we can't reach the total area population, then after open defecation by anyone can cause water-borne diseases and according to this perspective we couldn't reach the project goal.'
2. The duration and coverage of the program should be increased to the maximum possible extent within the organizational scope because, within a short time, a WASH-related project or behaviour changed related project couldn't guarantee success.
3. The target for loan disbursement should be reduced because this target can make field-level staff forcefully enter biased clients.
4. This project should introduce new loan products (i.e., rainwater harvester, pond sand filter) focusing on global climate change. Climate hazard is a common phenomenon posing a greater risk to the poor population.
5. Water.org can consider including partner organizations with less interest rate against the loan (it can be a contributing factor in partner selection criteria) to ensure accessibility of the poor and marginalized into the loan process.
6. This project should emphasise using sustainable and environmentally friendly materials to install water points and sanitation facilities.
7. There is a necessity for inclusiveness of people with physical challenges in the installed sanitation facilities. People need to be informed how a sanitation facility can be user friendly to physically challenged people (through informing them the installation of rail and ramp and so on).
8. Water.org can introduce loans for WASH entrepreneurs at the local level (i.e., MHM products, waste management, repairing and maintenance products for water and sanitation facilities).