









## Water Point Micro-Lending Program

Clear Water Initiative 

The Clear Water Initiative supports communities to develop a micro-lending program based on water point user fees, which not only guarantees adequate funds for operation and maintenance of the water source, but also provides entrepreneurship opportunities.

Launched in 2013, Not-for-profit , East Africa: Uganda

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### Notice

Undefined variable: count  
 ee/legacy/libraries/Functions.php(680)  
 : eval()'d code, line 89 [show details](#)  
 • Severity: E\_NOTICE

Uganda



### Problem Addressed

In the areas where the Clear Water Initiative works, there are numerous broken water sources, with beneficiaries instead using unsafe sources as they wait for a development partner or local government to repair it for them. The Clear Water Initiative was designed to address a gap in sustaining and maintaining water points once they are constructed. This program provides incentives to water users to pay their monthly water fund and as a result, they are able to maintain their water point.

This also reduces dependence of the project communities on the local government or other development partners because they can use their own funds to repair the water access point. The money grows over time such that communities are able to afford to pay for a pump mechanic's services and replace broken parts using the money. Finally, the program address the accountability issue of managing the monthly water funds by holding monthly meetings with the water committees.

### Innovative Approach

The Clear Water Initiative is innovative in its use of water use fees collected from water users to create micro-lending opportunities for local entrepreneurs. The initiative encourages communities to collect user fees and allows the community to borrow the money from these user fees at a low interest rate. Using this interest, the community is able to maintain its water wells and use water sustainably. This pay-for-service model also creates a sense of ownership over the wells in the community and ensures that the community is incentivized to maintain the wells.

### Program Solution

Once the ClearWater Initiative constructs a water point within the community, the community is required to start collecting monthly water fees and collect more than \$60 in their account within 6 months. After this period, the Initiative

Please visit this program profile at:

<http://washinnovations.r4d.org/program/water-point-micro-lending-program>

trains the community on micro-lending, in which they tackle topics like loan procedures, why people should take loans, record keeping, and constitution writing, among others. They also choose and train a smaller group of community members more intensely on record keeping and other loan procedures. The ClearWater Initiative then provides the community with a cash box and all community members who have paid into the fund are able to access a small loan, usually between 10,000 - 50,000 Uganda Shillings. They can use this to start or expand a small agricultural or trade business. The funds are completely managed by the community members, who also set the the loan interest and application terms. The ClearWater Initiative monitors their progress and guides them accordingly.

Over the long term, the community's water funds grow due to the interest that comes in, reducing individuals' monthly water fees. From this program, women have been empowered to engage in business and are not only able to pay for their monthly water fees, but also pay school fees for their children, pay for hospital bills, and save some money. Repairs to the water point are paid for by 30% of the funding account that is left untouched for any potential issues.