

Global Repayment Rate | FY24 Update

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I. Procedure Overview

The Insights department recommends continuing to use the unweighted partner portfolio repayment rate method for FY24.

Repayment rate continues to be an important indicator that instills confidence and influences the uptake of financing for water and sanitation across key audiences including grassroots and corporate donors, upstream and downstream financial partners, and sector and system level stakeholders. Our household and enterprise lending or WaterCredit programming continues to demonstrate high repayment rates.

For FY24, the capped repayment rate is 98% based on FY21-23 loan repayment data.

Below is the method used for updating this impact metric as well as the detailed results for FY21-23 by country and messaging recommendations.

II. Procedure

Method: Unweighted Partner Portfolio Repayment Rate

This method calculates the repayment rate (capped at 100%) for all partners and takes an unweighted average across those partners. It provides an overall value reflecting the performance of our partners for the last 3 fiscal years.

The capped repayment rate is used so that early repayments do not artificially inflate our overall repayment rate by obscuring under repayments. It is calculated by taking the least of either the amount due or the amount collected for each loan so that early repayments are not part of the calculation.

Across all reported loans, the unweighted partner portfolio repayment rate is 97.55%.

When limited to the past 3 fiscal years (FY21-23), the repayment rate is 97.62%. We will round this to 98%.

This method will be used when reporting at the country, regional, or grant level. We recommend messaging that this repayment rate is across our partners rather than across the WaterCredit loans for increased clarity. (Note that L1 WaterCredit partners report repayment rates and L2 associations and infrastructure/utility partners do not.)

$$\frac{\text{Least of (principal collected + interest collected) or (amount due)}}{\text{amount due where greater than 0}} = \text{Capped Repayment Rate}$$

Step 1: The Capped Repayment Rate is calculated for each partner across their entire WaterCredit portfolio.
 Step 2: Then an unweighted average is calculated across all partners to produce the Unweighted Partner Portfolio Repayment Rate.



- This method highlights our performance managing WaterCredit partnerships
- Measures our ability to create and manage successful partnerships with financial institutions



- Smaller partner portfolios have an equal weight to partners with larger portfolios
- Requires a manual process to determine the calculation

Repayment Rate by Country

	Unweighted Average Repayment Rate
Bangladesh	99%
Brazil	99%
Cambodia	99%
India	98%
Indonesia	99%
Kenya	99%
Mexico	95%
Peru	98%
Philippines	95%
Tanzania	96%
Uganda	97%
Global	98%

Insights and Marketing update the global repayment rate at the start of each fiscal year (in alignment with the November quarterly program update, so we can use data from the past 3 fiscal years). Individual country repayment rates are updated once a year at the same time. This is to ensure that data is cohesive across all external communications.

Messaging

Messaging will remain consistent and may include language such as:

- Our financial partners report a 98% repayment rate.
- 98% of loans for safe water and sanitation solutions are paid back.
- Every repaid loan means another family in need can get affordable access to safe water at home.