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Capital Invested Reporting Process | Procedure

PROCEDURE OWNER: Insights Department

PROCEDURE APPROVED BY: Global Director, Insights

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I. Procedure Overview

This document explains how Water.org will track and report against the FY24 Tier 1 impact goal of capital invested. This includes capital investments from WaterEquity and non-WaterEquity capital providers. Additionally, this process will instill confidence and further calibrate the organization's definition and understanding of capital invested. This process will be updated as needed.

This is an update to the FY23 measurement process. The following key process changes were added for the non-WaterEquity capital providers managed by Water.org:

- Design phase approval
- Enhanced review for the capital investment to be counted
- Resolution steps in case of non-alignment in approval process

Water.org defines capital investments as those in which Water.org plays a significant role in facilitating capital from a capital provider to invest in financial institutions or service providers.

FY 24 Capital Invested for GI Op review is tracked in the WaterPortal, [found here](#).

For more detailed information on capital invested, [visit here](#).

Summary Table: Roles and Responsibilities for non-WaterEquity capital providers

	Design	Tracking	Reporting
Regional GI investment staff member	Design investment and update Capital Provider and forecast details	Update capital provider information and investments as they occur, including outlining Water.org's role to influence the investment	N/A
GI supervisor	Approves Investment Design	Reviews and approves reported investment amounts and evidence	N/A

Global Business Development	Consulted	N/A	The Global Ops team pulls the data from the WaterPortal to include in the GI operating reviews and the TOH ops reviews.
Insights	Consulted	Audits, reviews, and approves reported investment amounts and evidence	Manages reporting dashboards Provides regular reporting to organization

II. Procedure, Approvals, and Responsibilities

Capital invested: tracking, validation, and reporting process

Data source:

WaterPortal is the one and only source of truth for capital invested. If the information is not in the WaterPortal, it will not be counted.

- When staff identify an issue or opportunity to improve the WaterPortal user experience, they need to bring that to the Sr. Impact Intelligence Analyst's (David) attention, or to the Regional Insights Lead.
- David and the Regional Insights Leads have [training in place](#) for tracking capital investments and can provide additional training as requested.

Water.org Design phase approval, for non-WaterEquity Capital Providers¹:

At the design phase of Water.org influencing a capital provider to invest in WSS, the GI lead who is managing the relationship , needs to ensure that the investment strategy aligns with Water.org's strategy and that the investment can be measured and verified after it occurs.

- The GI lead consults with the following about the capital provider and the investment goal + strategy:
 - o Their supervisor
 - o The Insights Regional Lead (who will consult with Global Insights)
 - o Global Business Development (Sid or Ben)
- Once the design is green-lighted by the supervisor to move forward, [forecasts](#) are entered into the WaterPortal. Forecast data will be accessed in [WaterPortal dashboards](#) and will be used to inform our fiscal year targets. Initial and dynamic forecasts and actuals will be tracked at the country, region, and global level.

Tracking investments that occur:

- The GI lead updates capital provider information and investments in the WaterPortal throughout the month, as changes occur. We do not need to wait until the investment is on the balance sheet and can report on investments as soon as they are confirmed, or an agreement is signed. It is in everyone's best interest to update changes to investments as they occur. This will help avoid last-minute requests to review or change investment details.
- When an **investment amount** is entered in the WaterPortal by the GI lead, the supervisor and Insights Regional Lead will receive a notification from the WaterPortal to review the following:

¹ This section is not relevant and does not apply to WaterEquity.

- **Investment details:** The amount of the investment and the linked evidence from the WaterPortal to the documentation supporting that the investment was committed or disbursed, and the date. This evidence is needed to prove the amount of the investment dedicated to WSS.
- **Water.org's influence:** The linked evidence from the WaterPortal that describes the role that Water.org had in influencing the investment. There should be enough details that Water.org's role was clear and influential (Capital Investment impact guidelines including criteria on what counts as Water.org's influence will be provided in Q2).
- The supervisor and Regional Insights Lead will then mark their approval if the evidence is there to support the capital invested amount and that Water.org influenced the amount invested for WSS. The supervisor and Regional Insights Lead will then mark their approval if the evidence is there to support the capital invested amount and that Water.org influenced the amount invested for WSS.
- Once the two approvals by the supervisor and Regional Insights Lead are made, the capital invested amount will be counted toward our tier 1 goal of Capital Invested.

Resolution steps:

In cases where the GI and Insights staff leads are not in alignment and cannot reach agreement on an investment, the decision to count will be escalated as following:

- 1) GI Regional Director and Global Director, Insights.
- 2) Chief Global Impact Officer and Chief Insights Officer
- 3) Chief Operating Officer²

Reporting:

- **WaterEquity investments:** Within the first 5 business days of each month, the WaterEquity Portfolio Manager (Geoff Wise) shares the latest investments from WaterEquity with the Sr. Impact Intelligence Analyst (David Strivings), who enters the information into the WaterPortal. Note that WaterEquity has its own process for designing and tracking investments and those steps are out of scope for Water.org's process.
- **Water.org capital providers:** By the 10th business day of the month, the Regional Insights Leads reconfirm the capital investment made for completeness and accuracy.
- By the 11th business day of each month, the Global Lead, Financial Institution Partnerships (Sid Durgavanshi) reviews the compiled data across regions and then forwards the data to the Global Ops team (Darren and Andrea) to include in the GI operating review deck and the top of the house deck. This information includes the latest capital invested impact numbers from the WaterPortal [capital invested dashboard](#).
- During the Top of House meeting, the Chief Global Impact Officer (Janet Tinsley), or their delegate, reports on the latest capital invested impact numbers (typically the 15th business day of the month). Once a quarter, Insights pulls and reports on the capital invested as part of its quarterly impact report to the organization. Data for the quarterly reports are pulled on February 1st, May 1st, August 1st, and November 1st

Auditing:

Concurrently to the above processes, the Sr. Impact Integrity Specialist (Rafael Castillo) conducts monthly quality spot checks to ensure that our contribution to the investment is sufficient and adequately documented in the WaterPortal to count the reported capital investments.

² It is expected that GI and Insights regional teams should make every effort to identify and resolve questions and disputes. Respective department leaders should only be contacted to mediate and resolve in limited circumstances.