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Capital Invested Pipeline Management

Procedure Owner:	Global Business Development
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I. Procedure Overview

Purpose of Procedure

This document provides guidance for recording, tracking, and reporting on the capital investment pipeline. It outlines processes, activities, and responsibilities for pipeline forecasting, thus improving data consistency, quality and the timeliness of reporting across the regional teams. This guidance note is aligned with the impact reporting guidelines for capital investments.

Key responsibilities:

- a. **GBD-FI:** Validates data on the capital investment pipeline, capital investments forecasts, tracks WaterEquity's investments in the WaterPortal, and tracks and reports capital investments from non-WaterEquity investors.
- b. **Insights:** Tracks and validates capital investments.
- c. **FIS:** Obtains pipeline data directly from WaterEquity, forecasts capital investments from WaterEquity, and presents forecasts of WaterEquity's investment pipeline.
- d. **Regional PoC:** For pipeline and investment metrics, the regional point of contact for each region will be responsible for updating monthly progress for their interventions in the WaterPortal. This data will then be collated and reported by GBD-FI.
 - o Regional POCs should consult with GBD-FI to update and validate pipeline data on capital investments.

II. Procedure

The following process is designed to ensure timeliness and consistency of reporting for monthly GI Operating Reviews, for the Chief Global Impact Officer (CGIO) and the Top of House (TOH) reviews:

Business Days after End-of-Month (EOM)	Key Activities
1. Beginning of month	<ul style="list-style-type: none"> Regional teams share partner investment needs with WaterEquity.
2. Beginning of month	<ul style="list-style-type: none"> Regional teams follow up with investors and partners on deal stages. Regional teams update the confidence level of deals with non-WaterEquity investors in the WaterPortal.
3. EOM + 2 business days	<ul style="list-style-type: none"> Update all non-WaterEquity capital investment pipeline information on the Water Portal Capital Investments page.
4. EOM + 4 business days	<ul style="list-style-type: none"> GI (GBD) and FIS teams download Salesforce Pipeline data from WaterEquity.
5. EOM + 5 business days	<ul style="list-style-type: none"> FIS team validates pipeline forecasts with GBD-FI.

Key Metrics

The following information is to be reported by regional and global teams during monthly GI Operating reviews that subsequently will be reported by the CGIO to the EX during TOH Reviews:

WaterEquity Capital Invested Metrics	
1. Actuals to Date	<ul style="list-style-type: none"> Disbursed transactions by WaterEquity.
2. Forecasted	<ul style="list-style-type: none"> Pipeline transactions forecasted with a 'high' and 'medium' degree of confidence to be disbursed within the reporting period, and actuals.
3. Pipeline	<ul style="list-style-type: none"> All other transactions forecasted to be disbursed within the reporting period.
Non-WaterEquity Capital Invested Metrics	
1. Approved Actuals to Date	<ul style="list-style-type: none"> Transactions approved by the investor and approved internally by the Water.org team.
2. Forecasted	<ul style="list-style-type: none"> Transactions forecasted with a "high" degree of confidence to be disbursed within reporting period, and disbursements. <ul style="list-style-type: none"> Deal stages considered for pipeline forecast include: Term sheet, Due Diligence, Investment Committee

	Approval, Legal Closing/Documentation and Disbursement.
3. Pipeline	<ul style="list-style-type: none"> All other transactions forecasted to be disbursed within the reporting period.

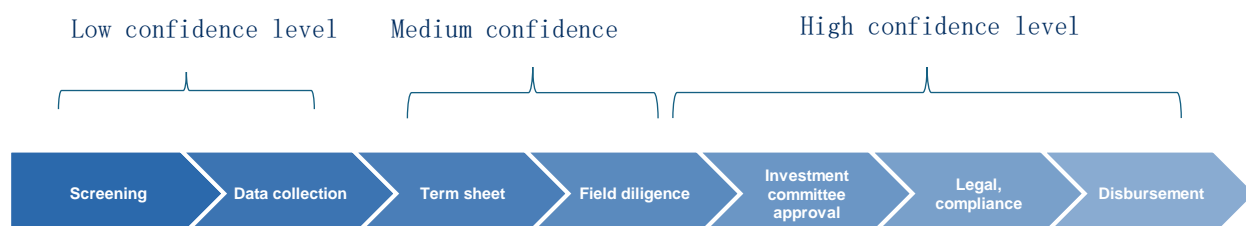
III. Tools & Templates

TOOLS	PRIMARY PURPOSE
1. Water Portal Capital Investments Page	<ul style="list-style-type: none"> The WaterPortal will serve as the <i>single source of truth</i>—the primary reference point for data on: (a) actuals - capital invested by WaterEquity and 'non-WaterEquity investors. (b) pipeline data of non-WaterEquity investors.
2. WaterEquity Salesforce Pipeline Data	<ul style="list-style-type: none"> WaterEquity's investment pipeline provided to GI.
3. Capital investment guidelines.	<ul style="list-style-type: none"> Capital Investment Impact Guidelines, provides direction on the measurement of capital investments, including both approved and disbursed deals.

IV. Definition of Deal Confidence Levels and Process for Recording Stages

i. Definition of Confidence Levels

- a. A High Confidence Level should be assigned to deals that have reached the field due diligence stage or beyond - investment committee approval, legal review, and compliance closure.
 - b. A Medium Confidence Level can be assigned to deals at the term sheet or due diligence stage. The term must be executed – signed and issued to the borrower.
 - c. A Low Confidence Level can be the default designation when entering a new deal lead in the WaterPortal. This level applies to deals in the early stages, ranging from initial introduction to the data collection phase.
 - i. A low confidence level can also be assigned to deals where the teams don't have updates from the partners on the deal progression - estimated time and amount of disbursement.
- ii. Deals must be assigned a confidence level based on their current stage. Program teams are responsible for updating the deal stage and confidence level monthly.
 - iii. Deals should be recorded in the WaterPortal as soon as they reach the screening stage with the investor.
 - a. Avoid entering the deals in WaterPortal when they are close to disbursement. Deals entered at early stages and updated regularly on progression help with forecast accuracy.



V. Innovative and complex financing structures and GBD's Role

- For all complex partnerships/innovative investment deals, Regional Teams will consult GBD, before committing time and resources. A complex partnership or deal is one where there are more than two parties involved, more than 1 country is involved or structured financing instruments are involved such as bonds and guarantee facilities.
- GBD to coordinate with the regional teams on potential issues between WATEREQUITY and non-WATEREQUITY investor interests.
- Oversight on consistency for how the data entered for all non-WATEREQUITY transactions aligns with how data is entered for WATEREQUITY transactions.
- Ensuring consistency for how GI assesses and inputs "degree of confidence" for pipeline transactions for both WATEREQUITY and non-WATEREQUITY transactions; and
- Ensuring Regional Team best practices for building capital invested pipeline are captured and shared across the department.

VI. Governance

The Global Business Development department is the owner of this procedure and is responsible for reviewing, implementing, amending, and making recommendations for updates or changes to these procedures in alignment with the business needs of Water.org.

VII. Additional Resources

List of abbreviations

1. CGIO – Chief Global Impact Officer
2. EOM – End of the month
3. EX – Executive Committee
4. FI – Financial Institution
5. FIS – Financial Institutions Services
6. GBD – Global Business Development
7. GI – Global Impact
8. TOH -Top of House
9. WATEREQUITY - WaterEquity
10. PoC – Point of Contact

[Capital Investment Impact Guidelines](#)

[Capital Investment Internal Reporting Template.xlsx](#)

Contact for Support

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