

ILF for WASH Transaction
Snapshot:
Bidhaa Sasa



ILF FOR WASH TRANSACTION SNAPSHOT: BIDHAA SASA

The Impact-Linked Fund for Water, Sanitation, and Hygiene ([ILF for WASH](#)) is an innovative program co-designed and implemented by [Aqua for All](#) and [Roots of Impact](#). The program provides Impact-Linked Finance to WASH-focused enterprises in Asia, Sub-Saharan Africa, the Middle East, and North Africa (MENA). Bidhaa Sasa was chosen as one of the enterprises to receive an Impact-Linked Loan (ILL). The enterprise's impact goal is to make life-improving products accessible to low-income rural customers – whether by gaining access to clean water (water tanks) or less exposure to dangerous cooking fuels (cookstoves).

Enterprise profile

Through innovative financing and distribution channels, Bidhaa Sasa uses a direct-to-consumer model to sell products such as cookstoves, Electric Pressure Cookers, and water tanks. Their model ensures that even low-income rural customers can access and afford impactful products. The team recruits, trains, and supports Group Leaders, who are mostly women. These Leaders then leverage their networks to create groups of clients (of a minimum of 5 people) who jointly enter into a purchasing agreement. The group's members pay 10% of the costs upfront, with the remaining amount paid in installments over 9 months (for cookstoves) and 18

months (for water tanks). The lending risk is mitigated by leveraging group liability: Group members agree that should one of the other members not be able to pay an installment, they will provide support. This approach enables impactful purchases for people who would not be able to afford the products by paying upfront or to get a loan from more traditional lenders. Women especially benefit from this model.

The focus of the ILL is on the water tanks sold and installed by Bidhaa Sasa which allow consumers to collect and store rainwater. The water is used for household chores as well as for drinking and watering small gardens. [The biggest reported impact is time saved from collecting water and improved health.](#)

Problem

Kenya is among the world's most water-scarce countries. Access to clean and safe water is a problem experienced by more than 18 million people. Alternative water sources for the most vulnerable parts of society are generally dirty (due to animal manure discharges, mines, etc.) and/or salty. This often results in waterborne diseases. Studies have also shown how the burden of water collection, especially water scarcity, is mostly borne by girls and women in Kenya.¹



¹ <https://news.un.org/en/story/2022/10/1129747>

Bidhaa Sasa facts and figures	
Founding year	2015
Country of operations	Kenya and Uganda
Business focus	Financing and distribution of impactful products
Main target groups	Rural population
Growth stage	Scaling
Performance to date	<ul style="list-style-type: none"> Reached 150,000 clients (75% are women) Sold 200,000 products Reached 10,000 Group Leaders (90% are women) Through the water tanks women have saved 1 to 4 hours daily by avoiding fetching water

Customers

Bidhaa Sasa has a strong gender lens: more than 75% of clients and more than 90% of Group Leaders are women. Customers live in rural and remote areas that are defined as difficult to reach. This largely unserved and untapped customer segment has proven to be very reliable. Women in small villages tend to have robust social networks

and a high sense of duty, which enhances the group liability concept, decreases defaults and mitigates credit risks.² Girls and women are the main beneficiaries of access to clean water, as they are generally in charge of fetching water, which according to anecdotal evidence can take up to 1-4 hours per day, and according to a USAID study an average of 6km per day³.

End-customer personas	
Age	44
Gender	Female
Country	Kenya
Education	Secondary school
Family status	Married
Job	Farmer
Income-level	Lower income (average income \$3.2 per day)
Previous water habits	<ul style="list-style-type: none"> Use low-quality water from nearby lakes and streams or boreholes Carry on the head 20L jerry cans
Benefits of the water tank	<ul style="list-style-type: none"> Saves 1-4 hours each day Easy access to cleaner water to be used by family, animals, and garden
Quote from customer	<i>"I am a beneficiary of the Bidhaa Sasa Water Tank program. The benefits I get from the tank outweigh its cost. It has saved me and my donkey from the daily journey of going to the river to fetch water. I am glad I no longer drink salty water from boreholes, though the tank dries up before the next rainy season."</i>

² https://www.icrw.org/wp-content/uploads/2018/12/ICRW_Bidhaa-Sasa_CaseStudy.pdf

³ <https://www.usaid.gov/six-kilometers-day>

Rationale of the transaction

The highly forgivable Impact-Linked Loan (0% interest rate, with up to 47.5% principal forgiveness) is focused on Bidhaa Sasa's water tank product line. The loan allows Bidhaa Sasa to scale this product line, which features higher margins than other products, but to date, has proven more difficult to scale because:

- Water tanks have proven more difficult to attract the necessary capital to on-lend (as compared to the cookstoves and electric cookers that more easily capture investors' and donors' interest).
- Water tanks feature the longest repayment periods (i.e. 18 months, compared to 6-9 months for other products).

The innovative, highly forgivable structure of the Impact-Linked Loan avoids adding to the burden of debt repayments, while still ensuring a transformative impact. By enabling greater scale of the water tank business line, the Impact-Linked Loan aims to better position Bidhaa Sasa on a path to sustainability and growth, and hopefully attract additional WASH investors. The loan will last for four years and two months. The additional two months ensure impact verification can regularly take place.

Metrics

The Impact-Linked Loan features one Impact Measurement and Management (IMM) metric and three impact metrics. The impact achieved in these metrics determines the exact level of principal forgiveness. The metrics are the following:

- The IMM Metric for IMM system development and deployment aims to reward the extensive data collection and analysis efforts undertaken by Bidhaa Sasa, to ensure reliable baselines.
- The Metric 1 for additional growth of water tank sales to vulnerable customers ensures the capital is used to increase the outreach to vulnerable water tank customers.
- The Metric 2 for the proportion of customers cleaning the water tanks incentivizes Bidhaa Sasa to improve the water quality by training customers and Group Leaders to wash their water tanks.
- The Metric 3 for Net Promoter Score aims to ensure that higher sales do not come at the cost of high customer and Group Leader satisfaction.



	IMM Metric	Metric 1	Metric 2	Metric 3(a)	Metric 3(b)
	IMM system development and deployment	Additional water tank sales to vulnerable customers	Proportion of customers cleaning the water tanks	Customers Net Promoter Score	Group Leaders Net Promoter Score
Loan amount	\$200,000				
Terms of the ILL	0% interest rate up to 47.5% principal forgiveness Repayments in Kenyan Shilling				
Transaction period	4 years				

Quote from the entrepreneur

“The support from ILF for WASH will allow us to expand our reach to more rural customers and experiment with larger water tanks. We also expect to understand better the impact the tanks have in the families’ everyday life and therefore improve our services.”

Rocío Pérez Ochoa, Co-Founder and Director

The program partners

About Aqua for All

Aqua for All is an international foundation committed to providing universal access to safe drinking water and sanitation services that are inclusive, affordable and sustainable. Our mission is to mobilise private capital for entrepreneurs to transform the water and sanitation sector in low- and middle-income countries. By catalysing private capital for market development and increasing access to finance, we accelerate access to climate-resilient water and sanitation services, especially in Africa and Asia.

<https://aquaforall.org/>

About Roots of Impact

Roots of Impact is the expert and enabler for Impact-Linked Finance. As a pioneer in this field, we believe in aligning capital with incentives to drive change for people and the planet. Our mission is to empower entrepreneurs to unlock their full impact potential by managing Impact-Linked Funds, providing advisory and education to catalytic funders and investors, and enabling practitioners across the globe to use Impact-Linked Finance effectively.

<https://www.roots-of-impact.org/>

Contact

Want to know more about the ILF for WASH program? Find more information on our [website](#).

Or else feel free to contact Aqua for All at ILF@aquaforall.org