

ILF for WASH Transaction Snapshot:

Jibu



ILF FOR WASH TRANSACTION SNAPSHOT: JIBU

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). [Jibu](#) was chosen as one of the enterprises to receive Social Impact Incentives ([SIINC](#)). Jibu’s impact goal focuses on two main areas: 1. access to safe drinking water, and 2. income generation for the local population. Both goals are the center of the SIINC transaction and its metrics.

Enterprise profile

Jibu uses a franchise model to provide safe drinking water in various African countries. Local entrepreneurs are empowered to run

franchises that use energy-efficient, low-waste, ultra-filtration equipment to filter water. Safe water is packaged in reusable water bottles and distributed to end customers through kiosks, local resellers, or mobile distributors. Reusable bottles are purchased once, and customers come back for refills only. This model results in relatively low prices for consumers and high profits for the franchisees, which creates a win-win situation. Franchisees benefit from Jibu’s strong brand, economies of scale on inputs, regulatory support, and proven quality control and assurance.

Problem

While the availability of safely managed drinking water is increasing, 2.2 billion people globally still lack access to this vital source.¹ For many people on the African continent, safe drinking water is either inaccessible or too expensive. This often results in the use of water from unprotected springs and wells.² In addition, boiling water comes at a cost to health and the environment and is disproportionately assigned to women.³

Jibu facts and figures	
Founding year	2012
Country of operations	Uganda, Rwanda, Kenya, DRC, Ghana, Tanzania, Burundi, Zambia
Business focus	Decentralized safe water services
Main target groups	Urban and peri-urban population
Growth stage	Mature
Performance to date across all countries	<ul style="list-style-type: none"> • 500M liters of water to 380,000 daily end customers • 190 franchises and 10,000 resell points • 5,0000 jobs in East Africa

¹ <https://data.unicef.org/topic/water-and-sanitation/drinking-water/>, dated July 2023

² <https://www.who.int/en/news-room/fact-sheets/detail/drinking-water>, dated 13 September 2023

³ <https://www.who.int/news/item/06-07-2023-women-and-girls-bear-brunt-of-water-and-sanitation-crisis---new-unicef-who-report>

Customers

The vast majority (98%) of Jibu's customers are classified as middle-income. The upfront payments for the bottles seem to be

the main barrier for more low-income people to become customers. Low-income customers can pay for the refill, as this is similar to the costs spent on charcoal.

End-customer personas			
	The middle 'traditionalist' ⁴	The 'affluent' switcher ⁴	SIINC customer
Work	Small informal sector workers (e.g., carpenters, shop owners, painters)	Business owners, government, and NGO employees	Occasional informal sector worker/unemployed
Home status	living in low/middle-income urban and peri-urban areas	living in high-income urban areas	Living in low-income urban or peri-urban areas
Frequency and quantity purchased	1-2 times/ week, 20l	2-3 times/week, 20l	1 to ½ times/week, 20l
Preference of sales channels	Walk-in sales, carry the can by foot or get a cycle/motorcycle	Walk-in sales, get their cars or house help to collect water	Walk-in sales, delivery, refill at station, carry the can by foot
Amount spent on JIBU	USD 8-15 per month	USD 15-22 per month	USD 4-7 per month
Reasons for use and feedback	<ul style="list-style-type: none"> • Cheaper than other bottled water and comparable to the price of boiling water • Willing to pay a premium for convenience since it takes away the need to boil water • Spend ~4-5% of their income on drinking water 	<ul style="list-style-type: none"> • Already used bottled water, the JIBU solution is ~40-50% cheaper • Quality is equivalent to other bottled water but comes at a cheaper price • Spend ~2-2.5 % of their income on drinking water 	<ul style="list-style-type: none"> • Switching from a secure water source when local utilities/official services stop during draughts • Limited disposable income but in need of better quality and affordable water • Boil water on charcoal • Spend ~5-6% of their income on drinking water
Quote from customer	"I like the taste since it does not have the smoky taste of boiling" or "The cans with the tap make water pure. There is no contamination in mixing with other containers and I can exchange the can when done"	"The price is much lower than the previous brand and that is why I have switched."	



⁴ Dalberg - Study of the water kiosk model, Venture level assessment: Jibu, 18 January 2017

As per the franchisees, most of them are owned and run by men as women tend to have more difficulty in gaining access to the necessary capital/credit to start a franchise, perceive the water business as a male business, and find it challenging to deal with legal issues. Currently, 40% of Jibu's franchises are owned by women.

Rationale of the transaction

Given the above-mentioned focus on middle-income customers and a male predominance among Jibu's franchisees, SIINC aims to a) incentivize Jibu to increase its outreach and retain low-income customers in Uganda (with the potential for replication in other countries) and b) increase gender equity among franchisees.

Since Jibu does not collect information for all its end customers but rather via annual surveys on a sample size. The first SIINC measurement period will be used to incentivize Jibu to strengthen its Impact Measurement and Management (IMM) system. This enables the enterprise to collect (new) customers' poverty-level information. Only from the second period

onwards, once baseline information is available, will the transaction incentivize the [increase in low-income customers \(Metric 1\)](#) and [their retention \(Metric 2\)](#). The reason behind SIINC metric 2 is that retaining low-income customers with a smaller purchasing power is both less profitable and more difficult than doing the same for middle-income customers. Therefore, the SIINC transaction aims to create additionality by rewarding the enterprise for the extra effort and making sure that the impact of low-income customers having access to clean water is long-lasting.

Additionally, SIINC incentives will enable Jibu to [improve the gender balance among their franchisees \(Metric 3\)](#). In the short term, reaching female entrepreneurs may require more effort, for example by building capacity and facilitating access to capital. SIINC will help Jibu overcome the initial added efforts, to eventually increase (and ideally reach) gender equality.

Jibu's transaction has been structured over four years to incentivize tangible systems change and maximum impact additionality.

Metrics

	IMM Metric	Metric 1	Metric 2	Metric 3
Incentive	IMM system development and deployment	Low-income customer growth	Low-income customer retention	Female franchisees proportion
Payments (up to)	€400,000			
Transaction period	4 years			
Impact verification	Every 12 months			



Quote from the entrepreneur

“Thanks to SIINC's incredible support, we're embarking on an exhilarating journey to tap into a previously untouched market segment. Jibu has always seen the vast potential in low-income households as customers, but the financial risks held us back from investing in this (risky) group. Now, with SIINC's approach to de-risking this venture, they're empowering Jibu to boldly invest in this new demographic and reward us for our efforts here. We're excited about this opportunity and can't wait to witness the transformative results.”

Galen Welsch, Co-Founder and CEO

The program partners

About Aqua for All

Aqua for All is an international foundation operating primarily in Africa and Asia. For over two decades, we have worked towards catalysing an innovative, sustainable and inclusive water and sanitation economy worldwide. Our transformative approach includes market development and access to finance. We support local service providers to scale their market-based solutions and attract capital. In addition, we use our funds to mobilise private capital to increase investments in water and sanitation. Aqua for All provides the impact-linked funding to support the enterprises with SIINC and other Impact-Linked Finance instruments.

<https://aquaforall.org/>

About Roots of Impact

Roots of Impact is a manager of catalytic capital. As a pioneer in Impact-Linked Finance, the firm believes in aligning capital with incentives to drive change for people and the planet. Its mission is to empower entrepreneurs to achieve impact at scale by managing innovative funds, providing quality advisory and education, and building the field for Impact-Linked Finance.

<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

