

Introduction

Impact-Linked Finance for Water Sanitation and Hygiene (ILF for WASH) is an innovative finance programme. It offers a suite of Impact-Linked Finance (results-based) solutions to water, and sanitation enterprises across Sub-Saharan Africa, Asia and MENA looking to scale and increase their impact.

ILF for WASH provides acceleration support and catalytic financing that contribute to mobilising private investments and scaling water and sanitation enterprises sustainably. This will ultimately contribute to achieving SDG 6, universal access to clean water and sanitation.

Financed by Aqua for All, ILF for WASH is developed and implemented in partnership with [Roots of Impact](#). The programme builds on the learnings and promising results piloted by the [Social Impact Incentives \(SIINC\) for WASH programme](#), launched in mid-2020. SIINC for WASH is also financed by Aqua for All and co-designed and implemented in partnership with Roots of Impact. The report shows results up to the end of 2025, while transactions are still in progress.

Executive summary

Impact-Linked Finance for WASH (ILF for WASH) builds on the success of the SIINC for WASH pilot (launched in 2020) to unlock financing and technical assistance for enterprises delivering safe water, sanitation, and hygiene solutions in underserved markets. By combining catalytic finance with capacity building, the programme has supported enterprises in Asia and Africa to expand their reach, strengthen their business models, and deliver measurable social and environmental impact.

Key highlights

- Evolution to a programme: Transitioned from the SIINC for WASH pilot to a broader ILF for WASH approach, combining finance, technical assistance, and learning/community-building.
- Diverse Instruments: Introduced tailored instruments including SIINC, Impact-Linked Loans (ILL), Simple Agreements for Future Impact (SAFI), enabling enterprises to align financing with verified outcomes.
- Introduced as well different Technical Assistance (TA) programmes to support enterprises in increasing capabilities in investment readiness and Impact Measurement and Management.
- Catalytic Effect: Achieved an average financial leverage ratio of 1:7 — every €1 of incentives mobilised €7 in additional external investment.
- Global Reach: Supported enterprises across Africa and Asia, spanning Kenya, Uganda, Malawi, Ghana, Senegal, Cambodia, and beyond.

Achievements

- Number of ILF instruments allocated - 6 SIINC, 1 ILL, 1 SAFI
- 25 organisations received technical assistance

- Empowered women and local entrepreneurs through inclusive franchise and sales models.
- Progress on SDG 6 (Clean Water & Sanitation), SDG 5 (Gender Equality), and SDG 8 (Decent Work & Economic Growth).

Lessons learned

- No one-size-fits-all: Different enterprises require different ILF instruments depending on readiness and business models.
- Flexibility is essential: Impact metrics and targets must adapt to changing business and market conditions.
- Impact data gaps are barriers: Enterprises need stronger impact measurement systems and ILF can incentivise better tracking.
- Strategic autonomy matters: Enterprises perform best when they retain control over customer targeting.
- Structured technical assistance works: A funnel approach (from IMM bootcamps to advanced TA) builds a strong pipeline of ILF-ready enterprises.

Looking ahead

ILF for WASH 2.0, now fully implemented by Aqua for All and in collaboration with the Swiss Agency for Development and Cooperation (SDC), will continue to scale innovative WASH enterprises by providing catalytic finance, strengthening impact data systems, and mobilising private capital. With a proven model and clear results, the programme is well-positioned to accelerate progress toward universal access to safe water and sanitation.

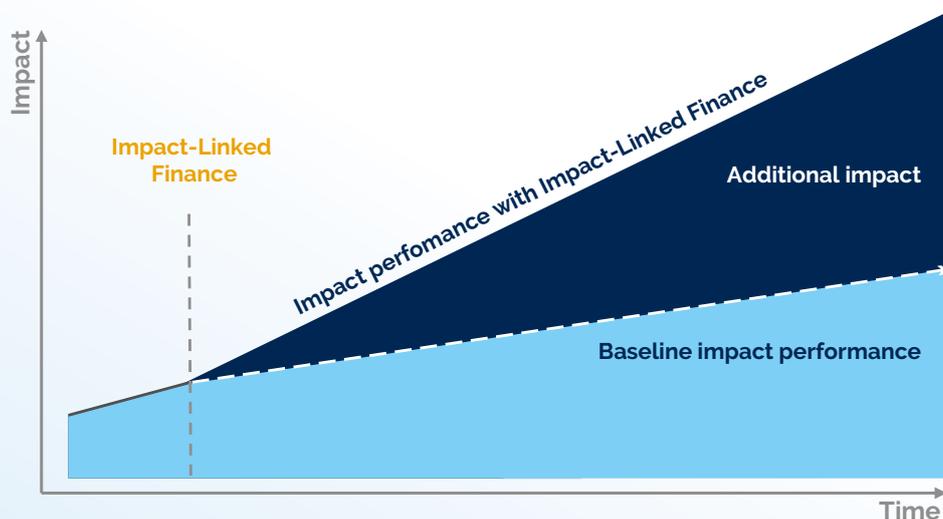


ILF for WASH: Programme overview

Since 2020, Impact-Linked Finance for WASH (ILF for WASH) has helped households gain safe water access, increased smallholder farmers' incomes, and brought clean drinking water to remote rural communities — all while enabling enterprises to stay mission-focused and reach some of the hardest-to-serve populations. The most recent report by WHO and UNICEF shows that 1 in 4 people globally still lack access to safely managed drinking water. People in least developed countries are twice as likely to lack basic drinking water and sanitation services¹.

While small and medium enterprises (SMEs) have emerged to address these gaps, they often struggle to scale their solutions sustainably. Many water, sanitation and hygiene (WASH) SMEs operate in challenging market environments with often weak, insufficient or inconsistent regulatory frameworks, and where a focus on affordability for low-income households, limited market share, and tight profit margins restrict revenue generation. Additionally, the WASH sector receives comparatively less investment than other sectors, causing enterprises to take longer to break even, achieve financial sustainability, and generate measurable impact.

ILF for WASH was launched to respond to these systemic barriers and unlock the potential of WASH enterprises to deliver lasting social and environmental outcomes. ILF for WASH provides acceleration support and catalytic financing that contributes to mobilising private investments and scaling water and sanitation enterprises sustainably. It applies an integrated approach by combining Impact-Linked Finance, technical assistance, and learning and community-building to strengthen the capacity and performance of participating enterprises, as well as to share knowledge with a wider group of funders and stakeholders.



Building on these systemic barriers, the programme experimented with various instruments to match enterprise needs. While SIINC served as the primary instrument, ILF for WASH also piloted other financing mechanisms, including an Impact-Linked Loan (ILL) and a Simple Agreement for Future Impact (SAFI). These instruments are designed to reward measurable impact, support innovative approaches, and attract investment into the WASH sector.

¹ <https://www.who.int/news/item/26-08-2025-1-in-4-people-globally-still-lack-access-to-safe-drinking-water---who--unicef>

	Purpose	How it works	Average ticket size
SIINC	SIINCs reward enterprises with time-limited payments for achieving additional social and environmental impact. These revenues enable enterprises to improve their profitability and attract investments which accelerate their scaling efforts and supports them in reaching self-sustainability. Enterprises must raise repayable investment(s) (equity, debt or mezzanine, etc.) in parallel.		EUR 150K – 400K
ILL	Loans whose interest rate, and possibly even principal repayment, can be reduced depending on the borrower's impact achieved. Hence, the higher the impact achieved, the lower the costs of capital (impact discount). ILLs can have several additional impactful features, such as grace periods, local currency disbursements etc.		EUR 200K
SAFI	SAFI is flexible, impact-linked growth capital. Repayments are revenue-based with a cap that falls as the enterprise achieves impact. Non-dilutive and requiring no exit, it lets entrepreneurs retain ownership. Incentive targets can be set up within 12 months of signing, with rewards for IMM buildup.		EUR 200K
Technical Assistance	Two-prong approach to address the variety of the impact-related challenges faced by water and sanitation enterprises. Firstly, Impact-Linked Finance Readiness Bootcamp providing targeted support to improve enterprises' impact measurement and management (IMM) systems. Secondly, the Train-the-Trainer programme will strengthen the capacity of service providers to deliver Foundational Support , such as basic training on IMM and investment readiness to enterprises.		

This report presents a summary of the programme's progress, highlighting key outcomes, lessons learned, and the evolution of the programme's approach from 2020. It also includes a snapshot of impact created, and reflections on key milestones achieved. Additional resources and publications are included to support ongoing learning and sector-wide dialogue.

Why Impact-Linked Finance for the WASH sector

Impact-Linked Finance shifts the funding paradigm from inputs and activities to measurable results, aligning the interests of investors, enterprises, and the communities they serve. For the WASH sector, where impact can often be difficult to monetise through traditional business models alone, this financing approach provides a critical lever to drive inclusive growth and accelerate progress toward the Sustainable Development Goals.

By linking financial incentives directly to verified social outcomes, enterprises can achieve greater impact and foster innovation, attract investment, and prioritise service delivery to the most underserved populations.

Key selection criteria for the programme	
Geography:	Asia, Africa, and the Middle East
Track record:	At least three years of operations
Investment round:	Seeking repayable investment(s) of min. €500,000 (only applicable to SIINC)
Business model:	No constraints on legal form, but must be revenue-generating
Financial sustainability:	Profitable or with clear projections for break even
Impact track-record:	Baseline data related to the impact generated so far

In addition, the ILF for WASH had the following characteristics:

- A comprehensive approach that goes beyond providing time-limited payments to include technical assistance and capacity-building to create a broader ILF suitable pipeline for the short to medium term.
- Incentivising sustainable commercial and social growth, so that enterprises continue to generate positive impact beyond the funding period.
- Incentives and technical assistance aim to contribute to creating self-sustainability and scale that will enable the enterprise to access other sources of funding from commercial or impact investing sources.
- Supports enterprises to overcome the tension they may face between achieving profitability and generating a stronger impact.
- Offers tailor-made targets and flexibility to decide on the impact metrics, and the terms for incentivising these.

Milestone achieved from SIINC to ILF

2020 ➤ Launch of SIINC for WASH > EUR 950,000 programme

2021 ➤ 3 SIINC transactions

- *aQysta* – Malawi (+ TA)
- *ATEC* – Cambodia (+ TA)
- *KWSH* – Cambodia

2022 ➤ Launch of ILF for WASH > First close EUR 3.2M programme, shift to holistic approach to include TA as well as learning & community building

➤ 4 enterprises trained in the ILF readiness bootcamp

- Iriba Water Group - Rwanda
- Liquid Gold Africa - South Africa
- Pure Fresh – Kenya
- TapEffect – Cambodia

➤ 5 organisations trained in the Train-the-Trainer programme

- DevFi Performances – Senegal
- Intellecapp – Kenya
- ISEA – Cambodia
- Swisscontact – Cambodia
- Private Equity Support – Kenya

➤ Publication of article - [*Next Billion*](#)

2023 ➤ 2 SIINC transactions

- *Aqua Clara Kenya* – Kenya (+ TA)
- Jibu – Uganda

➤ Call for application of ILLs

➤ Reflective [*Webinar*](#) - SIINC for WASH Enterprises: Results and lessons from the field

➤ 10 enterprises trained in Foundational Support (5 enterprises received bonus Foundational Support)

- Aljuli Engineering – Kenya
- Aquatech – Senegal
- ART Pesoung – Senegal
- Elphrods Services – Senegal
- FlexEau – Senegal
- Maji Milele – Kenya
- Mobi-Water – Kenya
- Nazava Water Filters – Kenya
- Tier Data – Kenya
- WeTu – Kenya

2024

➤ SIINC transaction

- Tap Effect – Cambodia (+ TA)

➤ Impact-Linked Loan transaction

- *Biddhaa Sasa* – Kenya

➤ SAFI transaction

- *Pure Fresh* – Kenya

➤ *ILF Matching Tool* published to support enterprises in assessing which ILF instrument is best suited to them.

➤ 5 enterprises trained in the IMM Bootcamp

- Folia Water – Bangladesh
- Kosmotive – Rwanda
- Nazava Water Filters – Kenya
- Safe Water Networks – Ghana
- Water Access Rwanda – Rwanda

2025

➤ Release of an informative [video](#) on Impact-Linked Finance for WASH

➤ SIINC call for applications

➤ 3 transactions in process

➤ 6 organisations trained in the Train-the-Trainer programme

- Astute Business – Ghana
- Big Five Africa – Kenya
- Impact Africa Consulting – Kenya
- Intellecap – Kenya
- iValley – Ghana
- MDF – Ghana

➤ 5 enterprises trained in the IMM Bootcamp

- Clean Team Ghana – Ghana
- Loowatt – Madagascar
- Spring Health – India
- West Africa Water – Senegal
- WeTu – Kenya

➤ Publication of article - [Next Billion](#)

Alongside these milestones, funded enterprises demonstrated measurable progress against their impact goals. Each enterprise was assessed against baseline figures to ensure that results went beyond business-as-usual performance. The following section highlights the impact achieved that resulted in the enterprises receiving incentives.

Enterprise	Description	Purpose of the metrics	Key achievements to date
KWSH (Cambodia) – SIINC	KWSH acquires private rural piped water utilities to increase their production and distribution capacities, with the aim to reach more rural and semi-rural communities.	<p>Metric 1: increase the piped water connection rates to more difficult-to-reach households.</p> <p>Metric 2: steers KWSH's decision to acquire stations, where they will have deeper impact.</p>	<p>1: Increase from 60% to average 72% households connected, corresponding to ca. 2,500 additional households (approx. 10'000 people) reached.</p> <p>2: New water station acquired with relevant impact additionality.</p>
ATEC (Cambodia) – SIINC	ATEC utilises animal waste management systems, avoiding water- pollution deriving from ineffective disposal of manure, to provide safe and cheap access to energy and clean cooking.	<p>Metric 1: incentivises focus on the poorest customers smallholder farmers, who cannot afford to buy gas and instead rely on collecting and/or buying wood or charcoal.</p> <p>Metric 2: rewards ATEC for providing the best possible customer service throughout the entire (after-)sales process.</p> <p>Metric 3: strengthens the link to human faecal waste. ATEC toilet connections was originally small and not likely to increase considerably.</p>	<p>1: No incentives were received for the first metric.</p> <p>2: Increase in average NPS² from 13% to 39%.</p> <p>3: Increase from 1% of customers with a toilet connection to ~7,8%.</p>
Jibu (Uganda) – SIINC	Jibu leverages a franchise model to provide access to safe drinking water at scale. Jibu empowers local entrepreneurs to run production franchises, where through ultra-filtration equipment safe drinking water is produced and packaged in reusable water bottles that are distributed to end customers, either directly or via local resellers.	<p>Metric 1: increases in low-income customers.</p> <p>Metric 2: retains low-income customers as they have a smaller purchasing power which is both less profitable and more difficult than doing the same for middle-income customers.</p> <p>Metric 3: improves the gender balance of their franchisees as in the short-term reaching female entrepreneurs may require more effort.</p>	<p>1 & 2: To date Jibu has reached ~3200 low-income customers with a retention rate of 80% .</p> <p>3: The gender balance improved to average 45% female proportion.</p>

2 Net Promoter Score

<p>Aqua Clara Kenya (Kenya) – SIINC</p>	<p>ACK sells WASH products (mostly household and community water filters) to purify drinking water and thereby mitigate exposure to waterborne diseases.</p>	<p>Metric 1: aims to retain the enterprise’s focus on the low-income customer segment by rewarding it for the growth of this specific target market.</p> <p>Metric 2: incentivises ACK to place new hubs in areas where access to household and community water filters (linked to the hubs) will have an increased probability of impact.</p> <p>Metric 3: incentivises the enterprise to ensure that its customers know and are reminded of best practices to achieve the best possible water quality.</p>	<p>1 & 2: To date ACK has set up 11 new hubs reaching 8600 pupils receiving free water.</p> <p>3: Increase % of households washing the water filter weekly from 63% to 93%.</p>
<p>Tap Effect (Cambodia) – SIINC</p>	<p>TapEffect installs and operates piped water systems to supply tap water to households, health clinic, schools, businesses, and charges them for the water they use through a centrally managed remote IoT technology. Tap Effect targets rural last mile households, schools, business and healthcare centres where each system covers ~10,000 people in the area.</p>	<p>Metric 1: increases the speed of households connected to piped water to ensure that more households which rely on ponds or rainwater, will gain 24/7 access to on-premises connections to clean piped water sooner.</p> <p>Metric 2: rewards TapEffect for bathroom connections to encourage hygiene practice.</p> <p>Metric 3: rewarded with a bonus payment for each connection to an ID Poor³ household.</p>	<p>1: To date Tap Effect increased the rate of connection to 41.12% reaching 1 475 new households.</p> <p>2 & 3: Bathroom connection rate to 21.08% which is 679 new connections and 30 ID poor customers.</p>
<p>Bidhaa Sasa (Kenya) – ILL</p>	<p>Bidhaa Sasa uses a women-focused social sales model to finance and distribute impactful household goods in rural areas to enhance food and water security and adaption to climate change.</p>	<p>Metric 1: rewards growth of water tank sales to vulnerable customers.</p> <p>Metric 2: incentivises Bidhaa Sasa to improve the water quality by training customers and Group Leaders to wash their water tanks.</p>	<p>1: To date 186.4% growth in water tanks, reaching 839 customers.</p> <p>2: Increase from 60% proportion of customers cleaning their water tanks to 65,3%.</p>
<p>Purefresh (Kenya) – SAFI</p>	<p>Purefresh distributes clean drinking water in Kenya through locally operated water kiosks and delivery services, improving reliable access to safe water for households and communities.</p>	<p>Metric 1: aims to incentivise Purefresh to place and retain the new container-based outlets in more impactful areas.</p> <p>Bonus metric: reward for setting up and retaining extra outlets in impactful areas above and beyond the 15 financed by the SAFI.</p>	<p>Transaction ongoing; achievement data not yet available.</p>

3 ID Poor is a community-driven proxy means test to identify households living beyond the poverty line and households having problems sustaining their livelihood due to special circumstances. All households identified as poor are issued with Equity Cards. These cards enable poor households to receive free services and assistance.” Find more information: <https://idpoor.gov.kh/en/about/>

Main lessons learned

The implementation of the programme provided important insights into what makes Impact-Linked Finance (ILF) transactions in the WASH sector successful. These are the main lessons learned:

- SIINC for WASH revealed that one size does not fit all when it comes to ILF. Different enterprises need different ILF instruments depending on their readiness, funding needs, and ability to generate measurable impact. In the pilot phase, only SIINC was offered. In later phases, a broader range of instruments became available to better match enterprise needs.
- Flexibility is essential: ILF terms, metrics, and targets must be adjustable if enterprises change business models or face shifting market conditions. Wherever possible, metrics were designed to be time insensitive, to allow rewards for impact to be granted at any point of the contract period. This allowed for any delays due to external factors to not negatively impact the enterprises. At the same time, the establishment of thresholds proved crucial to safeguarding against unintended effects from shifting dynamics.
- Without reliable impact data, structuring an ILF instrument was very challenging. Many WASH enterprises lack robust impact data systems. They often only track operational outputs rather than outcomes or end-customer impact. The programme showed that ILF can include incentives to strengthen impact data systems alongside financing. This ensures enterprises can develop better tracking systems while still benefiting from ILF support.
- Strategic autonomy matters: ILF can only work when enterprises have full control over their strategy. Enterprises must have full decision-making power over customer targeting and impact strategy. Enterprises relying heavily on intermediaries (e.g., B2B models with no influence over end-customers) cannot be rewarded for deepening impact that is beyond their control.
- The programme adopted a structured “funnel” approach to TA rather than using ad hoc support. TA was tailored to enterprises at different stages of ILF readiness. For early-stage enterprises foundational IMM support was provided. This approach built a pipeline of enterprises ready for ILF transactions.

“Impact-Linked Finance helps us go where we really want to go but sometimes don’t manage to go.”

John Nyagwencha, CEO of Aqua Clara Kenya

SIINC and ILF for WASH in numbers

<p>Transactions</p> <p>6 SIINCs </p> <p>1 SAFI </p> <p>1 ILL </p>	<p>11 countries </p> <p>Bangladesh · Cambodia · Ghana · India · Kenya · Madagascar · Malawi · Rwanda · Senegal · South Africa · Uganda</p>	<p>4 new innovations </p> <ul style="list-style-type: none"> • Pure Fresh (new outlets) • aQysta (agri-service offering) • ACK (HUBs based in schools) • Bidhaa Sasa (bigger water tanks)
<p>Technical assistance</p> <p>25 organizations received TA </p> <p>11 TA providers trained </p>	<p>Financial performance</p> <p>1:7 Average financial leverage </p> <p>Amount of incentives allocated to enterprises</p> <p>€1.7M via SIINC</p> <p>€184k via ILL</p> <p>€184k via SAFI</p>	<p>Reach & scale </p> <p>30 new franchises/hubs established across all companies</p> <p>33,771 underserved customers reached or impacted</p> <p>100,627 underserved persons reached or impacted</p> <p>24,284 additional customers attributable to ILF</p> <p>60,274 additional persons attributable to ILF</p>
<p>Sustainable Development Goals</p> <p>6 SDGs addressed</p> <p>Top 3</p> <div style="display: flex; justify-content: space-around;"> <div data-bbox="217 1536 456 1769"> <p>6 CLEAN WATER AND SANITATION </p> </div> <div data-bbox="469 1536 580 1644"> <p>5 GENDER EQUALITY </p> </div> <div data-bbox="469 1662 580 1769"> <p>8 DECENT WORK AND ECONOMIC GROWTH </p> </div> </div>	<p>Incentives disbursed to enterprises to date</p> <p>€920k via SIINC</p> <p>€30k Loan forgiveness (reduction of capital)</p>	

“ There was a big risk for our commercial arm to become ‘too commercial’, also due to pressure from investors for financial returns... But once you deviate from your mission it’s very hard to come back. The ILF for WASH program empowered us NOT to go down that path... For me, Impact-Linked Finance is a great reminder of what your mission really is. ”

John Nyagwencha, CEO of Aqua Clara Kenya

“ As to applying to the programme, this was pretty much a no-brainer for us. It aligns so well with what we strive to do at Jibu but couldn’t do due to the extra risk... ILF is very system-changing as it integrates behavioural change into our organisation. The design process was very participatory and flexible. ”

Tosca Terra, Head of Impact and Partnerships, Jibu

“ What I like about Impact-Liked Finance most is the flexibility. We have received an Impact-Linked Loan, and I appreciate that the interest rate and the incentives are linked and aligned. Usually, it’s the exact opposite: Investors want the full triple bottom line performance but are not ready to sacrifice any returns. Their motto is ‘no trade-offs, please’. ”

Rocío Pérez Ochoa, Co-Founder and Director of Bidhaa Sasa



Conclusion

Over the past five years, the programme has proven that tailored financial instruments, combined with targeted technical assistance and capacity building, can enable WASH enterprises to stay mission-focused, expand their reach to underserved communities, and strengthen their commercial viability.

By rewarding verified impact, ILF for WASH has helped participating enterprises manage the tension between profitability and serving the most underserved populations. As seen in the report, the programme has improved access to safe water and sanitation and strengthened impact measurement systems.

The programme's flexible and collaborative approach has allowed enterprises to adapt to changing contexts, pilot innovative business models, and build the resilience needed for long-term sustainability. The lessons and milestones captured in this report show that with the right mix of incentives, and support, WASH enterprises can deliver lasting change at both scale and depth.

Looking ahead, the continued application of Impact-Linked Finance in the WASH sector offers a path to accelerate progress towards the Sustainable Development Goals. The programme invites continued collaboration from investors, practitioners, and policymakers to accelerate WASH sector transformation through Impact-Linked Finance.

“We always felt that something was missing in the market – a model that would support ideas that are evolving. What I can say today is that ILF is indeed a well-thought-through approach that rewards your progress, is patient, and gives you the flexibility to scale an impactful solution.”

Antony Kamotho, Managing Director, Purefresh





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