Sustainable streams: Financial solutions for water and sanitation access

Partner case study: Negros Women for Tomorrow Foundation

In the Philippines, financial institutions are proving that investing in water and sanitation isn't just good for communities, it's good business. With support from global nonprofit organization Water.org, Negros Women for Tomorrow Foundation (NWTF) developed a specialized loan product that allows its clients to finance water and sanitation improvements. Since 2014, NWTF has disbursed more than 500,000 water, sanitation, and hygiene (WASH) loans with a repayment rate of 99%. By integrating the product into its core operations, NWTF has built a scalable, sustainable model that has provided access to safe water and sanitation to more than 2.3 million people. This case study offers practical insights for financial institutions seeking to expand their portfolios while driving measurable impact on their clients.





Improved access to water and sanitation is critical in the Philippines

Lack of safe water plays a major role in the spread of waterborne diseases, drives up healthcare expenses, and diminishes overall quality of life. It also limits access to education and employment—especially for women and children, who are typically responsible for collecting water and maintaining household hygiene. Missed work and school days translate to lost income and educational setbacks, restricting economic advancement. As households are forced to spend more on healthcare, they become trapped in a cycle of poverty, unable to invest in education, livelihoods, or better living conditions.

In the Philippines, 59 million people lack access to safe water, and 43 million lack access to a safe toilet.[1] According to UNICEF, as of 2020 approximately 7 million Filipinos continued to practice open defecation or relied on unimproved sanitation facilities.[2] Closing this gap will require a significant investment. The National Economic and Development Authority shared that the investment needed to achieve universal access to water and sanitation is PhP1.07 trillion (US$19.1 billion).[3]

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[1] Water.org, "Philippines." https://water.org/our-impact/where-we-wppiork/philippines/

[2] Department of Health, UNICEF, and World Health Organization, "Five-fold increase in municipal targets needed to end open defecation by 2025," 19 November 2021.

[3] NEDA, *Philippine Water Supply and Sanitation Master Plan (PWSSMP)*, 2021, https://neda.gov.ph.

Water.org Philippines

Water.org is a global nonprofit organization that has positively transformed more than 90 million lives around the world through access to safe water and sanitation. Water.org works in collaboration with partners to implement market-driven financial solutions to bring safe water and sanitation to people living in poverty.

Since 2014, Water.org has partnered with 60 organizations in the Philippines, including microfinance institutions, cooperatives, foundations, rural banks, water districts, private water providers, and local government units. With approximately 64% of loans disbursed in rural areas, these loans reflect extensive reach and a vital role in improving access to safe water and sanitation services.

13.8 M	$569 M	2.9 M
People reached	Capital mobilized	Loans disbursed
60	64%	96%
Partner organizations	Rural borrowers	Women borrowers

Impact partner: Negros Women for Tomorrow Foundation

For more than 40 years, Negros Women for Tomorrow Foundation, Inc. has operated as a microfinance institution utilizing the Grameen method of microcredit. Through its Project Dungganon (microfinance services) and Project Kasanag (a program focused on supporting small and medium enterprises), the foundation empowers female client-entrepreneurs to start and grow their businesses. It operates in 350 branches, primarily across Luzon and the Visayas regions of the Philippines.



A multifaceted approach to developing water and sanitation loans

In 2014, NWTF and Water.org partnered to introduce a WASH (water, sanitation, and hygiene) loan product to NWTF's clients. Mr. Alejandro Coscolluela, Strategic Projects Manager at NWTF, recalled how the partnership with Water.org started, when a report identified Negros Occidental as the province with the third highest rate of open defecation. As a microfinance institution rooted in Negros Occidental, NWTF integrated this issue into its development mission and partnered with Water.org to develop a water and sanitation loan product.

Water.org Philippines provided institutional support to NWTF through technical guidance, training sessions, and educational materials (brochures, posters, and instructional guides). This comprehensive assistance enabled NWTF to effectively implement its water and sanitation loan products. By offering this multifaceted support, Water.org Philippines helped strengthen NWTF's operations, enhance stakeholder engagement, and build organizational capacity.

Water.org provided tailored assistance to NWTF throughout the loan development process:

- **Market opportunity**. Water.org supported a market study to build the business case for potential demand among clients, and to identify suppliers able to deliver the water and sanitation improvements clients wanted.
- **Product development**. Water.org assisted with WASH specifications and created a product manual to equip the field team with basic knowledge, product types, and estimated construction costs.
- **Sales and client education**. Water.org provided brochures, posters, and instructional guides for effective selling to clients.
- **Peer learning**. Water.org organized exposure visits so its partner institutions could learn from one another's experience.
- **Sustainability**. Water.org facilitated stakeholder engagements, inspiring partner leadership to commit institutional resources to WASH financing and supported innovative financing arrangements such as blended finance with local government units, capital market access, and engagement with water service providers.

How the WASH loan works

The features of the WASH loan are almost identical to the General Loan offered by NWTF, which finances livelihood activities. The distinct features of the WASH loan include:



Open term

The client chooses the repayment period that suits her income — six months, one year, or up to two years.



Accredited mason

An application fee, plus coordination with an accredited mason who prepares the project estimate.



Happy Checklist

Signed by the client when construction is complete, recording her satisfaction with the new improvement.

How clients are utilizing WASH loans

Nearly all borrowers have utilized the WASH loan for sanitation purposes, whether for building their first toilet, upgrading existing ones, reconstructing facilities damaged by recent natural disasters, or other purposes. Meanwhile, a minority of the borrowers used the funds to build water improvements, such as piped water, water tank, or handwashing facilities. This support has enabled better sanitation, hygiene, and resilience, meeting essential needs through new construction, improvements, or rebuilding after natural disasters.

Table 1: NWTF's WASH loan portfolio (as of September 2025)

Total number of loans	511,880
People reached	2,383,917
Total loan portfolio	PhP 5,170,823,281(US$82.8 million)
Repayment rate	99%
Average loan size	PhP 10,113 (US$162)

A client story: Kathleen

Kathleen sells fish in her coastal community in Bacolod City. She joined NWTF's Project Dungganon two years ago, and her first General Loan allowed her to expand her business and attract more customers. Her household, though, had no toilet, leaving the family without a private, safe place to go. When her loan officers described the WASH loan, she was interested enough to attend an orientation session. After hiring an accredited mason to provide a project estimate, she took a PhP10,000 (US$160) WASH loan alongside her General Loan, and built a toilet for her family's home, improving their hygiene and living conditions significantly. She is already planning her next WASH loan, this time for a water connection to replace the water the family still travels to collect on foot.

"This loan has truly helped us improve our living conditions, step by step."
— Kathleen



Keys to sustainability

After its formal partnership with Water.org ended, NWTF was able not only to sustain the loan product but also to increase loan disbursements at a faster rate than during Water.org's technical assistance period. Asked whether he expects the institution to offer water and sanitation loans indefinitely, Mr. Coscolluela pointed to the continued need for WASH loans in the market:

"As long as poverty exists, people will require assistance to enhance their living conditions."
— Alejandro Coscolluela, NWTF

He noted that as long as these concerns are present, NWTF's WASH loan product will remain, ensuring safe water and sanitation for current and future generations. For financial institutions considering a comparable product, NWTF's experience identifies three additional factors that sustain a WASH loan portfolio beyond the pilot stage.

1. Behavior-change tactics

NWTF encourages clients to commit to personal and community improvement by reciting the 11 decisions at the start of each center meeting. Among these, Decisions 6 and 7 call on members to build and maintain a sanitary toilet and to drink safe water. This simple but powerful ritual reinforces the importance of hygiene, aligning everyday habits with the broader goals of health and poverty reduction.

2. A dedicated team

NWTF formed a special unit called the Green Product Staff (GPS) under the Strategic Projects department, which includes two supervisors and 40 staff members stationed nationwide. Each staff member supports 5 to 10 branches, ensuring effective assistance and coordination across all locations to manage and promote green product initiatives. GPS members have three primary responsibilities:

- Introduce microfinance officers to the specifics of the WASH loan product.
- Support the training of masons who will receive accreditation.
- Help conduct client orientations during center meetings.

3. Access to capital for growth

Water.org also facilitated resource mobilization for NWTF. In 2021, NWTF secured a US$1 million loan from WaterEquity, an asset manager dedicated to mobilizing private investment in water and sanitation in emerging markets. This financial support facilitated the expansion of its loan portfolio and the strengthening of operations. The loan was pivotal in enhancing NWTF's capacity to grow and improve its services.

Lessons for other financial institutions

NWTF's experience demonstrates that households will invest in improving their living conditions even when the loan is non-income generating, and that a financial institution can build a durable, well-performing product based on demand. Their partnership with Water.org offers the following lessons for institutions that have not yet launched water and sanitation financing programs.

Anchor the product in the institution's mission

- NWTF emphasized that water and sanitation align with its institutional vision, particularly serving the needs of people living in poverty. Those values are operationalized through consistent staff engagement and clear communication with clients—reflected in the regular recitation of the 11 decisions, two of which address sanitation and safe water.
- Mainstreaming the WASH loan into business plans with explicit targets helps embed the loan product in the organization's operations and sustains it beyond the pilot stage. NWTF includes water and sanitation targets in its annual business plans and distributes them across branches.

Build a dedicated team to operationalize the product

- NWTF placed the WASH loan under its Strategic Projects department and built it into its development mission. Assembling a functional team, rather than relying solely on existing staff, equips an institution to drive results, promote accountability, and maintain momentum.
- NWTF's Green Product Staff unit gives every branch a named point of contact for the WASH loan. Champions distributed across departments and geographies make the product everyone's business instead of one department's project.

Select qualified clients to mitigate risk

- NWTF uses the Poverty Probability Index to assess the status and distribution of clients' WASH facilities in order to size and target the market.
- Loans are extended to clients with good track records and bundled with business loans, securing a source of repayment for a loan that does not itself generate income. Repeat loans are available so clients can improve on their initial construction.

Design features that fit clients' lives

- NWTF uses uniform features across its business loan and its water and sanitation loan: a simple, affordable design with flexible and easy repayment options.
- The open-term feature lets clients match the repayment period to their income, supporting completion of repayment.

Monitor performance and expand access

- Close monitoring across branches resolves bottlenecks and facilitates learning. As a product moves into mainstream adoption, tracking implementation and performance lets teams adapt quickly, share best practices, and fine-tune processes—keeping the product aligned with actual market needs.
- Requiring accredited masons in the design and construction process ensures quality work, while monitoring the release of funds and the start of construction prevents loan funds being used for non-WASH purposes.

Looking ahead

NWTF's experience shows how organizations with strong community connections and established models can develop, deliver, and scale water and sanitation loan products. Water.org seeks to expand its partnerships beyond microfinance institutions to include more banks, cooperatives, non-bank lending companies, and fintech companies. Community-based organizations such as cooperatives are well-positioned to understand the need for toilets and water connections. Water and sanitation loans have proven both scalable and sustainable, and each new partnership has the opportunity to extend loans to communities still in need of access.

