

Acumen Fund Announces New Water Portfolio Investments in Drinking Water and Irrigation for Low-Income Communities in South Asia

Innovative Businesses Provide Scalable Models for Provision of Cutting-Edge Technologies that Improve Health Outcomes, Increase Incomes and Conserve Water Resources

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Acumen Fund, an international venture philanthropy fund that invests in sustainable, scalable businesses that provide affordable water, housing, health care, and energy services to people who make less than \$4 per day in South Asia and Africa, announced today the following new investments as part of its expanding water portfolio in India:

- An USD 1,369,000 loan guarantee for **WaterHealth International (WHI)**, for a financing facility they have established in India to build up to 200 community water systems; WHI is a U.S.-based company that enables the delivery of highly affordable, safe drinking water to underserved communities around the world.
- An USD 60,000 equity investment in **Environment Protection Group Limited (EPGL)**, an India-based company that operates affordable community water filters capable of removing brackish elements from drinking water in addition to harmful bacteria.
- An USD 1,030,000 equity investment in **Global Easy Water Products Pvt Ltd. (GEWP)**, an India-based company that distributes affordable irrigation systems for small-scale farmers.

'Acumen Fund's water portfolio invests capital and management support in enterprises that increase access to improved irrigation, drinking water, and sanitation technologies for the more than one billion people who currently lack access to safe water for their household needs, subsistence, and livelihoods,' said Jacqueline Novogratz, Chief Executive Officer of Acumen Fund. 'Over the past five years Acumen Fund's water portfolio has grown from USD 285,000 to USD 4,800,000 in committed investments, and we look forward to working with our investees to scale their business models to extend the delivery of safe water to even more underserved communities.'

Worldwide, one in five people lack access to safe drinking water, resulting in millions of otherwise preventable deaths each year. In both urban and rural areas of India, most low-income households lack access to affordable, safe water. Families, especially women and girls, spend many hours collecting water from local water sources, and often end up with water that is not safe for consumption. Acumen Fund's investments in WHI and EPGL seek to address these issues and provide sustainable business models that increase access to safe and affordable drinking water.

WHI's water purification and disinfection technology, combined with its innovative business approach, enables the delivery of highly affordable, clean water to even the most remote and underserved communities. Since 2006, Acumen has been providing a loan guarantee to help WHI access a loan from ICICI Bank, India's second largest bank, and fund their expansion in India. This allowed villages to finance local WHI systems, which yielded sufficient revenues for the organization to cover this first loan. Building on this success, Acumen provided a USD 1,369,000 follow-on loan guarantee to allow WHI to expand this financing program, help WHI accelerate its growth and further

increase the recognition that the WHI team has built a blueprint for delivering safe water to underserved rural areas in an economically viable way. Each WaterHealth Centre is built under a model that facilitates community acquisition and ownership of the facility. Local residents who are hired, trained and supervised by WHI to maintain the highest quality standards operate the Centres. WHI's rural community water systems have already given over 1 million people in India daily access to safe, affordable water. In 2007 alone, WHI added more than 150 new community water systems.

'Acumen Fund is excited to continue to support the work of WaterHealth International to increase the availability of safe drinking water in India,' said Adrien Couton, Acumen Fund's Water Portfolio Manager. 'We are also encouraged by the growing recognition of the potential of WHI's model by financial institutions, allowing even greater opportunity to scale.'

Acumen Fund's USD 60,000 equity investment in EPGL, which has developed affordable reverse osmosis systems for the treatment of drinking water, will help EPGL to scale up its services, initially targeting twenty-three rural communities in Gujarat and two communities in an urban slum area of Delhi. Each system will have the capacity to meet the daily needs of 500 households, together serving over 60,000 people currently without access to safe drinking water. Acumen Fund also funded a local management consultant to help the organization strengthen its operations.

'EPGL seeks to create a model for the provision of affordable drinking water to urban and rural areas throughout India,' said Varun Sahni, Director of Acumen Fund India. 'The business has tremendous potential for growth, and Acumen's investment will help increase EPGL's capacity to provide affordable access to safe drinking water.'

In addition to increasing access to high quality drinking water, Acumen Fund's water portfolio also focuses on increasing access to irrigation technologies to poor farmers. In rural India alone, there are 260 million smallholder farmers living on less than four dollars a day. Acumen Fund's USD 1,030,000 equity investment in GEWP will help the business increase sales of its affordable drip irrigation technology to rural farmers through a scale up across seven states in India.

India is a water-scarce country, with 16 percent of the world's population but less than 4 percent of the world's water resources. Increased water use for agriculture is depleting the share of this scarce resource available for human consumption. Unable to afford the modern technologies that efficiently utilize scarce water resources, most small-scale Indian farmers use polluting diesel or electric pumps to extract water from the ground. Recent studies have shown that GEWP's affordable irrigation systems reduce water usage by 30 to 50 percent, energy consumption by 50 percent, and typically increases crop yields by 30 percent, together increasing farmer incomes by as much as USD 400 per year.

'The growth of our water portfolio reflects the growing number of viable businesses that address the critical water needs of these underserved markets,' said Couton. 'Given the scale of those needs, we continue to look for opportunities to invest in innovative models that can reach millions of low-income customers.'

To learn more about Acumen Fund and follow the progress of its investments in WHI, EPGL, and GEWP, visit www.acumenfund.org.

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About Acumen Fund

Acumen Fund is a nonprofit venture fund that invests in market-oriented approaches to deliver critical, affordable goods and services to the world's poor. Acumen Fund focuses on the convergence of philanthropic capital and business expertise to produce sustainable, scalable enterprises that reach underserved markets and increase access to the opportunities of the global economy. For more information on Acumen Fund's activities and investments, visit www.acumenfund.org.

Acumen Fund in India

Acumen Fund has been investing in India since 2001, focusing on a wide range of sustainable, scalable businesses that use market-based approaches to deliver products and services to millions of rural and urban poor. Investments made by Acumen Fund India in local enterprises include high-quality maternal and pediatric healthcare services; safe water for consumption and livelihood; and clean energy. Leveraging strong relationships with local academic institutions and businesses as well as the global Acumen Fund network, Acumen Fund India is actively exploring further investments in healthcare services, as well as potential investments in housing and energy services.

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