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# FACT SHEET

## Using Partnerships to Increase Access to Water in the Philippines

In August 2002, Secretary of State Colin Powell announced a partnership with the Government of Japan called the Clean Water for People Initiative. This initiative was designed to support private investment in water and sanitation infrastructure through collaboration throughout the developing world.

This initiative has been successfully borne out in the Philippines, where private financing has been crucial for improving access to clean and drinkable water. Since the initiative was launched six years ago, the United States and Japan have collaborated on the following:

- **The Philippine Water Revolving Fund (PWRF)** provides a sustainable financing mechanism that leverages scarce public resources with private sector funds through a co-financing scheme between the Government of the Philippines, USAID, and the Government of Japan. To attract funds from private institutions, USAID re-guarantees loans made by these institutions to the fund. These funds, combined with direct loans from Japan, are on-lent to local water utilities so that an estimated 1.4 million Filipinos will access improved water services.
- USAID and the Government of Japan provided coordinated technical assistance to help the Filipino government draft the **Philippines Clean Water Act** and to educate the public about the Act, which was signed into law in March 2005.
- New water supply systems are being installed throughout the country as a result of the collaboration between the governments of the Philippines, United States, and Japan. For example, in the remote village of Chua near the island of Mindanao, just four months after the passage of the Clean Water Act, work began on a new water supply system. Within a year, this gravity-operated system was fully functioning and providing potable water to approximately one hundred households. With USAID providing the initial training in the operations, maintenance, and financial management of the water supply system, and with Japan providing the grant funding necessary for construction, true donor collaboration has resulted in water systems like the one in Chua being built across the country.
- Yet another result of collaboration between the United States and Japan to improve water access in the Philippines is the Municipal Water Loan Financing Initiative, which encourages private investment in water and sanitation projects. The governments of the Philippines and Japan provide both direct funding and guarantees of private lenders by the Filipino Local Government Unit Guarantee Corporation, which is in turn guaranteed by USAID through the Development Credit Authority (DCA).

For more information on the Development Credit Authority, please visit [www.usaid.gov](http://www.usaid.gov)

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