

## Social Impact Incentives for Water, Sanitation and Hygiene Program Frequently Asked Questions (FAQs) about SIINC

For more information on the Social Impact Incentives for Water, Sanitation and Hygiene Program (SIINC for WASH), please refer to the leaflet and the application form. This is a complementary document focused on FAQs only.

### **What is SIINC and how can it support my business?**

Social Impact Incentives (SIINC) is a results-based funding instrument that rewards high-impact enterprises for creating social impact. Non-repayable premium payments are provided based on outcomes achieved. Eligible enterprises are impactful businesses with a fully functioning and scalable business model. This excludes non-governmental and non-for-profit organizations. If you are eligible, the additional revenues coming from SIINC can enable you to improve profitability and attract investment(s) to scale.

### **Do I have to close the investment round before applying for SIINC?**

No. Ideally, you should already be engaging with potential investors when you apply for SIINC. In the case you would be selected for SIINC for WASH, you can use the SIINC contract to get investors on board, because you can build the SIINC payments in your financial forecast. Bear in mind that the SIINC payments are conditional to the achievement of predefined social outcomes.

### **Can I raise grants to qualify for SIINC, instead of investment(s)?**

No. SIINC is provided to selected enterprises under the condition that they raise repayable investment(s) (could be equity, debt or mezzanine, etc.) of a minimum of €500,000. This means you can raise additional grants, but this should be in parallel to your (repayable) investment round.

### **Do I have to pay SIINC back?**

No. SIINC are non-repayable premium payments based on the impact performance of your enterprise.

### **Are there any restrictions on how I should use SIINC?**

No. All stakeholders agree on carefully thought through impact metrics. You have the freedom to decide how you intend to achieve such pre-determined outcomes. Bear in mind that payments are not provided upfront, but rather upon validation (by an independent verifier) of the outcomes you have achieved in any given measurement period.

### **What metrics do you use for the SIINC payments?**

There are no fixed indicators for SIINC. Provided that you are selected for the program, we would co-develop the metrics for the payments with you, based on the baseline data that you already have and the additional outcomes that you can achieve. You will need to provide data around the indicators you are already tracking.

### **What happens if I do not achieve the social outcomes agreed on?**

Carefully thought through metrics are developed on a case-by-case basis to encourage the impact enterprise to deepen their impact. The exact SIINC amount to be received, depends on what outcomes the enterprise achieves in any given measurement period. In case you do not even reach the minimum outcome indicator, you will not receive any payment for that specific period.

### **I am still confused about what SIINC pays for. Can you provide some examples?**

Of course. Below you can find three examples of imaginary possible SIINC examples for the WASH sector.

Company description and challenge	SIINC's intervention
<p><b>Sanitani</b> provides safe and affordable home toilets for low-income families. Customers don't have any upfront costs, but rather pay a small weekly fee to the company, which provides the portable toilet (one-time service) and collects waste in sealed containers (weekly service).</p>	<p><i>SIINC payments are disbursed if the company increases the number of low-income customers in remote rural areas. The aim is to incentivize <b>Sanitani</b> to serve last-mile communities.</i></p>
<p><b>Water&amp;Sun</b> provides an innovative solar powered water pumping and treatment system that produces hot drinking water.</p>	<p><i>Prior to SIINC, <b>Water&amp;Sun</b> focused mostly on (semi-) urban households. SIINC incentivizes the company to increase its outreach to (semi-) rural areas. Outcomes payments are linked to the increase of lower-income population served in (semi-) urban areas, as well as the number of (semi-) rural households reached.</i></p>
<p><b>Ploop</b> builds affordable sanitation facilities for urban slums and franchise them to community members to serve all residents. Waste is collected and converted into valuable end-products such as organic fertilizers.</p>	<p><i>Ongoing payments are based on the % decrease of communities' diseases related to poor sanitation. Ploop is thus incentivized not to focus on providing toilets and waste management services only, but rather to ensure users are aware and make use of amenities such as the handwashing station. Bonus payments are provided for entering urban slums with little or no prior sanitation facilities.</i></p>

#### Who is paying for the social outcomes?

Aqua for All will be the main outcome funder behind the SIINC for WASH program. For more information, please visit: <https://aquaforall.org/>

#### How can I apply to the SIINC for WASH program?

Via the application form available here: [bit.ly/SIINCFORWASH2020](https://bit.ly/SIINCFORWASH2020). The deadline to apply is **September 27th, 2020** at 2.00pm Central European Standard Time (CEST). Please note that we will only consider applications submitted through the online application form. For further information, please contact [siincforwash@roots-of-impact.org](mailto:siincforwash@roots-of-impact.org).