



Water.org Cooperative Partnership Understanding Agreement

Basic Principles

Water.org is a U.S. based non-profit organization. We envision the day when everyone in the world can take a safe drink of water. Since 1990, Water.org has partnered with local organizations to develop effective, sustainable, and scalable water and sanitation programs that have benefited hundreds of thousands of people. Our comprehensive partner certification process and solid working relationships with our partners have enabled Water.org and its partner network to meet safe water and sanitation needs in a constructive, innovative, and sustainable fashion.

Water.org and its partners share fundamental objectives and practices that frame their partnerships and guide on-the-ground program implementation. This Cooperative Partnership Understanding Agreement outlines the overarching premises and responsibilities that Water.org and its partners understand as defining their relationship. While both Water.org and its partners recognize that this code of conduct does not constitute a legally binding agreement, both parties accept this as an important statement of principles held by both parties, concerning their working relationship.

Water.org certifies its partners on the understanding that they adhere to the following principles within their respective organizations and in their water and sanitation objectives and practices:

- 1) Partners are institutionally sound and fiscally responsible institutions in which women have an important role in execution and management.
- 2) Partners' water and sanitation programs and products have objectives that are consistent with Water.org's mission and reflect or seek to improve best practices.
- 3) Partners ensure technical excellence in the design and construction of water and sanitation infrastructure.
- 4) Community members meaningfully demand, participate in, own, and help manage water and sanitation improvements implemented by partners.
- 5) Health and hygiene education and behavior change are considered critical elements to partners' successful water and sanitation programs and products.
- 6) Partners protect water sources and minimize the environmental impacts of their activities.
- 7) Beneficiaries contribute to the capital and/or operating costs of the programs implemented by partners.

In addition to the principles above, Water.org's finance institution partners also exhibit the following characteristics:

- 1) Partners are institutionally sound and fiscally responsible institutions in which women have an important role in execution and management.
- 2) Partners have a track record of success in reaching a certain degree of scale and a diversity of successful product offerings.
- 3) Partners have developed comprehensive lending policies that enhance efficiency, increase transparency, and protect client interests.
- 4) Partners act honestly, fairly, and reasonably in their activities and do not seek competitive advantages through illegal or unethical microfinance practices.
- 5) Partners exhibit sound financial and operational metrics and conduct regular financial and institutional audits.
- 6) Partners have developed and applied systematic management information and monitoring and evaluation systems.
- 7) Where partners have implemented WaterCredit programs, partners have maintained a successful track record of growth and operationalized such products into their overall portfolio.
- 8) Partners operate in a market-based microfinance environment and identify and mitigate macro-level political and economic risks.
- 9) Partners promote cooperation and coordination among microfinance institutions and other agencies to achieve higher operating standards and avoid unethical competition in order to serve clients better.

Water.org expects that these conditions will continue to characterize our partner organizations and their work with us. It is expected that partner organizations are registered with all applicable local agencies and operate in accordance with the laws of their respective countries.

Program Activities

Partner organizations are expected to seek and create opportunities for Water.org to assist in advancing innovative, high-quality water and sanitation programs. Water.org will strive to assist partners in refining their ideas and obtaining financial and other organizational assistance to execute appropriate programs. Specific opportunities depend in part on the strength and timely development of our partners' proposals.

Separate agreements between Water.org and its partners will specify contractual obligations of each party. It is expected that Water.org and its partners will do their utmost to adhere to the letter and spirit of these agreements. The agreements contain clauses which require early notification of cases where one party may not be able to fulfill part of an agreement. The agreements also allow for termination in the most extreme cases. Where possible, Water.org prefers to reach satisfactory resolutions of disputes so that work can be completed in the manner specified in the agreements.

During program implementation, Water.org will do its best to ensure that funds are disbursed in a timely manner and to provide adequate feedback on monitoring and management issues. Partners are expected to meet program deliverables on time, within budget, and at standards of best practices.

Water.org requires all active partners to submit annual audited financial statements and organizational reports. These reports enable Water.org to view at a glance the overall status and growth of our partners. In turn, Water.org will furnish copies of its annual report and financials to partners upon request.

Partners are also expected to notify Water.org in a timely manner when situations where major changes in board or executive leadership (including program-related boards or executives) have occurred, when the organization has experienced sudden financial impacts, when the legal status of the organization has changed, or other cases when the organization or an ongoing program with Water.org has been jeopardized.

Water.org requires periodic financial and field audits for its larger programs. Audits are normally handled by a reputable third-party organization with which Water.org bears the responsibility for locating and contracting. These are usually included within the workplans under the agreements. Partners are expected to budget for and participate fully in the completion of these audit activities. Water.org will share information with the partners about the results and recommendations of the audits. Partners should adopt all reasonable measures to incorporate the findings of the audits in future work within the specific program and across the organization's policies and practices. In addition, Water.org will conduct additional due diligence for programs at its sole discretion if circumstances warrant further attention.

Evaluations and Capacity Development

Evaluations are an important part of Water.org's efforts to understand program impacts and demonstrate accountability for its activities. Partners are expected to conduct a one-year evaluation after a completed program to review main outcomes, challenges, and lessons from program implementation. These are included in the agreements between Water.org and its partners. Water.org also conducts impact evaluations of larger programs. Water.org contracts with research organizations to assist in this research. Partners who are selected are expected to fully participate to enable the research teams to collect this important information. In turn, Water.org will furnish results from the studies and will work with partners to improve future programs. Water.org will work with partners and researchers to maintain confidentiality of the research participants.

Water.org and its partners both recognize that capacity development is important for our respective organizations to perform at a high level and institutionally grow. Partners can bring ideas for expanding their capacity in the water/sanitation and microfinance arenas to Water.org and Water.org will assist partners when funds and/or other resources are available at its disposal. Water.org will also suggest avenues for capacity development for partners to pursue. Water.org may condition existing or future funding on partners' completion of capacity development measures in situations where a demonstrated lack of capacity has jeopardized an ongoing program or relationship with Water.org.

Marketing and Communications

Water.org retains exclusive ownership of its name, logo, and other trademark identities (including its website). Partners will not utilize the Water.org brand without express written consent from a duly authorized Water.org official. Other branding requirements may be contained in agreements between Water.org and its partners and should be adhered to by partners.

Water.org and its partners will work together to publicize ongoing and completed programs. They will also promote one another's efforts as appropriate in public forums and events.

Termination

Water.org has invested time and resources in certifying and working with its partner organizations. Water.org reserves the right to rescind partnership status if the partner has violated a specific agreement, failed to meet its expectations, or otherwise abrogated the spirit of this partnership agreement. Partners may also elect not to work with Water.org. In these cases, Water.org requires a letter in writing from the Executive Director of the partner outlining the reasons why the organization can no longer work with us. Notices of termination must adhere to any ongoing grant agreements between Water.org and the partner.

It is expected that both parties will develop clear communications that will prevent simple misunderstandings from harming or ruining the partnership.

The duly authorized signatures below acknowledge receipt of, and agreement to, all of the terms and provisions set forth in this Cooperative Partnership Understanding Agreement between Water.org and [PARTNER NAME].

PARTNER:

WATER.ORG

Signature, [PARTNER NAME]

Signature, Water.org

Printed name

Printed name

Date

Date