



What is Lifewater Canada?

Lifewater Canada was founded in 1995, in Thunder Bay, Ontario by Jim Gehrels, Glenn Stronks and several volunteers. Their mission is to provide safe, accessible drinking water to impoverished regions of the globe and countries in desperate need to improve health and hygiene. In these countries, Lifewater Canada trains and equips local people to drill wells, repair or replace broken hand pumps, install rainwater catchment systems, build community toilets and hand-washing stations, and host health and hygiene workshops. In addition, Lifewater Canada maintains wells and equipment installed by other organizations that are no longer available to maintain them.

Lifewater Canada became a Registered Canadian Charity in 1997 and is now listed, by Charity Intelligence Canada, as one of Canada's Top 10 Impact Charities. Donors in Canada, the U.S., and Europe sponsor projects to keep wells affordable and safe water flowing for the local people, saving children's lives, and increasing educational opportunities for girls. Lifewater Canada's long-term goal is to help communities break cycles of dependency and work towards increasingly self-reliant project maintenance.

The main regions of focus are Liberia, Nigeria, Kenya, and Haiti (as well as sending payments to partners in India), since these regions have less access to safe water than high-income countries like Canada, both because governments' capacity to respond to this need is limited, and there is a general lack of required equipment and trained workers. Since groundwater is readily accessible at low cost, Lifewater Canada has high project success rates and realizes maximum impact for every dollar invested.

Lifewater Canada envisions a world in which children no longer get sick and die because they don't have access to safe drinking water; and a world where girls, who would otherwise have to walk miles to find water for their families, can spend their time in school, receiving the same educational opportunities as boys.

As an international NGO, Lifewater Canada delivers donor funds for projects across several continents. The organization books transactions primarily from Canadian dollars to US dollars – and beyond. In 2005, at the beginning of their relationship with Corpay, the organization's foreign exchange volume averaged CA\$150-200k a year. Annual FX volume is now typically CA\$3.2 million.

Currency needs

The Challenge

Lifewater Canada needed help managing their donated funds and maximizing the amount of the funds transferred. In the past, the organization typically made their payments as needed, on the FX-spot market, with various forex agencies at high exchange rates, spending money to transfer funds that could otherwise be put to better use. Historically, the small charity relied on volunteers to place currency orders, and it was time consuming, in addition to the bigger challenge of managing currency exchange rates. Money was hard to track, and often transferred funds would experience long delays missing as they passed through various intermediary banks. Lifewater Canada found the process of foreign exchange costly: the two major challenges were the uncertainty regarding currency conversion rates, and the lack of adequate tools to mitigate risks from currency market volatility.

The constant fluctuations of the Canadian dollar relative to other currencies meant projects were not consistently funded the way the organization would have liked. It was important for the organization to have a level of security and certainty. And since the organizations' donations were growing, they wanted to make their impact footprint even larger in the regions they operate in.

The Solution

Corpay stepped in with better spot exchange rates, and introduced forward contracts to lock in more predictable exchange rates and reduce risks associated with currency fluctuation. Lifewater Canada saves money with Corpay through favourable rates—money they can directly use to build more wells to provide clean water sources to communities in need. Predictability helps the company plan ahead for costly drilling projects, rather than being subject to fluctuating spot rates it used to work with.

For Lifewater Canada, project volumes have climbed in the past two to three years. Less than 10% of their raised capital goes to overhead, meaning 90% is used directly for projects overseas. Lifewater Canada's assessment is that it has saved CA\$52,000 thus far in this fiscal year by implementing a hedging plan through Corpay. The several thousands in savings most importantly translates to at least 10 additional water wells being built for communities in dire need. In the case of Lifewater Canada, as with many NGOs, managing funds efficiently can equate to big savings and literally make a major impact on the ground.

Corpay helps NGOs address the challenge of foreign exchange by locking in more predictable foreign exchange rates, initiating forward contracts and spot trades, and helping them to make more informed decisions that can help them save and stretch their money far and wide across the globe.

Why Corpay?

Like many NGOs, Lifewater Canada had struggled with converting their donated funds internationally, particularly in the case of saving donated funds from multiple bank transaction fees and the risk of losing those funds in transit.

In Corpay, Lifewater Canada found a payments provider with a strong reputation in the industry and established a good rapport. The support and guidance the Corpay team provided was a deciding factor in choosing a provider. The organization has built a trusting and close personal relationship with Corpay account representatives throughout the years.

When asked – 'What is your biggest challenge when it comes to sending and receiving international payments and currency risk management?'

At the moment, with the help of Corpay, none whatsoever.

Daniel Nickol, Vice President, Lifewater Canada

¹ <https://www.charityintelligence.ca/charity-details/889-lifewater-canada> [accessed on 21 March 2024].

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