

Sustainable. Inclusive.
Climate-smart.



26/06/24



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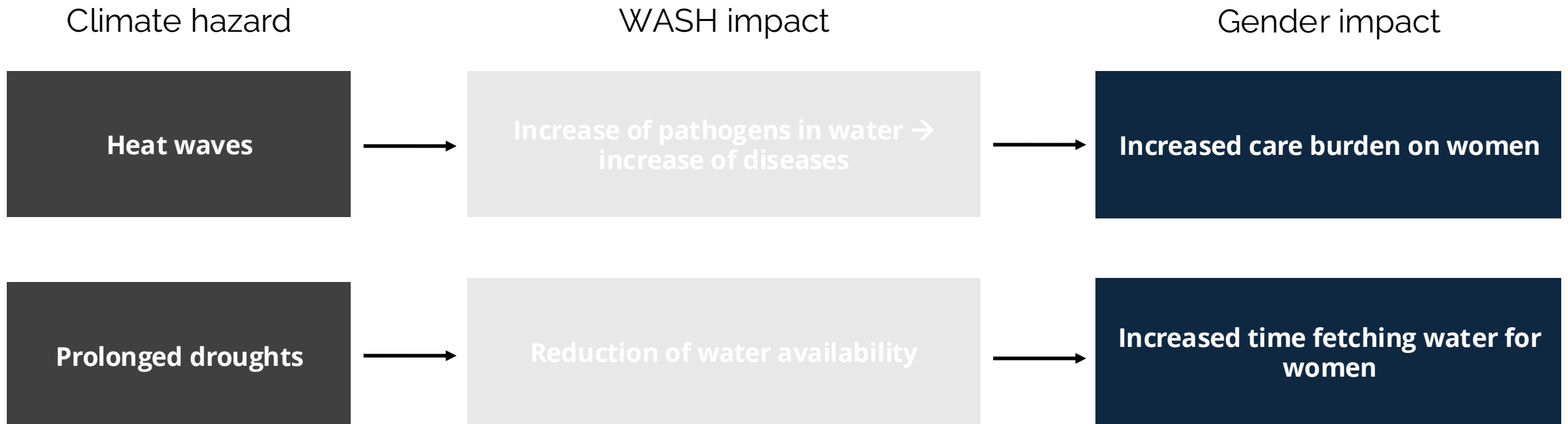
Climate change and WASH

The climate crisis is primarily a water crisis:

- ❑ Currently about one quarter of the world's population face extremely high water stress each year. By 2050, an **additional 1 billion people** are expected to live with extremely high water stress.
- ❑ The MENA region has some of the **most water stressed regions** in the world.
- ❑ According to the IPCC, "Increasing weather and **climate extreme events** have exposed millions of people to acute food insecurity and **reduced water security**".
- ❑ Reliable water supply and sanitation services are needed for health and livelihoods and is therefore a key factor in **helping communities adapt** to climate change.

Climate change, WASH and gender

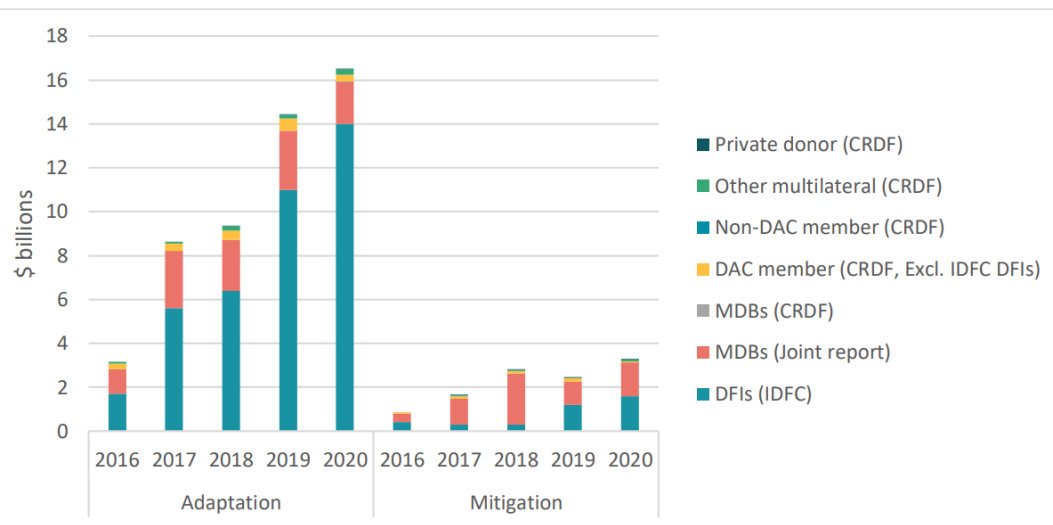
- Men and women are affected differently by climate change and climate change is **exacerbating existing gender inequalities**
- Some examples of impact chains linking climate hazards to WASH and gender impact are given below



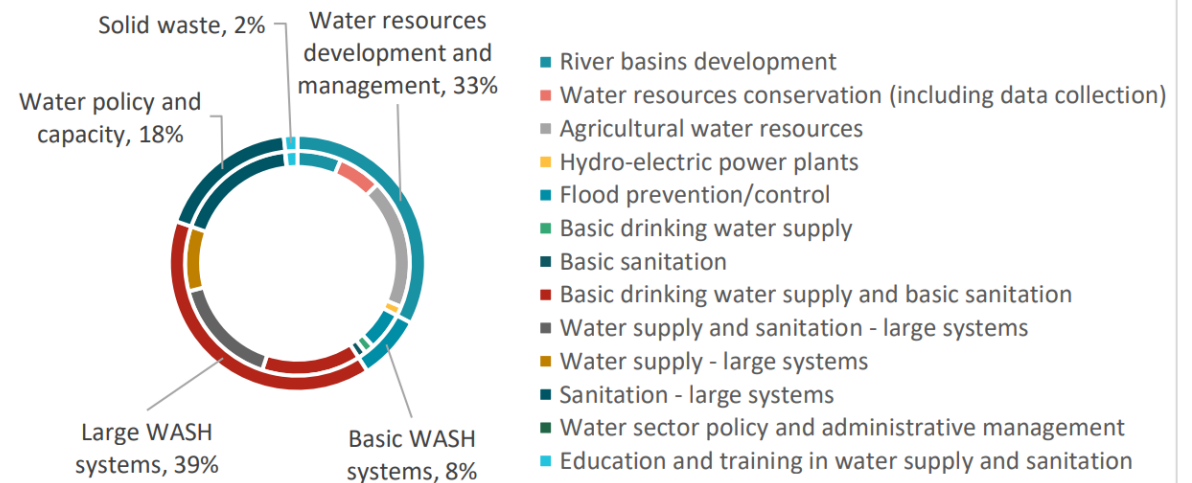
Climate finance for WASH

- Most climate finance goes to activities to reduce emissions (mitigation). The **annual climate adaptation financing gap** in developing countries is estimated to be between **USD194-366 billion** - 10-18 times more than current financing flows.
- Of climate finance for WASH, most comes from DFIs and MDBs. There is very little private finance.
- Of climate adaptation finance for WASH, **just 8% is allocated to basic WASH systems**. Far more is allocated to large WASH systems; water resources development and management; and water policy and capacity

Sources of climate finance for water



Climate-related Development Finance in water-related sub-sectors





This is Aqua for All

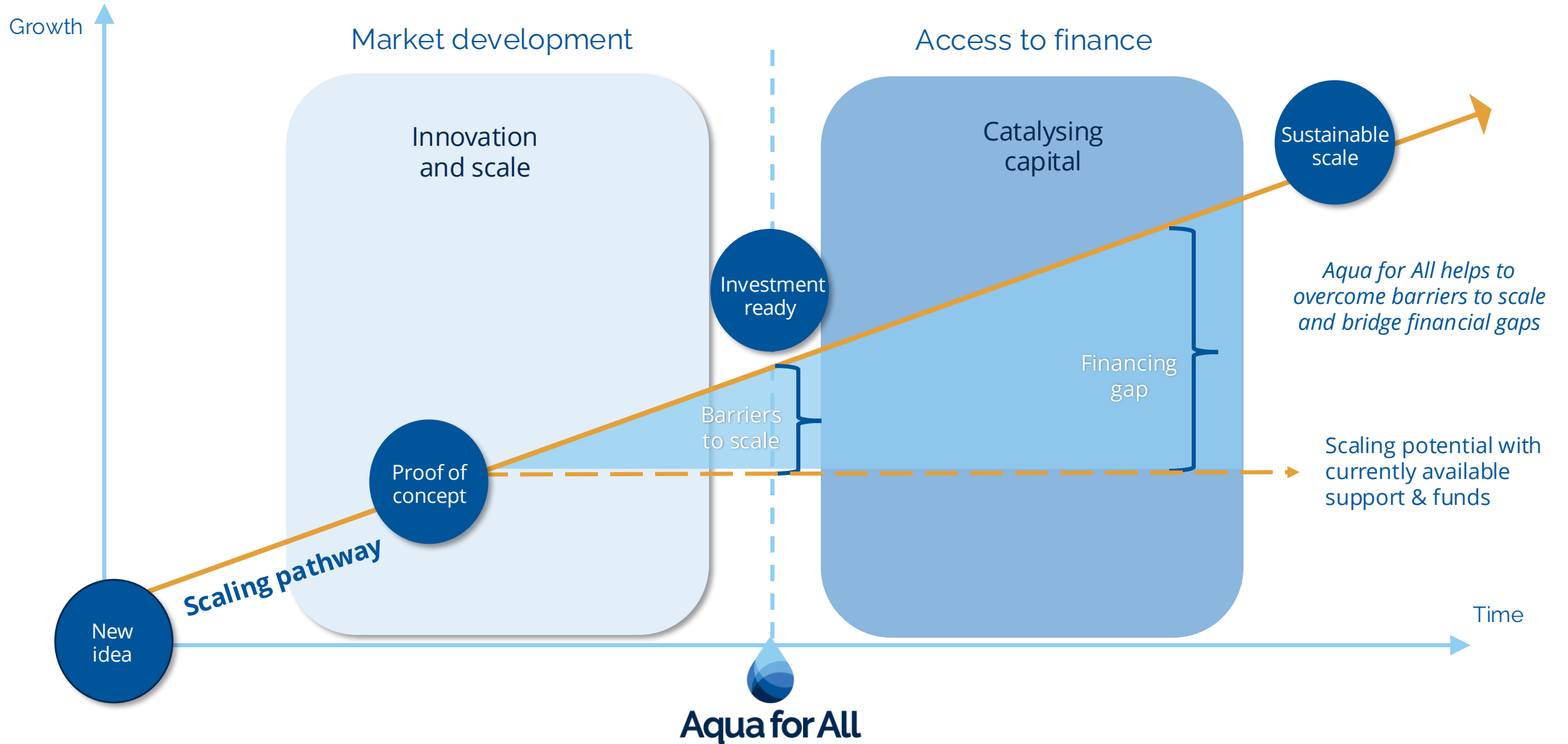
We are an international foundation transforming the water and sanitation (WASH) sector into a sustainable and inclusive economy.

We leverage our funding through strategic granting and partnerships. We work with WASH enterprises and with financial institutions, asset managers and other finance vehicles.

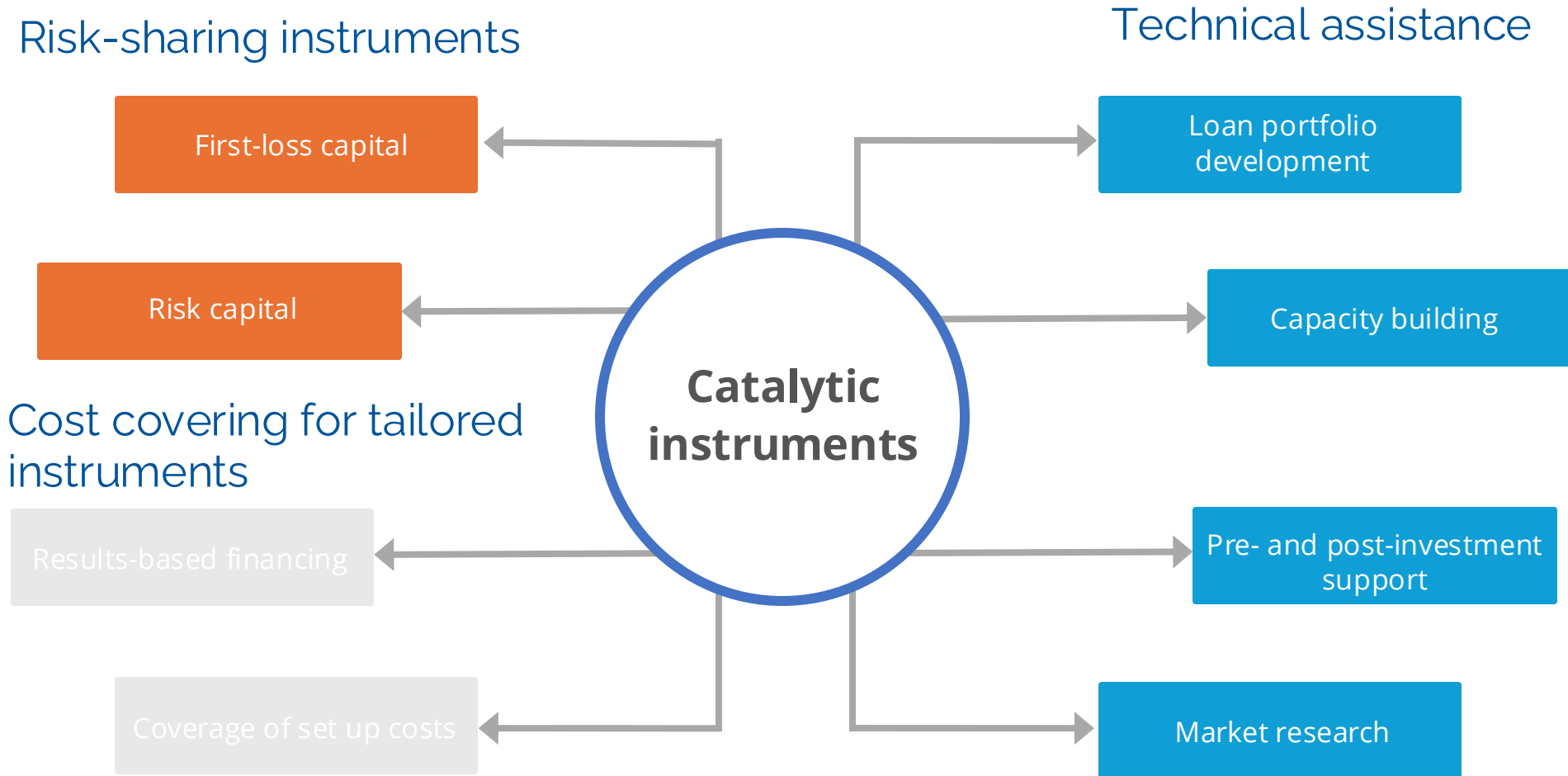
By catalysing private capital for market development and increasing access to finance, we accelerate access to affordable, climate-smart, gender sensitive WASH services globally.

Aqua for All is already piloting ways of leveraging private finance for low carbon, climate resilient WASH services using blended finance models.

Our dual approach



Our suite of instruments



How Aqua for All supports FIs to develop climate-smart WASH portfolios



Identify and manage climate risk:

- **Identify climate hazards** in location of investments through proprietary climate risk assessment
- Review WASH investments and financial products to **identify vulnerability** to climate hazards
- Advise how to **increase climate resilience** of existing investments and WASH products



- Develop new financial products – support in the development of new climate-smart WASH products **aligned to climate finance taxonomies** to leverage international climate finance.
- Develop **processes to screen potential new investments** for climate hazards and vulnerabilities



Track impact - Aqua for All can help put in place M&E systems to **track improvements in climate resilience** of WASH product beneficiaries.

Example 1: Sidian Bank's climate-smart & gender sensitive WASH portfolio

Background: building on successful partnership for Covid-19 WASH loan facility

New facility: launched 06/2; focus on climate-smart & gender sensitive WASH loans

■ Facility structure:

■ Technical Assistance to

- Train staff on WASH/Climate risk and on gender lens finance.
- Procure expertise to build a bankable portfolio of WASH/Climate infrastructure projects, monitor project implementation.
- Support the Bank in undertaking WASH/Climate and Gender nexus product manual update, marketing and promotion activities.

■ Results-based grant capital for

- Cost of Credit support to subsidize facility access fee for climate-resilient projects
- Performance-based non-monetary incentives to staff

■ Expected impact:

- Targeted leverage 1:35
- No. of loans: 480, average loan sizes 11k (SMEs) – 37k (WSPs)



Example 2: Evenpar Fund: Water and Energy

- Evenpar Fund (EP) is an impact-infrastructure-investment fund providing impact infrastructure to SMEs in Eastern and Southern Africa.
- Impactful investments in infrastructure, or *Impact Infrastructure* with a focus on renewable energy, clean water, sanitation and recycling projects.
 - The fund has offices in the Netherlands and Kenya.
 - EP has a US\$150 million project pipeline (incl. proprietary deals).
- As catalytic cornerstone investor, Aqua for All provides first-loss equity and caps its return on 8%, which results in an IRR bonus for other investors.
- Progress as of March 2024:
 - Pre- investment technical assistance for one enterprise.
 - First investment in Motheo Water Treatment Services, that provide climate resilient, low-emission wastewater treatment





Contact us.

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