

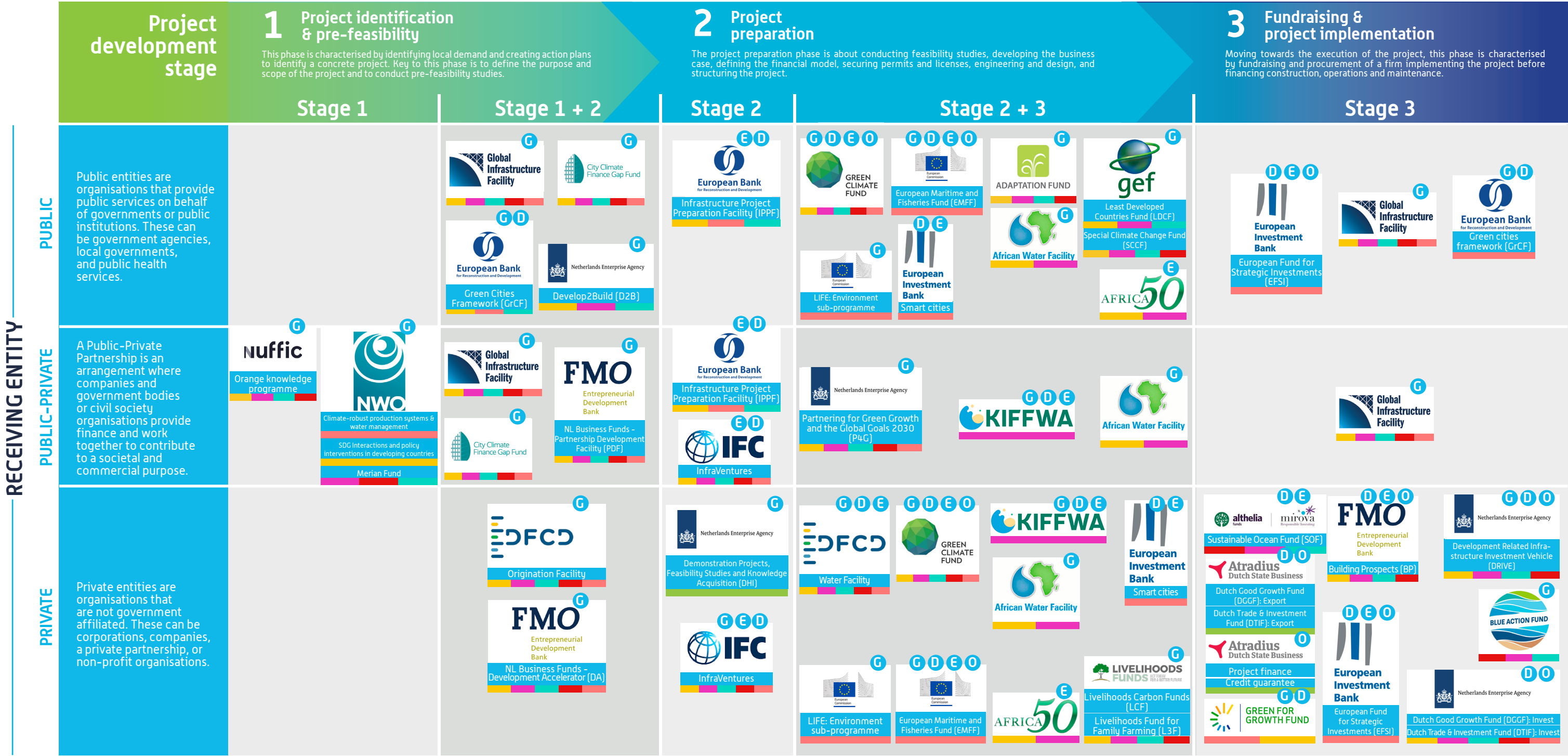
FINANCE FOR WATER – FINANCIAL MAP

Version 1, 24.06.2021, please check regularly for updates on www.netherlandswaterpartnership.com/financial-map



NWP | Netherlands Water Partnership

Finding the right financial support for promising water projects can be challenging.
This document provides a map of the financial landscape for water solutions, focusing on project finance.

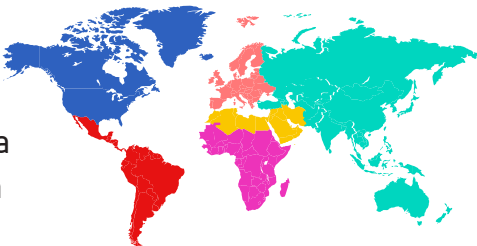


LEGEND

Location

Europe
MENA
Sub-Saharan Africa

Global
Asia & Pacific
North America
Latin America & Caribbean



Financial instruments

G Grant/subsidy

A grant is a financial reward for defined purposes that, under most conditions, does not have to be paid back. A subsidy is a financial contribution by governments to offset operation costs over a lengthy period. These are useful instruments to finance the start-up phase of projects before they are investable.

D Debt

With debt financing, money is loaned on the condition that it is paid back with interest to compensate for the risk that the lender is taking. Debt is typically characterised by lower risk and return.

E Equity

Equity is an instrument to raise capital through the sale of ownership of a venture. Equity investments are typically long-term and are characterised by higher risk and return.

O Other

There are other instruments besides grant, debt or equity financing, such as guarantees, convertible loans, credit insurance, and mezzanine. Sometimes, a combination of instruments is used.

Note: this infographic is a first draft aimed at providing better insight into the various funding instruments available for water projects across the project development cycle. This overview is not exhaustive and is based on public information. We very much appreciate feedback from market participants and other organisations to add missing programmes to the overview, and/or to improve the overall categorisation of programmes. Please send your feedback to: financeforwater@nwp.nl.

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The infographic provides an overview of key organisations and instruments for financing water projects. It gives insight into relevant financiers for the different project development stages, from discovery to implementation.

Some funding is specifically reserved for public or private actors. Public-private arrangements are also common. Establishing partnerships can be an effective mechanism to acquire financing as some investors require this as a precondition to provide financing.

Financiers can use various instruments to finance water projects. The most common instruments are grant, debt, and equity financing.

About NWP & Finance for Water

The Netherlands Water Partnership (NWP) is a strong network of Dutch water organisations working worldwide on co-creating future-proof solutions and catalysing global water impact.

To respond to current and future water challenges, NWP's area of expertise Finance for Water aims to bring together the financial sector and the Dutch water sector to catalyse private investment in water projects, therewith increasing the global impact of the Dutch water sector. Some of Finance for Water main activities are sharing information about financial instruments; building capacity; supporting consortium building and matchmaking; supporting project identification and development; and, putting the theme of Finance for Water higher on the global agenda.

Do you want to know more and discuss the possibilities for financing your water project? Do not hesitate to reach out to the [NWP Finance for Water team](mailto:financeforwater@nwp.nl) through financeforwater@nwp.nl and let us explore together.

Getting started

You may have identified a great opportunity for starting a water project. But how to get your project financed? The infographic on the first page helps you find potential financiers depending on your organisation type and the development stage of your project. Additionally, you can find a concise overview of the main characteristics of some of the key financiers in the water arena in Annex 1. Furthermore, we provide two inspirational case studies of projects that were able to secure early stage funding in their journey to becoming bankable.



Case Study 1 – Acacia Water & Royal HaskoningDHV: Pre-feasibility study on stormwater harvesting in Durban, South-Africa

The objective of the project was to investigate the potential to close the water gap with alternative solutions for stormwater harvesting, such as Sustainable Urban Drainage. In this phase, the conditions were determined (technical, environmental, financial, organisational and judicial) of how to proceed in investing and building the required facilities and infrastructure. The outcome of the pre-feasibility included a 'business case' on stormwater harvesting in eThekwin that should help potential partners and investors to decide to participate in the feasibility phase.

NWP was involved in this project through its role as co-executor of the Partners for Water Programme. As the parties involved (Acacia Water and Royal HaskoningDHV) are both NWP members, NWP played a facilitating role in bringing parties together and also supported in the matchmaking with the local partner. When results were published and the parties were looking for a new financier for the feasibility study (building on the pre-feasibility), NWP assisted by organising a webinar on the study, in which also eligible financiers were present.



Case Study 2 – CDR International: Technical and financial feasibility of the modernisation and renovation of the port infrastructure of the port of Alexandria, Egypt

The aim of the study was to investigate the technical and financial feasibility of the climate-proof modernisation and renovation of the infrastructure of the port of Alexandria in Egypt. The port has also set itself the goal of developing into a Green Port. The intended off-taker of this study was the Alexandria Port Authority (APA), and the research was conducted by CDR International B.V. As the APA was not able to fund this study themselves, a grant application was submitted with DHI. The research provided insight into whether and how modernisation and renovation could be technically, operationally and financially justified, and led to a go/no-go decision for the project.

Although NWP was not involved in this project*, it serves as a good example of the kind of projects that Finance for Water could contribute to: help exploring which type of financing could be suitable for your project, and which financiers to talk to; providing feedback on your proposal; and connecting you with our pool of financial experts for advice. NWP can also connect you with financiers and potential partners, and can showcase (preliminary) results once the project is underway.

* CDR International applied for the subsidy independently and this subsidy was awarded without consulting NWP.

ANNEX 1: OVERVIEW OF KEY FINANCIERS IN THE WATER ARENA

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Organisation	Programme/fund/product	Description	Public / Private / PPP	Financial details	Geography	Project stages	Financial instruments	Technical assistance available	Focus themes
Adaptation Fund	N/A	The Adaptation Fund is an integral part of the Kyoto Protocol and serves as a financial instrument to fund adaptation projects and programmes in developing country Parties under the UNFCCC.	Public	Target: USD 783 million (USD 567,53 million as of 2021)	MENA, Sub-Saharan Africa, Asia & Pacific, South America & Caribbean	Stage 2 + 3	Grant	X	Coastal Zone Management; Disaster Risk Reduction; Food Security; Forests; Multisector Projects; Rural Development; Urban Development; Water Management
Africa50	N/A	An initiative owned by 28 governments, 2 central banks and the AfDB. The primary objective of Africa50 Project Development is to increase the number of investment-ready, "bankable" infrastructure projects.	Public, private		MENA, Sub-saharan Africa	Stage 2 + 3	Equity	X	Medium to large infrastructure projects in: Water, Sanitation and Waste, Renewable energy, Transportation, Low Carbon technology
African Development Bank (AfDB)	African Water Facility (AFW)	The AFW provides grants and expert technical assistance to implement innovative water projects and raise investment for water projects throughout Africa.	Public, private, public-private	EUR 50.000 - 5 million/project	MENA, Sub-Saharan Africa	Stage 2 + 3	Grant	X	Water; Energy; Food security
Althelia/Mirova	Sustainable Ocean Fund (SOF)	The fund targets underperforming sustainable fisheries and aquaculture projects, and invests in scalable, impact-aligned businesses.	Private	USD 132 million	Latin America & Caribbean, Sub-Saharan Africa, Asia & Pacific	Stage 3	Debt, Equity		Agriculture; Forestry; Fishing
Atradius Dutch State Business	Project finance	Insurance of transactions where the borrower has no track record and where there is no recourse to guarantees from existing companies or governments.	Private		Global	Stage 3	Other (transaction insurance)		Cross-cutting
	Export Credit guarantee	Product focused on enabling banks to obtain funding on competitive terms and conditions for financing Dutch export transactions.	Private	EUR 10 million (annually)	Global	Stage 3	Other (export credit insurance, warranty coverage, advance payment)		Cross-cutting
Climate Fund Managers (CFM)	Dutch Fund for Climate and Development (DFCD): Water Facility	DFCD enables private sector investment in projects aimed at climate adaptation and mitigation in developing countries. The water track focuses specifically on water, oceans and sanitation.	Private	EUR 75 million	MENA, South America & Caribbean, Sub-Saharan Africa, Asia & Pacific, Europe	Stage 2 + 3	Debt, Equity, Grant	X	Water, Oceans & Sanitation among which Municipal and industrial water and waste water supply; Desalination; Bulk water supply; Waste water to energy; Riverine and coastal ecosystem management and protection
European Bank for Reconstruction and Development (EBRD)	Infrastructure Project Preparation Facility (IPPF)	The IPPF offers a support mechanism focused on bankable project preparation aimed at improving the efficiency, quality and replicability of infrastructure projects.	Public-private, public	EUR 40 million	MENA, Europe, Africa & Pacific	Stage 2	Debt, Equity		Water and wastewater, urban transport, road, solid waste, irrigation, district heating, civil aviation to facilities management in an industrial zone
	Green Cities Framework (GrCF)	The EBRD developed EBRD Green Cities, with the aim of building a better and more sustainable future for cities and their residents. The programme has three central components: Green City Action Plans (GCAPs), Sustainable infrastructure investment, and Capacity-building.	Public		MENA, Europe, Asia & Pacific	Stage 1 + 2	Grant	X	Water and wastewater; Urban transport; District energy; Energy efficiency in buildings; Solid waste, and other interventions that improve the city's adaptation and resilience to climate shocks
European Commission (EC)	European Maritime and Fisheries Fund (EMFF)	Fund for the EU's maritime and fisheries policies for 2014-2020. It is one of the five European Structural and Investment Funds and is used to co-finance projects, along with national funding.	Public, private	EUR 6,4 billion (2021-2027)	Europe	Stage 2 + 3	Debt, Equity, Grant, Other		Transition to sustainable fishing; Diversifying coastal communities economies; Creation of new jobs and improvement of quality of life along European coasts; Sustainable aquaculture developments
	LIFE: Environment sub-programme (2021-2027)	The LIFE programme is the EU's funding instrument for the environment and climate action created in 1992.	Public, private	EUR 5,4 billion	Europe	Stage 2 + 3	Subsidy		Nature conservation (biodiversity, habitats, species); Environment and resource efficiency (air, chemicals, green and circular economy, industrial accidents, marine and coastal management, noise, soil, waste, water, and the urban environment); Environmental governance and information
European Investment Bank (EIB)	Smart cities	To help cities and regions take advantage of their unique assets, the European Investment Bank provides technical and financial advice as well as financing for smart city projects.	Public, private		Europe	Stage 2 + 3	Debt, Equity	X	Energy; Mobility; Buildings and homes; Water; Social infrastructure
	European Fund for Strategic Investments (EFSI)	An initiative to help overcome the current investment gap in strategic projects in the the EU by providing funding for economically viable projects, especially for projects with a higher risk profile than usually taken on by the Bank.	Public, private	EUR 33,5 billion	Europe	Stage 3	Debt, Equity, Other (guarantee)		EFSD eligible sectors, including sustainable growth and employment
	City Climate Finance Gap Fund	Fund that helps cities in developing and emerging countries realise their climate ambitions, turning resilient low-carbon urbanisation plans and projects into finance-ready investments. The Fund will help guide climate-smart investments and programmes with the goal of attracting more financing and support for implementation.	Public, Public-private	Target: EUR 100 million	MENA, Sub-Saharan Africa, Asia & Pacific, Latin America & Caribbean, Europe	Stage 1 + 2	Grant	X	Urban infrastructure sectors incl. Sustainable urban mobility; Energy efficiency and small renewables; Solid waste management and circular economy activities; Water and wastewater management; Greening of urban areas; Green buildings; Affordable housing; Adaptation to established climate vulnerabilities; Multi-sector, area-based programmes
European Investment Bank (EIB) / KfW Development Bank (KfW)	Green for Growth Fund (GCGF)	Impact investment fund that mitigates climate change and promotes sustainable economic growth, primarily by investing in measures that reduce energy consumption, resource use and CO2 emissions.	Private	EUR 1,15 billion (2020) (revolving fund)	Europe, MENA	Stage 3	Debt, Grant	X	Energy efficiency & renewable Energy; Waste & water management
FMO	NL Business Funds - Partnership Development Facility (PDF)	The facility's goal is to build partnerships with Dutch companies to develop high-impact projects in developing countries.	Public-private	EUR 14,6 million	MENA, Sub-Saharan Africa, Asia & Pacific, South America & Caribbean, Europe	Stage 1 + 2	Grant		Water; Energy climate; Agri-food
	NL Business Funds - Development Accelerator (DA)	The facility co-finances early stage projects with a Dutch interest in the health, the agri-food, water, renewable energy and climate sectors in emerging markets.	Private	EUR 5,1 million	MENA, Sub-Saharan Africa, Asia & Pacific, South America & Caribbean, Europe	Stage 1 + 2	Grant		Health; Agri-food; Water; Renewable energy and climate sectors
	Building Prospects (BP)	Revolving fund to support private investments in infrastructure in developing countries. The primary goal for BP is private sector development, with a focus on climate mitigation.	Private	EUR 331 million (2019) (revolving fund) (max. EUR 10 million/loan)	MENA, Sub-Saharan Africa, Asia & Pacific, Latin America & Caribbean	Stage 3	Debt, Equity, Other (guarantee, mezzanine, project development finance)	X	Reliable infrastructure in many sectors incl. Energy; Transport; Ports; Agribusiness; Water; Environment & social infrastructure

Organisation	Programme/fund/product	Description	Public / Private / PPP	Financial details	Geography	Project stages	Financial instruments	Technical assistance available	Focus themes
Global Environmental Facility (GEF)	Least Developed Countries Fund (LDCF)	LDCF, established under the UNFCCC, addresses the special needs of LDCs that are especially vulnerable to the adverse impacts of climate change by enhancing the resilience of key sectors and ecosystems, supporting nature-based solutions, and financing on-the-ground adaptation activities.	Public	USD 1,6 billion	MENA, Sub-Saharan Africa, Asia & Pacific	Stage 2 + 3	Grant		Agriculture and food security; Natural resources management; Disaster risk management and prevention; Coastal zone management; Climate information services; and Infrastructure
	Special Climate Change Fund (SCCF)	Supports adaptation and technology transfer in all developing country parties to the UNFCCC, supporting both long-term and short-term adaptation activities.	Public	USD 360 million (cumulative)	MENA, Sub-Saharan Africa, Asia & Pacific	Stage 2 + 3	Grant		Water resources management; Land management; Agriculture; Health; Infrastructure development; Fragile ecosystems, including mountainous ecosystems; and integrated coastal zone management
Global Infrastructure Facility (GIF)	N/A	The GIF supports governments in bringing well-structured and bankable infrastructure projects to market.	Public, Public-private		MENA, Sub-Saharan Africa, Asia & Pacific, Latin America & Caribbean, Europe	Stage 1 + 2	Grant	X	Energy; Water and sanitation (water supply, wastewater and sewerage, irrigation and drainage, solid waste management); Transport; Telecommunications
Green Climate Fund (GCF)	N/A	Dedicated fund helping developing countries reduce their greenhouse gas emissions and enhance their ability to respond to climate change.	Public, private	USD 7,2 billion	MENA, Sub-Saharan Africa, Asia & Pacific, South America & Caribbean, Europe	Stage 2 + 3	Debt, Equity, Grant, Other (guarantee)	X	Climate adaptation and mitigation, i.e. Renewable energy; Transportation, Energy efficiency, Agriculture and water efficiency, Forestry and land use, Waste management, and Urban planning
International Finance Corporation (IFC)	InfraVentures	Global infrastructure project development fund that has been created as part of World Bank Group's efforts to increase the pipeline of bankable projects in developing countries.	Public-private, private	USD 150 million (max. USD 8 million/project)	MENA, Sub-Saharan Africa, Asia & Pacific, South America & Caribbean, Europe	Stage 2	Debt, Equity		Core infrastructure such as power, water, roads, ports, airports, fiber connectivity
Kenya Innovative Finance Facility for Water (KIFFWA)	N/A	Project development programme for the water sector in Kenya to adress the water challenges and help close the financing gap to adress those challenges.	Public-private, private	EUR 10 million (revolving fund) (max. EUR 500.000/project)	Sub-Saharan Africa	Stage 2 + 3	Debt, Equity, Grant, Other (mezzanine)	X	Water sub-sectors including: Ports, Hydro Power, Drinking Water, Industrial Water, Irrigation, Sanitation & Hygiene, Waste Water Treatment, Integrated Water Resources Management, Flood Protection, Water Reuse, Desalination
KfW Development Bank (KfW) / German Ministry for Economic Cooperation and Development (BMZ)	Blue Action Fund (BAF)	Fund providing individual grants to conservation projects (by NGOs) in marine protected areas (MPAs) and their buffer zones. Its goal is to reduce loss of marine biodiversity & advance local development.	Private	EUR 120 million	South America & Caribbean, Sub-Saharan Africa, Asia & Pacific	Stage 3	Grant		Setting up new MPAs or expanding existing ones; Enhancing management effectiveness of MPAs; Sustainable livelihoods and poverty reduction
Livelihoods Funds	Livelihoods Carbon Funds (LCF)	LCF leverages the carbon economy to finance ecosystem restoration, agroforestry and rural energy projects to improve food security for rural communities and increase farmers' revenues.	Private	EUR 40 million (revolving fund)	MENA, South America & Caribbean, Sub-Saharan Africa, Asia & Pacific	Stage 2 + 3	Grant		Agroforestry; Rural energy; Mangrove restoration
	Livelihoods Fund for Family Farming (L3F)	An innovative impact investment vehicle committed to design, implement & monitor projects in agricultural supply chains with long-term economic, social & environmental value creation for all.	Private	Target: EUR 85 million	MENA, South America & Caribbean, Sub-Saharan Africa, Asia & Pacific	Stage 2 + 3	Grant		Sustainable supply chains
Netherlands Enterprise Agency (RVO)	Develop2Build (D2B)	Government to government programme that focuses on the development and procurement of infrastructure projects to ensure that they are technically, socially, financially and economically ready for implementation.	Public	EUR 75 million (2015-2020) (max. EUR. 1 million/project)	MENA, Sub-Saharan Africa, Asia & Pacific	Stage 1 + 2	Grant	X	Food security; Water, Climate; Sexual and reproductive health and rights
	Demonstration Projects, Feasibility Studies and Knowledge Acquisition (DHI)	A subsidy scheme aimed at organisations with international ambitions and an interest in foreign markets, wanting to carry out a project or invest in a company abroad, or wanting to convince potential buyers of their technology, product or service.	Private	EUR 8 million (EUR 25.000 - 200.000/project)	Global	Stage 2	Subsidy		Cross-cutting
	Partnering for Green Growth and the Global Goals 2030 (P4G)	Network which organises a yearly global partnership proposal competition for public-private partnerships (PPPs) working together on innovative & commercially viable project(s) in one or more SDGs.	Public-private	USD 33 million (2018-2022)	MENA, South America & Caribbean, Sub-Saharan Africa, Asia & Pacific, Europe	Stage 2 + 3	Subsidy	X	Food & agriculture (SDG 2); Clean water (SDG 6); Clean energy (SDG 7); Sustainable cities (SDG 11); Circular economy (SDG 12)
	Development Related Infrastructure Investment Vehicle (DRIVE)	Programme to promote investments in development-related public infrastructure in countries that are part of the DRIVE country list.	Private	EUR 150 million (2019) (revolving fund) [5-50 million/project]	MENA, Sub-Saharan Africa, Asia & Pacific, Latin America & Caribbean	Stage 3	Debt, Grant, Other (guarantee), Subsidy	X	Food security, Water, Climate & Sexual and reproductive health and rights
	Dutch Good Growth Fund (DGGF): Invest	Geared towards Dutch entrepreneurs interested in emerging markets or developing countries, needing support to finance their plans. It focuses exclusively on transactions that are profitable.	Private	EUR 700 million (divided over 3 tracks) (max. EUR 15 million/project)	MENA, Sub-Saharan Africa, Asia & Pacific, Latin America & Caribbean, Europe	Stage 3	Debt, Other (participations)	X	Cross-cutting
	Dutch Trade & Investment Fund (DTIF): Invest	Fund for entrepreneurs wanting to invest in or export to foreign markets but finding it difficult to raise sufficient funds. It has three components: Invest, Import, Export.	Private	EUR 102 million (2016-2021) (max. EUR 15 million/loan)	Global	Stage 3	Debt, Other (export finance, guarantee)		Cross-cutting
Netherlands Enterprise Agency (RVO)/Atradius Dutch State Business	Dutch Good Growth Fund (DGGF): Export	Geared towards Dutch entrepreneurs interested in emerging markets or developing countries, needing support to finance their plans. It focuses exclusively on transactions that are profitable.	Private	EUR 700 million(divided over 3 tracks) (max. EUR 15 million/project)	MENA, Sub-Saharan Africa, Asia & Pacific, Latin America & Caribbean, Europe	Stage 3	Debt, Other (export credit insurance, credit guarantee)	X	Cross-cutting
	Dutch Trade & Investment Fund (DTIF): Export	Fund for entrepreneurs wanting to invest in or export to foreign markets but finding it difficult to raise sufficient funds. It has three components: Invest, Import, Export.	Private	EUR 102 million (2016-2021) (max. EUR 15 million/loan)	Global	Stage 3	Debt, Other (export finance, guarantee)		Cross-cutting
Nuffic	Orange Knowledge programme	The Orange Knowledge Programme offers grants for collaboration projects between education institutes in the Netherlands and OKP countries to strengthen the vocational and higher education sector.	Public-private	EUR 220 million (2017-2022)	MENA, Sub-Saharan Africa, Asia & Pacific, Latin America & Caribbean	Stage 1	Grant		Food and nutrition security; Water, energy and climate; Sexual and reproductive health and rights; Security and the rule of law
NWO	Climate-robust production systems & water management (KIC)	Research by interdisciplinary consortia on climate-proof agriculture and horticulture and water management, in the context of the Knowledge and Innovation Agenda (KIA) Agriculture, Water and Food.	Public-private	EUR 6 million (2020 - 2023) [EUR 1 million - 1,5 million/project]	Europe	Stage 1	Grant		Agricultural and horticultural production systems; Water and soil systems; and the societal aspects of innovations
	SDG Interactions and policy interventions in developing countries (NWA)	Research programme which aims to encourage research focusing on SDG interactions and policy interventions in developing countries. The consortia will work in an inter- and transdisciplinary manner, internationally and across the entire knowledge chain.	Public-private	Max. EUR 6,15 million (max. EUR 2 million/project)	MENA	Stage 1	Grant		SDG governance and decision-making; Addressing trade-offs between food security and nutrition (SDG2) and other SDGs; Climate change (SDG13) and conflict (SDG16)
	Merian Fund	Fund for international cooperation with (emerging) science countries and developing countries to increase the visibility and profiling of Dutch science abroad. Focus on international research to promote the achievement of the SDGs and national research agendas.	Public-private	Max. EUR 10,5 million/year (max. EUR 1,5 million/project)	Sub-Saharan Africa, Latin America & Caribbean, Asia & Pacific	Stage 1	Grant		SDGs