



SESSION DESCRIPTION FORM 2.

10TH WORLD WATER FORUM

This Session Description Form 2 is for the specified program of the session. Please complete this form no later than 28th of February 2024.

**The session description 1 (online form) is separately requested for the session coordinators to deliver a concise session outline with the contact info and the logistical requests.*

Session Code and Title:

5B2: Financing: Beyond development banks - engaging a wider range of investors in water.

Session Coordinators (Name, Position, Organization, email, mobile number):

Neil Dhot, Executive Director, AquaFed. Neil.dhot@aquafed.org +447780979499
Claire Lyons, Global Business Development, Water.org, clyons@water.org +1 (845) 264-3110

Session Description including objectives and expected outcomes (500 words maximum):

This session focuses on repayable finance, and specifically on how to engage with a wider spectrum of market actors to mobilise private investment into water. The session is meant to be a focus on the fundamentals of private capital and how it is used for investment in the water sector – especially for people with a non-finance background who want to know more about private investors and repayable finance.

The discussion will cover deal flow, with the objective of demonstrating how the capital markets can unlock finance for water and sanitation investment, particularly for projects in the “missing middle”, i.e. with capital requirements of between US\$10-100 million. This segment is currently poorly served, in part because of asymmetries in perceived risk and return, but also because project developers, private sector companies and public utilities all depend on a relatively narrow range of market actors to access finance.

The capital markets landscape has evolved significantly in the period since the Covid pandemic, and this is less well reflected in the water sector compared to other infrastructure asset classes. Discussants will engage with what ‘investment readiness’ looks like in the current environment, and how this might be different from the past. The conversation will be guided by practitioners who actively invest in the sector.

The session will also consider the growth of impact investment as an allocation strategy, and critically evaluate whether this has the potential to transform capital flows to the water sector. Unpacking what ‘impact investment’ actually means in practice, what some of the emerging strategies look like, and a discussion on the tools, vehicles, incentives and policies that are in development will be a key focus of the discussion. Further, the session will reflect on the contextual environment for financing, and in particular the implications of recent changes in the cost of capital, the effect this is having on credit spreads in key markets and sectors that are

relevant to water finance, and the mitigations that may be particularly relevant as a policy response at this stage of the cycle.

Objectives:

- To hear from a range of private capital investors about how they work eg their sources of funds, risk/reward appetities how they are deployed.
- To understand from them what attracts them to the water sector and what are the barriers to their investment.
- To know right now, what do private capital investors believe are the big water 'plays' in the US\$10-100 million bracket.

Outcomes:

- Greater understanding about the range of private capital and why it is and isn't invested into the sector.
- Greater understanding about financing models and how projects needing funding can be designed to be more attractive to investors.
- Further cooperation between the presenters and participants on potential project financing.

Detailed Session plan :

There will be a framing speech to explain the objectives of the session and why we are focusing on projects of this value (\$10-100 million). There will then be three short presentations based on a set of common questions for three investors, followed by a panel discussion and questions from the audience.

ESTIMATED TIMING	ITEM DESCRIPTION / ROLE	SPEAKERS	SPEAKERS STATUS (OK OR TBC)
	Moderator	Fred Van Heems - President, AquaFed or Criselle Alejandro, President of Baligano Waterworks and AquaFed.	OK
	Speaker	Gary White, CEO, WaterEquity	OK
	Speaker	Charles Rigoux - Gateway Partners	OK
	Speaker	Rolf Keil - Alpha Environmental Group	OK
	Speaker	David Jackson - UNCDF	?
	Speaker	TBC - commercial bank/lender	?
	Speaker	Pieter Tobing, Water Equity	OK
	Speaker	Ninsiima Alison Linda, World Youth Parliament for Water, Uganda	OK