



African Water Facility  
Facilité africaine de l'eau  
Mobilizing Resources for Water in Africa  
Mobilisant des ressources pour l'eau en Afrique

EDFI

**UNLOCKING INVESTMENT OPPORTUNITIES  
FOR WATER AND SANITATION IN AFRICA**  
A SHOWCASE EVENT ON INVESTMENT PROJECTS  
DEVELOPED BY THE AFRICAN DEVELOPMENT BANK  
GROUP AND AFRICAN WATER FACILITY

## Event summary

**Private Sector and DFIs Play a Critical Role in Scaling WASH Investments.** While government involvement proves essential for large-scale water and sanitation projects in Africa, DFIs and private sector actors are crucial to provide financing and technical expertise. The challenge remains in identifying investable projects, as DFIs already have resources but struggle with project pipeline development.

**Innovative Financing Mechanisms Can Unlock Investment.** Blended finance, concessional funding, and risk-sharing mechanisms – such as EU budget support and guarantees – are key to making water and sanitation projects financially viable. The EU Commission, AIIB, and AfDB highlighted different financial instruments used to de-risk investments and attract private capital.

**Regulatory and Institutional Barriers Hinder Investment.** The lack of clear regulatory frameworks, business models, and technical capacity at the local level remains a major obstacle. Examples from South Africa, Madagascar, and other countries demonstrate the importance of government openness to PPPs and new financing structures to enable private investment.

**High Demand but Capacity and Political Stability Issues.** The African Water Facility (AWF) and AfDB showcased a strong pipeline of water and sanitation projects, with high demand from governments and local authorities.

**Opportunities for DFIs and Institutional Investors in WASH.** Pension funds and private investors have a role in financing WASH projects, particularly in downstream investments. DFIs can help bridge the gap by supporting project development and engaging with policymakers to improve investment conditions. The long-term nature of investments aligns well with patient capital strategies.

AWF showcased the investment readiness in the urban sanitation sector with the first batch of 12 African countries captured through initial findings of the ongoing diagnostic studies for AUSII.

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## **Detailed showcase summary**

The showcase explored the need for more private investment in the water sector in Africa, highlighting the challenges and opportunities. During discussions, importance was placed on understanding the languages of both the public and private sectors to foster collaboration.

The African Development Bank (AfDB) has invested US\$6 billion in water projects over the past decade, with plans to scale up to US\$12 billion by 2030. The AfDB's Africa Water Facility provides grants for project preparation. The European Commission aims to support 70 million people with improved water access by 2030. Innovative financing models, including blended finance and partnerships with DFIs, were discussed as key strategies. DFIs can play a role in bridging public and private sectors to help address the humanitarian crisis of access to clean water and sanitation in Africa.

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## **Welcome by Luuk Zonneveld, Board Chair, EDFI (LZ)**

Need exists for Development Finance Institutions to increase investments in the water sectors. Water remains for DFIs a complicated area of investments. European DFIs present a combined portfolio in water of about €328 million – sizable, but not enough. Investment in these types of projects remains challenging, and it's part of an ongoing learning process.

Solving the clean water problem needs large scale support, ideally from government. However, the need for private sector is still crucial. DFIs are nationally organised, and majority owned by their governments, in generating impact through private sector investments. by governments and organised as commercial entities. Their mandate is to generate SDG impact through investments in the private sector. DFIs do not look for profit-maximization, but for profit-generation, as this is believed to support the longevity of investees.

The Association of European Development Finance Institutions, or EDFI asbl, created in 1992, represents 15 European DFIs, and now combines a total portfolio of more than €50 billion. Funding is not the challenge. DFIs have enough resources but finding investable projects.

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## Opening remarks by Mtchera Johannes Chirwa, Director, Water and Sanitation Development Department and Coordinator, African Water Facility at AfDB

The event focusses on scaling up investments in water and sanitation in Africa. The sector provides a promising area for partnership and investment, despite perceived risks, which can be managed through experience and understanding of the African market. The AfDB has significant operations in Africa, with over \$6 billion invested in the water sector over the past decade and plans to invest \$12 billion by 2030. They also aim to increase climate funding for the water sector to \$25 billion from 2025.

- *Investment Opportunities:* The event will showcase potential investment projects and a pipeline of initiatives that could interest development finance institutions (DFIs) and investors.
- *Challenges and Opportunities:* Africa faces challenges like water scarcity and rapid urbanisation, but these also present opportunities for investment and growth.
- *Sustainability:* Efforts are underway to improve the financial sustainability of African utilities, making the sector more attractive for investment.
- *Future Plans:* The bank is committed to scaling up investments and facilitating project development through grants and financing options.

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### Panel: “Advancing climate and water finance in Africa through sustainable partnerships”

*Panellists:* David Kuijper (DKu), EDFI; Mtchera Johannes Chirwa (MJC), AfDB; Arnaud De Vannsay (ADV), EU Commission, DG INTPA; Annemette Ditlevsen (AD), IFU; Ankur Agrawal (AA), AIIB.

**MJC:** The AfDB approach to investing in water and sanitation projects in Africa emphasises high-impact, sustainable, and environmentally friendly initiatives.

- **Investment priorities:** The bank focuses on projects that improve lives, ensure long-term sustainability, and address climate resilience, with a particular emphasis on disadvantaged communities and job creation.
- **Project development:** The Africa Water Facility uses grant funding to prepare projects, making them bankable for investors. This involves technical and financial analysis to de-risk projects, especially in countries lacking the capacity for early-stage investment.

- **Private sector involvement:** Despite the water sector being largely public, there is growing opportunity for private investment due to regulatory reforms and the need to close a significant financing gap.
- **Future funding models:** The bank sees potential in co-financing projects with development finance institutions (DFIs) and leveraging climate-focused funds to build resilience.
- **European Commission's role:** The discussion shifted to the EC commitment to support access to improved water and sanitation for millions by 2030. The Commission's role involves deploying resources effectively through partnerships like the African Water Facility.

**MJC:** AfDB sees many opportunities in the WASH sector in Africa and would like to event to help **demystify risks in this field**. One out of three people in Africa do not have access to clean water and, with increasing population and migration flows in the continent, the need and the potential impact of WASH investments remains high. AWF is an accelerator for WASH projects, providing seed resources for upstream investments, enabling scale-up in the sector.

**MJC:** (on future financing model on the AWF and untapped resources): AfDB prioritises high-impact projects, financially sound, driving sustainable development, as well as job creation. Originally, AWF provided grant funding that help prepare WASH projects expected to bring high impact. This is essentially to deal with capacity gap in many African countries. The private sector can play a role downstream, by taking advantage of these countries' ongoing regulatory efforts. Clearly, there's an opportunity to **co-finance downstream projects**. Some projects also have a water-energy nexus, which may be more appealing for some DFIs.

**ADV:** The EU Commission is partnering with EIB to improve outreach in WASH projects in Africa by providing budget support and guarantees, which also help de-risking DFI investments. It's not an easy sector to work in, but it's feasible, and their partnership opportunities offered by the EU.

The EU's commitment to support access to improved water and sanitation for 70 million individuals by 2030. This goal is part of a broader strategy to scale up investments in the water sector, particularly in Africa, where the EU is active in 32 countries, with development banks in 29 countries.

- **Collaboration and Investment:** The EU works with partners like the EIB and development banks to achieve this target. They use a range of tools, including grants, blending, budget support, and guarantees to mobilise investments.

- **Private Sector Involvement:** The EU aims to raise private sector participation, notably through initiatives like Climate Investor Two, mobilising significant funding for water and sanitation projects in emerging markets.
- **Sustainability and Climate Resilience:** The EU sees a need for making the water sector more sustainable and climate-resilient. This involves reforms to improve sector efficiency and attract more investment, ensuring investments are environmentally sustainable and contribute to climate resilience.
- **Global Gateway Strategy:** EU efforts are aligned with the Global Gateway initiative, which aims to develop green and sustainable infrastructure globally. The focus is on creating a sustainable offer that can attract diverse investors and ensure long-term viability of water projects.

**AD:** IFU, the Danish development finance institution, is moving to catalytic funding through concessional financing to enable local governments to improve clean water and sanitation conditions.

- **Strategic Focus on Water:** The water sector has been a strategic focus for IFU for many years due to its underfunding and public good nature, making it challenging to generate profits in many countries, especially in Africa and Asia.
- **Integration of Financing Approaches:** There is an ongoing effort to combine commercial and concessional financing approaches. This involves creating products that allow both types of financing to coexist, recognizing that the commercial and concessional sides are moving closer together.
- **Catalytic Funding:** The African Development Bank and similar institutions are increasingly using catalytic funding, such as grant funding, to enable local governments and organisations to address water challenges. This approach aims to facilitate collaboration between local entities and external investors.
- **Evolution in Water Investment:** There has been a significant shift in how water investments are perceived and managed, with a growing emphasis on innovative financing models and partnerships to address the sector's challenges.

**AA:** AIIB, a multilateral development bank, invested US\$16 billion in water projects, signalling high ambitions in the sector, but also specifically in Africa. AIIB looks for the following characteristics for a project in Africa (i) supporting public good, (ii) connectivity. In the WASH sector, partnerships play a crucial role – that's why AIIB collaborates with NGOs, philanthropies, DFIs.

The youngest multilateral development bank (MDB), which is celebrating its 10th anniversary, AIIB is focused on Asia while interested in investing in Africa,

particularly in projects that support global public goods like climate change mitigation and connectivity to Asia. Key points include:

- **Investment strategy in Africa:** AIIB views water investments as integral to addressing climate change, particularly by managing wastewater, methane emissions. AIIB has invested US\$2.5 billion in Africa so far but plans to increase this significantly. Up to 15% of its funding can be allocated to Africa, potentially amounting to US\$5–10 billion. AIIB prioritises projects that support global public goods, enhance connectivity to Asia, and are geographically proximal.
- **Water sector investments:** AIIB has invested about US\$5 billion in the water sector across 13 countries. Despite challenges in the sector, they are committed to further investment.
- **Partnerships:** AIIB emphasised partnerships with DFIs, financial institutions, NGOs, and philanthropists as a core part of its operations. They are keen to explore new financial modalities and innovations to address sector challenges.

**AD:** (answering to question from LZ): In South Africa, IFU worked with a local development bank to develop a framework to target small municipal projects with grants for project development and project loans.

IFU is using its facility, which is more grant and concessional based, to enable investments in the water sector. Key examples include:

- **Collaboration with Local Development Bank:** IFU is working with a South African development bank to provide loans for smaller municipal projects. This involves grants for project development and smaller loans to reach more rural areas and smaller project sizes. This was a way for IFU to reach rural areas.
- **Catalytic Financing through a Private Bank:** IFU has provided smaller grant funding directly to projects in South Africa through a private bank. This approach is novel for IFU, as they typically work with large concessional loans directly to ministries of finance.
- **New Approach:** These projects represent a shift for IFU, aiming to deploy funding more quickly and effectively where it is needed, rather than focusing solely on large-scale direct investments.

**ADV:** (answering question from DKu: innovative financing instrument that the EU Commission could support in the future? Do you foresee in the coming MFF further progress in this space? Especially looking at the WASH sector, where there's opportunity for pioneering.): Yes. We look at water as part of a broader value chain, where private sector can help by being financiers or service providers. While capital market was tense last year, venture capital investment in

the sector raised to US\$1.2 bn. I'm also confident that the next budget will maintain existing guarantee mechanisms.

The future of water investments will include collaboration between the public and private sectors across the entire value chain. Other points:

- **Value Chain Approach:** The EU views the water sector as a comprehensive value chain where public and private sectors can collaborate at various stages, from watershed management to service provision.
- **Innovative Financing Mechanisms:** Efforts are underway to establish funds and mechanisms like payment for ecosystem services to value natural resources economically. For example, Paris has implemented a system paying farmers to adopt sustainable practices, reducing treatment costs.
- **Digital Tools and Efficiency:** Digital technologies are enhancing water management by providing better data on consumption and treatment, enabling more efficient contracts and pollution control.
- **Investment Trends:** Despite market challenges, venture capital investments in the water sector have increased significantly, indicating growing interest in innovative solutions.
- **Future Plans and Confidence:** The EU is confident about future budgets and plans to upscale activities like guarantee mechanisms for microfinance and initiatives to transform utilities, ensuring financial sustainability and inclusivity in water projects.
- **Collaborative Models:** The focus is on developing models that are resilient, sustainable, and fair, involving various combinations of public and private investments.

**AA** (answering to DKu: how does your experience in Asia be leveraged in Africa? How is your cooperation with AfDB?): In Bangladesh, for example, we implemented a WASH project using microfinance to provide soft loans (400m). In India, we invested in technology to fix water problems. AIIB also devised KPIs to incentivize and provide further financing/grants. AIIB often collaborates with AfDB as co-financiers, together with World Bank, Proparco, KfW. There's also flexibility in terms of instrument used, including direct equity and loans. Asian experiences can be applied to the African water sector, highlighting unique challenges but also potential lessons. Key points include:

- **Asian Experiences:** Successful projects in Asia, such as using microfinance to build toilets in Bangladesh, demonstrate the effectiveness of innovative financing models. More than 500,000 toilets were built using this approach.
- **Technology and Efficiency:** In India, investments in water treatment technology have improved efficiency by addressing non-revenue water issues, a common problem in many African cities.

- **Cambodia Example:** Engaging private utilities with performance-based incentives show promise in making water supply systems more sustainable.
- **Applicability to Africa:** These strategies can be applied in Africa, where similar challenges exist. The speaker mentions an early-stage project in Rwanda that aims to incorporate these lessons.
- **Collaboration:** There is potential for cooperation with institutions like the AfDB to implement these strategies effectively in African contexts.
- **Partnerships and MOUs:** AIIB have Memoranda of Understanding with several MDBs and DFIs, facilitating cooperation as co-financiers, knowledge partners, or providers of grants for project preparation.
- **Flexibility in Instruments:** AIIB offer a range of financial instruments, including venture capital, private equity, guarantees, loans (both sovereign and private sector), and work closely with financial institutions to leverage local market knowledge.
- **Role of Financial Intermediaries:** AIIB uses financial intermediaries to reach smaller projects, such as home-based solar systems, which are impractical for DFIs to appraise individually.
- **Applicability to Africa:** These strategies and instruments can be effectively applied in the African context, emphasising collaboration with institutions to achieve this.

**MJC:** Optimism about the future of water investments in Africa, highlighting several current projects

- **Namibia:** A PPP project for a wastewater treatment and desalination plant.
- **Ghana and Togo:** A PPP transaction to transfer water from Ghana to Togo.
- **Rwanda:** The Kigali Bulk Water project, a successful ring-fenced operation.
- **New initiative: Africa Urban Sanitation Investment Initiative:** Launched to address sanitation needs, aiming to catalyse opportunities through upstream support, technical assistance, and grants in several countries. Hope to catalyse more opportunities by providing upstream support, technical assistance and grants for feasibility studies in an initial 12 countries, including Nigeria, Ethiopia, Madagascar, Tanzania, Senegal, Ivory Coast, where we believe there's opportunity for developing wastewater treatment facilities, slash treatment facilities, as well as, recycling of waste for energy or agriculture use.
- **Partnership Opportunities:** Collaboration with development finance institutions (DFIs) for co-financing and blended financing make projects more sustainable. Opportunities exist for co-financing but also blending financing to make some of the deals more amenable, more sustainable.

## Q&A

**Antoine Saintraint (European Commission):** in South Africa, it is difficult to invest in water distribution, with a return on investments. How can this change?

- AD: I second the question and agree with it. There're many projects in the water sector, and at every step of the value chain there's an entry point. Problem is regulatory frameworks (IT, financials) and business models to do it. IFU is conducting feasibility studies, but country must open up to private investments and allow for different business models, incl. PPPs.
- MJC: South Africa, water supply managed by local authorities. Now working on a model proposed by one municipality in Johannesburg, now structuring a PPP model, looking for other investors (incl. development banks and private actors) to take over the management.

**Antoine Saintraint (European Commission):** How can DFIs can engage at the governmental level? What can EDFI do in terms of trying to modify the legal framework in a country for the water sector?

DKu: what you need is a good channel between the investment experience and policymakers. It's in the EDFI interest to expand partnership capabilities, incl. w/ MDBs, to help them formulate the upstream work and complement the work of DFIs which, being more "opportunistic", focus more on the downstream work. This would also require EEAS increased capacity at the local level.

**Sinisa Vukic (Cardano), The Netherlands:** what's the role for pension funds for WASH investments? How DFIs can help?

ADV: we think that exits may be good – this at least holds true for the energy sector – and we do believe there's a role for pension funds to play.

DKu: It's a long game. Looking from the Global Gateway lenses, it's fundamental to connect the patience of European investors to the richness of opportunities in Africa, where the future growth and productivity will lie.

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### **AfDB Showcase: Michel N' Guessan (MNG)**

- The AfDB is active in 41 regional member countries, with increasing presence expected in Madagascar and Sao Tome. Five regional offices, incl. Nigeria. The bank approved five-year strategy, summarised in "water for food, and water for energy". Among the achievements, we can mention 22 operations approved in 17 countries. Portfolio includes 121 active operations worth almost 6 billion.

- PREDIRE – first regional project focused on water resource and infrastructure integrated development. It consists of five-year management contract + advisory service for DBFOM – project delivery method ‘Design-Build-Finance-Operate-Maintain’.
- BARONA – Ethiopia.
- Pipeline: As of today, UA4 billion dollars-worth pipeline for next two years, with expected UA5.5 billion to be reached by the end of the period. Among them, both grant-based and loan-based, classified by risk appetite.
- Instruments range from project/corporate debt to project preparation facilities, as well as guarantees, equity/quasi equity, and blended finance.
- Kigali Bulk Water Supply:
  - Africa water infrastructure development Limited – supported by BII
  - OPEX payments coming directly from the utility.
- **Profitability of water projects:**
  - Studying frameworks/ environments around water utility projects
  - UA39 million total value of opportunity (per year) of water utility projects in Africa.

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**AWF Showcase:** *More details in Consolidated List of Projects document.*

### **Samuel Blazyk (SB)**

- **Facility provides both upstream and downstream financing.** Operational since 2006 and established by the African Ministers’ Council on Water (AMCOW).
- **Strategic priorities** include (i) project preparation (65% budget allocation), (ii) catalytic investments, targeting more innovative projects (20%), (iii) investment promotion (5%), water governance support (10%).
- **€220 million of total contribution**, through which €2 billion mobilised for projects. Almost 150 approved projects, supporting people to access safe water, sanitation, irrigation as well.
- **Downstream investment:** More than €2 billion in downstream finance for 32 projects. And €1.1 billion in the last seven years.
- **Projects showed at showcase** include investment-ready projects, masterplans, studies under preparation, studies for launch in 2025, AWF pipeline.
  1. **Ready for investment:** Nive projects and six master plans. With downstream funding of almost €3 billion + €29 billion for master plan.
  2. **Studies under preparation:** 24 projects in 15 countries, with potential downstream investment of €5 billion and 25 million people as beneficiaries.

3. **Pipeline includes 33 projects**, incl. mix of feasibility studies, catalytic investments. Looking for €90 million to undertake these projects. Demand is very high: every day, receiving countries / cities asking for support for projects in water sector. These projects are just a few, offering highest impact.

### **Debjyoty Mukherjee (DM)**

Examples:

- Eswatini: construction of multipurpose dam, i.e. water for irrigation and hydropower, among others.
- Madagascar: 1.6 million beneficiaries.
- Mozambique: solid waste management. Investment potential = US\$15.5 million.
- Cameroon: valorisation of rainwater through hillside reservoirs. 50,000 people positively impacted.
- Multinational: hydro-electric projects.
- Uganda: 10 clusters comprising of 44 small towns.
- Mauritania: studies on inclusive sanitation in five cities.
- Tunisia: development of the 2050 water vision and strategy.
- Egypt: preparation of technical studies of water desalination using renewable energy project.
- Multinational (Lesotho, Namibia, etc.).
- *Next steps*: Express your interest. African Water Facility to act as coordinators and connect with project authority, coordination of co-financing (if required), transaction support, e.g. Grants, in support with other trust funds of the Bank like ALSK, project preparation support.

### **Q&A**

**1) Ernest Poku (Africa Water Infrastructure Development Ltd – AWID):  
What types of guarantee packages/ liquidity mechanisms/ sovereign mechanisms are present on these projects?**

1. DM: once investors come, open to discuss what type of investments they can provide, and then we can provide support, incl. through mechanisms you mentioned.
2. MNG: structuring of the project depends on the developer and their risk profile (eg. Equity or senior loans). Approach the project on a case-by-case basis.
3. MJC: they're available but depends on the transaction.

**2) AA (AIIB): ref. project in Madagascar, ready since 2022, why not started earlier?**

4. SB: political changes, incl. ministerial level, in Madagascar.
5. MNG: political issues affecting stability of the country.
6. DM: lack of internal capacity. TA in the Ministry so that regulations are enacted.

**3) Sinisa Vukic (Cardano): private equity and private debt investors what kind of returns can they obtain?**

7. MNG: 2% return for equity, and similar for debt funding.

**4) Fatou Gaye (Private Infrastructure Development Group): are you looking for sovereign funding for those projects?**

8. DM: reach out to us because the government may have interest in structuring project in a PPP manner.
9. MJC: possibility to co-invest grants through government, and private investors can take investment downstream, in agreement with the government. We can facilitate it.

**5) Fatou Gaye (Private Infrastructure Development Group): Are you looking for tendering? Or is there room for bilaterally negotiated projects with the government?**

MNG: We're open to both. There are internal processes and considerations within their institution for supporting water sector projects, particularly in Africa. Key points include:

- **Internal Processes:** The institution has "firewalls" that require demonstrating the competitive advantage of a project. This often involves justifying why a particular approach or entity is chosen, especially in procurement processes.
- **Examples of Support:**
  1. **Meridian Project:** They are considering providing development stage funds for a water supply project in Côte d'Ivoire, where a developer has a bilateral agreement with the government.
  2. **Competitive vs. Non-Competitive Processes:** While competitive processes are preferred to manage fiduciary risk, they can support non-competitive processes if justified and approved by the board.
- **Enabling Environment:** Initiatives like Aussie, set up by the Africa facility, aim to improve the enabling environment for private sector investment in the water sector by addressing risks and barriers.
- **Solid Waste Management Project:** In the Central African Republic, they are supporting the development of a solid waste management chain from scratch, including advisory services to reach viability and select a preferred bidder.

**6) AD (IFU): Have you ever thought of setting up business models a feasibility studies (beyond engineering)?**

10. DM: interested partners, once looking at the project, can propose new ideas to the authority so that they can change process and scope in that way. Started implementing this process this year.

We will check the investment potential of the project. We want to bring to a project a Request for Information (RFI) stage into the project appraisal process. This RFI stage will be used to gather insights from interested partners before or after project approval.

We introduce RFI in the project where the interested partners will come. They will look at the project. They will express their concern, ideas, changing scope, structuring, all these things they will share with the client or the government or the authority, whoever is there, and the consultant will be there in the room, and they will take the entire discussion in a proper official manner so that they can change The process and change the scope in that way. So from this year the process is being implemented.

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**AUSII Showcase: Debjoty Mukherjee (DM)**

- Goals for next 10 years of Africa Urban Sanitation Investment Initiative (AUSII): grow a fund with US\$320 million develop 50 inclusive urban sanitation projects connect 15 million people with safely managed sanitation, 7 billion downstream investment and to mobilise climate finance resources to the sector, to the urban sanitation sector. Providing catalytic investments, mapping SMEs/private sector.

**Sanitation Economy in Africa**

- The sanitation economy in Africa: lack of sanitation facilities and the economic cost of poor sanitation.
- By 2030, Nigeria's sanitation market expected to grow from US\$6 billion to US\$14 billion, Uganda from US\$2 billion to US\$3.5 billion, Kenya from US\$1.7 billion to US\$3 billion, and Benin from US\$33 million to US\$710 million.
- The sanitation economy includes various components such as emptying, transport, biogas, and electricity, showcasing its growth and complexity.
- The presentation includes data from a study by the Sanitation and Hygiene Fund, which closed in 2023.

## **AUSII Operations and Focus Areas**

- AUSII operations will cater to the needs of Africa, providing catalytic investment and support for policies, governance studies, capacity building, and technical assistance.
- There is a strong focus on PPP, covering the entire sanitation value chain – namely wastewater management, solid waste management, and city-wide inclusive sanitation.
- Aussie will work with various stakeholders, including microfinancing institutions, medium and small enterprises, sub-national entities, governments, private sector, commercial banks, and development partners.
- The initiative will use various instruments such as grants, capital investment, catalytic investment, result-based financing, risk capital, concessional loans, and guarantees.

## **AUSII Operating Window and Implementation**

- The AUSII operating window is designed to be simple and easy to access, with applications reviewed by the AWF using a specific template.
- The initiative will have two channels: grant operations and financing operations, with grant operations starting in 2024 and financing operations starting in 2026.
- The implementation of AUSII for the next five years will require a capital of US\$82 million, with US\$40 million for the grant function and US\$42 million for the investment function.

## **Factfinding missions: conclusions**

- AUSII conducted fact-finding missions in Tanzania, Madagascar, and Congo Brazzaville, finding a strong appetite from governments but a lack of technical capacity and coordination.
- The diagnostic studies will feed into the pipeline for grant and financing activities, creating partnerships and developing knowledge products.
- Scope: TA to concerned ministries wherever required (this year provided to two countries, incl. Madagascar.)

## **AUSII pipeline, from wastewater treatment, sanitation, and much more. Some projects are innovative in technology, eg. Potential for PPP in Congo.**

- **First batch:** diagnostic studies on 12 countries (completion by mid-2025) with focus on PPP frameworks/policies, country and market readiness, sanitation market size, legal and regulatory environment.

- **Investment opportunities:** AUSII Pipeline request for investors, authorities, diagnostic studies, and during bilateral meetings held after final session.
- **Key projects:** include a \$14 million toilet project in Madagascar and a \$1.5 million fecal sludge treatment plant in Tanzania. AUSII will use grants, capital investment, and result-based financing to support projects, with a focus on PPPs and SMEs. The initiative will also conduct diagnostic studies in 12 countries to identify priority projects.

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