



# KIFFWA

**KENYA INNOVATIVE FINANCE FACILITY FOR WATER**

## **Presentation to the Africa Green Growth Forum**

### **November 2018**



**Kigali, Rwanda**

**Joseph Murabula – CEO**

# KENYA: Water Situation

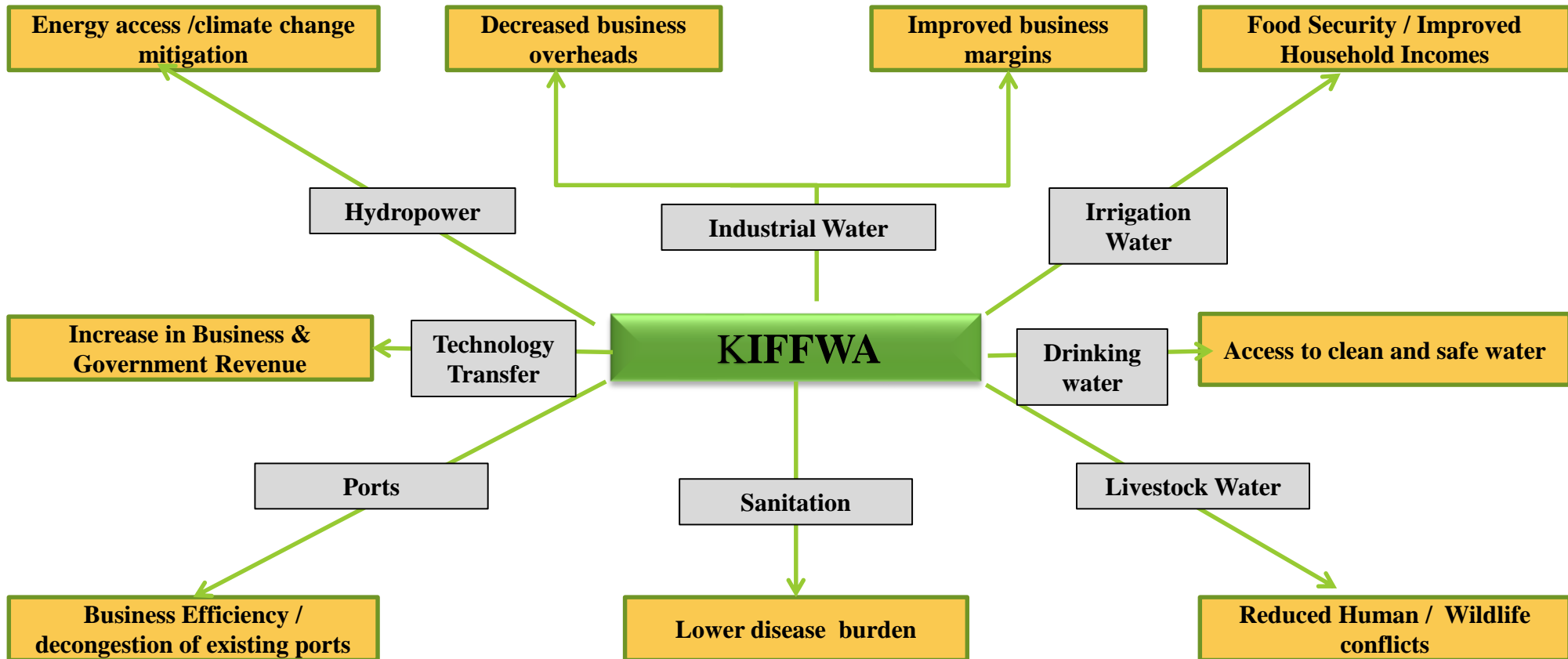
*Kenya is a water scarce country ( renewable water per capita - 647M<sup>3</sup> ) creating a strong case for investment in water supply and sanitation infrastructure, capacity building at all levels and protection and restoration of water-related ecosystems such as forests, mountains, wetlands and rivers*

<b>Water Resources Developed</b>	<ul style="list-style-type: none"> <li>• 15%</li> </ul>
Access to Safe Water	<ul style="list-style-type: none"> <li>• Urban: 70%</li> <li>• Rural: 50% (mostly un piped)</li> </ul>
Annual Water Replenishment Rate Per Capita	<ul style="list-style-type: none"> <li>• 647M<sup>3</sup> (Tz – 2,696M<sup>3</sup> ; UG – 2,940M<sup>3</sup>)</li> </ul>
Irrigation Water Development	<ul style="list-style-type: none"> <li>• 5% of potential - 5,000 Ha per annum</li> </ul>
Infrastructure for Surface Water Storage per Capita	<ul style="list-style-type: none"> <li>• 5.3M<sup>3</sup> (down from 11.4M<sup>3</sup> per capita in 1960)</li> </ul>
Sanitation coverage	<ul style="list-style-type: none"> <li>• 16%</li> </ul>
Non Revenue Water for WSPs	<ul style="list-style-type: none"> <li>• Average – 45%</li> </ul>
Population	<ul style="list-style-type: none"> <li>• 49.7 Million ( estimated to hit 67Million by 2030)</li> </ul>
Annual Investment Gap	<ul style="list-style-type: none"> <li>• USD\$ 1.2Bn ( required – USD\$ 1.7Bn)</li> <li>• GoK allocation – USD \$ 500Mn</li> </ul>

*Public sector funding alone is not adequate, creating opportunities for profitable private investment*

# Water is a Compelling Investment Proposition

*Water is an enabler for all aspects of socio – economic life*



*KIFFWA therefore does not discriminate and all water subsectors are eligible for support*

# KIFFWA Supports International and National Development Goals

*KIFFWA projects contribute positively to at least 8 SDGs and supports the GoK Vision of water and sanitation for all by 2030*



*KIFFWA provides financial and technical support to developers of water initiatives in order to catalyse investment and growth of the water sector and contribute to development goals*

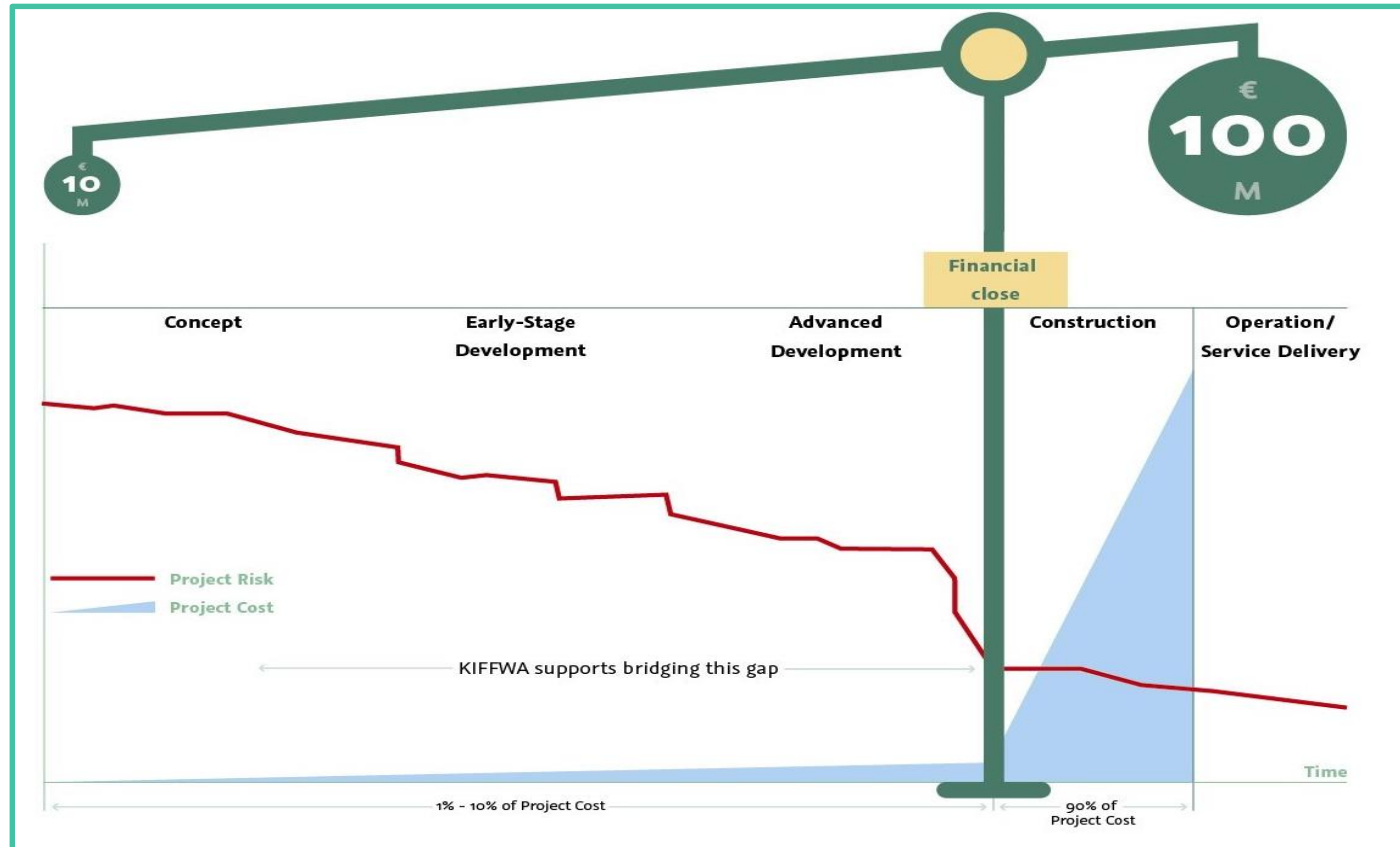
*KIFFWA co-develops water initiatives - providing early stage capital and expertise (financial, technical and legal) to support the creation of viable water investment opportunities and attract private finance*

## Vision

*“To be the co-developer of choice for private developers in Kenya*


## Mission

*“To provide early-stage technical and financial support to implementers and support initiatives across all water sub-sectors to reach financial close”*



*There is a lack of investment ready water initiatives. KIFFWA’s structuring expertise helps projects become investment ready and attractive to different types of financiers*

## *Project size and financial viability determine participation and financing structure*






Stage of Intervention	<ul style="list-style-type: none"> <li>Development phase</li> </ul>
Investment Amount	<ul style="list-style-type: none"> <li>50% of the Project development budget, up to a maximum of Euro € 500,000</li> </ul>
Total Project Size	<p>Minimum:</p> <ul style="list-style-type: none"> <li>Euro € 2,000,000</li> </ul> <p>Preferred:</p> <ul style="list-style-type: none"> <li>Euro € 10,000,000 to 20,000,000</li> </ul>
Selection Criteria	<p>Project must</p> <ul style="list-style-type: none"> <li>be financially viable</li> <li>have Positive social , economic and environmental impact</li> </ul>
Exit Mechanisms at Financial Close	<ul style="list-style-type: none"> <li>One-off payment with premium</li> <li>Equity into the Project</li> <li>Loan into the project</li> <li>Hybrid of above instruments</li> </ul>
Sector Focus	<ul style="list-style-type: none"> <li>All water sub-sectors – drinking, irrigation, sanitation and hygiene, hydropower, Port development, desalination, IWRM</li> </ul>
Geographical Focus	<ul style="list-style-type: none"> <li>KENYA</li> </ul> 

### *What we fund*

- *Technical Studies*
  - ✓ *Feasibility*
  - ✓ *Hydrology*
  - ✓ *Geotechnical surveys*
  - ✓ *Topographical and aerial surveys*
  - ✓ *Environmental/ Social Impact assessment*
- *Legal advisory and structuring support*
- *Financial Modelling/ Viability Assessment*
- *Fund Raising*

# KIFFWA: Expected Impact - Current Pipeline ( November 2018)

*KIFFWA pipeline has 17 projects valued at € 2.3 billion requiring € 18.3 million in development funding*

	<ul style="list-style-type: none"> <li>Additional clean and safely managed drinking water</li> </ul>	<ul style="list-style-type: none"> <li>68,195M<sup>3</sup></li> </ul>
	<ul style="list-style-type: none"> <li>Sanitation and Hygiene - improved access to sanitation services</li> </ul>	<ul style="list-style-type: none"> <li>170,000 people</li> </ul>
	<ul style="list-style-type: none"> <li>Irrigation - expected additional agricultural land that is used more eco-efficiently</li> </ul>	<ul style="list-style-type: none"> <li>35,000 acres</li> </ul>
	<ul style="list-style-type: none"> <li>Additional renewable energy in Mega Watts(MW)</li> </ul>	<ul style="list-style-type: none"> <li>18</li> </ul>
	<ul style="list-style-type: none"> <li>Additional number of direct and indirect jobs</li> </ul>	<ul style="list-style-type: none"> <li>151 jobs</li> </ul>

*KIFFWA's ambition is to set an international example for co-developing water initiatives in emerging markets*

## **Kenya Innovative Finance Facility for Water - KIFFWA**

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