

## The challenge

Access to reliable, clean water and sanitation is not only a basic human right, but also underpins all aspects of development and is a key ingredient for economic growth. Water utilities play an essential role in managing water and wastewater services, especially in urban areas, ensuring the health and safety of their citizens. According to the OECD, about 40 percent of the world's population will live in areas with severe water stress by 2050.

To help address this challenge and to manage the impact of climate change, utilities require significant investments. The World Bank estimates that reaching the Sustainable Development Goal (SDG) of access to safely managed water and sanitation services by 2030 will require countries to spend \$150 billion per year. Yet one challenge already evident is that water utilities are struggling to cover their investment needs due to inadequate public financial resources and lack of access to commercial finance.

## The solution

Utilities 4 Climate (U4C), an IFC innovation, seeks to support water utilities in developing and implementing innovative solutions to boost commercial water infrastructure investment opportunities, improve climate resilience, and develop climate-smart utilities.

The initiative builds long-term strategic partnerships to promote investment and innovation to enhance service coverage and quality. U4C also offers a global knowledge-sharing network for utilities committed to the fight against climate change, so they can share best-in-class experiences and know-how. The initiative is a unique relationship model that, together with access to the global network, combines IFC's advisory services and investment to deliver climate-friendly solutions, improve the sustainability of water utilities, and position them as strong partners and leading players in the climate agenda.

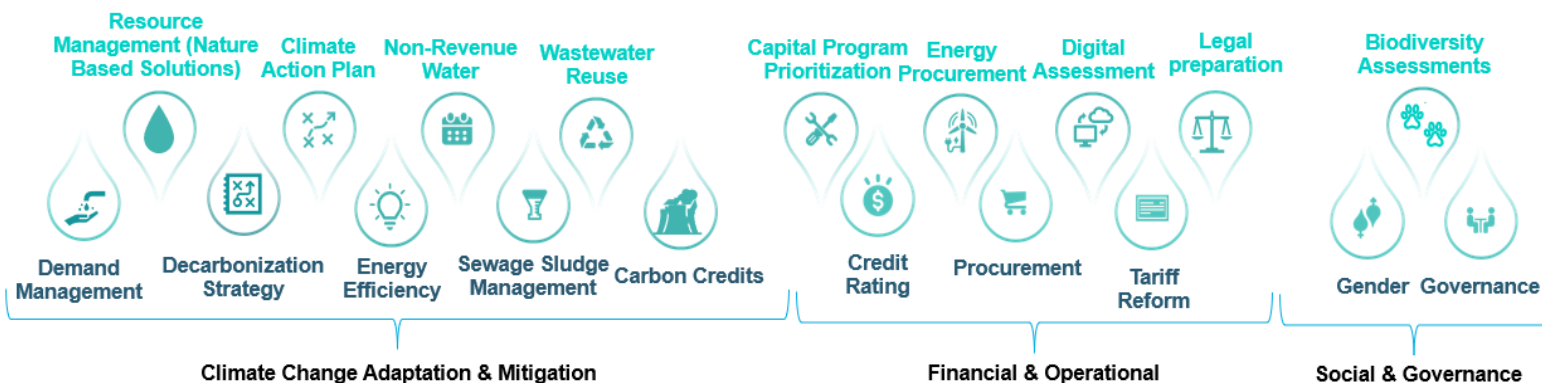
## What can IFC bring to your company?

- Gain access to an exclusive global network of innovative water utilities
- Brand recognition as a utility leading globally in climate change adaptation and mitigation
- Global knowledge-sharing and best practices at C-suite level
- Direct collaboration and resources in scoping and diagnostics to help identify key priorities and most pressing issues
- IFC's focused technical assistance with international expertise
- Innovative support on specific areas of improvement combining in-house and external advisory
- Contribution to structuring climate-friendly solutions
- Tailored advisory for pilot projects (partially funded through the support of donors)

Moreover, IFC will contribute with assessing the appropriate financial structure and resources to support long term investments of the water utility.

## Advisory solutions for your investments

IFC is ready to provide tailored advisory products to support your investments. From capital expenditure prioritization to adoption of Environmental and Social Standards (E&S), IFC has the right solution. Examples of such advisory includes:



## Recent partnerships

**Project:** Non-revenue water management  
**Client:** Utility Company in Brazil

IFC and the client engaged in a strategic partnership in which we provided technical advisory support focused on non-revenue water (NRW), which had been suffering physical and commercial water losses, reducing the efficiency of water delivery. IFC hired external consultants and worked jointly with the client to develop a **NRW Reduction Strategy and Action Plan**, in line with international best practice.

IFC's water supply advisory's plan will help improve client's resilience to climate change and reduce risks to continuous water provision. Moreover, based on the findings of the diagnostics, **pilots were identified to tackle NRW issues**. As a follow-on phase, IFC will also be supporting the utility to generate in-house capacity to implement the NRW strategy through institutional strengthening, as well as support in preparing adequate performance-based contracts for NRW physical loss reduction. In addition, technical support focused on energy efficiency measures as well as a green loan certification process will be provided to facilitate the client's access to a broader investor base, signaling commitment to climate change.

**Project:** Climate Action Plan  
**Client:** Utility Company in Brazil

IFC supported one of the largest state-owned water utilities in Brazil, an organization serving more than 8 million customers that is facing **increasing risk from climate change impacts** on its operations, and its ability to deliver water services in future. It is also suffering from a severe drought, impacting its water supply capacity.

IFC provided technical advisory under the U4C initiative to support the utility with the development of a **climate change action plan**. This will be **an overarching framework encompassing all the identified climate change risks** but will focus especially on: 1) resilience to droughts and floods, 2) reducing greenhouse gas emissions from operations, 3) energy efficiency, and 4) wastewater reuse.

## Contact us



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