

Water Security Financing Report 2024



AFRICAN DEVELOPMENT BANK GROUP
GROUPE DE LA BANQUE AFRICAINE
DE DEVELOPEMENT



ASIAN INFRASTRUCTURE
INVESTMENT BANK



COUNCIL OF EUROPE DEVELOPMENT BANK
BANQUE DE DEVELOPEMENT DU CONSEIL DE L'EUROPE



European Bank
for Reconstruction and Development



European
Investment Bank



البنك الإسلامي للتنمية
Islamic Development Bank



New
Development
Bank



WORLD BANK GROUP



Water Security Financing Report 2024



AFRICAN DEVELOPMENT BANK GROUP
GROUPE DE LA BANQUE AFRICAINE
DE DEVELOPPEMENT



ASIAN INFRASTRUCTURE
INVESTMENT BANK



COUNCIL OF EUROPE DEVELOPMENT BANK
BANQUE DE DEVELOPPEMENT DU CONSEIL DE L'EUROPE



European Bank
for Reconstruction and Development



European
Investment Bank



New
Development
Bank



WORLD BANK GROUP

Some rights reserved

This work is a product of the staff of The World Bank, Asian Development Bank (ADB), the African Development Bank Group (AfDB), the Asian Infrastructure Investment Bank (AIIB), the Council of Europe Development Bank (CEB), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the Inter-American Development Bank (IDB), Islamic Development Bank (IsDB), and the New Development Bank (NDB) with external contributions. The findings, interpretations, and conclusions expressed in this work are those of the authors and do not necessarily reflect the views of The World Bank, its Board of Executive Directors, or the governments they represent; or the ADB, its Board of Governors, or the governments they represent; or the AIIB, its Board of Directors or its members; or the IDB, its Board of Directors, or the countries it represents; or the NDB, its Board of Governors, Board of Directors, or the governments they represent.

The World Bank, ADB, AfDB, AIIB, CEB, EBRD, EIB, IDB, IsDB, and NDB do not guarantee the accuracy, completeness, or currency of the data included in this work and do not assume responsibility for any errors, omissions, or discrepancies in the information, or liability with respect to the use of or failure to use the information, methods, processes, or conclusions set forth. The boundaries, colors, denominations, links/footnotes and other information shown in this work do not imply any judgment on the part of The World Bank, ADB, AfDB, AIIB, CEB, EBRD, EIB, IDB, IsDB, and NDB their respective Boards, or the governments they represent, concerning the legal status of any territory or the endorsement or acceptance of such boundaries. The citation of works authored by others does not mean The World Bank, ADB, AfDB, AIIB, CEB, EBRD, EIB, IDB, IsDB, and NDB endorse the views expressed by those authors or the content of their works.

The mention of any specific companies or products of manufacturers does not imply that they are endorsed or recommended by either The World Bank, ADB, AfDB, AIIB, CEB, EBRD, EIB, IDB, IsDB, and NDB in preference to others of a similar nature that are not mentioned.

Nothing herein shall constitute or be construed or considered to be a limitation upon or waiver of the privileges and immunities of The World Bank, ADB, AfDB, AIIB, CEB, EBRD, EIB, IDB, IsDB, or NDB, all of which privileges and immunities are specifically reserved.

Rights and Permissions



This work is licensed under a Creative Commons Attribution-NonCommercial 3.0 IGO License. Under the Creative Commons-NonCommercial license, you are free to copy, distribute, transmit and adapt this work, for noncommercial purposes only, under the following conditions:

Attribution—Please, cite the work as follows: World Bank, ADB, AfDB, AIIB, CEB, EBRD, EIB, IDB, IsDB, and NDB 2025. Water Security Financing Report 2024. Washington, DC: World Bank. License: Creative Commons Attribution Noncommercial (CC BY-NC 3.0 IGO).

Noncommercial—You may not use this work for commercial purposes.

Translations—If you create a translation of this work, please add the following disclaimer along with the attribution: This translation was not created by The World Bank, ADB, AfDB, AIIB, CEB, EBRD, EIB, IDB, IsDB or NDB and should not be considered an official translation. The World Bank ADB, AfDB, AIIB, CEB, EBRD, EIB, IDB, IsDB and NDB shall not be liable for any content or error in this translation.

Adaptations—If you create an adaptation of this work, please add the following disclaimer along with the attribution: This is an adaptation of an original work by The World Bank, ADB, AfDB, AIIB, CEB, EBRD, EIB, IDB, IsDB, and NDB. Views and opinions expressed in the adaptation are the sole responsibility of the author or authors of the adaptation and are not endorsed by The World Bank, ADB, AfDB, AIIB, CEB, EBRD, EIB, IDB, IsDB, or NDB.

Third-party content—The World Bank, ADB, AfDB, AIIB, CEB, EBRD, EIB, IDB, IsDB, and NDB do not necessarily own each component of the content contained within the work and therefore do not warrant that the use of any third-party-owned individual component or part contained in the work will not infringe on the rights of those third parties. The risk of claims resulting from such infringement rests solely with you. If you wish to reuse a component of the work, it is your responsibility to determine whether permission is needed for that reuse and to obtain permission from the copyright owner. Examples of components can include, but are not limited to, tables, figures, or images.

Any queries on rights and licenses, including subsidiary rights, should be addressed to World Bank Publications, The World Bank Group, 1818 H Street NW, Washington, DC 20433, USA; fax: 202-522-2625; e-mail: pubrights@worldbank.org.

Cover photo: © African Development Bank. Used with the permission of African Development Bank. Further permission required for reuse.

Cover design: Circle Graphics.

Contents

Abbreviations	iv
Summary	1
Introduction	2
Current State of the Global Water Sector	6
Water Supply and Sanitation	7
Water for Agriculture	7
Water Resources Management	8
Investment, Financing, and Budget Execution	9
Policy, Institutions, and Regulation	10
MDB Investments in the Water Sector Approved in 2024	12
Future Reporting	16
Collaboration to Date	17
Coordination Meetings	17
Examples of Collaboration	17
Appendix: Profiles of the Multilateral Development Banks	24
African Development Bank Group (AfDB)	25
Asian Development Bank (ADB)	27
Asian Infrastructure Investment Bank (AIIB)	29
Council of Europe Development Bank (CEB)	30
European Bank for Reconstruction and Development (EBRD)	31
European Investment Bank (EIB)	33
Inter-American Development Bank Group (IDB)	35
Islamic Development Bank (IsDB)	36
New Development Bank (NDB)	38
World Bank Group (WBG)	39
References	41

Abbreviations

AfDB	African Development Bank Group
ADB	Asian Development Bank
AIIB	Asian Infrastructure Investment Bank
CEB	Council of Europe Development Bank
EBRD	European Bank for Reconstruction and Development
EIB	European Investment Bank
IBRD	International Bank for Reconstruction and Development
ICSI	International Centre for Settlement of Investment Disputes
IDA	International Development Association
IDB	Inter-American Development Bank Group
IFC	International Finance Corporation
IsDB	Islamic Development Bank
MIGA	Multilateral Investment Guarantee Agency
NDB	New Development Bank
WBG	World Bank Group

Dollar figures are U.S. dollars unless otherwise noted.





Summary

The world's 10 multilateral development banks (MDBs) are committed to joint action to improve global water security by 2030. The *Water Security Financing Report 2024* is the first annual report to monitor this joint commitment. The 2024 report provides a baseline for subsequent years as conditions evolve and the global focus on water security for human development, jobs and prosperity increases. This report focuses on water sector financing and actions underway to achieve joint action. Future reports will include the impact and effectiveness of this financing, as well as the necessary policies, institutions, and regulations needed to achieve lasting water security.

Introduction





On December 3, 2024, nine multilateral development banks (MDBs) issued a joint commitment to water security at the One Water Summit in Riyadh, Saudi Arabia (ADB et al. 2024). This commitment built on a previous statement at COP 28 (ADB et al. 2023).

COMMITMENT BY THE MULTILATERAL DEVELOPMENT BANKS TO WATER SECURITY

Joint Statement by the Multilateral Development Banks (African Development Bank Group, Asian Development Bank, Asian Infrastructure Investment Bank, European Bank for Reconstruction and Development, European Investment Bank, Inter-American Development Bank Group, Islamic Development Bank, New Development Bank, and World Bank Group)

Water is a key priority of the Multilateral Development Banks; in the last five years we jointly committed **USD 50 billion** of lending to the water sector, complemented by technical assistance, benefitting more than **400 million people** globally.

At COP28 in December 2023, the Islamic Development Bank delivered a joint statement on behalf of the Multilateral Development Banks committing to increase the number of people benefiting from support for climate-resilient water systems, particularly in water-stressed regions. Building on that commitment and our on-going collaboration, **we commit to work together to jointly significantly increase our support to the water sector in the five years between 2025 and 2030, both in terms of financing and technical assistance.** In order to deliver on the Sustainable Development Goals, we aspire to accelerate universal access to safe drinking water and sanitation, scale up irrigation to increase food security and improve livelihoods, enhance flood management, and advance the sustainable management of water resources. We aim to provide hundreds of millions more people with water security through

ambitious programs that take advantage of both deeper collaboration between us, and collaboration with other partners.

Together, we commit to scale up finance for climate-resilient water, using a range of financial instruments. We will explore new and innovative financing that crowds in private and philanthropic resources. We will engage with market-based mechanisms and assist clients to tap relevant climate finance. We will work together to preserve scarce public financing for where it is needed most, prioritizing and leveraging private sector participation and scaling up private-sector financing and to facilitate guarantees and risk-sharing instruments. **We will endeavor to ensure no-one is left behind, prioritizing the most vulnerable populations.**

In order to achieve sustainability and greater impact, we believe the water sector needs both technically and financially efficient service providers that can deliver quality services, and sound governance arrangements, including policy, institutional and regulatory regimes, that are implemented with integrity. Accordingly, at the request of our client countries, we will support water sector reforms and investments at country and regional level and will help build utilities that can face the future in a changing climate. **We will seek to improve the efficiency and financial sustainability of service providers and affordability for users; to build effective policy, institutional, and regulatory environments; and to enhance governance and transparency in the sector.** We will promote nature-based solutions and innovative technical solutions to enhance water security.

We will work to improve our collaboration and coordination, in line with our different mandates and business models, developing our network, consulting with each other and building our partnership at global, regional and country level. Responding to the needs of our client countries, we will seek out opportunities for co-financing. We will work within the existing coordination processes among MDBs to provide more efficient and coordinated support to our clients. **We commit to streamline project execution and implementation** and reduce complexity for borrowers. There are many opportunities for us to coordinate the assistance we provide and collaborate to bring clients an optimized package of support. **We will seek out ways to scale up our technical assistance and to work together to ensure it is focused on the major obstacles we have jointly identified that impede progress in the water sector. We commit to sharing knowledge and tools.**

We will monitor and report on our success. This will include both progress in reaching our commitments to scale up financing, and realization of our promise to work collaboratively.



In this statement, the MDBs committed to reporting on joint progress.¹ This first annual Water Security Financing Report provides an overview of MDB investments in the water sector around the world, providing a baseline in 2024 against which future financing can be tracked. It highlights the collective effort of the 10 members of the MDB Water Sector Coordination Group—the African Development Bank Group (AfDB), Asian Development Bank (ADB), Asian Infrastructure Investment Bank (AIIB), Council of Europe Development Bank (CEB), European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), Inter-American Development Bank Group (IDB), Islamic Development Bank (IsDB), New Development Bank (NDB), and World Bank Group (WBG)—to foster collaboration, share knowledge, and catalyze innovative solutions. This group defines investments in the “water sector” as investments in three subsectors: (1) water supply and sanitation, (2) water for agriculture (irrigation), and (3) water resources management (including flood risk management).

¹The CEB, while not party to the initial MDB joint statement, is participating in the reporting process and collaborative MDB effort.

Current State of the Global Water Sector





Water Supply and Sanitation

In 2022, 2.2 billion people lacked access to safely managed drinking water services, and 3.5 billion people lacked access to safely managed sanitation services, with the biggest gaps in Sub-Saharan Africa, parts of South Asia, East Asia and the Pacific Islands, and Latin America and the Caribbean (WHO-UNICEF Joint Monitoring Programme 2023). Estimates indicate significant urban-rural inequalities. In 2022, 81 percent of urban dwellers used safely managed water services, while only 62 percent of rural dwellers did. There was a similar gap in terms of sanitation services: 65 percent of urban dwellers used safely managed sanitation in 2022, compared with 46 percent of rural dwellers (WHO-UNICEF Joint Monitoring Programme 2023). Little progress has been made in closing the rural-urban access gap in low-income countries over the past two decades (Zhang and Borja-Vega 2024). The 1.9 billion people living in fragile contexts were twice as likely to lack safely managed drinking water and basic hygiene and one and a half times as likely to lack safely managed sanitation services (WHO-UNICEF Joint Monitoring Programme 2023).

Water for Agriculture

Over the past 60 years, the global area equipped for irrigation has more than doubled from 161 million hectares in 1961 to 354 million hectares in 2022.² But irrigation expansion has not been uniform. Although irrigation is found in almost every country in the world, the majority is highly concentrated in just a few areas, including the Indo-Gangetic plains of South Asia, the North China Plain, the major river deltas of Southeast Asia, and parts of the United States. In contrast, Africa has minimal irrigation outside of a few countries, and, in total, only 6 percent of farmland in Africa is irrigated (Zhang and Borja-Vega 2024). Agriculture is a

²Food and Agriculture Organization of the United Nations. FAOSTAT. <https://www.fao.org/faostat/en/#data/RL>.

major employment sector, accounting for 27 percent of global employment in 2021, with significant regional differences. In Europe, agriculture employed only 5 percent of the workforce while in Africa and Asia it accounted for nearly 50 percent and 30 percent of the workforce, respectively (FAO 2021).

Water Resources Management

Some 4 billion people are estimated to live in water-scarce areas, with roughly 25 percent of the world's GDP at risk and water-stressed areas existing on almost every continent (Kuma, Saccoccia, and Shertock 2023). By 2040, one in four children is expected to face extreme water shortages, making water security an increasingly pressing challenge for many countries (United Nations 2022). More than half the global population—some 4.5 billion people—is at high risk of experiencing an extreme weather event, such as a flood, drought, cyclone, or heatwave (Doan et al. 2023). As climate change alters rainfall patterns and intensity, more frequent and intense droughts and floods threaten the quantity and quality of water sources, damaging infrastructure and jeopardizing the provision of basic services. Droughts and floods will jeopardize agriculture, leading to food insecurity, and will undermine livelihoods in the poorest countries. Many large cities bear serious risks and face the need for massive investment in the water sector to guarantee resilience in the face of the twin pressures of growing water demand and climate change.

Cooperation to optimize water resource management and development is lacking, and fragmentation hampers water security; 276 transboundary basins, accounting for 60 percent of global freshwater flow, are shared by 148 countries (UN Water 2008).



Investment, Financing, and Budget Execution

Using available data on the investment needs in the water supply and sanitation subsector, a 2024 World Bank study (Joseph et al. 2024) revealed significant shortfalls in spending with respect to the required levels of investment to reach Sustainable Development Goal targets 6.1 (achieve access to safe and affordable drinking water) and 6.2 (achieve access to sanitation and hygiene and end open defecation).³ The estimated annual spending gap between 2017 and 2030 ranges from \$131.4 billion to \$140.8 billion, with a middle estimate of \$138.0 billion. On average, countries will need to increase annual spending to between 2.7 and 3.0 times the current level to bridge this gap. The largest spending gap is found in Sub-Saharan Africa; the annual spending gap in that region is estimated to be between \$69.9 billion and \$73.5 billion. To bridge this gap, current annual spending would need to increase to between 9.5 and 17.0 times its current level. The investment gaps in low-income countries and countries affected by fragility, conflict and violence are even greater. Low-income countries would have to scale up investment by up to 42 times, and countries affected by fragility, conflict, and violence would have to increase spending by 29 times (Joseph et al. 2024).

The World Bank's analysis of irrigation investment gaps indicates that the 41 countries studied, on average, are not spending enough to achieve even a low-cost spending scenario that involves subsidizing irrigation infrastructure only and reducing agricultural demand (Joseph et al. 2024).

These spending gaps are likely to be underestimated. Climate change effects—including water stress, water scarcity, and flood-related infrastructure damage—are expected to aggravate the costs of providing sustainable levels of irrigation and water, sanitation, and hygiene services.

Spending in the water sector is capital-intensive, and maintenance spending is too low. Capital spending constituted almost two-thirds of total public spending in the sector. Maintenance spending in all the water subsectors—water supply and sanitation, water conveyance, and irrigation—has been modest, despite the fact that regular maintenance is crucial to sustaining the utility and benefits of physical infrastructure and prolonging asset life and to generating substantial savings (Joseph et al. 2024).

Despite huge investment needs and funding gaps, the water sector does not spend all the funding allocated to it. The 2024 World Bank study found that, during the 2009–2020 period, countries' budget execution rate in the water sector averaged 72 percent, meaning that about 28 percent of all budgeted funds went unused. This execution rate is very low in comparison to other sectors. The human development sector consistently has an execution rate of 99 percent; in the transport sector, it is 91 percent, and in the agriculture sector, it is 89 percent.

³The 17 Sustainable Development Goals and 169 global targets are part of the 2030 Agenda for Sustainable Development agreed unanimously by all 193 member states of the United Nations General Assembly in September 2015. Sustainable Development Goal 6 is "Ensure availability and sustainable management of water and sanitation for all."



Policy, Institutions, and Regulation

The low absorptive capacity of water sector institutions reflects systemic regulatory and institutional weaknesses. The 2024 World Bank (Joseph et al. 2024) study found that four indicators—governance effectiveness, regulatory quality, state legitimacy, and the performance of political institutions—were positively correlated with water sector budget execution rates. Enhancing these measures of governance performance would help improve execution rates—as would addressing the fragmentation within water sector-related national agencies, having a coherent water policy, employing human capital effectively, ensuring accountability and transparency in the budgetary system, engaging in effective project planning, and creating a sound institutional and political environment.

Governments lack coherent policies that are designed to eliminate inequalities in the water sector and reach everyone while ensuring sustainability and resilience. Many countries have not invested in the regulatory environment, and regulators often do not have institutional, financial, managerial and political autonomy. They lack sufficient skills, capacity and financial resources to carry out their functions, and they are unable to determine their own administrative and operational procedures or to make decisions that are unbiased and free from undue influence. Government policy that supports improvement in the operational performance of service providers is lacking, as are management models that ensure sustainable, professionalized service delivery.

Most water service providers in developing countries do not recover their operations and maintenance costs. Many also need to improve their operational efficiency; providers that are unable to collect a significant proportion of their allotted tariffs or that have high nonrevenue water rates are neither financially viable nor sustainable. They struggle to attract public finance, much less private finance. The water sector has lagged behind other sectors in leveraging private sector participation to improve efficiency and access private capital. Efficiency in the sector is also undermined by the growing skills gap and challenges related to attracting and retaining the diverse skills required. If the water sector is to attract more diverse and sustainable financing, water service providers must become more creditworthy, focusing efforts on increasing their revenue streams (improved billing and collection, financially sustainable tariff and subsidy regimes), decreasing nonrevenue water, and optimizing their workforce. Guarantees from MDBs may be contingent on a minimum level of creditworthiness at water utilities as well as on government support. It is necessary to support subnational governments and utilities, by scaling up private sector participation and the provision of guarantees and risk-sharing instruments, to obtain access to non-sovereign financing, thereby preserving public sector finance.



MDB Investments in the Water Sector Approved in 2024





The total global water sector investments approved by the 10 MDBs in 2024 was \$19.6 billion. The total investment approved by the MDBs in low-income, lower-middle-income, and upper-middle-income countries in 2024 was \$14.4 billion (table 1). Of this total, 10 percent was directed to low-income countries, 49 percent to lower-middle-income countries, and 41 percent to upper-middle-income countries. It should be noted that MDB financing in lower-middle and upper-middle-income countries is often for projects that address the needs of vulnerable groups.

Table 1 MDB Approvals in Low-, Lower-Middle, and Upper-Middle-Income Countries, 2024

	Low-income countries	Lower-middle-income countries	Upper-middle-income countries	Total (\$ millions)
ADB	—	2,577	892	3,468
AfDB	245	469	—	714
AIIB	—	200	—	200
EBRD	—	76	233	310
EIB	130	336	43	510
IDB	—	—	1,065	1,065
IsDB	61	778	1,248	2,086
NDB	—	320	1,061	1,381
WBG	1,016	2,323	1,280	4,619
Total	1,452	7,079	5,821	14,352
	10%	49%	41%	

Source: MDB Water Sector Coordination Group.

Note: — = not applicable; ADB = Asian Development Bank; AfDB = African Development Bank Group; AIIB = Asian Infrastructure Investment Bank; EBRD = European Bank for Reconstruction and Development; EIB = European Investment Bank; IDB = Inter-American Development Bank Group; IsDB = Islamic Development Bank; NDB = New Development Bank; WBG = World Bank Group.

The total investment approved in 2024 by the six MDBs that lend to high-income countries was \$5.3 billion (table 2).

Table 2 MDB Approvals in High-Income Countries, 2024

	Total (\$ millions)
Asian Development Bank	33
Council of Europe Development Bank	110
European Bank for Reconstruction and Development	64
European Investment Bank	4,695
Inter-American Development Bank Group	190
World Bank Group	187
Total	5,278

Source: MDB Water Sector Coordination Group.

MDB investments include sovereign guaranteed loans (loans provided to a borrower, typically a government or government-owned entity, with repayment guaranteed by the sovereign state), investment grants (non-repayable funds provided to support specific projects or initiatives), non-sovereign guaranteed loans (loans extended to private sector or sub-sovereign entities without sovereign state guarantees), and other private sector financing (including various instruments to fund private projects, such as equity, semi-equity investments, and other forms of debt without sovereign guarantees). Table 3 shows the breakdown of the total approvals (for all country classification categories) by these types of financial instrument. Also shown are the financial contributions allocated by borrowing country governments or subnational entities to MDB-financed projects (local counterpart amounts). These figures do not include the private capital investments mobilized through MDB financing.





Table 3 Total MDB Approvals and Local Counterpart Amounts, 2024

	Sovereign guaranteed loans and investment grants	Non-sovereign guaranteed loans and other private sector financing	Local counterpart amounts
Total (\$ millions)	19,142	522	8,609

Source: MDB Water Sector Coordination Group.

Table 4 shows the breakdown of investments approved in 2024 (for all country classification categories) by subsector. Most of the approved investment is in water supply and sanitation.

Table 4 Investments as a Percentage of Total Approved Investment, by Subsector, 2024

Subsector	Percentage of total investment
Water supply and sanitation	71
Water for agriculture	13
Water resources management	12
Policy-based loans (sector reforms)	4

Source: MDB Water Sector Coordination Group.

MDBs also invest in technical cooperation and assistance, which is essential for the successful implementation of development projects. It can significantly influence water sector reform and improve the design and implementation of government policies and programs. MDBs not only provide technical cooperation within their lending projects but also extend support outside of these projects. In 2024, ADB, AfDB, EBRD, IDB, IsDB, and WBG invested more than \$218 million in technical assistance in their client countries, supporting capacity building, knowledge, and analytics for the water sector. Funding from bilateral donors and other partners is also vital to support technical cooperation; it helps establish the bankability of projects and assists clients in implementing key reforms.

Future Reporting

The MDB Water Sector Coordination Group intends that future reports will include more disaggregated investment data, figures for private capital mobilization, and the number of beneficiaries related to investments. Future reports will include examples of collaboration, knowledge sharing and innovative solutions catalyzed.





Collaboration to Date

Coordination Meetings

Since March 2023, the MDB Water Sector Coordination Group has met regularly to enhance collaboration in the water sector. Members have presented their strategies and plans for the sector and have described the ways they use analytical and diagnostic tools. Regular meetings have allowed the MDBs to gain a shared understanding of each other's work in the water sector and to discuss constraints and challenges.

The members of the group have extended invitations to one another to attend their conferences and meetings. For instance, the World Bank Group extended an invitation to a side meeting on water at the World Bank Annual Meeting in October 2024, and the Asian Development Bank invited members to its Water and Urban Development Forum in May 2025.

Many of the MDBs have developed diagnostic and operational tools to support their work, and an online platform has been created to share these tools.

Examples of Collaboration

In **Barbados**, the Inter-American Development Bank Group and the European Investment Bank are collaborating on an innovative debt-for-climate initiative to improve water security in response to climate change. Through the use of guarantees, Barbados can advance its resilience strategies outlined in the



country's Nationally Determined Contribution under the Paris Agreement (Government of Barbados 2021) and the Roofs to Reefs Programme, which emphasizes both infrastructure and ecosystem development.

The initiative marks the first time the Inter-American Development Bank Group and the European Investment Bank have approved joint guarantees for an operation in the Caribbean. The \$300 million in guarantees enable a debt-for-climate conversion plan, creating fiscal space for resilience investments that would otherwise be constrained by fiscal limitations. The financing model increases the scale and impact of Barbados' climate-resilient infrastructure projects, unlocking resources for critical climate adaptation efforts while preserving investments in health and education.

The guarantee program supports Barbados in preparing and implementing new climate projects, protecting groundwater resources, boosting agriculture, and enhancing financial resilience to natural disasters like hurricanes and floods. It facilitates infrastructure upgrades, such as the South Coast sewage treatment plant, allowing reclaimed water to be used for irrigation. Complementary government investments will further reduce water losses in the water supply network.

In **Benin**, the African Development Bank, the European Investment Bank, the Islamic Development Bank, the World Bank Group, and the West African Development Bank have partnered with the Government of Benin to tackle urban flooding and stormwater management in the capital city of Cotonou. The Programme d'Assainissement Pluvial de la Ville de Cotonou (Cotonou Stormwater Drainage Program) aimed to reduce Cotonou's flood vulnerability by rehabilitating or constructing drainage infrastructure across 34 basins, building socioeconomic infrastructure, and fostering the city's economic and social development. This cofinanced program, worth EUR 402 million, included financing from the African Development Bank (EUR 61 million), the Islamic Development Bank (EUR 89 million), the European Investment Bank (EUR 50 million), and the World Bank Group (EUR 89 million) as well as contributions from Agence Française de Développement (EUR 40 million) and the West Africa Development Bank (EUR

32 million) and counterpart funding from the Government of Benin (EUR 10 million). By working together, the institutions are delivering a sustainable water management system that has already increased Cotonou's resilience to climate change while providing safe, reliable drainage systems for its residents. Once completed, this urban water management solution not only will solve an immediate problem but also will set the stage for future sustainable infrastructure projects in Benin's growing cities.

In **Cambodia**, the Integrated Water Resources Management Project is being cofinanced by the Asian Development Bank (\$84 million loan and \$4.3 million grant) and the Asian Infrastructure Investment Bank (\$80 million loan and \$3.55 million grant). The project will accelerate the country's climate-adaptive water resources management by enhancing the resilience of water infrastructure and ensuring a sustainable water supply for agricultural and domestic use. It will also support the development of resilient infrastructure and sustainable asset management and will address climate adaptation needs within the target river basins. The project is expected to benefit communities in the MOUNG RUSSEY, PURSAT, SANKER, and SVAY DON KEO river basins, which are highly vulnerable to climate change impacts.

In **Cyprus**, the Council of Europe Development Bank and the European Investment Bank have maintained a 20-year partnership to jointly finance the water sector. Together, the two institutions have cofinanced the construction, extension, or refurbishment of water and sewerage networks and plants in all major municipalities in the country. By the end of 2029, the shared investment is expected to have resulted in 4 new wastewater treatment plants, 1,800 kilometers of sewerage networks, 50 wastewater pumping stations, 190 kilometers of water transfers, and 11 new water reservoirs, benefitting more than half of the country's population. The collaboration between the Council of Europe Development Bank and the European Investment Bank also includes joint project identification and appraisal missions. Joint discussions with the Cypriot authorities have optimized the two institutions' contributions and project financing expertise.



In **Egypt**, the World Bank Group and the Asian Infrastructure Investment Bank have worked together through the Sustainable Rural Sanitation Services Program (SRSSP). The program strengthens institutions and policies to increase access and improve rural sanitation services in selected governorates in the Arab Republic of Egypt. The SRSSP is improving sanitation infrastructure by supporting the construction and rehabilitation of sewage collection, treatment, and disposal systems, alongside strengthening institutional capacity and policies related to sanitation. The focus is on increasing the number of household connections to sewerage systems. Designed as a “Program for Results,” the SRSSP releases funds on achievement of results, which include improved sanitation access, improved operational systems, and a strengthened national sector framework. The World Bank is the lead co-financier of the SRSSP, providing significant funding for project implementation. Through a cofinancing agreement, the Asian Infrastructure Investment Bank contributes additional funding to scale up the project and reach more rural communities. The Asian Infrastructure Investment Bank and the World Bank Group are each contributing \$300 million to the second phase of the SRSSP. AIIB financing is for the physical infrastructure to provide sanitation services to about 178,000 households in 133 villages of Dakahliya, Sharkiya, Damietta, Menoufiya, and Gharbiya governorates. To date, 1,025,000 citizens have gained access to improved sanitation services. Six water and sanitation companies, serving 34 million citizens, have significantly enhanced their performance. Additionally, the development of a National Water and Sanitation Sector Strategy, supported by the project, has been a pivotal milestone for the water and sanitation sector.

In **India**, the World Bank Group and the Asian Development Bank, at the request of the government of India, are developing guidance for the national government, states, and cities to accelerate and sustain improved water supply, sanitation, and solid waste management in large and strategic cities. The 100 Cities Initiative, launched in September 2024, began with a joint mission to bring in global knowledge; this mission involved more than 50 participants, including staff from the two MDBs and global experts retained by the banks. Collaboration with India’s Department of Economic Affairs and the Ministry of





Housing and Urban Affairs produced a knowledge paper emphasizing sustainable service performance, energy efficiency, reduction of nonrevenue water losses, and enhancement of water quality. It highlighted the importance of wastewater collection, treatment, reuse, resource recovery, and comprehensive asset management strategies to improve service performance and bankability. The two MDBs conducted joint missions, field visits, and workshops, initiating a policy dialogue with the Ministry of Finance and the Ministry of Housing and Urban Affairs on accelerating sector progress and promoting bankable projects. Recently, the Government of India announced a new urban challenge fund, informed by the knowledge work of the World Bank Group and the Asian Development Bank, to provide incentives and grants to cities leveraging private investment and pursuing public-private partnerships for water supply, sanitation, and solid waste management.

In **Mongolia**, the Aimags and Soums Green Regional Development Investment Program, cofinanced by the European Investment Bank (\$150 million loan and \$30 million grant) and the Asian Development Bank (\$270 million loan and \$3 million grant), focuses on enhancing urban water supply, sewerage, and flood protection. The program aims to provide sustainable and resilient urban infrastructure, addressing critical needs in water management and climate adaptation, thereby contributing to the overall objective of achieving water security and improving the quality of life for residents in Mongolia's aimags and soums.



In the **Philippines**, the Asian Infrastructure Investment Bank and the World Bank Group are collaborating on Phase 1 of the Metro Manila Flood Management Project, impacting approximately 1.1 million people. The project aims to reduce flood vulnerability and enhance urban resilience through rehabilitating 34 aging pumping stations and constructing 4 new ones, reducing solid waste in waterways, and resettling 600 informal settler families living near the pumping stations. It is jointly implemented by the Department of Public Works and Highways and the Metropolitan Manila Development Authority, in partnership with the National Housing Authority and respective local government units in the project areas.

The Asian Infrastructure Investment Bank–World Bank Group partnership has achieved significant success, ensuring safe, sustainable housing and livelihood support for displaced families. Cofinancing allowed the government to expand the project scope, with AIIB funds complementing the WBG loan, enabling full rehabilitation of pumping stations. AIIB and WBG teams have also worked together to strengthen project management capacity in the Department of Public Works and Highways and the Metropolitan Manila Development Authority through joint training sessions and knowledge-sharing, focusing on environmental and social safeguards, procurement, and oversight.

To date, more than 600,000 people have benefitted from the rehabilitated pumping stations, and 400 families have been successfully resettled. This partnership highlights the critical importance of collaboration and cofinancing in addressing complex urban challenges while promoting environmental sustainability and social welfare.

In **South Africa**, the New Development Bank and the African Development Bank partnered to address water scarcity and support economic growth in South Africa by jointly financing the Lesotho Highlands Water Project Phase II. The project creates a comprehensive water resource management system that addresses the needs of both Lesotho and South Africa while promoting economic and environmental sustainability. It involves the construction of new infrastructure, including the Polihali Dam and Polihali Water Transfer Tunnel, that will facilitate the transfer of water from Lesotho's highlands to South Africa's

Vaal River system (which supports more than 45 percent of South Africa's population). Once completed in 2029, the project aims to expand water transfer capacity by at least 31 percent per year.

The New Development Bank and the African Development Bank collaborated during project appraisal and aligned environmental and social safeguards as well as procurement processes with a view to streamlining project implementation and ensuring compliance with both institutions' requirements. The two institutions have established joint monitoring frameworks to effectively assess project progress, evaluate impacts, and make necessary adjustments during implementation.

In **Tunisia**, the African Development Bank and the European Bank for Reconstruction and Development have partnered to upgrade the sanitation infrastructure in 33 small municipalities. This EUR150 million project includes the construction of 24 new wastewater treatment plants, the expansion of sanitation network systems over 862 kilometers, and the construction of 30 new pumping stations. The project also includes a capacity-building component for the National Office for Sanitation and the targeted municipalities. This initiative will improve the health of nearly 200,000 inhabitants through the provision of safe and effective sanitation. It will also protect the natural environment, increasing the amount of treated wastewater by 7.71 million cubic meters per year. The project also aims to facilitate social inclusion and promote economic development. It will help Tunisia sustain management of its sanitation systems, support private sector participation in quality infrastructure, and create employment for young people in priority regions.



Appendix

Profiles of the Multilateral Development Banks

For the purposes of these profiles, “Global Lending Portfolio” is defined as each MDB’s total amount of loan exposures, total portfolio exposure and gross guarantee exposure in 2024.





AFRICAN DEVELOPMENT BANK GROUP
GROUPE DE LA BANQUE AFRICAINE
DE DÉVELOPPEMENT

African Development Bank Group (AfDB)

► **Headquarters:** Abidjan, Côte d'Ivoire

► **Global Lending Portfolio:** \$63.8 billion, of which water sector lending is \$6 billion

► **Global Reach:** The AfDB works in 54 countries in Africa:

Algeria	Eswatini	Namibia
Angola	Ethiopia	Niger
Benin	Gabon	Nigeria
Botswana	Gambia	Rwanda
Burkina Faso	Ghana	São Tomé and Príncipe
Burundi	Guinea	Senegal
Cameroon	Guinea-Bissau	Seychelles
Cabo Verde	Kenya	Sierra Leone
Central African Republic	Lesotho	Somalia
Chad	Liberia	South Africa
Comoros	Libya	South Sudan
Congo	Madagascar	Sudan
Côte d'Ivoire	Malawi	United Republic of Tanzania
Democratic Republic of Congo	Mali	Togo
Djibouti	Mauritania	Tunisia
Egypt	Mauritius	Uganda
Equatorial Guinea	Morocco	Zambia
Eritrea	Mozambique	Zimbabwe

► **Financial Instruments Offered:** AfDB provides financing through the African Development Bank, the African Development Fund and the Nigeria Trust Fund (a special fund administered by AfDB, whose resources are provided by the Federal Republic of Nigeria). AfDB administers several special funds and trust funds that mobilize supplemental financing from development partners. Instruments:

- Lending instruments providing long term debt to public and private sector
- Grants
- Guarantees (Partial Risk Guarantee, Partial Credit Guarantee, etc.)
- Direct equity and quasi-equity
- Risk management products including interest rate swaps, cross currency swap, commodity price swap and interest rate caps and collars.
- Trade finance including risk participation agreement, trade finance line of credit and soft commodity finance facility.
- Technical assistance funds, including the African Water Facility, the only dedicated water sector project preparation funds in Africa

The AfDB has established a specific window called the Climate Action Window in the context of its 16th replenishment cycle and is proactively rallying partners from the public and private sectors around its operationalization.

AfDB lends to public and private entities, and to both national and sub-national entities.

- **Cofinancing:** AfDB has cofinancing agreements with the European Investment Bank, European Bank for Reconstruction and Development, and Islamic Development Bank, among others, and has a department in charge of syndication through which it regularly collaborates with other MDBs to mobilize cofinancing. AfDB also has strategic engagement with the Asian Infrastructure Investment Bank on project preparation and technical assistance.





Asian Development Bank (ADB)

- ▶ **Headquarters:** Metro Manila, Philippines
- ▶ **Global Lending Portfolio:** \$104 billion (as of 2023), of which water sector lending is \$20.2 billion
- ▶ **Global Reach:** 69 members worldwide, of which 50 are from within Asia and the Pacific and 19 outside.

Regional members:

Afghanistan	Kiribati	Philippines
Armenia	Korea, Republic of	Samoa
Australia	Kyrgyz Republic	Singapore
Azerbaijan	Lao People's Democratic Republic	Solomon Islands
Bangladesh	Malaysia	Sri Lanka
Bhutan	Maldives	Taipei, China
Brunei Darussalam	Marshall Islands	Tajikistan
Cambodia	Micronesia, Federated States of	Thailand
China, People's Republic of	Mongolia	Timor-Leste
Cook Islands	Myanmar	Tonga
Fiji	Nauru	Türkiye
Georgia	Nepal	Turkmenistan
Hong Kong, China	New Zealand	Tuvalu
India	Niue	Uzbekistan
Indonesia	Pakistan	Vanuatu
Japan	Palau	Viet Nam
Kazakhstan	Papua New Guinea	

Non-regional members:

Austria	Ireland	Spain
Belgium	Israel	Sweden
Canada	Italy	Switzerland
Denmark	Luxembourg	United Kingdom
Finland	Netherlands	United States
France	Norway	
Germany	Portugal	

- ▶ **Financing Instruments Offered:** ADB offers a variety of financial instruments, including:

- Loans
- Technical assistance
- Grants
- Equity investments

- Guarantees
- Multitranches financing facilities
- Additional Financing

ADB lends to public and private entities and to both national and subnational entities.

- **Cofinancing:** ADB cofinances projects with other development partners, including governments or their agencies, multilateral financing institutions and commercial organizations. Additional funds are provided in the form of official loans and grants, technical assistance, other concessional financing, and [commercial cofinancing](#) such as B loans, risk transfer arrangements, parallel loans and equity, guarantee cofinancing, and cofinancing for transactions under ADB's [Trade and Supply Chain Finance Program](#).





**ASIAN INFRASTRUCTURE
INVESTMENT BANK**

Asian Infrastructure Investment Bank (AIIB)

► **Headquarters:** Beijing, China

► **Global Lending Portfolio:** \$59.02 billion

► **Global Reach:** AIIB has 110 members worldwide and 37 borrowing members:

Argentina	Hungary	Philippines
Azerbaijan	India	Romania
Bangladesh	Indonesia	Russia
Brazil	Jordan	Rwanda
Cambodia	Kazakhstan	Singapore
China, People's Republic of	Kyrgyzstan	Sri Lanka
Cook Islands	Lao People's Democratic Republic	Tajikistan
Côte d'Ivoire	Maldives	Thailand
Ecuador	Mongolia	Türkiye
Egypt	Myanmar	Uzbekistan
Fiji	Nepal	Viet Nam
Georgia	Oman	
Hong Kong, China	Pakistan	

► **Financial Instruments Offered:**

- Sovereign-backed Financing (Investment Project Financing, Result-based Financing, and Climate-focused Policy Based Financing)
- Non-sovereign-backed Financing (corporate finance and project finance loans)
- Equity Investments
- Direct Bond Investments
- Guarantees
- Fund Investments

AIIB lends to public and private entities, and to both national and sub-national entities.

► **Cofinancing:** AIIB cofinances projects with other multilateral development banks, bilateral financing institutions, and other partners.



Council of Europe Development Bank (CEB)

- ▶ **Headquarters:** Paris, France
- ▶ **Global Lending Portfolio:** EUR 22.9 billion.
- ▶ **Global Reach:** CEB is active in all of its 43 member countries.

Albania	Holy See	Norway
Andorra	Hungary	Poland
Belgium	Iceland	Portugal
Bosnia and Herzegovina	Ireland	Romania
Bulgaria	Italy	San Marino
Croatia	Kosovo	Serbia
Cyprus	Latvia	Slovak Republic
Czech Republic	Liechtenstein	Slovenia
Denmark	Lithuania	Spain
Estonia	Luxembourg	Sweden
Finland	Malta	Switzerland
France	Republic of Moldova	Türkiye
Georgia	Montenegro	Ukraine
Germany	Netherlands	
Greece	North Macedonia	

▶ Financial Instruments Offered:

- **Loans:** The CEB provides loans to both private and public sector clients and to both national and subnational entities.
- **Grants:** The CEB provides grants financed from donor contributions held in the Bank's trust accounts.
- **Guarantees:** The CEB can provide guarantees to financial institutions or other entities approved by a member country for its loans.

- ▶ **Cofinancing:** The CEB finances up to 50 percent of total project costs unless otherwise agreed during appraisal. The CEB's share of financing is determined according to the project's characteristics and funding needs, the borrower's overall financial situation, the availability of budgetary allocations, the priorities of the proposed investment(s), and the expected social impact of such investment(s). The CEB's share of a project's financing may go up to 90 percent, especially in Target Group Countries, subject to the approval of the CEB's Administrative Council. The CEB aims to provide increased support to a group of 23 Target Group Countries in Central, Eastern and South-Eastern Europe: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Georgia, Hungary, Kosovo, Latvia, Lithuania, Malta, Republic of Moldova, Montenegro, North Macedonia, Poland, Romania, Serbia, Slovak Republic, Slovenia, Türkiye, and Ukraine.



European Bank
for Reconstruction and Development

European Bank for Reconstruction and Development (EBRD)

- ▶ **Headquarters:** London, United Kingdom
- ▶ **Global Lending Portfolio:** EUR 26.7 billion
- ▶ **Geographical Reach:** EBRD regions extend from the Southern and Eastern Mediterranean through Central and Eastern Europe to the Caucasus and Central Asia:
 - Central Asia: Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan, Turkmenistan, Uzbekistan
 - Central Europe and the Baltic States: Croatia, Czechia, Estonia, Hungary, Latvia, Lithuania, Poland, Slovak Republic, Slovenia
 - Cyprus and Greece: Cyprus, Greece
 - Eastern Europe and the Caucasus: Armenia, Azerbaijan, Georgia, Moldova, Ukraine
 - South-eastern Europe: Albania, Bosnia and Herzegovina, Bulgaria, Kosovo, Montenegro, North Macedonia, Romania, Serbia
 - Southern and Eastern Mediterranean: Egypt, Jordan, Lebanon, Morocco, Tunisia, West Bank and Gaza
 - Türkiye: Türkiye

The EBRD has shown interest in expanding its operations to six Sub-Saharan African countries (Benin, Côte d'Ivoire, Ghana, Kenya, Nigeria, and Senegal) and Iraq.

- ▶ **Financial Instruments Offered:** The EBRD offers a full range of financial instruments tailored to client needs and to support sectoral reform. These include
 - **Loans:** The EBRD provides loans to both private and public sector clients. These loans can be structured in various ways, including senior, subordinated, and syndicated loans.
 - **Equity Investments:** The EBRD can take equity stakes in companies, providing capital to support their growth and development. This can include both direct equity investments and investments through private equity funds.
 - **Guarantees:** The EBRD offers guarantees to help clients secure financing from other sources. These guarantees can cover a range of risks, including political risk, credit risk, and performance risk.
 - **Trade Finance:** The EBRD supports international trade through its Trade Facilitation Programme, which provides guarantees and short-term loans to banks and factoring companies to support trade transactions.
 - **Risk-Sharing Facilities:** The EBRD works with local banks to share the risks associated with lending to small and medium-sized enterprises. This helps to facilitate access to finance and encourages investment in local businesses.
 - **Cofinancing:** EBRD works closely with other multilateral development banks and financial institutions to cofinance projects, including harmonizing operational policies and procedures to

achieve the highest social, environmental, and legal standards and facilitating a coordinated and strategic approach to climate action and other infrastructure plans.

- **Blended Finance:** The EBRD combines its own financing with concessional finance from donors to support projects that have high development impact but may not be commercially viable on their own. This can include grants, concessional loans, and other forms of financial support.
- **Capital Market Instruments:** The EBRD supports development of local capital markets by investing in bonds and other securities issued by companies and governments in its countries of operation.
- **Technical Assistance and Advisory Services:** In addition to financial instruments, the EBRD provides technical assistance and advisory services, including public-private partnership advisory services, to help clients improve their operations, governance, and sustainability practices.





European Investment Bank (EIB)

► **Headquarters:** Luxembourg

► **Global Lending Portfolio:** EUR 547 billion

► **Geographical Reach:**

Albania	Denmark	Lebanon
Algeria	Djibouti	Lesotho
Angola	Dominica	Liberia
Argentina	Dominican Republic	Lithuania
Armenia	Ecuador	Luxembourg
Austria	Egypt	Madagascar
Azerbaijan	El Salvador	Malawi
Bangladesh	Estonia	Maldives
Barbados	Ethiopia	Mali
Belarus	Fiji	Malta
Belgium	Finland	Mauritania
Belize	France	Mauritius
Benin	French Polynesia	Mexico
Bolivia	Gambia	Moldova
Bosnia	Georgia	Mongolia
Brazil	Germany	Montenegro
Bulgaria	Ghana	Morocco
Burkina Faso	Greece	Mozambique
Burundi	Guinea	Namibia
Cambodia	Honduras	Nepal
Cameroon	Hungary	Netherlands
Cape Verde	Iceland	New Caledonia
Chad	Ireland	Nicaragua
Chile	Israel	Niger
China	Italy	North
Colombia	Jordan	Norway
Congo	Kazakhstan	Pakistan
Congo (Democratic Republic)	Kenya	Palestine
Costa Rica	Kingdom of Eswatini	Panama
Côte d'Ivoire	Kosovo	Papua New Guinea
Croatia	Kyrgyzstan	Paraguay
Cyprus	Lao People's Democratic Republic	Peru
Czech	Latvia	Poland

Portugal	Slovenia	Tunisia
Romania	South Africa	Türkiye
Rwanda	Spain	Uganda
Saint Lucia	Sri Lanka	Ukraine
São Tomé and Príncipe	Sweden	United Kingdom
Senegal	Switzerland	Uzbekistan
Serbia	Syrian Arab Republic	Viet Nam
Seychelles	Tajikistan	Zambia
Sint Maarten	Tanzania	
Slovakia	Togo	

► **Financial Instruments Offered:** The EIB offers a variety of financial products designed to support sustainable growth, innovation, and social cohesion.

- **Loans:**
 - ◆ **Public Sector Loans:** Framework loans for public sector projects
 - ◆ **Private Sector Loans:** Loans for private sector entities, including intermediated loans for small and medium enterprises, mid-caps, and other priorities
 - ◆ **Framework Loans:** Loans that provide a framework for multiple projects under a single agreement
- **Equity Investments:**
 - ◆ **Venture Debt:** Investments in venture debt to support early-stage companies
 - ◆ **Small and Medium Enterprise and Mid-Cap Funds:** Investments in funds targeting small and medium-sized enterprises and mid-caps
 - ◆ **Infrastructure and Environmental Funds:** Investments in funds focused on infrastructure and environmental projects
- **Guarantees:**
 - ◆ **Credit Enhancement for Project Finance:** Guarantees that enhance the creditworthiness of project finance
 - ◆ **Guarantees for Small and Medium Enterprises and Mid-Caps:** Guarantees to make projects more attractive to other investors
 - ◆ **Loan Portfolios:** Guarantees covering loan portfolios to attract additional investors
- **Advisory Services:**
 - ◆ **Technical and Financial Expertise:** Project support, market development, capacity building
 - ◆ **Institutional and Regulatory Frameworks:** Improving institutional and regulatory frameworks to support investment projects

The EIB lends to public and private entities and to both national and subnational entities.

► **Cofinancing:** The EIB can typically finance up to 50 percent of project investment costs. This can be increased to 75 percent of investments with a high policy priority (such as climate action) under certain conditions.



Inter-American Development Bank Group (IDB)

- ▶ **Headquarters:** Washington, DC, United States
- ▶ **Global Lending Portfolio:** \$58.3 billion, of which \$8.8 billion is in the water, sanitation, and solid waste sector
- ▶ **Geographical Reach:** The IDB finances programs and projects in 26 Latin American and Caribbean countries:

Argentina	Dominican Republic	Nicaragua
Bahamas	Ecuador	Panama
Barbados	El Salvador	Paraguay
Belize	Guatemala	Peru
Bolivia	Guyana	Suriname
Brazil	Haiti	Trinidad and Tobago
Chile	Honduras	Uruguay
Colombia	Jamaica	Venezuela
Costa Rica	Mexico	

▶ Financial Instruments Offered:

- **Investment Loans:** The IDB helps member countries finance goods, public works and services that promote social, economic and institutional development. Different types of loans are offered depending on the nature of the project and its duration, including specific support for socio-environmental disasters.
- **Policy-Based Loans:** The IDB offers multiple types of flexible financing and strategic assistance for policy reforms or institutional changes.
- **Special Development Loans:** Special development loans support borrowing member countries during macroeconomic crises. The IDB provides financial assistance to bolster social programs, required reforms, sector operations, ongoing infrastructure development, and more.
- **Guarantees:** The IDB seeks to attract and encourage private-sector investment to Latin America and the Caribbean by providing loan guarantees to address the risks faced by private sector lenders when financing the public sector.
- **Technical Cooperation:** The IDB finances technical cooperation programs for institutional strengthening, knowledge transfer, and studies, including diagnostics and sectoral and pre-investment studies that support the formulation and preparation of projects in a single country or several.

The IDB lends to public entities and also to private entities through IDB Invest, the private sector arm of the IDB Group. It lends to both national and subnational entities.

- ▶ **Cofinancing:** The IDB seeks cofinancing whenever additional financing can fulfill an existing financing gap or bring the overall cost of the operation down. The IDB currently offers joint and parallel cofinancing services. Cofinancing is extended to both investment loans and policy-based loans according to client needs. The IDB has several active cofinancing framework agreements with bilateral development agencies and mutual reliance agreements with the World Bank and the European Investment Bank. In case that no Framework Agreement is in place with a partner, a project-specific coordination agreement is usually signed.



Islamic Development Bank (IsDB)

- ▶ **Headquarters:** Jeddah, Kingdom of Saudi Arabia
- ▶ **Global Lending Portfolio:** \$27.9 billion, of which \$7.0 billion is in the water sector, including water supply, sanitation, irrigation, and water resources management
- ▶ **Geographical Reach:** IsDB is active in its 57 member countries:

Afghanistan	Guyana	Pakistan
Albania	Indonesia	Palestine
Algeria	Iran	Qatar
Azerbaijan	Iraq	Saudi Arabia
Bahrain	Jordan	Senegal
Bangladesh	Kazakhstan	Sierra Leone
Benin	Kuwait	Somalia
Brunei Darussalam	Kyrgyz Republic	Sudan
Burkina Faso	Lebanon	Suriname
Cameroon	Libya	Syria
Chad	Malaysia	Tajikistan
Comoros	Maldives	Togo
Côte d'Ivoire	Mali	Tunisia
Djibouti	Mauritania	Türkiye
Egypt	Morocco	Turkmenistan
Gabon	Mozambique	Uganda
Gambia	Niger	United Arab Emirates
Guinea	Nigeria	Uzbekistan
Guinea-Bissau	Oman	Yemen

- ▶ **Financial Instruments Offered:** The IsDB offers a variety of Islamic financial instruments including:
 - **Grants:** Grants are used primarily for technical assistance (capacity building) and special assistance in areas such as disaster relief and development projects for Muslim communities. These grants are non-repayable and focus on providing support for essential services and infrastructure.
 - **Ordinary Loans:** Long-term concessional loans are provided for financing development projects in member countries. They are typically used in large infrastructure projects, including those in the water sector.
 - **Technical Assistance Loans:** These loans provide soft financing for feasibility studies and other preparatory activities and are often used for major water and sanitation projects.
 - **Islamic Solidarity Fund for Development Loans (similar to IDA):** Focused on poverty alleviation and achieving Sustainable Development Goals, these loans are often directed toward water supply and sanitation in low-income countries.

- **Ijarah (Leasing):** This financing mode is typically used for acquiring capital equipment and fixed assets, such as machinery for water supply projects. Under Ijarah, the IsDB purchases an asset and leases it to the recipient, who then uses it for the project.
- **Istisna'a:** A contract for the construction or manufacturing of an asset before it exists. This is particularly useful for large infrastructure projects, including water treatment plants and pipelines.
- **Installment Sale:** This mode is used to finance the purchase of assets (like water treatment equipment), where the purchaser makes payments over time. It is commonly applied in both rural and urban water supply projects.

The IsDB lends to public and private entities and to both national and subnational entities.

- **Cofinancing:** The IsDB works alongside a variety of cofinancing partners, including other multilateral development banks, UN agencies, bilateral development agencies, philanthropic organizations, and the Arab Coordination Group.





New Development Bank (NDB)

► **Headquarters:** Shanghai, China

► **Global Lending Portfolio:** \$35.15 billion, of which \$3.87 billion is in water and sanitation projects

► **Global Reach:**

Algeria	China, People's Republic of	Russia
Bangladesh	Egypt	South Africa
Brazil	India	

► **Financial Instruments Offered:** The NDB offers financial instruments tailored to client needs and to support sustainable infrastructure investment. These include:

- **Loans:** For sovereign loans and loans with sovereign guarantees, the NDB offers five main lending modalities, namely, project loans, project finance facilities, multi-tranche financing facilities, sustainable development loans, and development finance facilities. For transactions without sovereign guarantees, the NDB provides loans by way of cofinance together with international, regional, and national financial institutions and commercial banks. These loans can be structured as senior loans, subordinate loans, or unsecured loans or can be specifically designed, depending on the transaction.
- **Guarantees:** For transactions without sovereign guarantees, the NDB provides guarantees in accordance with its mandate to facilitate cofinancing and financing partnerships so as to reduce, eliminate, or better allocate a range of risks, including those faced by commercial financing partners.
- **Technical Assistance/Grants:** The NDB provides technical assistance to member countries or subnational governments to support project preparation.
- **Equity Investments:** The NDB invests in equity for financing the costs of the project.
- **Other Instruments:** The NDB may use other instruments such as investment in special funds and subscription to bonds and debentures.

The NDB lends to public and private entities and to both national and subnational entities.

► **Cofinancing:** The NDB's General Strategy for 2022–2026 established a target for the Bank to cofinance with partner MDBs 20 percent of projects approved over the strategy period. Meanwhile, the NDB intends to strengthen its catalytic role, aiming to mobilize private capital in the dual role of a risk mitigator and a project orchestrator. To leverage private investment and capital flows into commercially viable and economically beneficial projects through its transactions without sovereign guarantee, NDB's total exposure shall not exceed 25 percent of the total project cost in respect of each single project.



World Bank Group (WBG)

- ▶ **Headquarters:** Washington, DC, United States
- ▶ **Global Lending Portfolio:** As of the end of fiscal year 2024, the total global portfolio stands at \$755.3 billion, including \$278.1 billion in loans financed by the International Development Association and \$348.3 billion by the International Bank for Reconstruction and Development, \$97.4 billion in the International Finance Corporation's total portfolio exposure, and \$31.5 billion in the Multilateral Investment Guarantee Agency's gross guarantee exposure. Of this total, \$45.6 billion supports the water sector—including water supply, sanitation, irrigation, and water resources management—with \$22.6 billion financed by the International Development Association, \$21.2 billion by the International Bank for Reconstruction and Development, \$0.46 by other sources, \$0.6 billion by the International Finance Corporation, and \$0.76 billion by the Multilateral Investment Guarantee Agency.⁴
- ▶ **Geographical Reach:** The WBG lends to and invests in more than 170 countries in Africa, Latin America and the Caribbean, East Asia and the Pacific, Europe and Central Asia, the Middle East and North Africa, and South Asia.
- ▶ **Financial Instruments Offered:**
 - The World Bank Group is made up of the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA), and the International Centre for Settlement of Investment Disputes (ICSID).⁵
 - The IBRD provides loans, guarantees, advisory services, analytical support, and other products for development-focused projects and programs to governments of creditworthy middle-income and lower-income countries to support sustainable development.
 - IDA provides interest-free loans—called credits—grants, guarantees, and other financial products to the governments of the poorest and most vulnerable countries to help meet their development needs. It also provides technical assistance and policy advice. Additionally, it supports countries with disaster risk financing and insurance against natural disasters and health-related crises, and it facilitates financing through trust fund partnerships.
 - ◆ The IBRD and IDA offer a variety of financing instruments:
 - ◆ Investment Project Financing, which helps build physical and social infrastructure and develop institutional capacity

⁴Global lending portfolio figures are derived from the total loan amounts reported by IBRD and IDA (Management's Discussion & Analysis and Financial Statements, June 30, 2024), the total IFC portfolio exposure (IFC 2024 Annual Report), and MIGA's gross guarantee exposure (MIGA's Management's Discussion & Analysis and Financial Statements, June 30, 2024). Water portfolio figures are based on active portfolio data for fiscal year 2024 from the World Bank, IFC, and MIGA.

⁵Additional information on financial solutions provided by the WBG for private capital mobilization, project preparation, and crisis response is available from WBG (2025).

- ◆ Development Policy Financing, which supports policy and institutional reforms, including through policy-based guarantees
 - ◆ Program-for-Results Financing, which links the disbursement of funds to the achievement of predefined results
 - ◆ Guarantees
 - ◆ Risk Management Products
- The IFC finances private sector investment, mobilizing capital in international financial markets and providing advisory services to businesses and governments. The IFC's principal investment products are loans, equity investments, debt securities, and guarantees. The IFC plays an active and direct role in mobilizing additional funding from other investors and lenders through a variety of means.
 - The MIGA/World Bank Group Guarantee Platform acts as a risk mitigator, providing political risk insurance, credit guarantees, and trade finance guarantees to support private/public-private partnership projects and public sector projects in a broad range of sectors in developing member countries.
 - ICSID is an independent, depoliticized, and effective dispute settlement institution. Its availability to investors and States helps promote international investment by providing confidence in the dispute-resolution process. It is also available for state-state disputes under investment treaties and free trade agreements and as an administrative registry.

The WBG also offers knowledge and advisory services (including on a reimbursable basis).

The WBG lends to public and private entities and to both national and subnational entities.

- **Cofinancing:** The World Bank collaborates with multilateral development banks, bilateral agencies, and other partners to channel funds directly to recipient countries, financing activities within World Bank operations led by the IBRD or IDA.



References

- ADB, AfDB, AIIB, CEB, EBRD, EIB, IDB, IsDB, NDB, and WBG (African Development Bank, Asian Development Bank, Asian Infrastructure Investment Bank, Council of Europe Development Bank, European Bank for Reconstruction and Development, European Investment Bank, Inter-American Development Bank Group, Islamic Development Bank, New Development Bank, and World Bank Group). 2023. "COP28 Multilateral Development Banks (MDB) Joint Statement." <https://www.eib.org/attachments/press/cop28-joint-mdb-statement.pdf>.
- ADB, AfDB, AIIB, EBRD, EIB, IDB, IsDB, NDB, and WBG (African Development Bank, Asian Development Bank, Asian Infrastructure Investment Bank, European Bank for Reconstruction and Development, European Investment Bank, Inter-American Development Bank Group, Islamic Development Bank, New Development Bank, and World Bank Group). 2024. "Commitment by the Multilateral Development Banks to Water Security." <https://www.ndb.int/news/commitment-by-the-multilateral-development-banks-to-water-security/>.
- Doan, Khanh, Ruth Hill, Stephane Hallegatte, Paul Corral, Ben Brunckhorst, Minh Nguyen, Samuel Freije-Rodriguez, and Esther Naikal. 2023. "Counting People Exposed to, Vulnerable to, or at High Risk from Climate Shocks: A Methodology." Policy Research Working Paper 10619. World Bank, Washington, DC. <https://documents1.worldbank.org/curated/en/099602511292336760/pdf/IDU07639ca570f3cb048db09bf60fc2cc82df22d.pdf>.
- FAO (Food and Agriculture Organization of the United Nations). 2021. "Employment Indicators 2000–2021." FAOSTAT Analytical Brief 53. FAO, Rome.
- Government of Barbados. 2021. *Barbados 2021 Update of the First Nationally Determined Contribution*. <https://unfccc.int/sites/default/files/NDC/2022-06/2021%20Barbados%20NDC%20update%20-%202021%20July%202021.pdf>.
- Joseph, George, Yi Rong Hoo, Qiao Wang, Aroha Bahuguna, and Luis Andres. 2024. *Funding a Water-Secure Future: An Assessment of Global Public Spending*. Washington, DC: World Bank Group.
- Kuma, Samantha, Liz Saccoccia, and Marlena Shertock. 2023. "25 Countries, Housing One-Quarter of the Population, Face Extremely High Water Stress." August 2023. Water Resources Institute. <https://www.wri.org/insights/highest-water-stressed-countries#:~:text=And%20at%20least%2050%25%20of,jobs%2C%20food%20and%20energy%20security>.
- UN Water. 2008. *Transboundary Waters: Sharing Benefits, Sharing Responsibilities*. New York: United Nations. <https://www.unwater.org/publications/transboundary-waters-sharing-benefits-sharing-responsibilities>.
- United Nations. 2018. *Sustainable Development Goal 6: Synthesis Report on Water and Sanitation 2018*. Geneva: United Nations.
- United Nations. 2022. "World 'at a Crossroads' as Droughts Increase Nearly a Third in a Generation." May 12, 2022. United Nations, Geneva. <https://news.un.org/en/story/2022/05/1118142>.

WBG (World Bank Group). 2025. "Driving Development Through Innovation." Brochure. World Bank, Washington, DC.

WHO-UNICEF Joint Monitoring Programme. 2023. *Progress on Household Drinking Water, Sanitation and Hygiene 2000–2022: Special Focus on Gender*. New York: United Nations Children's Fund (UNICEF) and World Health Organization (WHO). <https://data.unicef.org/resources/jmp-report-2023/>.

Zhang, Fan, and Christian Borja-Vega. 2024. *Water for Shared Prosperity*. Washington, DC: World Bank. <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099051624105021354>.

Photo Credits

page iv: © AdobeStock
page 1: © World Bank
page 2: © World Bank
page 3: © African Development Bank
page 5: © Dominic Chavez/World Bank
page 6: © Asian Development Bank
page 7: © AdobeStock
page 8: © Leandro Hernández/World Bank
page 10: © World Bank
page 11: © World Bank
page 12: © AdobeStock
page 13: © Chris Stowers/World Bank
page 14: © Atet Dwi Pramadia/World Bank
page 15: © World Bank
page 16: © Asian Development Bank
page 17: © World Bank
page 18: © World Bank
page 19: © World Bank
page 20: © Asian Development Bank
page 21: © Asian Development Bank
page 22: © World Bank
page 23: © John Hogg/World Bank
page 24: © World Bank
page 26: © African Development Bank
page 28: © Asian Development Bank
page 32: © Ranu Sinha/World Bank
page 37: © Arne Hoel/World Bank
page 40: © World Bank



AFRICAN DEVELOPMENT BANK GROUP
GROUPE DE LA BANQUE AFRICAINE
DE DÉVELOPPEMENT



ASIAN INFRASTRUCTURE
INVESTMENT BANK



CEB

COUNCIL OF EUROPE DEVELOPMENT BANK
BANQUE DE DÉVELOPPEMENT DU CONSEIL DE L'EUROPE



European Bank
for Reconstruction and Development



European
Investment Bank



IDB



البنك الإسلامي للتنمية
Islamic Development Bank



New
Development
Bank



WORLD BANK GROUP