



**“There's plenty of water in the universe without life,
but nowhere is there life without water”**

Sylvia Earle

This line by American marine biologist Sylvia Earle encapsulates one of the biggest challenges the world is facing today. According to the World Health Organization and Unicef, at least 2 billion people rely on drinking water sources that are contaminated with faeces, and 4.2 billion – more than half the people in the world – lack safely managed sanitation services.

The United Nations predicts that water-related threats will become ever more pressing over the coming years. Population growth and a rapidly developing global economy, combined with the effects of climate change, will exacerbate the lack of access to water and sanitation for domestic uses. Experts say that an unpredictable supply of water puts at risk socioeconomic progress and, in many regions, even peace. The same is true for droughts and floods that destroy people's livelihoods.

Ensuring the availability and sustainable management of water and sanitation for all is one of the United Nations' Sustainable Development Goals to be achieved by 2030. The scale of the issue is a challenge in itself. What makes it even worse is that insufficient financing and weak government systems hold many countries back from making needed advancements. Based on data from 20 developing countries and territories, the UN Department of Economic and Social Affairs reports a funding gap of 61% for achieving water and sanitation targets.

In the European Union the picture is different. Safe drinking water and sanitation are in place almost everywhere in the region, after decades of infrastructure building. Still, scenario calculations show that Europe will not be spared the effects of global warming. By 2050 more frequent floods and droughts will lead to significant risks for health, biodiversity, power production, inland navigation, tourism and agriculture. According to another scenario, most of Western and Southern Europe will experience severe water stress in the summer months. In many areas these risks could be significantly reduced through sustainable water management and infrastructure adjustments over the coming years.

In addition to dealing with water security issues, the European Union must operate, maintain and upgrade existing water systems and address the challenges brought by emerging pollutants such as hormones, pharmaceuticals and residues of cosmetic products.



HOW DOES THE EIB SUPPORT THE SECTOR?

With total water and wastewater-related financing of close to €79 billion since the beginning of the 1960s, the European Investment Bank is the largest lender to the global water sector. Since its early days, it has supported over 1 600 projects. From an early focus on building or upgrading sanitation and drinking water infrastructure, the EIB has expanded its portfolio to include projects in areas such as flood risk reduction, erosion prevention, new water supply (including desalination), new technologies and revitalisation of watercourses.

Part of our financing is covered by our own resources, but we also use mandates. These are agreements we sign to help a country, region or sector obtain outside resources. They can take many forms: sometimes they involve an investment, while other times they focus on technical and financial advice. We also partner with other institutions to maximise resources and expertise.

The EIB lends to public and private utility companies, as well as national and local authorities. When a large investment project needs long-term funding, the Bank typically offers dedicated investment loans. These can also come in the form of investment programmes, covering more than one project, as long as the investments are clearly defined before signature. Other categories of water financing include framework loans, loans for multiple beneficiaries (for example commercial banks), or grants.

Before we finance a project we assess whether it is technically, environmentally and socially sound. We always care about resource efficiency, and in the wastewater sector we put special emphasis on recovering energy and materials. Recycled biowaste, for instance, can be turned into green gas and thus into renewable energy. Treated wastewater can be used for irrigation. These are examples of how we can manage limited global resources more sustainably.

Sustainability awareness bonds

The EIB and the European Union are committed to the UN 2030 Agenda, which aims to redirect capital flows towards sustainable investments. The United Nations estimates that \$6 trillion of new annual investment is needed to achieve the Sustainable Development Goals. That is why the EIB introduced sustainability awareness bonds. A sustainability bond is any type of bond where the proceeds are exclusively used to finance eligible environmental and social projects.

Building on a decade-long experience with its climate awareness bonds, the EIB brought its inaugural sustainability awareness bond to the market in September 2018. The first issuance was a €500 million bond, whose proceeds were mainly allocated to investments in the water sector.

The sustainability awareness bond provides investors with reporting on environmental and social investments linked to the Sustainable Development Goals. It is aligned with the Green Bond Principles, the Social Bond Principles and the Sustainability Bond Guidelines. This delivers high impact with high transparency.



FACTS AND FIGURES

LENDING

In 2020 the Bank provided close to

€4 billion

for **water-related projects**



improved
sanitation for

15.5m
people



access to **safer**
drinking water for

26.6m
people

less exposure
to **drought risk** for

8.7m
people



reduced
flooding risk for

1.8m
people



PROJECT HIGHLIGHTS

When Storm Gloria hit Spain in January 2020, it not only killed more than a dozen people. It also devastated large parts of the country, especially around Alicante and Valencia. An EIB loan of €100 million will help to rebuild water supply, sanitation, water treatment and drainage infrastructure, as well as irrigation and drainage channels. The money will also finance coastal infrastructure and prevention and response measures for dealing with similar weather events in the future. Green corridors, pumping systems and polders, and culvert improvements are some of the measures being studied as part of the general flood defence plan for the region.

[More information online](#)

Lithuania has invested heavily in wastewater treatment since 2004, mainly thanks to EU funding. Nevertheless, the country relies extensively on individual treatment systems, which are difficult to monitor. In a number of towns wastewater is discharged into rivers or sewage pits where it then seeps into groundwater. The EIB and the local water authority have agreed on a loan facility of up to €50 million to improve the water infrastructure in and around Vilnius, Lithuania's capital. The financing is expected to help households connect to centralised water supply systems, improve the quality of drinking water, and decrease environmental pollution.

[More information online](#)

The Middle East is one of the most water-stressed regions in the world. The growing demand can be alleviated by seawater desalination. The EIB supported the construction and operation of Sorek II, a seawater desalination plant close to Tel Aviv, Israel, with €150 million. The project marks a milestone in the desalination industry with cutting-edge osmosis technology to improve energy consumption and carbon emissions. The plant will cater for domestic demand, while increasing regional water transfers, and increase the availability of reused water for agriculture, thus facilitating the sustainable replenishment of aquifers.

[More information online](#)

Jordan has one of the lowest levels of water availability per capita globally. These levels are expected to decline further due to climate change and the anticipated increase in the country's population. The EIB signed a framework loan programme of €260 million to invest in priority water projects across the country. The investment supports Jordan's National Water Strategy 2016-2025, which identifies projects that contribute to a resilient water sector as a key priority.

[More information online](#)

Safe and reliable drinking water is not only an essential factor for public health: it can also have an effect on gender equality. The EIB provided a €35 million loan to the Republic of Madagascar, helping the country to improve the drinking water supply in the capital Antananarivo. With water readily available from taps, girls can go to school and women can dedicate their time to paid work instead of collecting water from far away sources – a task that is seen as female work in several less developed countries to this day.

[More information online](#)



In low-income countries, girls often bear the responsibility for collecting water.

RESOURCES

VIDEOS

- **EIB's water specialist Caroline Ogutu on water projects and creative thinking in East Africa**
 - **Clean water is key for public health around Lake Victoria**
 - **Cleaning up the Vardar river**
 - **Clean water for Cambodia**
 - **Saving the world, one wastewater treatment plant at a time**
 - **Water – the world's endangered treasure**
 - **Letting our oceans breathe**
 - **The EIB invests in water**
 - **How Jordan combats water shortage**
 - **Improving water supply in South Africa**
 - **Bringing affordable drinking water to South India**
 - **Water, seen through the lenses of Yann Arthus-Bertrand and Philippe Bourseiller**
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BLOGS

- **Fresh water stops violence**
- **Water out of air**
- **Dress yourself in discarded fishing nets to make clothing sustainable**
- **A sexy name to pay for the pipes**
- **Germans wash their river**
- **Your city is a sponge**
- **Singin' the blues for the oceans blue**
- **Clean energy from wastewater**
- **Turn on the glowing sea bacteria**
- **Bacchus gets a boost in the Balkans**
- **On water – essay by Yann Arthus-Bertrand**
- **How the Dutch keep their heads above water**
- **Green ships on the blue**
- **New life for the Dead Sea**
- **An investment pipeline to fix Italy's pipes**
- **Once upon a time there was a wastewater treatment plant...**
- **Spend the money well – and fast**
- **Madeira: rebuilding after disaster**
- **When it's good for a loan to be fishy**
- **Wave Energy: The diver who saw the power around him**



A dam on the Berg River improves water supplies for 3.2 million people in Cape Town, South Africa.



This overview, with links
to stories, brochures and videos,
is available at:

[https://www.eib.org/en/projects/
sectors/water-and-waste-water-
management/index.htm](https://www.eib.org/en/projects/sectors/water-and-waste-water-management/index.htm)



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