



# Resilient Water Accelerator Q1 NEWSLETTER

2024



[www.resilientwateraccelerator.org](http://www.resilientwateraccelerator.org)

# A NOTE FROM OUR CEO



I started my 2024 in torrential rain and floods in the UK as we faced record-breaking rainfall, followed by the warmest February on record. Globally, 2023 marked the hottest year on record, with every day surpassing temperatures from the pre-industrial period. As my daughter has been learning at school, the two are linked: climate change is making itself felt through heat and water. A hotter climate drives intense rainfall, storms and flooding in some places, and drought in others. This is a stark reminder of why we need to increase investment in improving the resilience of communities to the water-related impacts of climate change. It also shows that the work of the Resilient Water Accelerator (RWA) is more important than ever.

Fortunately, 2024 has got off to good start for the RWA team. This newsletter highlights the progress we're making as well as the challenges we're seeing. Two things jump out at me: the economic case for action is getting stronger; and we are developing strong partnerships on the ground that are already creating change.

On the first, I was really proud of the RWA's work to highlight the potential of the sector to tap into financing from the voluntary carbon markets. Together with HSBC, VCMI and Gold Standard, and through excellent work by Boulder University and Castalia Advisors, we launched [a report](#) showing that improvements in water management could save over 1.6 billion tonnes of CO<sub>2</sub>e per year – equivalent to nearly half the EU's annual emissions.

We also contributed to [a report](#) by Standard Chartered, KPMG and UNDRR that shows the huge economic benefit of investing now in adaptation and resilience – with evidence from 10 countries (including Bangladesh and Nigeria) showing that every \$1 spent on adaptation could generate up to \$12 of economic benefit this decade.

We've engaged in some great discussions with the Sustainable Markets Initiative partners to enhance water investment opportunities. We're focusing on mobilising finance for mid-sized

water projects, ranging from low \$millions to around \$200m. Despite concerns about the profitability of water investments, the evidence and our anecdotal experience show that people are paying for water. In Lagos, for instance, low-income households pay up to six times more per litre than higher-income households, often spending over a third of their daily income on water, emphasising the urgent need for investment in this sector.

Partnerships are central to our mission as we tackle challenges too immense for any single entity. We're proud to announce new collaborations, such as with Howden and the Resilient Cities Network, supporting an insurance fellow in Lagos State Government to address water risk. Additionally, we're gearing up for the launch of the Lagos Water Partnership in May, uniting public and private sectors for improved water security. In Bangladesh, we're deepening discussions with various stakeholders to address water challenges amidst climate change, recognising water's critical role in the economy and global supply chains. Stay tuned for updates next quarter as we navigate these complexities together.

These discussions, raised through the Water Taskforce of the Sustainable Markets Initiative, will hopefully be addressed in the upcoming report by the Global Commission on the Economics of Water. We're proud to contribute to turning these challenges into tangible solutions.

I hope you enjoy this update – and do get in touch if you'd like to know more, or to work with us. We are always keen to find new partners, new champions and new insights.



# NIGERIA



RWA Nigeria meeting with Boston Consulting Group (BCG), Lagos State Ministry of the Environment and Water Resources and Lagos Water Cooperation.



Collaborating with WaterAid Nigeria, we organised a pivotal roundtable meeting focused on assessing the feasibility of a wastewater treatment plant project in Lagos State. Key government stakeholders, such as the Ministry of Environment and Water Resources, Lagos Water Corporation, and Lagos Wastewater Management Office actively participated, laying the groundwork for crucial advancements in water management.



RWA Nigeria meeting with Lagos State Public Procurement Agency



RWA Nigeria meeting with Lagos Water Cooperation



RWA Nigeria meeting with Boston Consulting Group (BCG), Lagos State Ministry of the Environment and Water Resources and Lagos Water Cooperation.



RWA Nigeria meeting with Lagos State Wastewater Management Office



In a significant step towards enhancing project sustainability, the RWA successfully brought together private sector partners, investors and the Government to discuss how to make the project a reality. Through the execution of Non-Disclosure Agreements with five investors, project developers and private sector entities, we've fostered collaborative efforts towards realising our shared vision for water resilience in Nigeria.



Building on our commitment to forging strong partnerships, the RWA conducted productive meetings with the new leadership of various Ministries, Departments, and Agencies. These engagements served to reaffirm our dedication to collaborative action in shaping the future of water management in the state, emphasising the importance of collective efforts in securing a sustainable water future for all.

# BANGLADESH



The RWA travelled to Bangladesh to conduct meetings with various public and private-sector stakeholders in February, including the Bangladesh Municipality Development Fund (BMDf), International Finance Corporation (IFC), International Centre for Climate Change and Development (ICCCAD), Industrial Development Leasing Company of Bangladesh Limited (IDLC), and Infrastructure Development Company Limited (IDCOL). These meetings covered a wide spectrum of topics including financing mechanisms, water infrastructure projects, green financing, and regulatory challenges. While challenges like the lack of credit ratings for cities and high construction costs were identified, opportunities emerged in areas like groundwater management and private financing. We also explored collaboration opportunities with entities like WaterAid to enhance impact. Our engagements underscored the importance of innovative financing models and sustainable business practices to address water-related challenges and foster sustainable development in Bangladesh. These meetings will help us move forward with pipeline development in Bangladesh.



We have been working with Deloitte on a national-level landscape analysis into priority water basins/regions to consider, water use, pricing, sectors, opportunities for investment and climate pressures. This analysis will help us with the identification of investment opportunities and pipeline development.



The RWA has been engaging in conversations with the World Bank to further the process of becoming a member of The Industrial Water and Wastewater Workstreams of the 2030 WRC of the World Bank (Secretariat of the Bangladesh Water Multi-Stakeholder Partnership) chaired by the Secretary, Prime Minister's Office, as well as the newly formed High-Level Committee of the Delta Plan Accelerator chaired by the Secretary, General Economic Division, Planning Commission. Joining this workstream would benefit the RWA through having access to expertise, technical assistance and being able to contribute to policy development in Bangladesh.



The RWA worked with DFDL to conduct an assessment of regulatory framework issues to help identify gaps in the existing water management frameworks, inform strategy development, and encourage investment.



Credit: WaterAid. RWA meeting with Stakeholders in Bangladesh



Credit: WaterAid. RWA meeting with Stakeholders in Bangladesh

# FUNDRAISING



Credit: RWA. RWA meeting with stakeholders in Bangladesh

- We are a lead partner in the £39m **Just Transition for Water Security (JTWS)** initiative with the UK government, and are about to move from the initial Design and Build Phase into implementation. The JTWS initiative aims to address increasing water stress, made worse by climate change, by addressing high-level water policy; monitoring of water risk and accountability; the needs of different water users; and the pathways for investment to ensure water systems fit for the future. We are also always keen to hear from others who are interested in supporting our work.

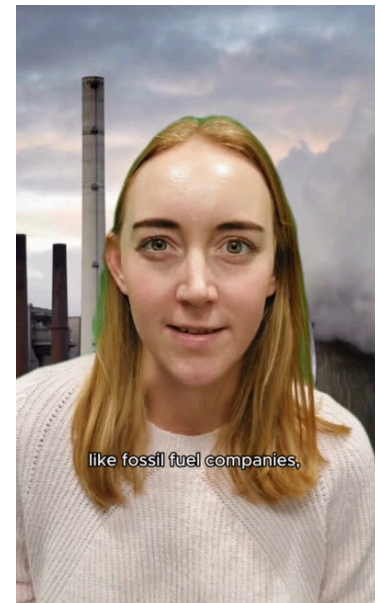
## THOUGHT LEADERSHIP & ADVOCACY

# Decarbonizing Water:

Applying *the* Voluntary Carbon Market toward Global Water Security



On 20 March, we launched our latest report '**Decarbonising Water: Applying the Voluntary Carbon Market toward Global Water Security.**' The report, commissioned by the RWA, VCM and HSBC, and written by the University of Colorado Boulder and Castalia Advisors, finds that, by supporting improved access to clean water for the world's most vulnerable communities, over 1.6 billion tonnes of tCO<sub>2</sub>e could be saved annually within the water sector. This is equivalent to nearly half the EU's annual emissions. The research looked at where emissions come from within the water sector and found that delivering improvements in coastal blue carbon, wastewater treatment, drinking water treatment, irrigation, as well as energy efficiency more broadly, could improve water security whilst also generating large and necessary carbon credit emission reductions.



Decarbonising Water Report Video Summary - view the video [here!](#)



Decarbonising Water Report Front Cover

Harnessing market mechanisms such as high-integrity voluntary carbon markets (VCMs) can deliver a triple win: emissions reduction, improved water security, and improved access to safe water and sanitation for millions of people. In practice, this would mean generating carbon credits from projects that deliver carbon savings as well as water benefits, such as, improved drinking water access in developing countries, reduced methane emissions from latrines and centralized wastewater treatment plants or restored coastal environments. The report was launched at an event by the Millenium Water Alliance in Washington DC ahead of World Water Day, and we will be engaging in ongoing advocacy on the report throughout the year. You can read the report [here](#), and watch a video summary [here](#).



We participated in two FCDO learning sessions titled: **How to boost resilient water investment in developing countries; practical and digestible lessons from British International Investment's CARE initiative and Water Aid's Resilient Water Accelerator**. The RWA presented to over 140 colleagues from the FCDO, sharing information about the RWA and insights from our work on water and adaptation finance. The sessions were really well-attended with lots of engagement from attendees. We are looking into working more closely with BII as a result.



We hosted a meeting with a range of representatives from different banks, insurers, consultants and DFIs to reframe and renew the objectives of the SMI's Water Taskforce, and test some hypotheses around our approach. We are updating membership at the moment and looking at areas for focused delivery.

## STRATEGY

In Q1 we've been reflecting on our successes and lessons learned over the past year and using that to shape our strategy. Specifically, we've been focused on the following, and will continue to do so in Q2:

- **Enhancing Our Value Proposition:** Through iterative learning, we're continuously refining our role and value proposition at the nexus of climate resilience, water security, and private investment. By leveraging insights from local markets and global engagements, we're honing our programs and activities to maximize our impact in the months ahead.
- **Consolidating Progress in Bangladesh and Nigeria:** Our efforts in Bangladesh and Nigeria have been fruitful, and now it's time to solidify our gains. This entails formalising the relationships we've cultivated, fostering collaboration within the sector, and establishing a structured approach to projects. We're committed to prioritising initiatives that align with our desired outcomes and offer clear value add to the RWA.
- **Expanding Impact and Shaping the Discourse:** Beyond our current focus areas, we're eager to broaden our impact to other countries. We are in the process of conducting analysis to determine which countries those will be. Additionally, we're actively engaged in shaping critical discussions surrounding water-related carbon credits, contributing to global dialogue on climate resilience.
- **Strengthening Our Organisation:** To fortify our operations, we're bolstering our teams through strategic hires and establishing a robust steering committee. These measures will empower us to navigate complex challenges effectively and drive sustainable growth

# TO COME IN Q2

In Q2, we are excited to:

- Launch the Lagos Water Partnership, marking a significant milestone in our mission.
- Finalise country analysis to determine our next geographic focus areas.
- Collaborate with the Sustainable Markets Initiative to deliver a specialised training course on water project design, as part their broader climate training curriculum.
- Continue with pipeline development efforts in Bangladesh and Nigeria, fortifying our project portfolio.
- Strengthen our operational capacity by onboarding a Director of Operations and expanding our local team in Bangladesh.
- Launch a dynamic mini podcast series delving into the intersection of water and finance.
- Convene an all-team in-person meeting to collectively strategise and align our objectives for the upcoming phase.
- Further our exploration and policy development in areas such as Methane, Metrics, Nature-based Solutions (NbS), and Gender Equality and Social Inclusion (GESI).



RWA All-team in-person meeting



Credit: WaterAid/James Kiyimba

## ABOUT THE RWA

The Resilient Water Accelerator is a new initiative designed to increase the flow of private and public finance into water projects that help the most climate-vulnerable communities build resilience to climate change.

We bring relevant decision makers, technical experts and investors together to create deal pipelines for interventions that address water risk, strengthen resilience and attract domestic or international private investment. We are a globally-distributed team, bringing on-the-ground expertise and comprehensive perspectives, combining climate policy, water economics, private finance, measurement and evaluation, and governance.

### OUR VISION

By 2030, at least 50 million people in climate-vulnerable regions have greater water security and climate resilience through increased investment in well-managed water resources and services.

### OUR MISSION

To demonstrate the business case for increased and enhanced public and private investment in water-related deals that strengthen resilience for climate-vulnerable communities, and are replicable so that millions more can benefit.

Our value proposition is to deliver speed, scale and replicability by developing a platform that will identify and share bankable and impactful projects, thereby creating a pipeline for investors across International Financial Institutions, private financiers, corporate organisations and governments. We will help bring together the right mix of financing with the right commercial structures and improvements in the enabling environment. We will conduct pre-feasibility assessments, develop templates, shared resources and an investors' database to provide a springboard for increased action on resilient water.

## CONTEXT

The climate crisis is a water crisis. Around the world, people are feeling the effects of climate change through water (flooding; droughts; sea level rise, irregular rainfall etc). Climate change is affecting seasonal and long-term water availability, meaning we can no longer rely on rain, river flows and aquifers. To adapt to this new reality and build resilience to the impacts of climate change, we need to re-think how water resources are managed and delivered for different users over time. This provides an exciting opportunity to rethink how we create investment opportunities that promote resilient water management for people and the planet.



# MEET THE TEAM



**Kate Hughes - CEO**



**Suvranil Majumdar - Director, Country Programming**



**Jonathan Farr - Director, Policy and Comms**



**Rachel Cardone - Director, Programmes & Investment**



**Kiran Pawar - Programme Coordinator**



**Jenny Wells - Policy and Communications Manager**



**Philip Obosi - Country Coordinator (Nigeria)**



**Olufemi Ogunyele - Deal Development Consultant (Nigeria)**



**David Ikponmwen - Country Deal Manager (Nigeria)**



**Shohail Bin Saifullah - Country Coordinator (Bangladesh)**

# THANK YOU TO ALL OUR PARTNERS AND SUPPORTERS.

If you are interested in working with us, please email [katehughes@wateraid.org](mailto:katehughes@wateraid.org)

