



PDBs to leverage financing in the water sector

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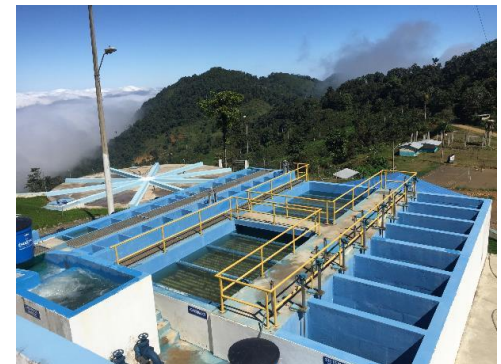
9TH WORLD WATER
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Introduction

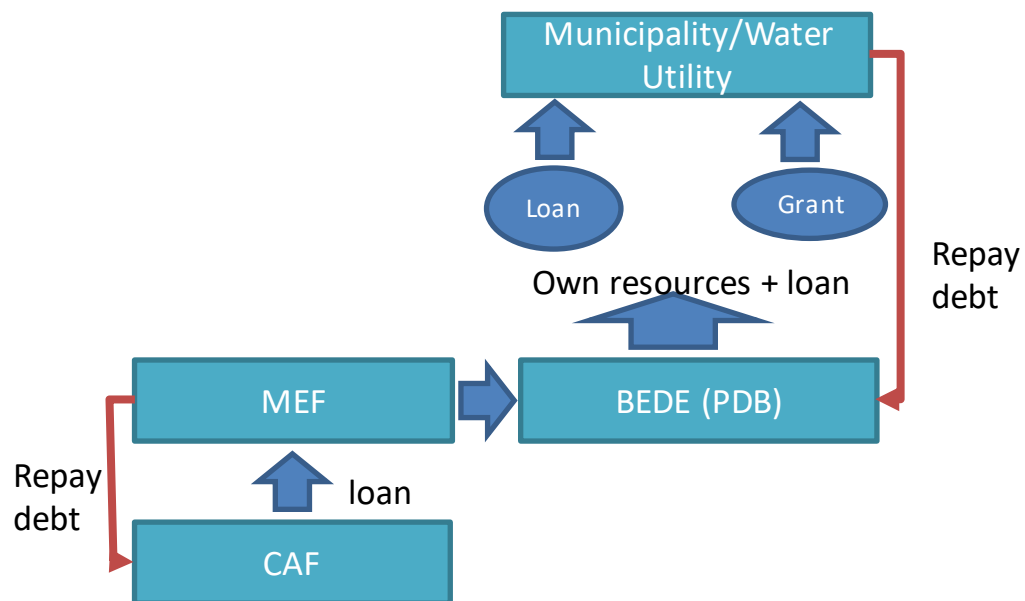
Based on the Study focused on LAC:

- More than 40% of PDBs seems to be working in the region, but concentrated in few countries and absence in Central America.
- In addition, water is just one out of several sectors financed, representing between 5% and 15% of PDBs overall loan portfolio.
- Large utilities can obtain loans at more favorable conditions from commercial banks and IFIs.
- The mid-sized utilities and local governments are therefore the segment that best fits the PDBs.



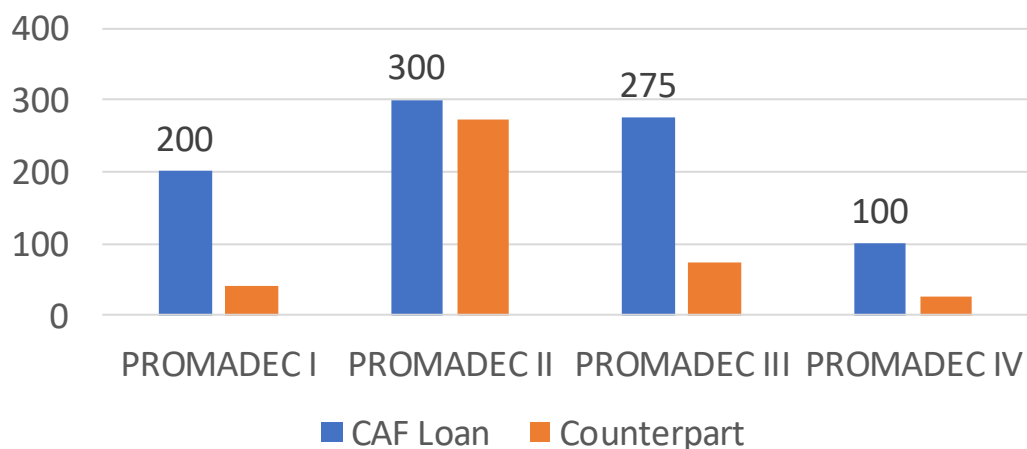
Case of Ecuador

- PROSANEAMIENTO is a program structured in phases of USD 1,70 billion (MDBs: CAF, IDB, AFD).
- CAF has supported PROMADEC I, II, III, IV: USD 1,28 billion (CAF and Counterpart).
- A mix between development finance from IFI (CAF) and development finance from the national PDB, to increase and amplify results and impacts.
- Financial policy based on loans and subsidies to municipalities.
- BDE applies ear-marking revenue, i.e., automatic debit from the municipal budget to repay the debt (local governments cannot provide fixed assets as collateral).

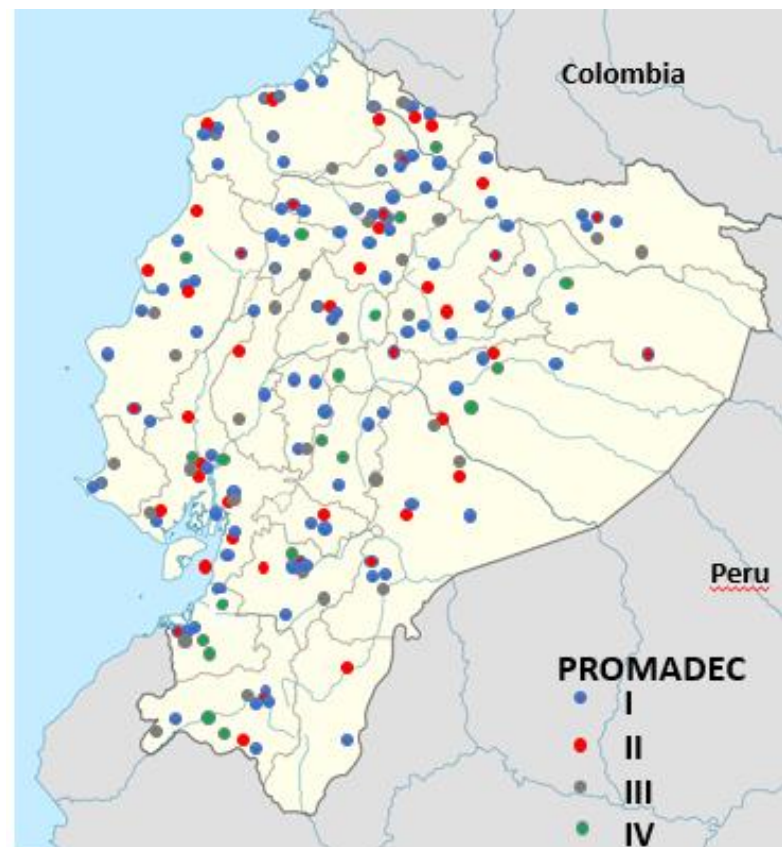


Case of Ecuador

PROMADEC (USD million)



- Nearly 700 operations with municipalities (cantons); more than 1.000 projects implemented. All municipalities served (221 cantons)
- Nearly 200 water treatment plants.
- Around 200 wastewater treatment plants.
- Coverage of drinking water increased by 10%; similar percentage in terms of sanitation.
- Nearly 9 million inhabitants benefited (new access or service improvement)



Thank you for your attention