

Faith & Water Impact Finance Fund

An Ecumenical and Inter-Religious Initiative for Development and Peace

Waterpreneurs is **promoting the emergence** of *Water and Sanitation Impact Investment Funds*. More specifically, as an example among others, Waterpreneurs is currently **advocating for the creation** of an ecumenical and inter-religious financial investment fund with social impact to help improve the situation of access to drinking water for the most vulnerable populations in the world.

Executive Summary

- There is a major issue of access to drinking water and sanitation, especially in Africa and Asia;
- NGOs and governments are finding it increasingly difficult to deal with this problem, especially due to lack of funds;
- Social entrepreneurs from communities facing these problems of access to drinking water and sanitation, as well as socially responsible finance, are part of the solutions to contribute to an improvement of the situation in a sustainable and responsible way.;
- Religions could unite to create a social impact investment fund in water (United Nations Sustainable Development Goal 6). This fund would, by definition, have a strong social and environmental mission that should include investments in social enterprises that provide affordable services to low-income populations and disadvantaged geographic areas.

This initiative also has for stakes:

- To show the capacity of religions to unite around a concrete project serving the common good and peace and based on a universal symbol: water.
- To involve religious organizations around the world so that they can publicly testify the direction of their financial investments to solve the current challenges of climate and water and more broadly of all the Sustainable Development Goals;
- To obtain a moral guarantee and a requirement to realize the social impact of the fund from religious organizations, co-investors in the fund.

Context & Challenges

Water is a meaningful common symbol among religions: for example, Christianity (Baptism), Judaism (ritual washing called Tevilah), Islam (ritual purity called Tahara), Hinduism (puja worship) and Confucianism (water is one of the five elements of Chinese philosophy).

Water and sanitation touch social and political issues and insufficient water management can lead to major risks such as political instability (e.g. water wars), inequalities, epidemics, migrations, famines, etc.

Water is central to sustainable development and is linked with socio-economic development, healthy ecosystems, but also human survival (no water, no life).

Water and Sanitation: Facts & Figures

- 2,4 billion people lack adequate sanitation and 650 million people lack access to improved drinking water¹, 80% with no access to drinking water are in rural areas¹
- 3,6 million die every year due to water-related diseases²
- 50% of hospital beds in developing countries are occupied by people with waterborne diseases³
- More water required by 2050 to address the feeding needs of 9 billion people⁴
- \$27 billion incremental yearly aid needed to ensure sustainable access to safe water and sanitation for all⁵

¹ Source: WHO/UNICEF Joint Monitoring Program (.11v1P) for Water Supply and Sanitation (compiled in World Bank database). Refers to people with no access to improved water source. Yet in common literature and communication (e.g., Water.org, UN), the word "drinking water" is also used

² Source: Safer water, better health (WHO, 2008)

³ Source: Sick Water? The Central Role of Safe water management in sustainable development (UNEP, 2008)

⁴ Source: World Bank water overview

⁵ Source: WaterAid 2013, WHO and UN-Water 2012, World Bank 2011

What to do?

Financial needs are huge and investing in the water sector is often perceived as risky and complex. To de-risk and make the sector more attractive for public and private investments, innovative finance mechanisms are needed. Financial investments and attention need to move from exclusions into supporting environmental and sustainable development goals based investment funds and new initiatives with real impact.

To answer these challenges, Waterpreneurs is **advocating for the creation** of a **Faith & Water Impact Finance Fund**.

- This fund should have by design a **strong social mission** that should be proven by its clear preference for socially driven investments, in particular in **social entrepreneurs providing services to low income populations** and under-privileged geographies.
- This fund should involve religious organizations worldwide so that all of them can testify publicly through their financial investments how concerned they are by the challenges of the current climate and water challenges and could also encourage the financial industry to serve the common good and the sustainable development goals.

Objectives of the Fund

1. This fund should be aiming at having a **significant positive impact** on major issues linked to water (quality and quantity).
2. Promotion of **human right to water**, life improvement within local communities in developing countries targeting the **Sustainable Development Goal (SDG) 6** from the United Nations.
3. The fund should be managed respecting the human right to water, following the Zug Guidelines to Faith-Consistent Investing, and with the most modern financial and sustainable responsible investing (SRI) criteria such as exclusions list, ESG filters (Environmental, Social and Governance), social impact measures and active engagement policy.
4. The investment process should be based on the latest business and financial analysis tools and portfolio construction.
5. This fund should invest via direct investments or funds related to water, in listed water equities, green bonds and social bonds, water corporate bonds and alternative investments such as private equity, micro-finance, debt, loans and hybrid finance.
6. The fund should not invest in speculative investments, leverage and derivatives tools.
7. The total assets under management should be large enough to get a major and positive social impact.

Suggested initial funding religions

Buddhist communities	Hinduist communities
Christian Churches	Jewish communities
Confucian communities	Muslim communities

Suggested initial supporting organizations

Impact Finance Organizations Faith based Organizations

- | | |
|---|--|
| - Aqua for All: Sjeff Ernes, Managing Director (<i>to be confirmed</i>) | - Aid to the Church in Need Switzerland: Jean de Skowronski, Vice President |
| - International Network of Financial Centres for Sustainability: Mark Halle, Senior Advisor | - Geneva Agape Foundation: Christoph Stückelberger, Vice-President |
| - R20 Regions of Climate Action: Christophe Nuttall, Executive Director | - Jacob Soetendorp Institute for Human Values: Awraham Soetendorp, President |
| - REEEP (Renewable Energy & Energy Efficiency Partnership): Martin Hiller, Director | - United Religion Initiative: Kiran Bali, Global Council Chairperson |

Global Water Organizations Key non-religious Non-Governmental Organizations

- | | |
|--|--|
| - Geneva Water Hub: François Münger, Director (<i>to be confirmed</i>) | - World Vision (<i>to be confirmed</i>) |
| - Global Water Partnership: François Brikké, Senior Network Officer | - Zermatt Summit Foundation Humanizing Globalization: Christopher Wasserman, President |

If you are interested to discuss above initiative,
please contact Nicolas Lorne : nicolas.lorne@waterpreneurs.net