

Public Information Summary

Host Countries	Cambodia, India, Indonesia, Kenya, Nigeria, Rwanda, Senegal, and Uganda are the priority countries of the Fund. DFC support may be used in any eligible country.
Name of Fund	Water Access Acceleration Fund S.L.P.
Name of Investment Manager	Incofin Investment Management NV
Project Description	The Fund will invest in impact-focused proven technology potable water businesses in Africa and Asia.
Proposed DFC Equity Investment	Euro equivalent of up to \$10 million
Target Fund Size	€50 million
Policy Review	
Developmental Objectives	The Fund is expected to have a highly developmental impact through the investment in WASH enterprises operating in low- and lower-middle income countries. The Sustainable Development Goals call for universal coverage of basic water service by 2030, yet globally over 700 million people lack access to basic drinking water. Furthermore, lack of access to WASH services disproportionately falls on women and girls, who are often charged with water collection for the household. The Fund through its investments is expected to provide an estimated 20 billion liters of safe drinking water to 30 million people by 2030. ¹
Environment and Social Assessment	<p>The project has been reviewed against DFC's 2020 Environmental and Social Policy Procedures ("ESPP") and has been determined to be categorically eligible. Equity investments into funds are screened as a Category D activity for the purposes of environmental and social assessment. Based on DFC's due diligence, the Fund's downstream investments are anticipated to pose limited environmental and social risks that are site specific and can be readily mitigated through the application of sound environmental and social management practices.</p> <p>To ensure that the Fund's investments are consistent with DFC's statutory and policy requirements, the project will be subject to conditions regarding the use of the DFC proceeds, including what is considered climate finance. The primary environmental and social issues identified in this transaction relate to the need for a strong Environmental and Social Management System that meets the IFC Performance Standards to ensure that downstream investments are developed in accordance with DFC's Environmental and Social Policy and Procedures ("ESPP"). DFC will</p>

¹ The initial estimates were 17 billion liters of safe drinking water to 17 million people by 2030.

	<p>monitor the effectiveness of the Fund’s application of DFC policies throughout the project’s life cycle.</p> <p>Under DFC’s ESPP, the Fund is required to comply with applicable local and national laws and regulations related to environmental and social performance and applicable provisions of the 2012 International Finance Corporation’s Performance Standard (“PS”) 1 and 2. DFC’s ESPP requires fund managers to maintain an ESMS that appropriately identifies, assesses, manages, and monitors risks with respect to the IFC Performance Standards the General and Sector specific EHS Guidelines. Due to the coronavirus pandemic, in-person interviews and site visits were not possible for DFC’s E&S due diligence for this project. A virtual due diligence assessment indicates that because the project involves an investment in a financial intermediary that investment in a portfolio of social enterprises focused on water, sanitation, and hygiene (“WASH”) globally, significant adverse impacts with respect to community health and safety, biodiversity, land acquisition and resettlement, indigenous peoples and cultural heritage are not anticipated. Therefore, PS 3, 4, 5, 6, 7, and 8 are not triggered at this time.</p> <p>While DFC found that the Fund did not meet DFC’s expectations at the time this clearance was written related to its ESMS not being wholly aligned with IFC PS 1 and its grievance mechanism not being wholly aligned with IFC PS 2, the Fund subsequently provided updated policies and procedures that did align with both the IFC and DFC requirements. .</p>
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