

Responsible banking

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KfW Development Bank is Germany's leading development bank and an integral part of KfW. It carries out Germany's Financial Cooperation with developing and emerging countries on behalf of the German government. The 600 personnel at headquarters in Germany and about 200 specialists in almost 70 local offices cooperate with partners all over the world. Its goal is to combat poverty, secure the peace, protect the environment and the climate and make globalisation fair.

Photos:

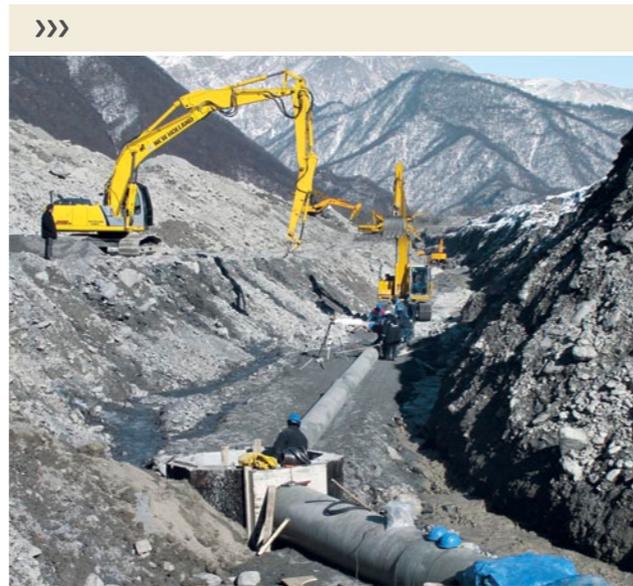
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Azerbaijan – renewing water systems

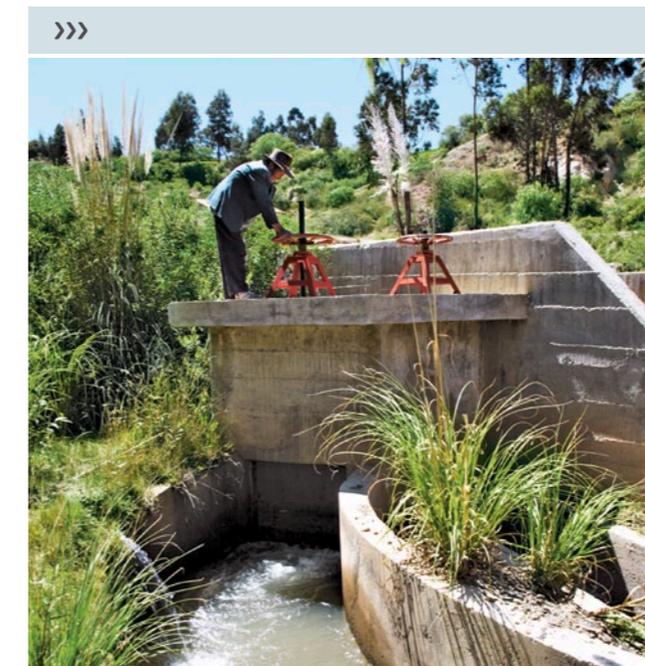
The water supply and sanitation systems in the cities of Ganja and Sheki, which were built in the 1960s, are in poor technical condition. Water is often available for only two to six hours a day. Many inhabitants therefore have to buy expensive water from privately managed tanker trucks or fetch it from illegal and uncontrolled private wells. The sewage pipes and treatment plants are also in a state of disrepair and sewage is not being treated. Together with the Swiss and Azerbaijani government, KfW is helping to renew the drinking water and sanitation system.

Burkina Faso – clean drinking water at last

In Bobo-Dioulasso inhabitants acquired diseases from contaminated water for years. Breweries, soap factories and the abattoir discharged their untreated wastewater into the surroundings. A system of sewers was built with funds from the German Development Cooperation, and industrial wastewater is now being treated. A drinking water system now supplies the inhabitants with clean water through their own house connections and public standpipes located nearby. They no longer have to haul water from far away and the children are much healthier. In addition, favourable supply rates now also enable the poor people in Bobo-Dioulasso to access safe drinking water.

Climate change adaptation

Climate change will further aggravate the situation in water-stressed areas. Increasing extreme weather events such as droughts and floods can have disastrous consequences for the affected economies. They mainly affect the lives of the poorest, who often inhabit the most severely threatened areas.



Bolivia – irrigation systems for smallholders

The rainy season in the Andean Highlands is only four or five months long. During the dry season, most rivers carry little or no water at all. Climate change may further aggravate the situation as rainfall is predicted to become even more irregular in the future. As a mitigation measure, irrigation systems are being planned and built together with the affected small farmers to enable them to continue earning a sustainable income.



» Water – a scarce commodity
Activities of
KfW Development Bank
in the water sector

KfW

»» Access to drinking water and sanitation is a human right. Both are indispensable to overcome hunger and poverty. In many countries, however, this human right remains but a promise.

Water shortages and contamination cause health problems, particularly in water-stressed areas and megacities in developing countries.

Around five million people die each year from water-induced diseases such as chronic diarrhoea. According to UN statistics, some 780 million people around the world have no access to safe drinking water and around 2.5 billion people live without reliable sanitation. As the world's population grows, so does competition for access to the vital resource of water.

KfW's activities follow the German government's sector policy document "Water", the objective of which is holistic water management. That means managing water sustainably while taking into account its many different forms of use for people, food, energy supply and nature. Known by the technical term Integrated Water Resources Management (IWRM), holistic water management is an internationally recognised guiding principle.

Water – a scarce commodity

Water is becoming a scarce commodity in more and more areas of the world, and water quality is increasingly under threat as well. There are many reasons for this, including population growth, advancing urbanisation and industrialisation, the rapidly growing needs of agriculture, and inefficient use of resources. Climate change will further aggravate this situation in some regions and seasons. The concept of Integrated Water Resources Management (IWRM) offers solutions through integration among water-using sectors.



Egypt – a comprehensive view of resources

Egypt's water resources sector underwent an all-encompassing reform in the year 2004. The fundamental idea was to create autonomous regional water and sanitation companies that have incentives for reducing the enormous water losses, which can be as high as 50%, expanding and repairing networks and collecting unpaid bills. The sector programme to improve water supply and sanitation, which is being supported by various donors, primarily supports sewage disposal and treatment in order that precious treated water from the Nile can be reused – for example in irrigated agriculture.

450 projects worldwide

On behalf of the German government, KfW Development Bank is financing more than 450 projects in the water and sanitation sector in more than 50 countries, primarily in cities. KfW has committed a total of EUR 4.8 billion to ongoing projects and programmes in this sector.

KfW always agrees with the partners on a counterpart contribution, the level of which is determined by the type of financing, the level of development of the partner country or the organisation, and by the nature of the project. In 2011 KfW committed around EUR 700 million in new financing for the water sector. The partners provide additional counterpart funds that raise the overall investment volume to EUR 1.4 billion.

With the projects currently under implementation, KfW and the local partner organisations are together reaching more than 41.3 million people, who are benefiting significantly from improved water supply and sanitation, a more hygienic environment and clean water in rivers and lakes.



The challenges

Water for people

Drinking water supply, basic sanitation and wastewater management are important prerequisites for a life in dignity. They prevent countless diseases that burden people financially and limit their opportunities to earn incomes.

Water for food

In the fight against global poverty, agriculture plays a key role as a source of income and nutrition. At the same time, it accounts for more than 70% of global water consumption. Around half of this is lost through inefficient irrigation systems. Water for nutrition therefore means careful management of water resources in agriculture, animal husbandry and forestry, as well as aquaculture.

Nexus – focus on energy, water and nutrition

Rising global population, economic growth and climate change are creating higher demand for energy, food and water. This harbours the risk of further conflicts over scarce resources. The "nexus approach" therefore takes a holistic view of the water, energy and agriculture sectors because activities in one sector alone are often insufficient. One example is reutilisation of treated effluent and sewage sludge for water supply, fertilisation in agriculture, and electricity generation.