



AFRICA WATER INVESTMENT PROGRAMME

SADC Regional Climate Resilient Water Investment Programme (SADC -AIP)

Climate Resilient hydrological Systems and observation for the SADC Regional Climate Resilient Water Investment Programme

Terms of Reference for Consultancy: Financial Structuring of a Credit Guarantee and/or Equity De-Risking Facility for Climate-Resilient Water Projects

1. Background

Since 1980, climate disasters have impacted approximately 142 million people in the Southern African Development Community (SADC) region. To answer this challenge, the SADC Regional Climate Resilient Water Investment Programme (SADC -AIP) project aims at responding to climate hazards in the 13 participating SADC countries (Angola, Botswana, eSwatini, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Tanzania, Zambia, Zimbabwe).

The Green Climate Fund (GCF) approved a grant to support preparations for a regional climate-resilient water investment programme in the SADC. Funding from the GCF Project Preparation Facility (PPF) will support the development of an investment programme that aims to leverage at least USD 117 million, which is expected to benefit 140 million people in the SADC region. The programme is under the Continental Africa Water Investment Programme (AIP) that was adopted by the African Union Heads of States Summit in February 2021.

Increasing climate hazards threaten these existing investments in water, energy, food security, human health, and socio-economic development. Many countries have poor climate information and early warning systems (CIEWS), 49% of Least Developed Countries (LDCs) -majority from Africa, have no fit-for-purpose multi-hazard early warning systems (MHEWS). Accurate science-based climate information and data is the foundation of resilience building and achievement of water-related socio- economic development and



targets of the Paris Agreement and Sustainable Development Goals (SDGs). Inadequate climate information, poor early warning systems and a paucity of reliable data constrain science-led investment decision-making.

In southern Africa, frequent climate hazards pose significant risks to water security by increasing the water investment gap, disrupting Climate Information and Early Warning Systems (CIEWS) and causing damage to hydrological information monitoring systems and water infrastructure.

The proposed SADC regional climate-resilient water investment programme will leverage the high-level political commitment of the AIP to address key barriers in the provision of reliable CIEWS and implement paradigm-shifting pathways towards transformational resilient water investments. For more information refer to [this article](#) and the [approved project concept note](#). AIP has been developed to mobilise science-based climate resilience water investments through the following interventions:

(i) Mobilise high-level political commitment and leadership on water investments

The International High-Level Panel on Water Investments for Africa was established in 2022, comprising current and former Heads of State and global leaders. The Panel developed a [Report](#) that was launched at the UN 2023 Water Conference and an [High Level Africa Water Investment action plan](#) that was launched at COP 20, with pathways for countries to mobilise at least an additional US\$30bn annually by 2030, for implementing the AIP.

(ii) Develop and implement the Water Investment Scorecard to enhance mutual accountability, transparency and efficiency of water finance and investments

The [AIP-PIDA Water Investment Scorecard](#) supports countries to track progress, set benchmarks, identify bottlenecks, and take action to meet Africa's water investment needs. The Scorecard was adopted by the African Union Heads of States in February 2022.

(iii) Develop implement regional and national water investment programmes to close the water investment gap

Many African countries are extremely vulnerable to climate variability and climate change; and are further faced with weak institutional capacities, water infrastructure, and information systems to support water management. Regional and national water investments programmes supported by the AIP to close the water investment gap and mobilising climate resilience water investments informed science-based climate resilience water investments.



(iv) AIP International blended water investment facility

To catalyse private sector investments at regional and national level. This will assist countries to mobilise new sources of funding and innovative finance, and actively support matchmaking to bring together the supply and demand for finance with a special focus on climate resilient, blended public-private finance, gender transformative approaches, leveraging ODA and grant finance to de-risk priority water investments using a variety of innovative financial instruments and sources such as sovereign wealth funds, guarantees, commercial finance, institutional investors and private equity investors, foundations, value-based impact investment, and climate finance.

(v) Promote gender equality and empowerment of women and girls in water investments

Through the Water, Climate, Development, and Gender Investments ([AIP WACDEP G](#)), develop tools to assist governments to address systemic inequalities in decision-making, planning, and implementation of investments, by fostering a transformative approach in agencies, structures, and social relations. The aim is to build capacity to ensure that the preparation, development, design, governance, and management of ongoing and new climate resilient water infrastructure investments, institutions and job creation interventions strategically advance gender equality, and transform gender inequalities at scale by promoting gender-transformative planning, decision-making and institutional development for climate resilient water investments in Africa.

1.1. SADC Water Investment Programme

In alignment with the AIP and building on more than 20 years of prior implementation through SADC-HYCOS Phases I–III, the proposed project will achieve resilience by: (i) Strengthening high-level political commitment and access to CIEWS; (ii) promoting Impact-Based Multi-Hazard Early Warning Systems and Early Action; (iii) strengthening CIEWS for infrastructure design and resilience financing; and (iv) development and implementation of climate-resilient gender transformative investments. Interventions will also promote access to innovative blended finance and private sector sources such as pension funds, insurance, sovereign wealth funds, guarantees, private equity and others.

As the implementing partner, the Development Bank of Southern Africa (DBSA) will administer the grant and technical assistance will be provided by the Global Water Partnership Southern Africa and Africa Coordination (GWPSA), host of the AIP Secretariat.



A full Funding Proposal was developed and submitted to the GCF in April 2025. The GWPSA and DBSA are now seeking additional expertise to address technical comments provided by the Green Climate Fund. Technical expertise is required to:

- (i) Strengthen the existing assessments of Climate Information and Early Warning systems in SADC Countries and structure an outcomes fund to sustainably fund the provision of CIEWS in the region, including the consideration of potential private sector involvement in CIEWS service provision;
- (ii) Undertake a high-level assessment of a potential investment pipeline for climate-resilient water projects in the SADC region, with a focus on the potential for de-risking public and private investments;
- (iii) Financially structure a credit enhancement/de-risking facility to be hosted within the DBSA that will make use of suitable GCF funding to catalyse co-finance

2. Duties and Responsibilities

2.1. Objectives

2.1.1. Financially structure a credit guarantee/equity de-risking facility to be hosted within the DBSA that will make use of suitable GCF funding to catalyse co-finance

This activity will use the Outcomes of a high-level assessment of potential climate and water resilience pipelines to financially structure a suitable credit guarantee enhancement and/or equity de-risking facility to accelerate climate-resilient water security investments. This will include the legal, institutional and governance framework, facility design and financial architecture and risk analysis and de-risking strategy for the proposed facility, with a particular focus on ensuring that the eligibility criteria for the proposed investments reflect the GCF investment criteria, alongside the eligibility requirements of the DBSA. The proposed facility will be hosted within the DBSA and operate through the existing SADC Water Fund. The proposed concessionality provided by the GCF should be the minimum required to overcome structural climate and credit market failures in SADC's water sector and will need to be carefully calibrated to avoid distortion while maximising mobilisation of commercial lenders and private equity investors. The investment reasoning of the proposed facility must clearly show how concessionality is forwarded to the ultimate beneficiaries, and how this concessionality support advancing climate-resilient sustainable development in SADC's water sector.



2.2. Overall scope of Works

The proposed activities are to be undertaken by separate experts, with expected Levels of Effort outlined below:

Activity	Days
Financially structure a credit enhancement/equity de-risking facility to be hosted within the DBSA that will make use of suitable GCF funding to catalyse co-finance	120

2.2.1. Structuring a credit enhancement/derisking facility

- (i) Define financial products and develop financial models for de-risking climate-resilient water investments by assessing key financing needs and quantifying and mapping key climate related financial risks in the water sector.
- (ii) Define facility interactions with CIEWS components of the proposed project, namely components 1-3, in close collaboration with GWPSA experts.
- (iii) Provide risk pricing rationale showing how concessionality is calibrated to climate impacts
- (iv) Recommend institutional setup and propose options for regulatory compliance and alignment with climate finance frameworks – particularly the eligibility criteria based on the GCF investment criteria. Assess DBSA mandate constraints and enabling provisions; outline required legal approvals or required amendments.
- (v) Define key policies and operational procedures
- (vi) Analyse multiple guarantee models and define suitability for different water project typologies (bulk water supply, irrigation, water reuse, hydromet systems, nature-based solutions). Specify how guarantees lower cost of capital, enable longer tenors, or unlock equity participation. Identify if equity guarantee models will contribute substantially towards unlocking climate resilience.
- (vii) Undertake a comprehensive barrier analysis specific to climate-resilient water investments. Map which barriers are addressed by the guarantee vs. equity instruments and quantify barrier severity where possible
- (viii) Define and develop the financial architecture and funding flows Assess financial sustainability, including:
 - Guarantee fees, equity participation returns, management fees and others
 - Risk pools (first loss, second loss, reinsurance)
 - Reflows and capital recycling mechanisms



- A 15–20-year sustainability pathway
- (ix) Propose co-investment structures and blending arrangements, including:
- Pipeline segmentation by investor profile where possible
 - A clear leverage model demonstrating expected mobilisation pathways
 - Regional vs. national mobilisation strategies
 - Analysis of investor appetite and risk thresholds
- (x) Update Economic and Financial Analysis and provide inputs to the GCF Funding Proposal and relevant annexes (for financial products proposed)
- (xi) Market assessment and demand analysis (working closely with GWPSA) and assessment of creditworthiness barriers and barrier analysis for equity participation of investors in the SADC water sector.

Tentative Deliverables Summary

- (i) Combined Credit Guarantee and Equity De-risking Instrument Package
- (ii) Term sheets (Debt Guarantee and Equity De-risking Instruments)
- (iii) Financial Model (Credit Guarantee and Equity De-risking Instruments)
- (iv) Governance, Institutional and Operational Framework
 - a. Updated Eligibility Criteria, aligned to GCF investment criteria
- (v) Financial architecture, flow of funds and risk management
- (vi) Co-financing Mobilisation Strategy
- (vii) Updated Economic and Financial Analysis (including concessionality reasoning and funding justification; with assessment of alternative financing options and why credit guarantee and equity de-risking is needed)
- (viii) Other inputs into the GCF Funding Proposal package, as needed

3. Competencies

3.1. Corporate Competencies

- Displays cultural, gender, religion, race, nationality and age sensitivity and adaptability;



- Treats all people fairly without favouritism or bias;
- Demonstrated strong coordination and facilitation skills;
- Ability to work with a multi-disciplinary, multi-cultural and diverse team.

3.2. Functional Competencies

- Demonstrated technical experience in the fields of:
 - Financial structuring and legal due diligence for investment facilities
 - Credit guarantee structuring, equity risk mitigation and private equity specialist
- Ability to analyse complex and diverse data
- Knowledge of GCF financial instruments.
- Experience in water infrastructure finance preferred
- Experience in investment risk management preferred
- Knowledge and experience of climate finance highly desirable

4. Required Skills and Experience

4.1. Qualifications & Experience

4.1.1. Structuring a credit enhancement/derisking facility

- Chartered Financial Accountant or similar, with at least 10 years' experience
- Demonstrated experience with establishing investment facilities
- Familiarity with structuring credit enhancement instruments
- Familiarity with the SADC region and the DBSA strongly desirable
- Experience with DFI's required
- Excellent written and verbal communication skills



5. Language

English; knowledge of French, Kiswahili, Portuguese and other regional languages will be an advantage.

6. Other Provisions

6.1. Taxes

A withholding tax of 10 or 15% shall be charged to the consultant, and GWPSA will avail the corresponding tax certificates. GWPSA will not be liable for any additional taxes due to tax Authority/ies in the country of origin of the Consultant.

6.2. Travel

The Consultant is expected to engage stakeholders and key role players through a number of regional and in-country workshops and field visits in Angola, Botswana, eSwatini, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Tanzania, Zambia, Zimbabwe.

6.3. Instructions to Bidder

GWPSA will evaluate the proposals received against each other based on the criteria stated above.

GWPSA reserves the right to negotiate any aspect of your proposal before conclusion of a Contract for the Assignment. GWPSA furthermore reserves the right to reject all proposals submitted without giving any reason. GWPSA may discontinue or suspend without responsibility or liability to any Bidder including (without limitation) any liability for any costs or expenditure incurred by, or inconvenience caused to, any Bidder. The proposal shall be prepared in the English language. The financial proposal should be expressed in US Dollar and payment for the Services will be made in the same currency.

6.4. Tendering and applications process

- 6.4.1. The applicant is expected to submit separate Technical and Financial Proposals clearly detailing how they would deliver the work as set out in this document with the total number of days to complete work and daily rates



inclusive of all anticipated costs in United States Dollars (USD) during the period of assignment.

- 6.4.2. The term “all-inclusive” implies that all costs (professional fees, communications, consumables, VAT etc.) that could be incurred by the consultant in completing the assignment are already factored into the daily fee submitted in the proposal. However, travel costs should be identified separately in line with proposed activities and allocated consulting days.
- 6.4.3. Electronic Technical and Financial proposals should be submitted in English with a subject line clearly titled: “Proposal for Climate Resilient hydrological Systems and observation for the SADC Regional Climate Resilient Water Investment Programme – SADC AIP Project” through email to gwpsaprourement@gwp.org with a copy to Mr Rene Schieritz on rene.schieritz@gwpsaf.org by no later than 20 March 2026 at 00:00 midnight CAT
- 6.4.4. All clarification questions should be directed to gwpsaprourement@gwp.org with a copy to Mr Rene Schieritz on rene.schieritz@gwpsaf.org by deadline of 10 March 2026 at 00:00 midnight CAT. These response to the queries will be published on the GWPSA website on 13 March 2026.