



PROJECT DESCRIPTION: Climate-resilient water solutions for Kenya's coast region: Development investment proposal

DATE: 26 August 2025

NAME OF CLIENT	Sabaki Water Company Ltd
WEBSITE CLIENT	https://sabakiwater.co.ke/
REGION	AFRICA
COUNTRY	KENYA
SECTOR	WATER & SANITATION
SIGNING DATE	30 DAYS FROM PUBLICATION AT WEBSITE
TOTAL FINANCING	€461,000 grant
FUND	ORIGINATION FACILITY ("OF")

- **Who is our (prospective) client?**

Sabaki Water Company Ltd is a Special Purpose Vehicle (SPV) established in 2024 to develop, construct, and operate a large-scale water and sanitation project in Kenya's coastal region. Led by DFCD consortium partner Climate Fund Managers (CFM), together with Utility Partners One LLP (UPO) and Nafasi Water Technologies, Sabaki Water will deliver up to 80 million litres of potable water per day and treat 35 million litres of wastewater for nearly **two million people** in Malindi, Kilifi-Mariakani, and Mombasa.

The project is the **first water supply PPP concession in Kenya**, unlocking private-sector investment into critical infrastructure. Its integrated design combines water supply, wastewater treatment, and renewable energy generation.

- **Why do we fund this project?**

Coastal Kenya faces **severe water scarcity, saltwater intrusion, and inadequate sanitation infrastructure**, challenges that are intensifying due to climate change and rapid urbanisation. Vulnerable communities – especially women and low-income households – are disproportionately affected by unreliable water access and poor sanitation.

The Sabaki Water project provides a **climate-resilient solution** that directly supports Kenya's NDCs and National Water Master Plan 2030. By ensuring reliable, safe water and sanitation services, the project will reduce climate vulnerability, improve public health, and enhance economic opportunities.

Through the DFCD Origination Facility, **SNV adds value by ensuring environmental and social safeguards are strong, inclusive, and gender-responsive**. This support will strengthen stakeholder engagement, assess adaptation options, and align the project with IFC Performance Standards; making it more sustainable and attractive for long-term investment.

- **What is the intended funding objective**

The OF grant will support the **Environmental and Social Impact Assessment (ESIA)** and related specialist studies, which are essential for international financing and for meeting Kenya's PPP approval requirements. These studies will address climate risks, biodiversity impacts, resettlement, and community needs.

Without this support, the project risks delays in reaching financial close, as private financiers require IFC-compliant safeguards and clear climate adaptation plans before investing.

- **The grant will be used for undertaking:**

- ESIA scoping, baseline studies, and impact assessments
- Gender analysis and community needs assessment
- Resettlement surveys and census
- Compliance review with IFC Performance Standards
- Stakeholder engagement planning and climate adaptation planning

- **What are the expected impacts of the company?**

Once the project will mature into an investment stage, Sabaki Water will:

- Deliver **80 million litres of potable water per day**, reaching nearly **2 million people**
- Treat **35 million litres of wastewater per day**, benefiting ~700,000 people
- Improve public health by reducing waterborne diseases
- Strengthen climate resilience in a highly vulnerable region facing saltwater intrusion and drought
- Serve as a **scalable model** for PPP-led, climate-resilient water infrastructure across Africa

- **Environmental and social rationale**

The project has been preliminarily classified as **Category B+ (potentially A)** due to its scale and potential impacts on biodiversity, Indigenous cultural heritage, and possible resettlement. The ESIA will guide mitigation measures, ensuring compliance with IFC Performance Standards and Kenyan regulations.

By embedding **climate adaptation, biodiversity safeguards, and inclusive stakeholder processes** – including Free, Prior, and Informed Consent (FPIC) – the project will deliver long-term environmental sustainability and social inclusion.

The project aligns with Kenya's National Climate Change Action Plan (NCCAP) and the National Water Master Plan 2030, both of which prioritize climate-resilient water infrastructure. It also supports the country's Nationally Determined Contribution (NDC) commitments. The ESIA will address environmental flows, groundwater sustainability, and climate risks, ensuring that the project design incorporates sustainable abstraction practices and aquifer protection measures. SNV's technical support will help ensure the project complies with IFC Performance Standards and that community benefits, including gender-responsive approaches, are effectively embedded.

For more information, or to share confidential insights on the intended project, please contact us latest by 26 September 2025: dfcd@snv.org
