

ACORN

ACCESS TO CAPITAL, OVERSIGHT AND REPORTING NEXUS



Capital is in short supply among water utilities across the developing world. ROCKBlue helps water service providers (WSPs) build strategic capabilities, improve creditworthiness and access funding sources to encourage long-term sustainability, resilience and progress toward achieving SDG 6.



THE PROBLEM

For water utilities in developing countries, financing allocated by governmental budgets is their primary source of funding. External capital potentially represents significant additional, discretionary financing, particularly in low- and middle-income countries. But the poor performance of many second-tier water utilities leaves them with low creditworthiness —a barrier to obtaining grants, loans and other forms of traditional financing from foundations, aid agencies, commercial banks and international financial institutions.

COMMON CHALLENGES OF WATER UTILITIES

- ▶ Water loss linked to poorly maintained systems and aging infrastructure, which can only be rehabilitated or replaced with adequate finance.
- ▶ Inefficient billing and collection practices, made worse by poor service, which customers are reluctant to pay for, hamper water utilities in developing countries.
- ▶ Low productivity, inadequate training, understaffing and a lack of results-based remuneration are systematic problems that can be addressed through funding.
- ▶ A lack of knowledge of how to access and engage with bilateral and multilateral institutions and agencies to obtain financing.

ROCKBLUE'S APPROACH

Recognizing that each WSP has its own set of complex challenges, our ACORN initiative's unique operating model helps identify opportunities for improvement by carefully examining each aspect of a utility's operations, management team and financial situation to determine where and how to commit our resources to achieve tangible results.

ROCKBlue works to transform water service providers holistically through well-planned interventions. We draw on the breadth and experience of our roster of more than 140 world-class water and sanitation specialists, who have collective experience working with more than 300 water utilities across the developing world.

We conduct a multidimensional assessment of water utilities, provide technical assistance and formulate a strategy to strengthening their capacity and create a sustainable, financially sound operational plan. We help improve their creditworthiness, communications and reporting, making them more attractive for capital investment.

ACORN also leverages the support of our global network of partners to connect investors with WSPs that meet the requirements and core conditions for funding.

Finally, we provide advice to the WSPs and their public-sector owners, helping guide them through negotiations with financial institutions to ensure a mutually beneficial value proposition in the terms of engagement.