Opening Statement by Omar Kabbaj, President of the African Development Bank at the International Conference for Attaining the MDG for Water Supply and Sanitation in Rural Africa, organized by the African Development Bank and Hosted by the Government of France, Paris, 1 April 2005

Introduction

Your Excellency the Minister of Economy, Finance and Industry

Your Excellencies African Ministers of Finance and of Water

Distinguished Representatives of International Institutions, Bilateral Organizations, and Non-Governmental Organizations

Distinguished Speakers and Participants

Ladies and Gentlemen,

It is a great honor and pleasure for me to welcome you all to the International Conference for Attaining the Millennium Goal for Water Supply and Sanitation in Rural Africa, organized by the African Development Bank with the support of the French Government, and under the high patronage of H.E. President Jacques Chirac. I would like, at the outset, to express my profound appreciation to H.E. President Chirac and to the French Government for co-hosting this conference and for the generous hospitality extended to all participants. It is for us a further indication of the unwavering commitment of France to the economic and social development of Africa.

Let me also take this opportunity to thank the Ministers and high officials, and representatives of international organizations and non-governmental organizations, present here today for honoring our invitation and taking part in this important gathering. I wish also to especially welcome and thank Mr. Michel Camdessus, the former Managing Director of the International Monetary Fund, the Personal Representative of the President of the French Republic, and a member of the Commission for Africa, who will be co-chairing with me two of today’s sessions. During his tenure at the IMF and thereafter, Mr. Camdessus has been a champion and advocate of African causes. He was also the Chairman of the Panel on Financing Water Infrastructure and an ardent supporter
of the Bank’s Rural Water Supply and Sanitation Initiative that was presented to the Panel.

**Water and Sanitation in Africa and its Impact on the MDGs**

Your Excellencies,

Ladies and Gentlemen,

At the 2000 UN Summit, nearly all the World’s Heads of States and Governments solemnly committed themselves to the attainment of the Millennium Development Goals (MDGs) – one of which is to halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation. Five years on -- and one third of the way to 2015 -- it is evident that, among the regions of the world, Africa, and in particular sub-Saharan Africa, is falling further behind in meeting this MDG. The recent report of the United Nations Millennium Project, led by Professor Jeffrey Sachs, and a recent status report by UNICEF and the WHO confirm this disturbing state of affairs. The urgency of the matter is made clear when we note that at the beginning of the 21st Century some 300 million Africans – or over a third of the population – still do not have access to safe drinking water supplies, and 400 million – or nearly half of all Africans – lack access to basic sanitation.

This unsatisfactory state of affairs has serious ramifications on the overall pace of economic and social progress of Africa countries and on their prospects for achieving the MDGs. And although the distinguished audience today is keenly aware of the many adverse consequences, permit me, nonetheless, to say a few words to put the matter in perspective.

There is ample evidence, in the first instance that links unsafe water and poor sanitation to many diseases in Africa. These, in turn, contribute to lowering the productivity of the labor force and to the alarming levels of infant mortality rates. In addition, limited supply of potable water accentuates the gender disparity in income and access to social services that we observe in many countries. The onerous chore of fetching water is still the responsibility of women and girls, often robbing them of their dignity. A number of studies have also shown that this is one of the major factors behind the curtailed school attendance of girls in rural areas.

Supplying clean water and improving sanitation can therefore have multiple benefits that contribute to the achievement of the MDGs:

-It can have an immediate impact on improving the health and productivity of the general population, thereby contributing to poverty reduction;
·It can contribute to improving the health of women and to reducing child morbidity and mortality; and

·It can lessen the household chores of women and particularly girls, thereby promoting gender equality in education.

The Bank’s Response: the Rural Water Supply and Sanitation Initiative

Your Excellencies,

Ladies and Gentlemen,

African countries and their development partners have sought to respond to the challenges posed by inadequate and unsafe water supplies and poor sanitation by launching several regional programs and by participating in global initiatives. The Africa Water Vision, which was presented at the Second World Water Forum in The Hague in 2000, represents Africa’s response to its water crises. Since then, the Vision has inspired other major initiatives, including the NEPAD Water and Sanitation Program and the establishment, last year, of the African Water Facility initiated by the African Ministers Council on Water (AMCOW) and hosted by the African Development Bank.

The Rural Water Supply and Sanitation Initiative (RWSSI) -- which is the subject of this conference -- represents the African Development Bank’s own response to the immense challenges that its regional member countries face in this important sector. It is the result of a series of intensive consultations with our regional member countries and donors over the last six years, beginning with our involvement in the Africa Water Vision in 2000, the establishment of the African Water Task Force in 2001, and our contributions to the various Water Forums and the Camdessus Panel on Financing Water Infrastructure.

The Initiative is based on the recognition that in the absence of a region-wide program that can serve as a platform to coordinate the efforts of African countries and their partners, the desired outcomes would not be forthcoming. To ensure synergy with other programs, the initiative is set within the broad framework of the NEPAD Water and Sanitation Program, and its interventions will be closely coordinated with the activities of the African Water Facility.

The immediate goal of the Initiative is to accelerate access to sustainable safe water supply and basic sanitation in rural Africa, with the objective of reaching a coverage of 80 percent by 2015. Its fundamental conception is, first, to mobilize the international community around a common framework, with African governments assuming leadership and, second to help raise the required financial resources to achieve the MDG for water supply and sanitation.

The Initiative promotes the utilization of a range of simple technologies that are appropriate to the circumstances of rural Africa, and will rely on the effective participation of local communities, municipalities, and towns. It will also emphasize the
use of a program approach and fast track mechanisms for procurement and disbursement to ensure that it is completed within the set time frame.

Preliminary estimates of the total investment requirements indicate that it would be in the order of $14.2 billion. The resources requirement for attaining the intermediate targets set for 2007 is, however, $4.6 billion -- or about $1.5 billion per year for the next three years. Current resource flows to rural water supply and sanitation would cover around 40 percent of the cost -- including country contributions of around 20 percent. In addition, I am delighted to inform you that African Development Bank Group is ready to provide up to 30 percent of the total financing requirements from both its concessional and non-concessional windows – the ADF and ADB. The balance of the resource needs therefore stands at about $460 million per year up to the end of 2007. It is our hope that the international donor community would, over time, rise to the challenge of financing the remaining resource requirements.

**An International Partnership for Rural Water Supply and Sanitation in Africa**

Your Excellencies,

Ladies and Gentlemen,

The Bank is aware that its Rural Water Supply and Sanitation Initiative is quite ambitious; we are, however, also convinced that short of such a program, the manifest needs of African countries in these critical sectors would not be met. The program is also beyond the capacity of any single institution or donor. Its success will therefore depend on creating strong collaboration and fostering partnership between African countries, bilateral donors, multilateral development institutions and NGOs. This is, indeed, the main purpose of the Conference we have organized today.

We see the Conference as the first step in bringing together all stakeholders engaged in rural water supply and sanitation in Africa. We look forward to reaching a common understanding of the challenges that African countries face, the actions that need to be taken, and the role that the African Development Bank and other institutions -- both bilateral and multilateral -- could play. It is also an occasion for all concerned to agree to launch the process of implementing the initiative and to agree on the steps that would be required to mobilize the required resources. These objectives are set out in the draft Paris Declaration submitted for your consideration.

We believe that the success of the initiative would depend, first, on African governments assuming leadership and giving rural water and supply initiative the priority that it deserves. Towards this end, we would encourage our regional member countries to review their national programs, in close consultation with all stakeholders. It is our hope that the proposed actions would then be reflected in the new generation of Poverty Reduction Strategy Papers (PRSPs). In addition, we would encourage African countries to draw up and implement effective programs for building the required national and local
capacity as well as provide the necessary budgetary resources for government institutions working in the water sector.

AMCOW, the African Development Bank, and other bilateral and multilateral development institutions are in a position to support such efforts. AMCOW has mobilized significant resources to assist countries in upstream activities related to water; it could therefore play an important role. Similarly, the African Development Bank, in close collaboration with bilateral and multilateral institutions, is ready to extend technical assistance to its regional member countries as part of the Initiative, and in the context of the broader technical support that it provides for PRSP related work.

We would expect the international donor community, on its part, to scale up its assistance to rural water supply and sanitation in the context of its broader commitment to increase ODA to assist African countries attain the MDGs, and as recommended in the recent report of the Blair Commission for Africa. In this regard, we would call on the international community to provide, over the life span of the Initiative, the required external resources by honoring its commitments to increase ODA and by investigating the possibilities of innovative financing schemes such as the International Financing Facility (IFF) proposed by the United Kingdom and supported by France.

I wish to stress that RWSSI also presents the donor community a unique opportunity to harmonize policies and align them with country systems, in line with the recent Paris Declaration of the High-Level Forum on Aid Effectiveness. Accordingly, we would urge the donor community, in close collaboration with African countries, to adopt common instruments for implementation, coordination, and monitoring and reporting.

In such national and global efforts for a significant scaling-up of interventions for rural water supply and sanitation, the African Development Bank stands ready to play a coordinating role in the implementation of the program. In this respect we believe the while the initiative provides a broad platform for action by national, bilateral and multilateral agencies, it is also essential that these activities are well coordinated to ensure the efficient use of resources. It is also critical that common instruments are adopted in the context of the broader goal of harmonization and alignment.

In this regard, I am pleased to inform you that the Bank will have opened 25 country offices by the end of 2006, of which nine are already operational. The offices will play a key role in the coordination work related to the Initiative. In addition, the Bank, under its recently approved Action Plan to improve its operations, will be recruiting nearly 200 new professional staff, enabling it to significantly increase the number of water engineers and experts who will be assigned to work on the Initiative.

With respect to the mobilization of resources, the Bank is ready to play a catalytic role. The Bank is proposing a flexible approach and, as I noted earlier, it has already mobilized considerable resources -- equivalent to around 30 percent of the estimated resource requirements. We invite other donors to join us and provide additional resources over the life span of the Initiative. This could be done through co-financing or parallel financing
arrangements for specific program and projects in individual countries and in municipalities. In addition, the Bank is ready to establish a Trust Fund that it would manage for donors who may wish to provide resources through such a channel. The Bank has extensive experience in managing such trust funds, with over 20 such funds currently operational.

Concluding Remarks
Your Excellencies,

Distinguished Representatives of International Organizations,

Ladies and Gentlemen,

The Rural Water Supply and Sanitation Initiative that we are proposing for your consideration today represents, in our view, a historic opportunity to address the critical problems that African countries face in this important sector. Providing the millions of African living in the rural areas with clean water and adequate sanitation has the potential of immensely improving their livelihoods. It also has the potential of significantly reducing infant mortality and improving gender disparities in income and access to social services. The Initiative also provides us an opportunity to collaborate and work together and to put into practice the principles of harmonization, alignment, and results-based management that we committed ourselves just a few weeks ago at the Paris High-Level Forum on Aid Effectiveness. All these objectives are reflected in the draft Paris Declaration before you.

I therefore call on all of you to help us create a global partnership and a common framework of action to achieve the Millennium Development Goal for water and sanitation in rural Africa. I call on African countries to give the priority that this goal deserves and I call on the international donor community to provide over the life span of the Initiative the required resources so that this worthy endeavor becomes a reality. And while the challenge before us is enormous, it is certainly not beyond our collective means.

I thank you for your kind attention.