
Statement by
Omar Kabbaj, President of the African Development Bank, at the
12th Session of the UN Commission on Sustainable Development

New York
29 April 2004
Introduction

Mr. Chairman,
Your Excellencies,
Distinguished Participants,
Ladies and Gentlemen,

It is my honour and pleasure to address this 12th Session of the UN Commission on Sustainable Development, which focuses on water, sanitation, and human settlements. These issues are particularly critical to Africa. Poverty reduction, economic development and social progress are all inextricably tied with the prospects for the development and management of the region’s water resources. It is therefore our hope that this meeting will give further impetus to the various initiatives that have been launched to tackle these issues on the Continent.

Reducing poverty and promoting sustainable development in Africa are also the twin overarching objectives of the Bank Group. In addition, helping our regional member countries achieve the Millennium Development Goals (MDGs) underpins all our interventions. Towards these ends, we have made major efforts to mainstream poverty and sustainable development in all our policies, projects and programs, and a special unit, tasked with this responsibility, has been set up. In addition, the Bank has taken part and contributed to all the major UN and other initiatives related to poverty reduction and sustainable development, as well as water and sanitation -- including the Camdessus Panel.

In my remarks, I will focus briefly on the challenges facing African countries and the various responses that have been launched to address them. I will then review the initiatives that have been undertaken by the Bank in the areas of water supply and sanitation.

The Challenge of Water Supply and Sanitation in Africa

Mr. Chairman,
It is generally acknowledged that Africa has the lowest total water supply coverage of any region in the world. Total coverage of water supply in Africa is around 62 percent and sanitation coverage around 60 percent. It is estimated that currently about 300 million people in Africa do not have access to safe water and about 313 million have no access to adequate sanitation. This situation is a major cause of diseases, as a high proportion of Africans suffers from one of six major water-related diseases. Particularly affected are women and children who travel long distances to fetch water and spend inordinate amounts of time and energy at the expense of family activities, education and other productive work. This situation contributes to perpetuate poverty and to intensify its gender dimensions.

Although service coverage in the region is low, only 3 percent of the total annual renewable water resources are withdrawn for domestic use, agriculture and industrial use. This low level of utilisation is attributable to the widespread poverty and the slow pace of economic growth.

Issues related to water and sanitation in Africa have both an urban and rural dimension. And with the increasing pace of urbanization, it is evident that these problems cannot be tackled without at the same time addressing the issue of human settlements. Most large cities in Africa have huge peri-urban settlements that are characterised by poor living conditions, degraded environment, and poor infrastructure. And inhabitants in these areas pay disproportionately high prices for water supplies and generally have little access to sanitation. Such situations also often lead to high levels of pollution of water sources, particularly rivers. There is a therefore a need to tackle these inter-related issues in a holistic manner.

**Global and African Responses to the Challenges**

Mr. Chairman,

Global and African responses to the water situation have focussed on activities to: raise awareness on the critical importance of water for sustainable development and to raise additional resources for investments in the water sector. The establishment of the Global Water Partnership, the World Water Council, the
organisation of the First World Water Forum in Marrakech 1997, and the Second World Water Forum in The Netherlands in 2000 have all had attempted to address these issues. In addition, the World Panel for Financing Water Infrastructure which was constituted in 2001 as a joint initiative of the Global Water Partnership and the World Water Council and the Third Water Forum in Kyoto, have addressed ways and means of raising new financial resources.

At the African regional level, some of the important initiatives include: the 2000 African Water Vision and Framework for Action; the NEPAD Water Program; the establishment of the African Ministerial Council On Water (AMCOW); the proposal to establish the African Water Facility; the Nile Basin Initiative; the establishment of the UN Water Africa Forum; as well as several sub-regional initiatives and programs. Many governments have also launched their own initiatives. Permit me to briefly review two of the most important regional initiatives: the African Water Vision and the NEPAD Program for Water.

The Africa Water Vision was presented at the Second World Water Forum in The Hague, 2000, as part of the World Water Vision and represents Africa’s efforts at addressing its water crises. The Vision envisages “An Africa where there is an equitable and sustainable use and management of water resources for poverty alleviation, socio-economic development, regional cooperation, and environment”. The Framework for Action to achieve the Vision calls for: strengthening governance of water resources; improving water knowledge; meeting urgent water needs; and strengthening the financial base for the desired water future. It envisages investment requirements of about USD12 billion per year until 2025 in order to achieve the targets on water supply and sanitation coverage in Africa.

On its part, the NEPAD Short-Term Action Plan for Water and Sanitation stresses the application of integrated water resources management (IWRM) approaches; effective management of shared river basins, mitigation of floods and droughts; and meeting basic needs in water supply and sanitation.

The African Ministerial Council on Water (AMCOW) was set up by African Governments to provide political leadership, policy direction and advocacy in the
management of water resources. AMCOW will facilitate international and regional cooperation and promote best practices in water policy reforms, integrated water resources management, food security, water supply and sanitation and assist in the delivery of national, regional and sub-regional programs. The Bank has supported the establishment of AMCOW and has close links with its activities, particularly with respect to the African Water Facility. The establishment of AMCOW provides a unique window of opportunity that would facilitate efforts to encourage governments to spend more on the water sector and implement reforms.

The African Development Bank and Water Supply and Sanitation in Africa

Mr. Chairman,

Your Excellencies,

The Bank’s response to the water and sanitation problem in Africa has been guided by its over-arching goals of reducing poverty and promoting development in Africa. Since 1968, it has committed about USD 5.1 billion on nearly 400 projects and programmes in the water sector, with about 62 percent of the amount committed going to the water supply and sanitation sector. The experience and knowledge gained by the Bank in increasing global awareness, developing international initiatives, and raising the profile of the water sector in the Bank’s regional member countries over the last few years has encouraged the it to embark on additional initiatives to respond to the enormous challenges.

The Rural Water Supply and Sanitation Initiative

The most significant initiative of the Bank with respect to the Water Supply and Sanitation challenge is the Rural Water Supply and Sanitation Initiative (RWSSI). The RWSSI was conceived by the Bank primarily to address the problem of low access to water supply and sanitation in rural Africa and to redress the urban bias of previous investment programmes. Specifically the Initiative has been developed as the Bank’s contribution to the achievement of the MDG targets in water and sanitation and the African Water Vision. To achieve the MDGs, an additional 270 million rural inhabitants would need to be provided with access. Given the fact that over 80 percent
of the African population without access to water and sanitation lives in the rural areas, a special focus on these areas is necessary if the coverage targets are to be achieved.

The main objective of the RWSSI is to accelerate access to improve and sustainable water supply and sanitation services through increased investment and the use of innovative approaches in investment projects/programmes implementation, management, and operations. The ultimate target of the initiative is to achieve 100 percent coverage by 2025. This would be achieved through intermediate phases and milestones: 66 percent access by 2010 and 80 percent access by the year 2015.

The initiative would use fast and flexible mechanisms in programme/project preparation, implementation and disbursement to significantly accelerate investment in RWSS. Investment programmes and projects would also be accompanied by intensive capacity building at the grass root level, using participatory approaches. Further, the Initiative would encourage policy reforms that seek to achieve decentralised implementation and management of services, full cost recovery on operations and management, and integration of hygiene education and environmental sanitation projects and programmes. Other essential dimensions of the Initiative include the use of the programme and demand-responsive approaches with community participation, as well as the use of modified Social Investment Funds approaches.

Key success elements for the implementation of the Initiative are appropriate legislation and regulation, capacity building, decentralisation and community organisation, cost recovery, social intermediation and effective partnership between the Bank, donors, regional member countries, and other stakeholders. The building of partnerships is particularly essential in meeting the goals and targets of the Initiative as they serve as instruments for joint commitment in support of water supply and sanitation development as well as a framework within which to develop practical implementation in the field. The partnerships would also foster coordinated resource mobilisation, capacity building and more efficient implementation of programmes and projects -- the necessary ingredients for achieving the goals of the Initiative.
All regional members of the Bank would be eligible for support under the Initiative. However the amount and timing of such support would be determined by the policy environment, supportive institutions, political commitment and prioritisation of water in budgets in each country’s poverty reduction strategy. Using the most basic level of service and technology, it is estimated that the 2015 goals for the region could be attained at an extra annual investment cost of about US$1.2 billion comprising requirements for capital investment, capacity building and programme management and sector support activities. It is anticipated that financial support for the programme would come from, among others, bilateral donors, multilateral funds, the proposed Africa Water Facility, as well as national governments and local communities.

The Initiative has already commenced with the preparation of country programmes in five selected countries, constituting the first phase. These are countries that have favourable policy environment and institutional arrangements in place and include Ethiopia, Ghana, Rwanda, Mali and Uganda.

The RWSSI Initiative has been presented at several international fora, including the World Panel on Financing Water Infrastructure and the G-8 Summit at Evian in 2003, where it received endorsement. It has also received the support of AMCOW at Dakar in 2003.

The African Water Facility

Another important Initiative with which the Bank is involved is the African Water Facility. The African Ministerial Council on Water (AMCOW) is spearheading this initiative. AMCOW has requested the Bank to host the Facility and work with it to implement the Initiative. The overriding goal of the African Water Facility is to contribute to the efforts to reduce poverty and promote sustainable development in Africa. This will be done by expanding the capacity of Africa to access existing and future financing sources for water and by improving the efficiency in the use of such resources. In accordance with the goals, the objectives of the Facility focus on improving the enabling environment and strengthening water resources management
so as to attract the large amounts of investments necessary to achieve the regional objectives, and on making appropriate and strategic investments in the water sector.

The activities that would be implemented to achieve these objectives include: coordinating aid flows to the water sector in Africa; supporting regional cooperation and integration through development of shared water resources; enhancing national and regional capacity; enhancing national and regional water knowledge; and, accelerating investments to meet basic water needs. The Facility is therefore an instrument that would assist in the implementation the MDG targets and respond to the recommendations of the Camdessus Panel on Financing Water Infrastructure.

The Facility proposes to mobilize over $600 million to implement its Indicative Medium term Action Plan. Commitments and expressions of interest for the Facility have come from the Netherlands Government, which has announced its intention to commit USD 15 million in support of the Facility. The Canadian Government has announced a commitment of C$20 million and the European Union has given positive indication about the possibility of providing part of the resources of the proposed EU Water Facility to support the African Water Facility. The United States AID has also discussed with the Bank the possibility of collaborating on co-financing of programs to support local lending for the water sector in the region. In addition, the Global Water Partnership, the Global Environment Facility, the UN Habitat under its program of Water for African Cities have all indicated their interest to collaborate with the Facility and the Camdessus Panel on Financing Water Infrastructure has endorsed the proposal.

Other Initiatives

In addition to these two major initiatives, the Bank group has also collaborated with NEPAD on water. The NEPAD Heads of State Implementation Committee has asked the Bank Group to assume the leadership role in regional infrastructure and in banking and financial standards. Accordingly, the Bank has prepared a Short Term Action Plan (STAP) for implementing priority activities over the coming five years in the infrastructure sector. Within this plan, the integrated management of transboundary water resources has been identified as one of the priority areas of
intervention and work on seven major river basins is underway. NEPAD will facilitate and support riparian-led initiatives that enhance their cooperation in the planning, development and management of transboundary water systems. The Bank is also assisting NEPAD in preparing the medium and long-term strategic framework for water

I have also personally participated as a member of the Panel on Financing Water Infrastructure (the Camdessus Panel), which focused on African water issues and development challenges, and presented an assessment of water infrastructure financing needs linked to poverty reduction in Africa. The Panel has presented its findings and recommendations at the Third World Water Forum in Kyoto and also to the G8 summit in Avian, France. Currently the Bank along with the World Bank and other partners is following up the implementation of the recommendation of the Panel.

In implementing these various initiatives, the Bank will give high priority to deepening its relations with all its development partners and, in particular, with the United Nations Agencies, the World Bank, and the European Commission. Excellent working relations, often within the framework of Memorandum of Understandings, already exit with many of these institutions and I would like to take this opportunity to express my appreciation for this spirit of cooperation and collaboration.

In addition, we will take a number of measures to enhance the effectiveness of our interventions. We will give particular emphasis to promoting Public Private Partnerships, to allow for a better use of both concessional and non-concessional resources. And in line with the recommendation of the Camdessus Panel we will review and introduce new lending instruments – such as non-sovereign guaranteed loans – as well as lend directly to local communities and municipalities.

Conclusion

Mr. Chairman,
Your Excellencies,
Ladies and Gentlemen
While the challenges of water supply and sanitation in Africa are enormous, it is, however, also important to stress that substantial efforts are being made by African countries and their development partners to address them. There is, in addition, a growing consensus of the importance of water and sanitation development as an instrument for poverty reduction and economic growth, as well as an emerging convergence of approaches towards tackling the challenges. In the light of these developments, we have little doubt that concerted and determined action on the part of African countries, donors, and international development institutions will in time lead to the achievement of the MDGs for water and sanitation.

I thank you for your kind attention.