The African Water Facility: an Effective Vehicle for Water Security and Greening Development

Aly Abou-Sabaa,
Vice President for Agriculture, Water, Human Development, Governance and Natural Resources, AfDB Group
Honourable Mrs. Sarah Reng, OCHEKPE, Minister of Water Resources of Nigeria and Chair of the Governing council,

Hon. Eng. NAGI ESSAYED ABDURRAHMAN, Minister of Water Resources of Libya;

Dear Members of the Governing Council;

Distinguished Guests, representatives of donors and partners;

Ladies and Gentlemen;

It is a great honour and privilege to address once again this august gathering.

Our meeting today is an ideal platform to take stock of the African Water Facility’s contribution to address some of the most pressing challenges in water development and management, in particular, infrastructure for water food and energy.

We all know that progress in attaining the MDG targets for access to drinking water, sanitation and hygiene across Africa has been slow.

These challenges are further exacerbated by population growth and climate change.

We also know that development assistance to seriously address these issues is not enough. The financing gap for water supply and sanitation alone is estimated at about US$ 22 billion per year.

In this 21st century, it is unacceptable that parts of humanity should be condemned to lack of clean water or hygiene.

It is a matter of morality, of ethics and good economics.

We, at the African Development Bank, we are wholeheartedly committed to put an end to the humanitarian and economic challenges caused by the lack of access to water or sanitation.

Fourteen years ago, under the umbrella of the Africa Water Vision, we committed to the objective of water for all by the year 2025.
Since then, we, at the African Development Bank, we have redoubled our efforts to achieve the MDGs and the African Water Vision of 2025.

In order to maximise the capacity of water infrastructure to unlock the development and growth potential of Africa, we have gradually increased our investments in water sector.

I would just give an example. Our investments in water supply and sanitation at their peak in 2010 represent a tenfold increase in comparison to 2002. They have increased during that period from US$ 69 million to US$ 700 million.

The African Development Bank will continue to play its part.

We are currently revising our water policy in line with our 10 year strategy. This revision will reinforce the central role of water in the African Development Bank’s agenda. Our water and sanitation investments will be more focused, with a clear contribution to the transformation of Africa’s economic development and inclusive growth.

Distinguished guests,

Ladies and gentlemen,

Let me turn now to the progress made by the African Water Facility.

The African Water Facility has since inception contributed significantly to addressing some of the critical challenges in the water sector.

I am proud to report that over the past eight years, the African Water Facility, an AMCW initiative hosted by the African Development Bank, has developed into a successful financial leveraging instrument. Its contribution to the development and management of water resources in Africa is well recognized.

It has supported activities which are catalytic to major investments. The AWF has prepared a number of quality bankable projects for financing by development partners, including the
Bank. The Facility has reached a leveraging ratio of 1:40, far exceeding everyone’s expectations.

If the AWF has been able to make a real difference, I also think it is due to its model. The Facility has always sought value addition in the design of its programmes and projects through the application of scientific/technological, social and business innovation to Africa’s complex water challenges.

That being said, I am pleased to note that the AWF has been able to make major contributions in 2014.

The AWF has put a significant level of efforts into the negotiation and development of a joint call for Proposals with the Nordic Development Fund, for the Preparation of Climate Resilient Water Resources Development Projects and Programmes. This was a key operational activity achieved in 2014.

This framework is expected to leverage over €600 million in follow-on investments for climate resilient development. It will also help strengthen the enabling environment for adaptation/mitigation actions.

However, while the AWF has proven to be an effective vehicle for achieving water security as well as a key building block for greening development in an inclusive framework, its efforts are challenged by the recurring issue of resource mobilization.

Fund raising still remains the prime challenge for the AWF. I thank the Nordic Development Fund for committing to become the 16th member of the AWF Water Fund this year with a contribution of €6 million. I am also grateful to Austria for pledging an additional contribution of €1 million.

But all in one, the current funding level will not enable the AWF implement its planned five year programme beyond 2016 unless additional financial resources are secured.

Our current estimate for resource requirements over the next 3 years amounts to about €66 million, of which about €35 million still needs to be secured to fund AWF operations.
There is obviously an urgent need to ramp up resource mobilization efforts to ensure continuity of operations.

To close, I would like to reiterate that the AWF remains a valuable part of the Bank Group, which remains fully committed to ensuring that the AWF succeeds in its mandate.

Thank you.