

AFRICA AND MEDITERRANEAN CONTINENTAL SESSION OF THE GLOBAL WATER PARTNERSHIP NETWORK MEETING 2020

KEYNOTE ADDRESS BY H.E. PRESIDENT JAKAYA KIKWETE

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Implementing the GWP Strategy in Africa through the Africa Water Investment Programme

- Chair of the Global Water Partnership - Ambassador Howard Bamsey
- GWP Africa Regional Chairs: Professor Abdou Maiga - GWP West Africa, Professor Michael Scoullios-GWP Mediterranean, Mr. Sylvain Guebanda-GWP Central Africa, Mr. Peter Macharia-GWP Eastern Africa
- GWPO Executive Secretary - Mr. Peter Rempiski
- GWP Africa Regional Executive Secretaries and Regional Coordinators
- Representatives of the African Union Development Agency (AUDA-NEPAD), African Development Bank, African Ministers Council on Water (AMCOW), Sanitation and Water for All, European Commission
- Distinguished delegates and partners from across Africa and Mediterranean

Thank you for welcoming me to the Global Water Partnership family. I join GWP at a very challenging time; the year 2020 has brought unprecedented challenges upon our continent. Where before we faced insufficient delivery of the water infrastructure needed to meet Africa's needs, we now find ourselves confronted with the additional obstacle of the global economic fallout from the Covid-19 pandemic, while grappling with the increasing risks of climate change.

According to the 2020 African Development Bank Economic Outlook¹, Africa's economic prospects are weak. Real GDP in Africa is projected to contract by 1.7 per cent in 2020, dropping by 5.6 % from the January 2020 pre-COVID-19 projection – that is if the virus has a substantial impact but of short duration. If it continues beyond the first half of 2020, there would be a deeper GDP contraction in 2020 of 3.4 per cent.

The Afdb notes that, cumulatively, GDP losses could range between \$173 billion and close to \$237 billion over this year and the next. The pandemic has triggered a sudden increase in inflation. Expansionary fiscal spending could double already high fiscal deficits. As many as 50 million more Africans could be pushed into extreme poverty, and close to 30 million jobs could be lost. The good news is that the curve of the pandemic in Africa is flattening gradually. We hope this continues.

Despite these challenges, the resourceful will always find opportunities in challenges, and Africa is home to the resourceful. COVID-19 has put a spotlight on water and sanitation - this is an opportunity for GWP and partners to mobilise action on water investments.

During my tenure as president of Tanzania from 2005 to 2015, our country faced many water challenges. In response, we launched the Tanzania Water Sector Development Programme in 2006. Our goal was to develop a sound water resources management and development framework in all nine Tanzanian river basins, and to promote good governance of water resources in a sustainable manner for various competing uses. The programme is still running and a 2013 external evaluation by Oxford Policy Management found it to be the largest national water programme in Africa at the time, with confirmed funding of \$1.3 billion for its first phase.

During the planning of the Tanzania Water Sector Development Programme, we did not envisage much physical construction in the first two years. However, in practice it took even longer for work to begin on the ground - particularly for investments in rural water supply. Many of these delays had to do with procurement processes and financial administration, and led us to re-structure the programme in 2011 and extend our Phase I targets.

The implementation challenges we faced were not unique to my country, Tanzania. According to the Infrastructure Consortium for Africa hosted by the African Development Bank, delays in the implementation of water projects are commonplace across the continent. Understanding this, how can GWP and its partners rally to contribute to the 2025 Africa Water Vision of water security for all?

According to the Africa Water facility at the African Development Bank, **\$64 billion/year** is required annually to meet the 2025 Africa Water Vision¹. The actual figure sits somewhere between **\$10 and \$19 billion per year**. **We clearly need to act with urgency.**

- By 2030, Africa's population will reach 1.6 billion. This will require a **tenfold increase in water for social-economic needs**
- **Over 300 million** without access to potable water
- **Over 700 million** without access to adequate sanitation
- **Over 40 billion otherwise productive hours are spent in fetching water and sanitation**
- **GDP loss of 5%/year** due to inadequate water and sanitation
- Climate change losses are estimated at **\$1.4 billion /year** for the 8 most prone countries to water disasters in Africa
- Less than 10% of Africa's hydropower potential of 304,350 MW is utilized
- **153 million people** above 15 years suffered food security in 2014
- **90% of untreated wastewater** discharged directly into rivers and lakes

In order to assist countries address these challenges and move forward, we need to understand what holds us back. We have identified three main obstacles.

First, across our continent, the planning and investment of ongoing and new SDG 6 investments in water and sanitation are not coordinated with interventions in health, energy and food security. What results is structurally embedded 'silos' that undermine job creation and inclusive economic growth.

Secondly, the planning and decision making around climate resilient water investments are not gender transformative.

Thirdly, the preparation and implementation of bankable transboundary water projects is slow – lagging behind the water needs of many economic sectors.

As Co-Chair of the Africa Water Investment Programme – or AIP, I am pleased to say that the **AIP is directly responding to these obstacles**. The programme was developed through a collaboration between the African Union Development Agency, African Ministers Council on Water and the African Development Bank following a 2018 call from the High Level Panel on Water, convened by the United Nations Secretary-General and President of the World Bank Group.

Our goal is to transform and improve the investment outlook for water security and sustainable sanitation for a prosperous, peaceful, and equitable society.

Practically, this means that the AIP will address the blockages to investment in water infrastructure in Africa through catalysing commitment and leadership for coordinated climate resilient SDG water investment toward inclusive growth, Jobs and Industrialization; mobilising partnerships and implementing gender-transformative investments in water climate development, and accelerating project preparation, finance and implementation of regional, transboundary water investments.

Through the AIP, I hope to work with global and African leaders from both government and private sector and GWP partners to galvanize high level political support to bring about the leadership, commitment, finance and the business case needed for water investments in both the private and public sectors. We will do this through the establishment of a High-Level International Panel for Climate Resilient Water Investments in Africa. The panel will include African leaders, representatives of the Heads of States, United Nations, World Bank, African Development Bank, business leaders, foundations, and artists.

The Panel will accelerate, champion and motivate for increased water investments on the continent to address urgent water related challenges in health, energy, food and climate change.

Their immediate objective will be to develop a high-level report for the African Union Heads of State with recommendations for countries to mobilise \$30 billion annually in investments towards the water infrastructure gap and contribute to the achievement of 2030 Sustainable Development Goal on Water and Sanitation.

The panel success – and indeed the success of the AIP - depends on GWP partners communicating our renewed investment agenda. Together, we need to foster understanding of the economics of water as a means-to-an-end in social-economic development.

We need to assist national governments to find answers to key water resources issues and considerations for an economic analysis for water resources. Questions such as:

What is the role of water in the national economy?

What impact does water pricing and availability have on the economy?

Where does inadequate water availability currently constrain the economy?

The 2013 World Development Report found that three out of four jobs are water dependent. Water scarcity and supply disruptions limit economic growth and jobs. Water scarcity is one the root causes of migration. Investments in water infrastructure and ‘water jobs’ generate positive returns and have a positive ripple effect on job creation across all economic sector. And yet, water professionals rarely emphasise the macro-economic issues and the critical role of water in job creation.

We need to support national efforts to **strengthen the investment climate for water investment** by defining a new narrative on water security – one that is rooted in economic theory and data.

To avoid delays in implementation of water investments, we need to support governments to enhance **project preparation and transaction management** in the delivery of water infrastructure.

Finally, we cannot talk about opportunity and resourcefulness without acknowledging the inherent potential that lies in our youth. Africa is a young continent and our young people have an important role in driving water and sanitation investment in Africa – to observe, assist, initiate new methodologies, and implement. Let us spend time during this network meeting to discuss ways in which we can create a seat at the table for our young people today, because they are the ones that will take our work forward in the decades to come.

I thank you.

ⁱ https://www.afdb.org/sites/default/files/documents/publications/afdb20-04_aeo_supplement_full_report_for_web_0705.pdf