



NEPAD
TRANSFORMING AFRICA



African Water Facility
Facilité africaine de l'eau
Mobilising Resources for Water in Africa
Mobiliser des ressources pour l'eau en Afrique



Global Water Partnership
Africa

Africa Water Investment Program (AIP)

High Level Panel on Water Africa Legacy Initiative

**\$30 billion SDG 6 Investments leveraged &
5 million Jobs created by 2030**

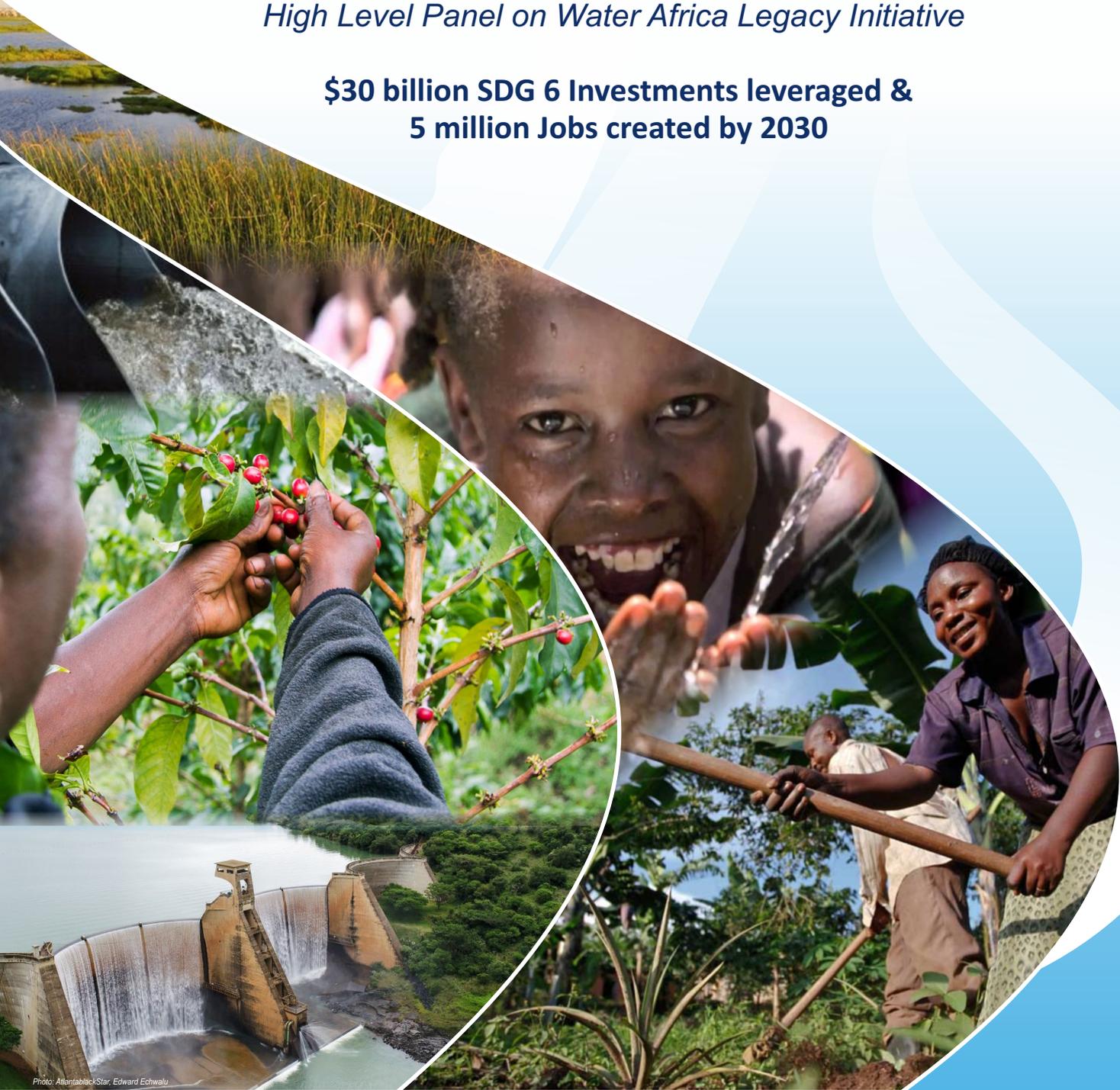


Photo: Allantaback-Star, Edward Echwale



AFRICAN MINISTERS' COUNCIL ON WATER

The Program

In March 2018, the High Level Panel on Water (HLPW), released its outcome document and called for the launch of an Africa Water Investment programme (AIP). In response, the Africa Water Investment Programme (AIP) has been developed in collaboration with African Union, AMCOW and the African Development Bank/ Africa Water Facility.

The HLPW was co-convened in 2016 by the UN Secretary-General and the World Bank President to provide the leadership required to tackle one of the world's most pressing challenges – an ever growing water crisis. The Panel identified ways in which the world could accelerate progress towards ensuring availability and sustainable management of water and sanitation for all (SDG 6).

The HLPW membership comprised 11 sitting Heads of State from Australia, Bangladesh, Hungary, Jordan, South Africa, Mauritius, Mexico, Netherlands, Peru, Senegal, Tajikistan; and a Special Advisor.

AIP will support implementation of HLPW outcomes relevant to Africa and key African Union Heads of state decisions on water, growth and development.

The African Water Investment Program (AIP) has been developed to



Photo: WaterNet

transform and improve the investment outlook for water security and sustainable sanitation in Africa through accelerating project preparations and mobilizing partnerships and resources. In collaboration with the NEPAD Planning and Coordination Agency, AIP will also contribute to acceleration of project preparation and financing of transboundary water projects and foster a water-food-energy nexus approach in development hydropower projects under the Programme for Infrastructure Development in Africa (PIDA Water).

Goal and objective

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

The objective is to enhance job creation through gender sensitive investments in water security, industrialization and climate resilient development.

AIP Components

Catalyse

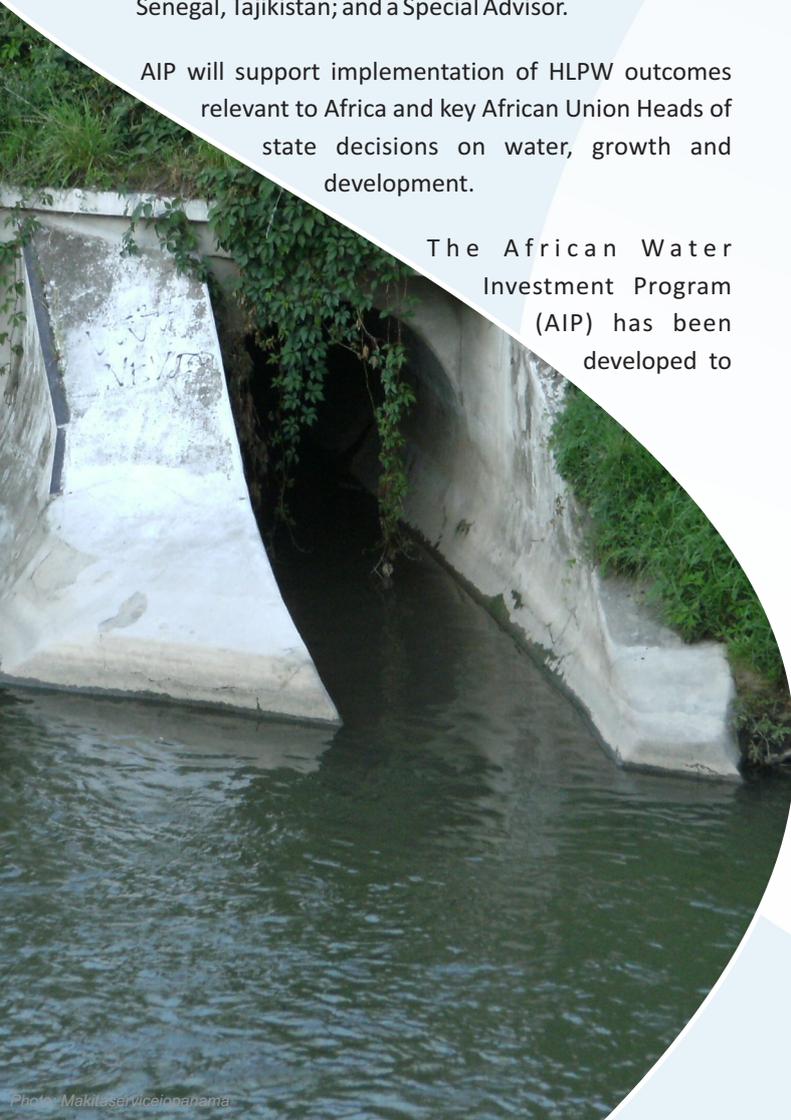
Catalyse Climate Resilient SDG Investments for inclusive growth, Jobs and Industrialization

Mobilise

Mobilise Innovative Partnerships for Water Governance and Investments

Accelerate

Accelerate Project Preparation, Financing and Transaction Management



AIP will strengthen the business case for investments in water security and prepare bankable projects as instruments to stimulate transformative economic growth, address the root causes of migration and youth unemployment. In addition to SDGs, AIP contributes to Africa's employment creation agenda, AU agenda 2063; AfDB High 5 priorities, Africa Water Vision 2025, and the Paris Agreement on climate change.



Photo: Center on Food Security and the Environment - Stanford University

Expected Outcomes

- Business case for investments in water security and sustainable sanitation strengthened, the profile of water raised as a success factor for economic growth and transformation in Africa
- African Water and Sanitation Investment Guarantee Fund adopted by African Union
- Delivery of critical water infrastructure accelerated, addressing the water-energy-food-ecosystems nexus and meeting the needs of water dependent growth sectors and the poor
- Water security and climate resilience integrated in regional and national development plans
- Preparation of bankable projects lagging behind

accelerated and transaction management related blockages removed

- Innovative public-private partnerships, knowledge and capacity of public institutions strengthened for improved water governance at regional and national level
- Catalytic funding for AIP mobilised: \$100m by 2021, \$300m by 2025, \$500m by 2030

Challenges addressed by AIP

In addition to implementing relevant outcomes of the HLPW, AIP will address the challenges defined by AfDB and AMCOW in the Africa Regional Report for the 8th World Water Forum.

a. Address bottlenecks of project preparation

Urgently address three key bottlenecks identified as resulting in stagnation of investment preparation,

AIP Head Line Results- by 2030:

- \$30 billion investments leveraged by 2030 toward SDG 6, stimulate job creation and growth
- Africa Water Investment Guarantee Fund established, dedicated for water and sanitation
- 250 million people benefit from economic opportunities generated and root causes of irregular water related migration addressed
- 4 million indirect jobs created for vulnerable, poor youth, women and girls
- 1 million direct jobs created through investments in water and sustainable sanitation
- Priority water infrastructure projects on the continent 'unblocked, project preparation and financing accelerated



financing and implementation especially for water and sanitation infrastructure:

- (a) The need for investment guarantees in project finance for large water and sanitation infrastructure, with long term investment returns of 15 – 25 years.
- (b) The need for independent, integrated, inclusive economic, social analysis to fully understand the role of water in the economy and prioritize focus areas and investments most urgently required to facilitate growth and employment;
- (c) The need for transaction management across all stages of the project cycle, to enable effective translation of development planning to 'on the ground' physical infrastructure assets that will contribute to sustainable growth and shared prosperity

AIP activities will harness expertise of the private sector and work with the public sector to 'unblock' constraints in preparation of priority employment orientated-water investment projects and support the efficient execution of the legal, technical, procedural and managerial functions required to implement large water investment projects.



Photo: Alive2green

The programme will address key challenges constraining Africa's efforts to prepare bankable projects at a scale required to assure water, food and energy security and play a transformational role in global efforts to expand economic opportunities for the poor and curtail political, governance, economic and social factors underlying unemployment, migration, displacement, regional and national security.

Building on existing regional and country water partnerships, AIP will strengthen and promote innovative public private partnership models to unlock private sector investments in water, energy and agriculture as key pillars of Africa's growth and job creation agenda.

The programme will leverage partnerships to enhance water security and sustainable sanitation through evidence based economic social and gender analysis and build capacity for transaction management in project preparation of targeted employment creation investments for the poor, vulnerable women, girls and the youth.

b. Urgently scale up water investments

The investment requirements for the water sector in Africa are not only obvious but are also mounting to achieve the SDGs. Despite availability of investment project lists at continental, regional and national level backed by express strong political will and funding available public and private finance, the actual pace of investment in the sector in Africa remains very slow, hampering progress needed to achieve the continent's SDG targets.

c. Strengthen the business case for water investments, leadership, institutions, knowledge and information

Double the financing and investment for water infrastructure and accelerate efforts to improve the



enabling environment for investment. In particular, fast-track interventions to strengthen leadership, the business case for water investments and strong institutions.

d. Leverage Innovative public-private partnerships in transaction management of project preparation

Strengthen and promote innovative public-private partnerships to address bottlenecks and critical gaps constraining project preparation and financing. The cycle of large investment projects includes a well-established set of steps from conceptualisation, investigation, planning and design through to implementation and maintenance. Whilst the project preparation cycle appears to be logical and sequential, there is a great deal of complexity involved in ensuring systematic execution. This represents a key area of weakness in the public sector.

Examples abound at national, river basin and regional levels where all the ingredients are present - agreed programmes, secured funds and political will – but still no progress is made towards turning planning and strategies into tangible solutions for economic growth, job creation and development. One of the major reasons for slow



pace of infrastructure delivery is the absence of transaction management skills and experience.

e. Empower women, youth, promote gender and social inclusion

Africa's population is young, with more than 40% below 15 years in most countries, a large proportion of which is unemployed.

Women and youth have been systematically disadvantaged at all levels of decision making adversely impacting women and girls' wellbeing.

Workforce opportunities and development outcomes within the home and community, persistently hold back women empowerment limiting society and nations from achieving full economic potential. Youth contribute the majority of the population, yet they face challenges of prevailing and rising unemployment.

AIP Business case

Achieving SDGs in a changing climate will require governments, societies and the private sector to change the way they use and manage water.

To accelerate this transformation, Member States of the African Union will implement the AIP as a vehicle to cultivate the leadership required to champion a comprehensive, inclusive and collaborative way of developing and managing water resources, and improving water and sanitation relate

In recent years the focus of most governments in Africa has shifted to the urgent need to mobilise investments and industrialise as a first step to reduce persistent poverty.



The ambition is to build robust, competitive and climate resilient economies, accelerate employment and labour productivity, growth and deliver inclusive socio-economic development and livelihoods improvement.

But African countries are facing several challenges. By 2030, African population will hit 1.6 billion. This translates into a need to produce at least 50% more food and at least a tenfold increase in water needs for energy production to support modernisation of economies and social progress.

Rapid urbanisation and industrialisation will both increase demand for water and sanitation services, increase environmental degradation and the pollution of water bodies. Action is needed now, to avert growing risks and uncertainties to economic productivity and political stability exacerbated by climate change.

Africa's Small Island Developing States (SIDS), in particular face high risks due to their exposure to environmental disasters.

Migration within Africa and across the Mediterranean to southern Europe has reached crisis levels, in part, due to political instability in some parts of Africa, but also due to general lack of economic opportunity and poor service delivery at the local level. The time to act, expand



Photo: Fortune of Africa

economic opportunities and jobs is now.

At the heart of all these challenges and opportunities is the way water is managed and governed, requiring shared, concrete solutions and mechanisms to manage competing and increasing pressure on the water resources to enable prosperous, sustainable and inclusive development.

Governance and Implementation

The organs, structures and institutions of the African Union will provide political leadership and guidance to the AIP.

The programme will be implemented by AU Member States, RECs and regional implementing partners, with support from GWP in collaboration with the AfDB/AWF, AMCOW, NEPAD and other partners.

Implementation arrangements will consider the subsidiarity principle and allow utilisation, as appropriate, of national as well as RECs' and/or RLBOs' systems.

Duration and Budget

The programme is phased as follows:

Phase I: 2019 – 2021; US \$100m (3 year)

Phase II: 2022 – 2025; US \$300m (4 year)

Phase III: 2026 – 2030; US \$500m (5 Year)

With an estimated leverage ratio of 1: 60 based on AfDB/AWF target investment ratios, AIP will leverage at least USD30 billion by 2030.



Photo: The green Times

AIP Results Framework

Goal	To transform and improve the investment outlook for water security and sustainable sanitation for a prosperous, peaceful and equitable society
Overall Objective	<i>The objective is to enhance job creation through gender sensitive investments in water security, sustainable sanitation, industrialization and climate resilient development.</i>
Impact	<ul style="list-style-type: none"> • \$30 billion investments leveraged by 2030 toward SDG 6, stimulate job creation and growth • Africa Investment Guarantee Fund established • 250 million people benefit from economic opportunities generated and root causes of irregular water related migration addressed • 4 million indirect jobs created for vulnerable, poor youth, women and girls • 1 million direct jobs created through investments in water and sustainable sanitation • Priority water infrastructure projects on the continent 'unblocked, and project preparation accelerated
Targeted Outcomes	<ul style="list-style-type: none"> • Business case for investments in water security and sustainable sanitation strengthened, the profile of water raised as a success factor for economic growth and transformation in Africa • African Water and Sanitation Investment Guarantee Fund adopted by African Union • Delivery of critical water infrastructure accelerated, addressing the water-energy-food-ecosystems nexus and meeting the needs of water dependent growth sectors and the poor • Water security and climate resilience integrated in regional and national development plans • Preparation of bankable projects lagging behind accelerated and transaction management related blockages removed • Innovative public-private partnerships, knowledge and capacity of public institutions strengthened for improved water governance at regional and national level • Catalytic funding for AIP mobilised: \$100m by 2021, \$300m by 2025, \$500m by 203
Programme Components	<ul style="list-style-type: none"> • Catalyse Climate Resilient SDG Investments for inclusive growth, Jobs and Industrialization • Mobilise Innovative Partnerships for Water Governance and Investments • Accelerate Project Preparation, Financing and Transaction Management
Activities	<ul style="list-style-type: none"> • Support establishment of the African Water Investment Guarantee Fund • Support governments to implement SDG6 through increased investments in water infrastructure, integrated urban, rural water and sanitation • Support countries to integrate water security and climate resilience in development planning and decision-making processes. • Support preparation of investments and financing of bankable projects on the water-food-energy-ecosystem nexus • Support NEPAD to accelerate project preparation of PIDA Water transboundary water projects and foster Nexus Approach in hydro-power development • Facilitate development and operationalisation of the relevant tools, systems/mechanisms and institutional structures for Valuing Water at all levels • Support countries to undertake economic analysis and fully understand the economics of water in a country, river basin or region to determine the real value of proposed investments and their related costs and benefits-and motivate investment finance • Promote investment-led trans-boundary management and governance of water and environmental resources • Support countries to strengthen innovative public-private partnerships, access transaction management services and efficiently execute the legal, technical, procedural and managerial functions required to prepare and implement bankable large-scale water investment projects

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