



AWF – Support for Water and Sanitation Projects in Africa

GCF Workshop 21
September 2018



African Water Facility: "Project Preparation Facility of the Year"
Africa investor (AI) Infrastructure Project Developer Awards 2015



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

AWF Background

- Initiated by AMCOW in 2004
- Hosted by AfDB
- Began operations in 2006
- 117 projects supported across many different thematic areas involving water
- Accredited entity to GCF by virtue of being part of the African Development Bank Group

AWF Strategy 2017-2025

Vision

A water secure Africa where the continent's water resources are developed and managed equitably and sustainably for poverty alleviation, socio-economic development, regional cooperation, environment protection and climate change resilience

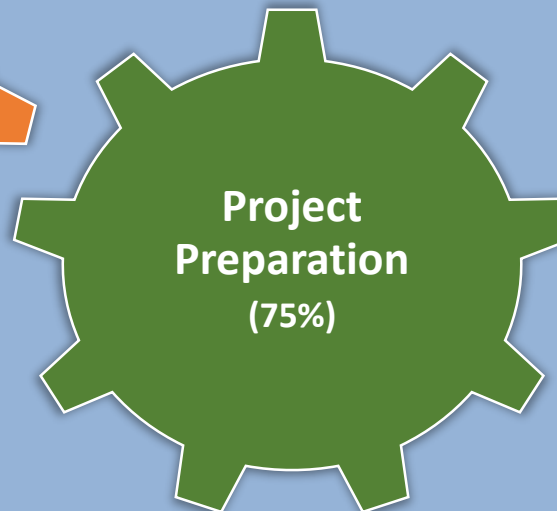
Mission

The primary water instrument in Africa that supports & facilitates resources mobilization to meet the huge investment gap for water infrastructure development

Goal 2025

To mobilise resources to ensure water security in Africa contributing to meeting the goals and targets established by the Africa Water Vision and the SDGs

Pillars



Climate Change & Gender Social Equity & Fragile States

Strategic Priority 1 : Project Preparation



Objective

To finance the preparation of projects and programmes for water resources development, and secure follow-on investment for their implementation.

Activities

Covering all aspects of the project preparation cycle

PROJECT PREPARATION

- Feasibility studies
- Project Design
- Project Structuring
- Scaling up innovative solutions
- Bankable projects for blended/commercial finance

WRD PLANS

- Assessment of WR potential & management needs
- National & Transboundary IWRM planning

ENABLING ENVIRONMENT FOR INVESTMENTS

embedded in project prep

- Governance frameworks & tools
- Regulation
- WR data & information
- TWRM cooperation arrangements



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Strategic Priority 2: Catalytic Investments



Objective

To make investments that leverage additional resources for water projects; diffuse innovation; and provide evidence that encourages private stakeholders to invest

Activities

Deploying small but **catalytic investments**, that enable projects to be implemented

Public & private recipients

Max. 33% of project investment

REPLICATING & PILOTING INNOVATIVE SOLUTIONS

Investments to **trigger implementation of innovative projects**

- Business models, technologies & financing mechanisms
- Priority to projects that address gender, pro-poor, social inclusion

PROVIDING VIABILITY GAP FUNDING

Investments to **leverage commercial finance**

- Generally strengthen the project company's balance sheet
- Targeted subsidies such as financing guarantees or interest rate subsidies



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Strategic Priority 3: Investment Promotion



Objective

To facilitate an increase in the number of public and private investment opportunities beyond the reach of specific AWF-funded projects

Activities

Undertaken directly by AWF

INVESTMENT OPPORTUNITY DIAGNOSTICS

- Assessments of infrastructure investment needs & preparedness
- Inventory of potential projects to build a pipeline
- Credit assessments of service providers

NETWORKING PLATFORM

- Market project opportunities to potential investors
- Develop a water investment networking platform
- Share experiences and innovation

GUARANTEE BROKERAGE

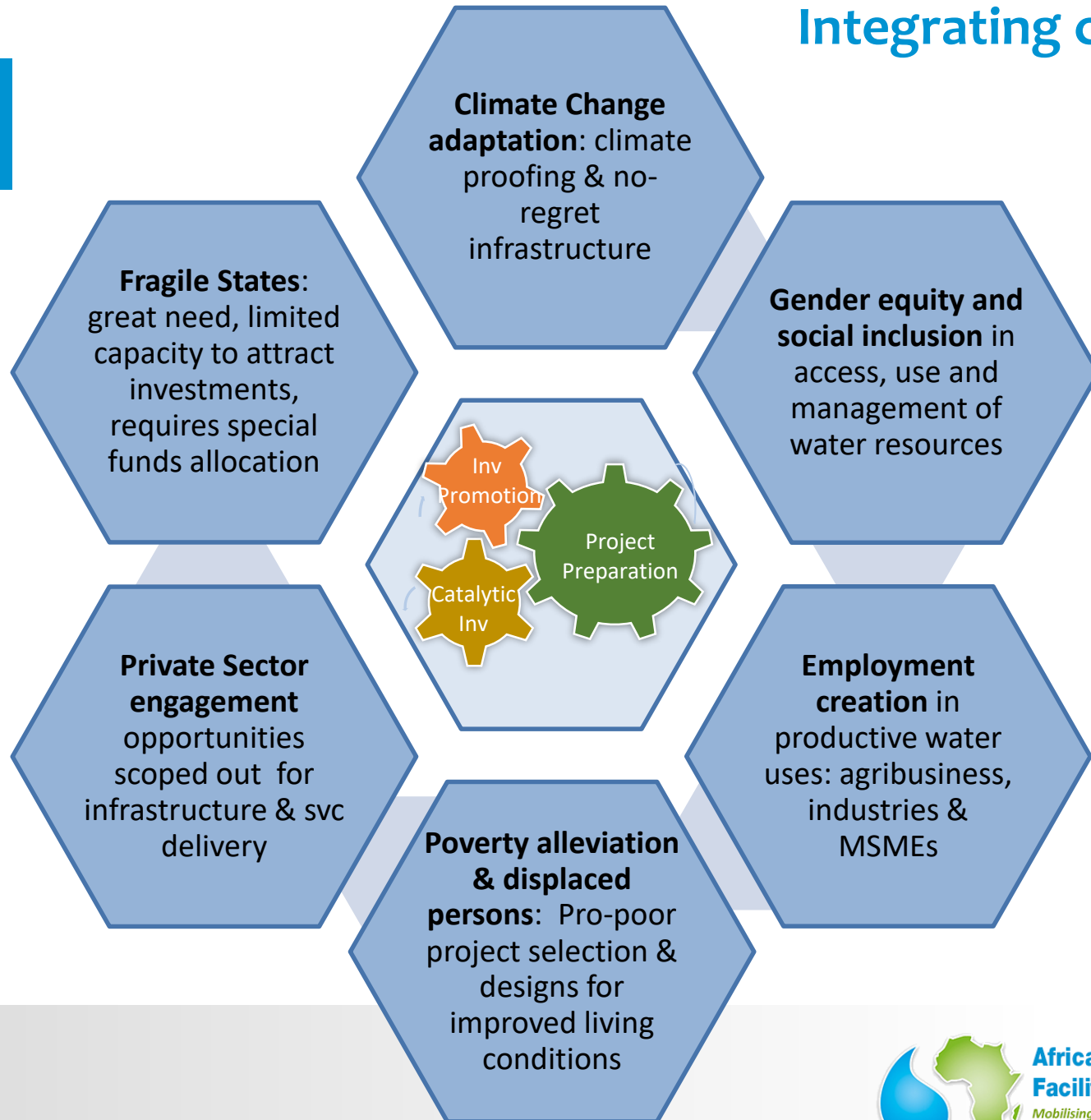
- Awareness raising for risk mitigation instruments
- Establish an **guarantee broker function**: liaison with guarantors to help project sponsors obtain the necessary guarantees/ insurances



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Integrating cross-cutting priorities



African Urban Sanitation Investment Fund

- Developed in concert with Bill & Melinda Gates Foundation
- Initiated to help crowd in finance into the sanitation sector and provide a funding platform
- Focus on Faecal Sludge Management and 'distributed sanitation network' and approaches.
- Mix of project and fund development

Call for Climate Resilience Projects

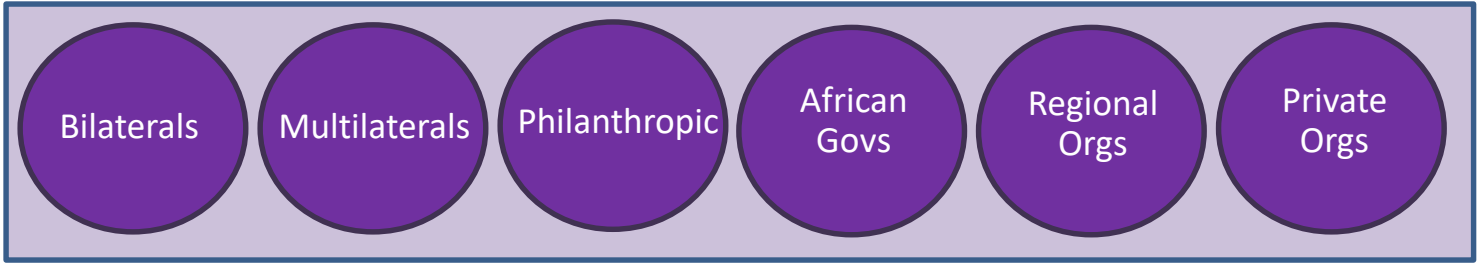
- Call initiated in 2014 in concert with Nordic Development Fund
- 240 Applications received
- 32 screened and selected for pipeline
- 10 underway and others under appraisal
- However, limited resources available through this pathway to fully implement

Working with Others

- As a PPF, AWF needs to work with others, especially in project implementation
- Prepared projects implemented by a range of partners (EIB, AFD, World Bank, GIZ, Others)
- Sometimes use co-financing for project preparation activities – e.g. CRIDF in Southern Africa, D2B in Freetown

SUMMARY

Funding partners



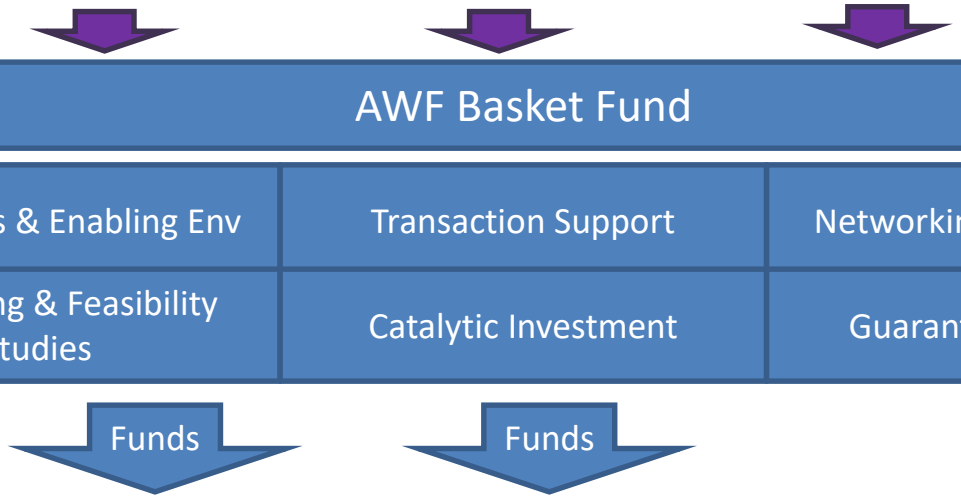
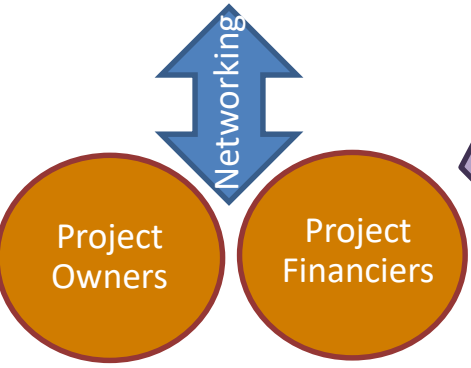
AWF Funds



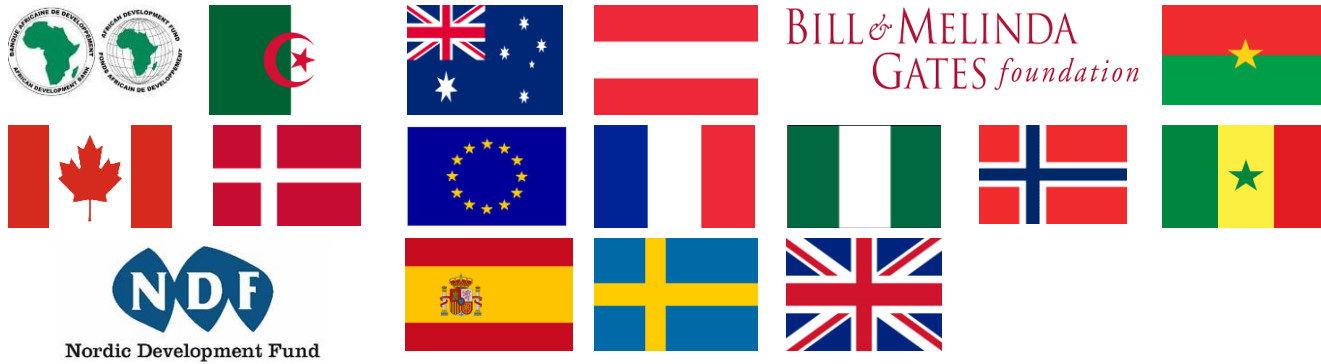
AWF Products



Beneficiaries



Thank You



www.africanwaterfacility.org