

Challenges

The **POPULATION OF AFRICA** is projected to double in the next **35 years:** doubling the demand for food, grain, clean water and increasing energy demand by **4 times.**

(Source: UNFPA, 2013, Water for Food Institute, 2014 PIDA TWRM Outlook 2040)

In order to reach basic development standards for **water,** Africa needs U.S. **\$50 Billion** dollars in annual investment.¹

(Source: PIDA TWRM Outlook 2040)

Currently **less than U.S.\$5 billion** dollars per year is committed by ICA members to **water** projects in Africa. *(source: Infrastructure Consortium for Africa)*



Integrated water resource management remains a challenge at the national and regional level because of institutional, political and regulatory barriers to water cooperation.

The challenges for development of African water infrastructure are daunting. There is still a funding gap that hinders achieving the Millennium Development Goals for water and sanitation in Africa. Integrated water resource management remains a challenge at the national and regional level because of institutional, political and regulatory barriers to water cooperation. The impact of climate change has caused dramatic hydrological variability highlighting the urgent need for the adaptation of climate-resilient approaches. These are just a few of the challenges that make finding solid investment plans and bankable water projects difficult in Africa.

To address Africa water investment challenges, the ICA Water Platform was established in 2011, and is championed by the German Federal Ministry for Economic Cooperation and Development and KfW. The ICA Water Platform Objectives are to:

Increase financing for sustainable water infrastructure in Africa from public and private sources.

Identify and promote bankable water-related projects –with a special focus on regional projects.

Facilitate dialogue on financing between African stakeholders, development partners and the private sector to promote best practices.

Foster greater cooperation (in alignment with African priorities e.g. African Water Vision 2025, Sharm-El Sheik Declaration)

ICA WATER ACTIVITIES

SUPPORTING REGIONAL INSTITUTIONS IN RESOURCE MOBILIZATION

A good example of an ICA water activity is the assistance it provides the Lake Victoria Basin Commission (LVBC). The ICA helped LVBC develop twenty two project concepts notes. In June of 2013 these project concepts were presented at the ICA sponsored LVBC Donors Conference in Entebbe. The ICA facilitated the presentation of these project concepts to various donors. This assistance has helped deepen a dialogue and foment real partnerships between the LVBC and the international donor community at large – resulting in many firm commitments to finance most of the twenty two projects.

FACILITATING PROJECT PREPARATION FOR CLIMATE RESILIENT WATER PROJECTS

The ICA Water Platform is supporting the Global Water Partnership (GWP) in their efforts to implement the Water Climate and Development Program (WACDEP) of AMCOW (African Ministers Council on Water). The WACDEP has been created to support the integration of water security and climate change adaptation into development planning processes and the design of financing and investment strategies. The ICA will assist in facilitating project preparation and resource mobilization for identified climate resilient projects in 8 countries and 5 Basins.

SHARING KNOWLEDGE

In June of 2012 the ICA co-organized a public-private partnership conference with the International Finance Corporation (IFC) and other World Bank organizations in Dakar, Senegal. More than 120 participants from across sub-Saharan Africa gathered to discuss ways to increase the capacity of key pol-



icy makers in accelerating access to safe and reliable water and sanitation services through targeted and well-structured Public-Private-Partnerships. The ICA also has a knowledge center on its web site where hundreds of publications, fact sheets, and tools are about water and other infrastructure issues are available free of charge.

IDENTIFICATION OF INVESTMENT POSSIBILITIES: WATER LOSS REDUCTION

In parts of Africa physical infrastructure issues such as old and leaking pipes, and operational issues such as lack of metering, poor billing and collection procedures as well as illegal water connections represent a loss of revenue for the utility. This is referred to as non-revenue water (NRW). Reducing the non-revenue water ratio would not only bring more clean water to consumers – but it would also increase financial sustainability of utilities.

In an effort to identify non-revenue water reduction investment possibilities and develop innovative and adequate financing structures, the KfW and ICA contracted a team of consultants for fact finding and recommendations for the Eastern African Region (Rwanda, Tanzania and Kenya). The recommendations included identification of eligible water utilities and a framework for introducing NRW programs. The results were presented to ICA members for follow up and implementation at the annual meeting in 2013.

FINANCIAL SUPPORT OF WATER INFRASTRUCTURE PROJECTS BY ICA MEMBERS

Approximately 24.6% of the overall commitments by the ICA members in 2012 were dedicated to water related programs and projects. ICA members reported about U.S.\$ 4.6 billion dollars in commitments for water projects in 2012. This represents a 35% rise from the 2011 figure and is the highest recorded level of investment by ICA members during the 2008-2012 time-frame. While water receives less investment than either energy and transport infrastructure, ICA members still committed 3.7 bn US\$ in Sub Sahara Africa in 2012, representing a 54% increase on equivalent investments in 2011.

For more information about the Infrastructure Consortium for Africa visit: www.icafrica.org

For specific information about the ICA Water Platform please email: icasecretariat.org

(Endnotes)

1 Of the U.S. \$50 billion dollar projection U.S. \$12 billion should be devoted to water supply, sanitation and hygiene, 5bn for irrigation and U.S. \$20 billion for hydropower and U.S. \$ 5 billion for multipurpose storing, U.S. \$5 billion for urban waste water, U.S. \$1 billion for desalination and U.S.\$0.1 billion to rehabilitate irrigation systems. These estimates are projected requirements between 2012 – 2020. From 2020-2040 there are other investment requirement estimates. (Source: PIDA TWRM Outlook 2040)

ICA
The Infrastructure
Consortium for Africa

CATALYSING
AFRICA'S
INFRASTRUCTURE
DEVELOPMENT

www.icafrica.org
ICASecretariat@afdb.org