



# FINANCING TRANSBOUNDARY WATER INFRASTRUCTURE AND WATER RESOURCES MANAGEMENT IN SADC



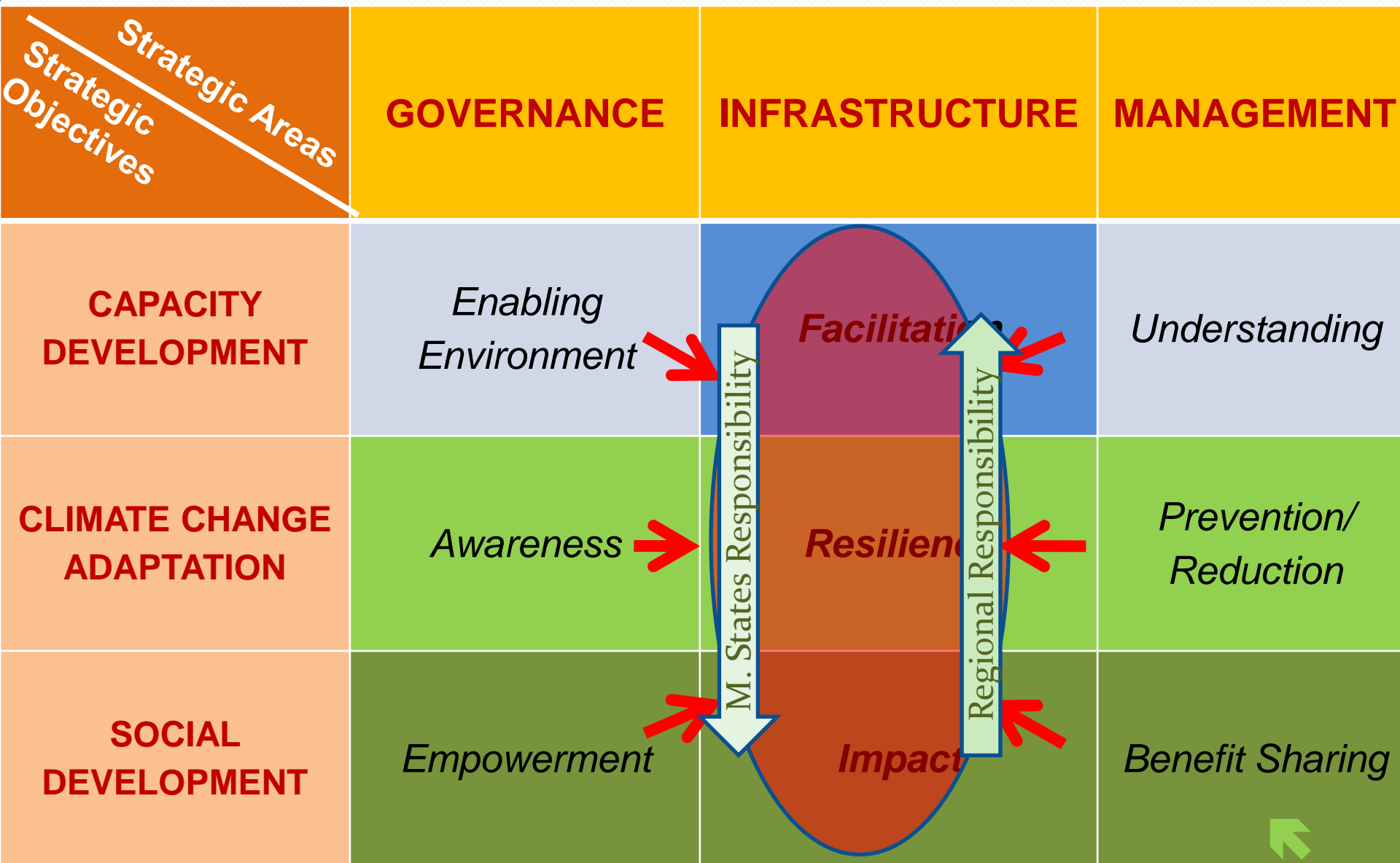
**MR PHERA RAMOELI**  
SENIOR PROGRAM OFFICER  
WATER DIVISION  
SOUTHRN AFRICAN DEVELOPMENT COMMUNITY (SADC)  
AFRICA WATER WEEK, CAIRO, EGYPT, 14-18 MAY, 2012



# PRESENTATION OUTLINE

- THE NEED FOR A TRANSBOUNDARY APPROACH TO WATER RESOURCES DEVELOPMENT
- OVERVIEW OF THE SADC REGIONAL WATER INFRASTRUCTURE DEVELOPMENT PROGRAM RSWIDP 2011-2015
- INVESTMENT OPPORTUNITIES IN SADC
- FINANCING TRANSBOUNDARY WATER RESOURCES MANAGEMENT PROJECTS

# RSAP III SIMPLIFIED OVERVIEW



**Table 1. SADC WATER SECTOR INFRASTRUCTURE DEVELOPMENT OPPORTUNITIES SELECTED PROJECTS STATUS - 2011**

PROJECT #	PROJECT NAME	COUNTRIES	TOTAL PROJECT COSTS (USD M)	IMMEDIATE FUNDING ) REQUIREMENTS (USD M)	KEY SECTOR
<b>REGIONAL PROJECTS</b>					
RG-1	Inga 3 Hydropower	DRC-shared Regional Electricity	7,600 to 10,000	15 (feasibility)	HE
RG-2	Lesotho Highlands, Phase II	Lesotho, South Africa	2,000	t.b.c	HE WS
RG-3	Batoka Gorge Hydropower	Zambia, Zimbabwe	3,500	1.5% of budget (design)	HE
RG-4	Songwe River Basin Development Programme	Malawi, Tanzania	329	329	HE WS AG
<b>CROSS BORDER PROJECTS</b>					
XB-1	Food Security - Upper Okavango	Angola, Namibia	66	1.5 (pre-feasibility)	AGRI
XB-2	Vaal-Gamagara Water Supply	Botswana, South Africa	t.b.c	0.4 (pre-feasibility)	WS
XB-3	Ressano Garcia Weir - Water Supply	Mozambique, South Africa	6	0.5 (design)	WR WS
XB-4	Lomahasha/Namaacha Water Supply	Swaziland, Mozambique	13 (Swaziland)	1 (design + feasibility)	WS
XB-5	Cross border locations – Water Supply & Sanitation	ZAM-ANG-BOT-DRC-MAL-MOZ- TAN-ZIM	30 (Zambia)	3.4	WS
<b>NATIONAL PRIORITY PROJECTS</b>					
P1-01	Lubango - Phase 2: Water Supply & Sanitation	Angola	126	0.5	WS
P1-02	Limpopo Basin Joint Water Monitoring	BOT, MOZ, RSA, ZIM	0.7	0.7	WR
P1-03	Kinshasa - Water Supply & Sanitation	DRC	220	t.b.c	WS
P1-04	Lesotho Lowlands Water Supply Scheme - Zone 1	Lesotho	78	78	WS
P1-05	Pending	Madagascar	-	-	-
P1-06	Mombezi Dam - Multipurpose	Malawi	209	3.6 (Design) + 0.75 (EIA)	WS AG
P1-07	13 Housing Estates - Water Supply	Mauritius	10	10	WS
P1-08	Movene Dam - Multipurpose	Mozambique	10	0.3 (pre-feasibility)	WS AG
P1-09	Windhoek - Managed Aquifer Recharge	Namibia	55	5 (EIA, tendering, etc.)	WS
P1-10	Non-revenue Water and use efficiency	Seychelles	69	1.5% of budget (design)	WS
P1-11	Water demand Management	South Africa	Varies	t.b.c	WR
P1-12	Nondvo Dam - Multipurpose	Swaziland	143	2 (feasibility)	HE WS
P1-13	Ruhuhu Valley Irrigation	Tanzania	12.3	0.6 (feasibility)	AGRI
P1-14	Climate Change Adaptation AER 1	Zambia	13	4	AGRI
P1-15	Bulawayo Water Supply from Zambezi River	Zimbabwe	1,250	2 (feasibility + financial analysis)	WS

**INVESTMENT OPPORTUNITIES = USD18.5 BILLION**



# Challenges to Transboundary Water Infrastructure



- Inadequate upstream Project Preparation
- Need for robust cooperative framework to allow for cost sharing as well as benefit sharing Arrangements
- Limited financing modality and low private sector participation in the sector;
- lack of expertise with regard to the successful development of bankable or “ready to be taken forward” projects for market presentation”
- lower than needed institutional capacity to effectively manage infrastructures’ ongoing operations and maintenance.
- Difficulties obtaining accurate and updated water information
- Lack of sector reforms to promote private sector development
- Lack of monitoring and evaluation mechanisms



# opportunities...



- **Establishment and Strengthening of River Basin Organisations (RBOs) e.g.:**
  - Limpopo Water Course Commission (LIMCOM),
  - Orange-Senqu River Commission (ORASECOM),
  - Permanent Okavango River Basin Water Commission (OKACOM),
  - The Zambezi Watercourse Commission (ZAMCOM)
  - the Komati Basin River Authority (KOBWA) and the Lesotho Highlands Development Authority;
- **Public-Private Partnerships Initiatives – Stewardship approaches**
- **Programme for Infrastructure development in Africa (PIDA)**
- **SADC Infrastructure Master Plan process**



## FINANCING TRANSBOUNDARY WATER RESOURCES DEVELOPMENT PROJECTS: KUNENE TRANSBOUNDARY WSS PROJECT



- SADC has experienced and successfully facilitated Transboundary water resources development Projects
- The Kunene Transboundary Water Supply Project
- A Cross border Project Between Angola and Namibia
- Joint funding between the two countries and the German Government, UK and Australian Governments
- Example of a project that demonstrates cooperation for win win outcomes
- Differing levels of development on both side of the border

# Water Developments Disparities between Namibia Angola





# Project Cost Breakdown and Funding

No	Components	Cost (Euro)
1	Calueqe Dam and Pump Station Upgrade and Repair	670,000
2	Callueqe- Mahenene - Oshakati Canal Rehabilitation	2,790,000
3	Calueqe Water Treatment Plant and Water Reticulation	650,000
4	Water Transmission: Oshakati – Santa Clara	2,600,000
5	Water Transmission: Santa Clara -Ondjiva	4,000,000
6	Water Reticulation: Santa Clara – Omupanda	2,600,000
7	Sewage and Water Reticulation in Ondjiva	10,000,000
8	Basic Sanitation in Angolan Villages	200,000
<b>Total</b>		<b>23,510,000</b>
Management Costs		3,567,700
<b>Total Cost</b>		<b>27,077,700</b>

## JOINT FUNDING

GOVERNMENTS OF ANGOLA AND NAMIBIA = €16 m  
 GERMAN OF GOVERNMENT (KfW) = €12 m



**I THANK YOU FOR  
YOUR ATTENTION**