



The Infrastructure Consortium for Africa
Le Consortium pour les infrastructures en Afrique



Unlocking Funding for Water Infrastructure

**THE ROLE OF PROJECT
PREPARATION**

Challenges

Water Sector

Challenges are multiple and increasingly important due to (energy, food and financial crises) and climate change:

- **Existing Funding Gap** that hinders development.
- Institutional, political and regulatory hurdles on national/ regional level
- Need of cooperation amongst riparian states for integrated management of shared water resources.
- Impact of climate change increase hydrological variability and need for **adaptation/climate resilient approaches.**

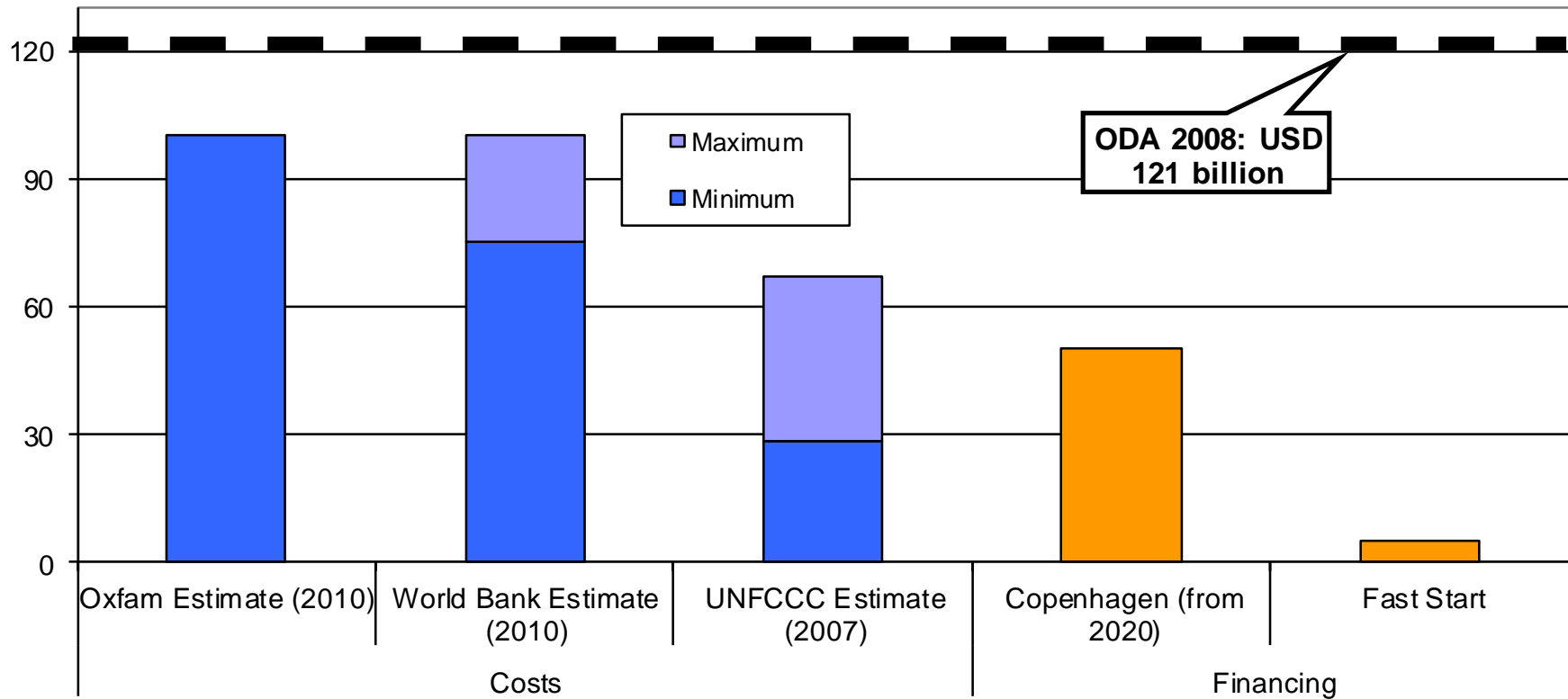
Funding Requirements

Water Infrastructure

- AICD: Spending needs for WSS and Irrigation amount to **25.3 bn USD p.a.**
- Africa Regional Paper for the 5th World Water Forum estimates investment needs of **US\$50 billion p.a. for WSS, Wastewater, Hydropower and Storage.**
- Climate proofing of existing infrastructure will increase costs by **40 %.**
- Scaling up financial resources, increasing accessibility & providing additional predictable funding are core requirements

Funding Gap

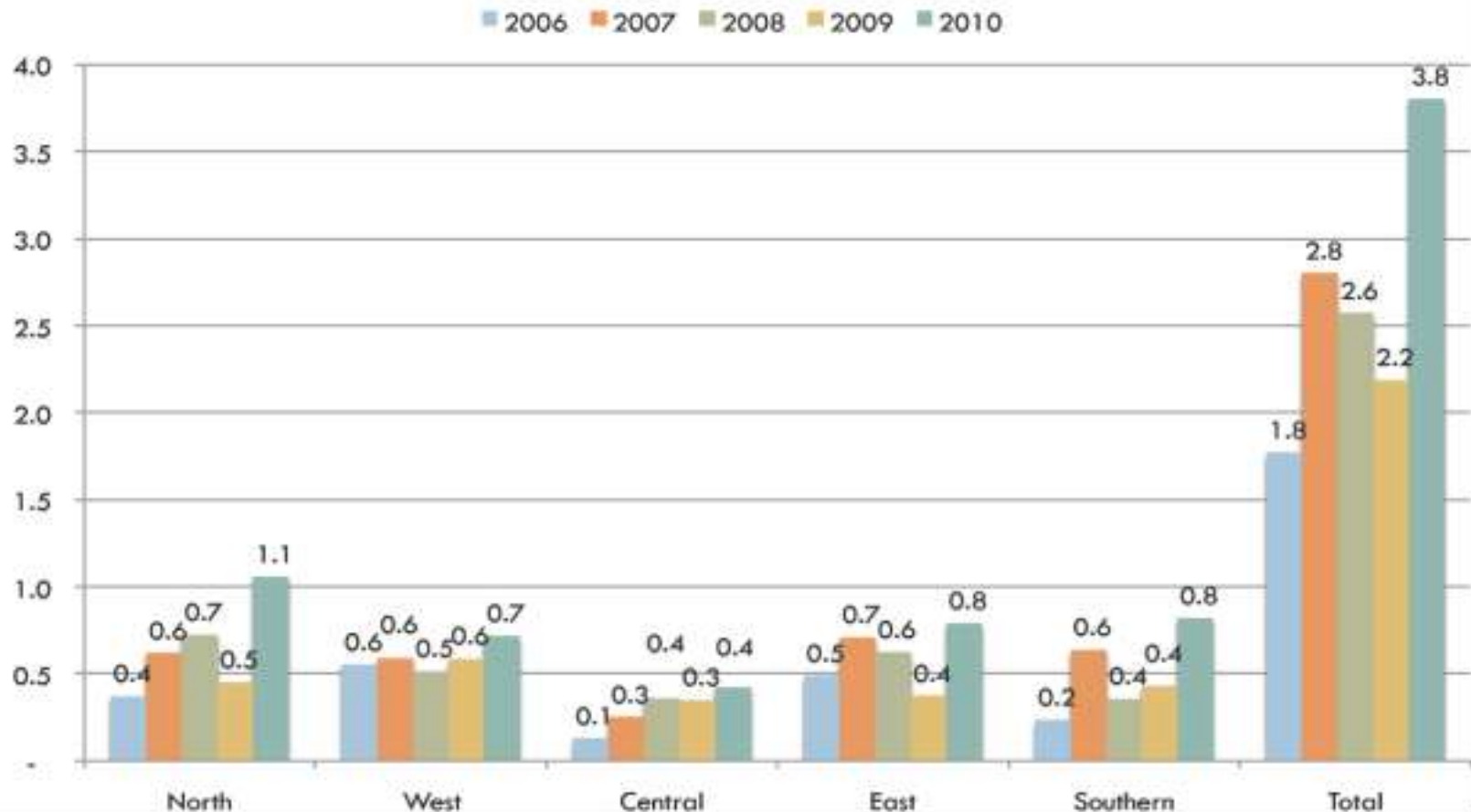
Climate Resilient Infrastructure



Even if **USD 100 billion p.a.** are spent worldwide and even if half of it goes to adaptation, there is still a gap.

Tackling Main Bottlenecks

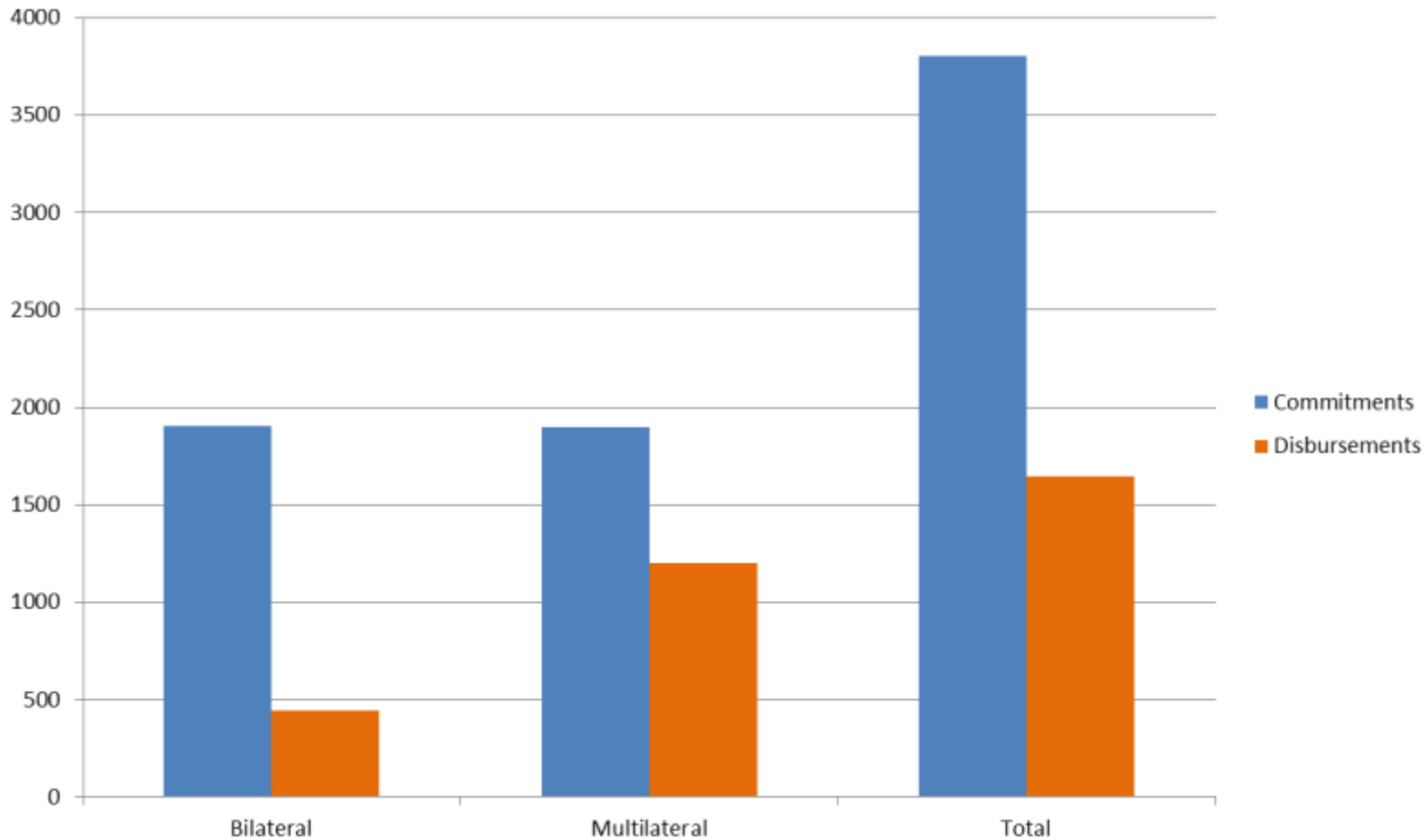
(1) Scarce Financial Resources



Financial Support 2010 by ICA Members to the Water Sector

Tackling Main Bottlenecks

(1) Scarce Financial Resources

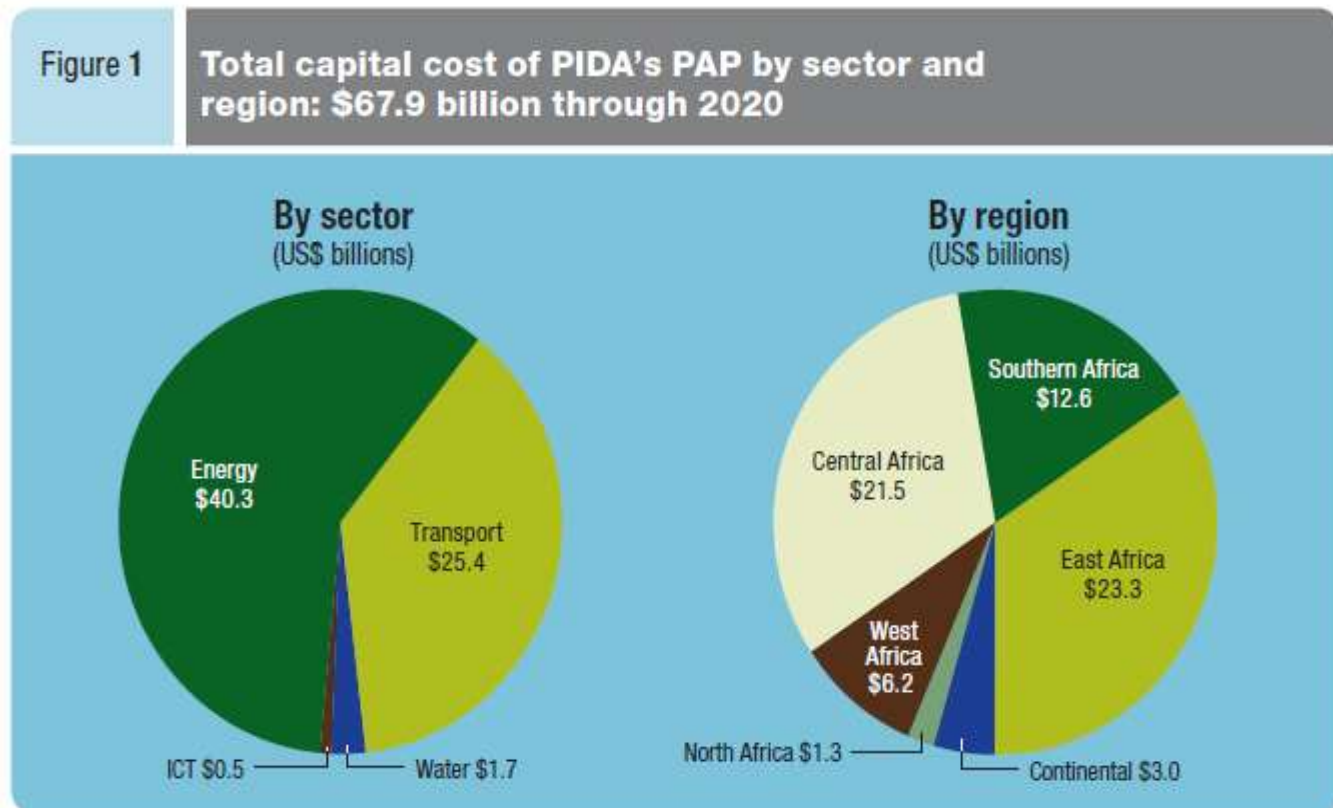


Disbursements 2010 by ICA Members to the Water Sector

Tackling Main Bottlenecks

(2) Lack of Investment Plans

Process of Identification and Prioritizations of water related investments are in preparation on national and regional e.g.: **PIDA**



Project Phases

Project Stage	% of Total Funding Needs	Funding Needs (US\$ bill)
S1/S2 – Concept, Needs, Feasibility	55.25	37.5
S2/S3 – Structuring, Implementation	21.74	14.75
S2/S4 – Feasibility, Structuring, Implementation	23.01	15.60
Totals	100.00	67.85

Tackling Main Bottlenecks

(3) Lack of Bankable Project

Important Role of Project Preparation in Unlocking Public & Private Sector Resources

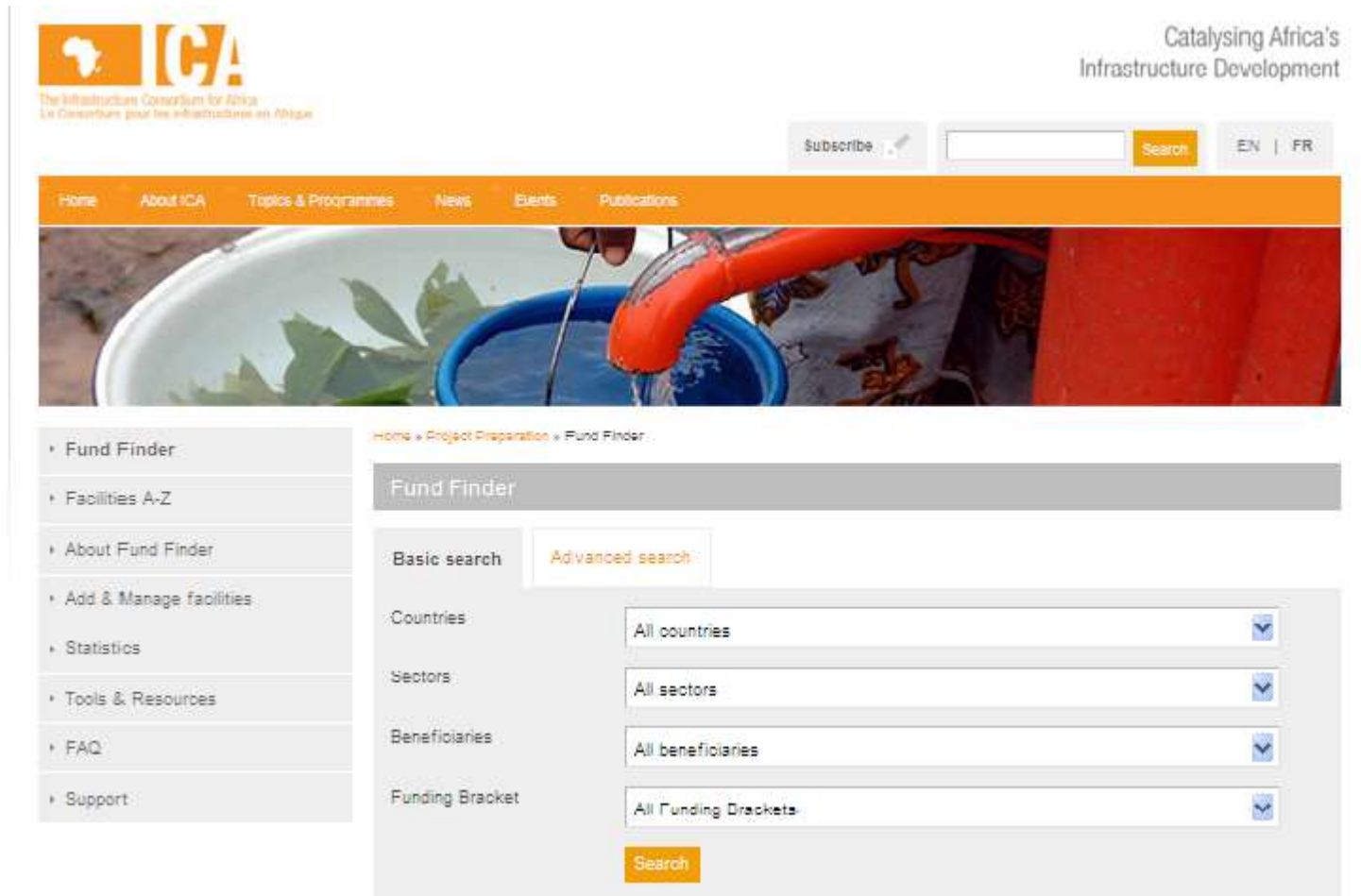
- Major bottleneck to infrastructure delivery as overall scale increases
- Project Preparation aimed at leveraging scarce funding
- Sound Project Preparation is crucial part of projects lifecycle:
 - Lack of funding for initial phases of project development
 - Regional funding is ad-hoc resulting in significant delays
 - Lack of basic information on existing funds and facilities
 - Lack of coordination and allocation

Project Preparation Mapping

Results

- At least 52 Project Preparation Facilities (PPFs) for Africa
- Focus on Sub Saharan Africa (SSA):
 - 39 facilities have SSA in their remit
 - 11 facilities are dedicated only for SSA
- Water and Energy are priorities:
 - 44 of all PPFs define water and sanitation as eligible
 - 8 PPFs are for water sector only
- 44 facilities fund national & 35 facilities fund regional projects
- 44 of the Facilities allow public sector access and 37 provide private sector or PPP support

ICA Project Preparation Fund Finder



The screenshot displays the ICA Project Preparation Fund Finder web application. At the top left is the ICA logo with the text "The Infrastructure Consortium for Africa" and "Le Consortium pour les infrastructures en Afrique". To the right, the tagline "Catalysing Africa's Infrastructure Development" is visible. A search bar with a "Search" button and language options "EN | FR" is located in the top right. Below this is a navigation menu with links for "Home", "About ICA", "Topics & Programmes", "News", "Events", and "Publications". A large banner image shows water being poured from a red pipe into a blue bucket. Below the banner is a breadcrumb trail: "Home > Project Preparation > Fund Finder". On the left side, there is a vertical sidebar menu with the following items: "Fund Finder", "Facilities A-Z", "About Fund Finder", "Add & Manage facilities", "Statistics", "Tools & Resources", "FAQ", and "Support". The main content area is titled "Fund Finder" and features two search tabs: "Basic search" and "Advanced search". Below these tabs are four dropdown menus for filtering: "Countries" (set to "All countries"), "Sectors" (set to "All sectors"), "Beneficiaries" (set to "All beneficiaries"), and "Funding Bracket" (set to "All Funding Brackets"). A "Search" button is positioned at the bottom of the search area.

ICA Assessment

Project Preparation Facilities

- An ICA deliverable to the G20 DWG to help improve the project preparation process
- Assessing the performance of existing infrastructure project preparation facilities in Africa
- Provide recommendations to produce more effective and efficient facilities
- Facilitate the development of both national and regional infrastructure projects, from public, private and Public-Private Partnerships

Introduction

- ❑ Launched in 2005 following the G8 Gleneagles Summit
- ❑ Platform to catalyse donor and private sector financing of infrastructure projects and regional programmes in Africa to
 - increase financing
 - facilitate greater cooperation
 - help remove policy and technical barriers & increase knowledge
- ❑ Members include G8 countries, World Bank, AfDB, EC, EIB, DBSA
- ❑ Widening of membership to include G20 countries recently decided



OBJECTIVES

- SCALE UP finance for sustainable water-related infrastructure
- IDENTIFY & FACILITATE bankable water-related projects
- FOSTER greater co-operation in alignment with African Priorities

- **1st ICA Water Platform Meeting - March 2012**

To discuss financing of TWRM and Adaptation Programs in Africa

Participants: AUC, AMCOW, RECs/RBOs, Development Partners

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