

FINANCING WATER FOR GROWTH IN AFRICA

DIALOGUE ON SCALING-UP WATER SERVICES

5 MAJOR ISSUES

1

Governance and Public Authority, in relation to the Private Sector within the framework of the management of the sector.

In general efforts are undertaken by Public Authorities to improve the Governance in the water and sanitation sector at the continental level (cf: engagements of the African Heads of States and the AMCOW), but much remains to be done at the national levels. The multiplication of the actors of the national sectors, caused by the reforms, and decentralization taking place in various countries, can make even more complex, a system which at the national level remains still fragile. **Can the intervention of the private sector be a solution to these problems and how can it center its interventions to reach that goal ?**

2

The access to drinking water and sanitation service in rural and peri-urban areas, the public/private partnership as well as the means of financing to satisfy the demand in particular concerning underprivileged populations.

Approximately 60% of the African populations live in rural area , and 40% in urban area, the rate as regards access to drinking water are respectively of 51% in rural area and 85% in urban area . The indirect effects of this situation is the outstanding urbanization rate in Africa and the overpopulation of peri-urban areas with the migration of the rural populations towards the big cities in the search of a greater comfort, and this situation lead to a great pressure on the urban water and sanitation sector. Private Small scale entrepreneurs try to compensate for the lack of extension of the water distribution networks, especially in the peri-urban areas by providing water, but the conditions of hygiene and tariff offered to needy population are often inappropriate. Much remains to be done. **How then can we satisfy the needs of the most numerous as regards access to water and promote better conditions of supply? Could a partnership between Private Small Scale Entrepreneurs/institutional operators/Public Authorities meet the conditions of financings and operations of such activities and how?**

3

Building of the operational and financial capacities of the Private Service Providers for the achievement of the various operations related to the one-site sanitation service.

Within the framework of the sanitation services, area wide sewerage sanitation seems an expensive solution for Africa, this problem not having been treated at the time of the creation and the urban development of the cities, and the cities extended without drain networks, today the installation of these networks comes to be a titanic work. The on-site sanitation seems to be the solution and Private Service Providers “test themselves” in the task without all the chain of actions not being correctly and healthily exploited - Collection – transport – treatment - discharge in nature or re-use. **What partnerships Private/Public Authorities to set up and how to address the financing of such operations?**

4

Financing of the infrastructures and difficulties encountered between borrowers and lenders.

Financing infrastructures remains a complex issue in Africa. As stipulated in the presentation it is reproached the low number of dossiers presented compared to the available capital. **Is this a problem of capacity of the utilities of the sector to define their needs clearly? Is this a problem at the level of the Financial Partners whose financing products are not adapted to specificities of the water and sanitation sector in Africa? Is it necessary to explore other innovative Financing models in order to make it possible for the utilities to extend their network and to improve their performances?**

5

The imperative need for Capacity Building for the water and sanitation utilities which is a precondition to a better operating of the infrastructures.

A concern for the water and sanitation utilities is the requirement for Capacity Building. Important Financing are available for the water and sanitation infrastructures, but not enough for the Capacity Building whose return of investments can be much higher provided that the programs are seriously followed up and evaluated. At this stage Professional Associations can intervene, whose goal at first is promotion of Capacity Building. **What financial mechanisms can be explored to enhance resources in capacity building in Africa for utilities? How can the private sector take the route and be engaged in Capacity Building, guaranteeing the good exploitation of the infrastructures and a better lifespan of the equipment?**