

3rd Africa Water Week

Sub Theme 1 - Financing Investments in Water for Growth and Development

Day 1 - Tuesday, 23rd November, 2010 09h00 - 16h00, Conference Room 1

Sub theme context and expected outcomes

The global financial crisis is still shifting the international financial landscape and individual countries are affected with varying severity. This is a challenging context for water finance. A 2009 update carried out by the AfDB on the costs for achieving the Africa Water Vision pointed out, again, the existence of significant gaps in water financing, a fact corroborated by the results of the Africa Infrastructure Country Diagnostic Study. An estimated US\$45 - 60 billion is required annually to meet Africa's water infrastructure requirements, of which drinking water supply and sanitation represents some US\$11 billion. Financing from ODA and national budgets is clearly not sufficient to close the financing gap. More innovative approaches to tap non-traditional sources of funding are needed.

The Session on Financing Investments in Water for Growth and Development is expected to demonstrate country level success in exploiting non-traditional funding sources and provide greater understanding of how such sources might be accessed and utilized. The six sub sessions take place over two days and are structured to facilitate interaction and to focus discussion on country case-studies and experiences from an array of stakeholders on non-traditional sources of financing.

Sub-thematic sessions

A. Enhancing non-public finance flows in WSS as a bridge to sector financing, 09h00 - 11h00

A number of alternatives for increasing flows to the sector, including *greater user contributions, efficiency gains from utility reforms, private sector capital and contributions from private foundations* hold good prospects for complementing the traditional sources. New approaches are needed to access non-traditional sources, to facilitate blended financing structures, to develop venture capital instruments and to streamline utilities access to the market. The sub session will begin with an overview presentation to put the needs in context, reviewing the requirement to consolidate flows from staple sources – tariffs, taxes and transfers (the 3Ts) - which can then leverage various kinds of repayable sources. It will treat a regional case of financing small town water supply and share lessons on the financing of utilities in Asia. The increased availability of resources from private foundations will be discussed in a presentation on how countries can pursue such opportunities to narrow the financing gap.



B. Sustainable financing of IWRM in the environment of climate change, 11h30 – 12h45

The sub-session on “Sustainable financing of IWRM in the environment of climate change” will give an overview and report on the financing of water resources management from two country's perspectives – Uganda and South Africa. It will illustrate how this is essential for the creation of an enabling environment for attracting investment in infrastructure, and supporting economic development more broadly. The sub-session will be co-convened by GWP and AWF, two institutions that have in recent years supported many African governments in the preparation of IWRM policies and the strengthening of the associated governance framework.

C. Bridging sector financing through efficiency gains – using existing finance better, 14h00 – 16h00

Progress towards achieving drinking-water and sanitation targets (MDG 7) is off-track in Sub-Saharan Africa. The eThekweni declaration, the Tunis Action Plan and the Sharm-el-Sheikh commitments all recognize the urgent need for a deeper understanding of how progress can be accelerated in the water and sanitation sectors in order to get countries back on-track to meet the water supply and sanitation MDG targets.



This sub session will explore the efficiency gains within the reach of utility management. Inefficiency of services is difficult to unwind given the double subsidy provided in low tariffs by both water and energy utilities. However, one presenter notes that improved management of operational and capital expenditure could save up to US\$ 2.7 billion per annum, as well as increase progress towards the MDG by 2-3% a year. The session will also present findings from a series of regional and international monitoring studies (AMCOW CSO2, AICD, IBNET), as well as country case studies from Ethiopia on water infrastructure finance and utility efficiency, and from Morocco on maximizing returns to irrigation finance.

Beyond Addis Ababa

The conveners of the sub theme will produce a summary of the outcomes and proceedings to inform the overall outcomes of the 3rd Africa Water Week. More importantly, the African Development Bank will encourage African governments to report actions that they take to meet the commitments made by the highest political leadership. This will support regional learning and encourage peer review of actions targeting greater water security.



AFRICAN DEVELOPMENT
BANK GROUP



PARALLEL SESSION: FINANCING INVESTMENTS FOR GROWTH AND DEVELOPMENT

Date: Tuesday 23rd November 2010, 09h00-16h00

Venue: Conference Room 1 (CR1)

Segment	Presenter	Presentation Topic	Chair / Moderator
Sub-session A - Enhancing non-public finance flows in water supply and sanitation as a bridge to sector financing Tuesday 23 November 2010, 9h00 - 11h00, African Ministers' Council on Water (AMCOW) / African Development Bank (AfDB)			
Plenary 9h00 – 9h30	James Winpenny, Independent Economic Consultant	Casting the net wide: pragmatism in attracting finance for African water infrastructure and services	Chair - Maurice Bernard, Agence française de développement
Parallel Session 9h30 – 9h45	Carl Mitchell, Water Team, Africa Group Leader, USAID	Public Private Partnerships and Innovative Finance for Small Towns in Uganda	
	Alan Baird, Water Supply and Sanitation Specialist, Asian Development Bank	Financing Water Utilities - Asian Experience	
	Alyse Schrecongost, Associate Program Officer, Bill and Melinda Gates Foundation	Tapping into non-official development assistance funds	
Panel discussion 9h45 – 10h25	James Winpenny, Driss Bahaj, Commercial & Marketing Director (Office national de l'eau potable, Morocco), Thomas Roberts (AfDB), William Muhairwe, Managing Director (National Water and Sewerage Corporation Uganda)	Introductions. 3 minute statements from Panellists. Audience questions / comments on topics	Moderator – Peter Akari, Chief Water Policy Officer, African Water Facility
Summing up 10h25 – 10h30	Chair - Maurice Bernard, Division Manager, Water & Sanitation, Agence française de développement		
<i>Coffee break – 11h00-11h30</i>			
Sub-session B - Sustainable financing of Integrated water resource management (IWRM) in the environment of climate change Tuesday 23 November 2010, 11h30 - 12h45 African Ministers' Council on Water (AMCOW) / African Water Facility (AWF) / Global Water Partnership (GWP)			
Parallel Session 11h30 – 12h15	Alan Hall, GWP Senior Advisor	Financing water resources management: setting the scene	Chair – Akiça Bahri, Coordinator, AWF
	Mugisha Shillingi, Director, Directorate of Water Resources Management, Uganda	Uganda case study on water resources management financing	
	Barbara Schreiner, Practice Director, Water Strategy, Pegasys Strategy and Development, South Africa	South Africa case study on financing WRM	
Panel discussion 12h15 – 12h45	Alan Hall, Mugisha Shillingi, Barbara Schreiner	Audience questions / comments on topics	Moderator – Malinne Blomberg, AWF, Pr. Financial Analyst
<i>Lunch break – 12h45 - 14h00</i>			
Sub-session C - Bridging sector financing through efficiency gains - using existing finance better Tuesday 23 November 2010, 14h00 - 16h00 , African Ministers' Council on Water (AMCOW) / Water and Sanitation Program (WSP) / African Development Bank (AfDB)			
Parallel Session 14h00 – 14h45	Sasha Danilenko, Senior Water and Sanitation Specialist, WSP / Dominick de Waal, Senior Finance Specialist, WSP	Regional perspectives - Getting the most out of cost recovery (based on AICD, IBNET and AMCOW CSO2 studies)	Oswald Chanda, Chief Water & Sanitation Engineer, AfDB
	Ghirmawit Haile, Director General, the Water Resources Development Fund (WRDF), Ethiopia	Ethiopia case study – WRDF financing infrastructure and driving efficiency improvements.	
	Hesham Kandil, Chief Water Resources Engineer, AfDB	Maximizing returns to irrigation financing – Regional challenges, including a case study in Morocco	
Panel discussion 14h45 – 15h25	Sylvain Usher, Secretary General Africa Water Association; Dennis Mwanza, Deputy Chief, Deputy Chief, Sustainable Water and Sanitation in Africa, USAID; Kimanthy Kyengo, Ministry of Water and Irrigation, Kenya; Hum-bu Tulay, Managing Director, Liberia Water and Sewer Corporation	Introductions. 3 minute statements from Panellists. Audience questions / comments on topics	
Summing up 15h25 – 15h30	Chair – Oswald Chanda		
Wrap up and closing for the day, Tuesday 23 November 2010, 15h30-16h00			
Panel discussion 15h30 – 16h00	AMCOW (tbd), Maurice Bernard (AFD), Ali Kies, Director, AfDB Water and Sanitation Department and African Water Facility, Carl Mitchell, USAID	Panel comments on the day and final messages	Patrick Giraud (Lead Economist, Infrastructure, Regional Integration and Private Sector Vice Presidency, AfDB)

3rd Africa Water Week

Sub Theme 1 - Financing Investments in Water for Growth and Development

Day 2 - Wednesday, 24 November 2010, 9h00-16h00, Conference Room 2

Sub-theme context and expected outcomes

With uncertainty in the international financial systems as well as increased demand for water from all sectors, it is even more imperative that governments and other stakeholders act to increase financing flows from all sources. The level of demand requires a new mentality, shifting from dependence on government (and Official Development Assistance) for financing towards a much broader approach. Individual countries face many barriers – domestic and international – that have to be overcome to improve access from other sources. At the same time, there are new opportunities that, with proper policies and political will, can increase the financial pot available to water and sanitation. The water sector has to be more open, honest and imaginative in overcoming barriers and exploiting opportunities and it is the responsibility of water professionals to make their sector attractive to the finance sector.

The second day sessions on Financing Investments in Water for Growth and Development aim to demonstrate country level successes in overcoming some barriers and exploiting available opportunities. Of course, due to time limits the presentations cannot be comprehensive and the panel sessions will give a chance for participants to add their own experiences of overcoming barriers and exploiting opportunities.



Sub-thematic sessions

D. Overcoming barriers to financing for water, 9h00-10h30

This session will focus on some of the barriers that restrict the increase in financial flows to the water sector. In order to increase the financing needed for infrastructure, as highlighted in the Africa Water Vision, support is needed for non-structural activities that create the enabling environment for investment. The session will focus on four specific examples of barriers to finance: budget constraints, with examples from Central Africa; weak governance that restricts access to finance and its efficient use; the challenges faced in developing transboundary waters and the land/water interface; and finally how to overcome the risks that can make water an unattractive proposition for financing. Reducing these barriers presents opportunities and the water sector has been slow to capitalise on them as it has focussed mostly on government and ODA sources.

E. Exploiting opportunities for financing water and sanitation, 11h00-12h30

This session will examine three opportunities for increasing the volume of finance available to tackle the urgent needs for water and sanitation. This will include an example from Lesotho of using the Strategic Financial Planning approach to identify real financing needs and to balance the sources available to address them. The use of micro-finance will be examined as a potential source that could be scaled-up to target water and sanitation needs for the poorest. Finally, climate change variability will impact on the water sector and the use of Adaptation Funds will be examined as an opportunity to make water resources management sustainable.

F. Commercial financing for water services - experience from Kenya, 14h00-15h20

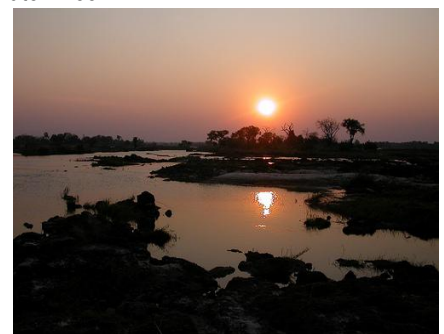
Perhaps the largest untapped source of finance for water is commercial finance and the last session will focus on a practical example of its use for water services in Kenya. Although the challenges are real, there is also considerable scope for significant progress and the session will provide lessons for many countries. With recent economic growth in many African countries, together with steps to reduce risk and improve governance, commercial finance can help to fill the gap between demand and the resources available from government budgets and ODA.

Final wrap up for the day, 15h20-16h00

A final panel of four representatives from the organisations involved in convening the Financing theme (AMCOW, GWP, ADB and WSP) will deliberate on the information and discussions presented on the day. The panellists will outline the main messages they consider critical for immediate and future actions by different stakeholders. This will feed into the final plenary and the AMCOW-EXCO meeting that follows the Africa Water Week.

Beyond Addis Ababa

A summary of the outcomes and proceedings will be prepared to inform the overall outcomes of the 3rd Africa Water Week.



More importantly AMCOW, with support from the Global Water Partnership and other partners, will assist African governments to build on the knowledge shared at the Africa Water Week. This will enable governments and stakeholders to implement actions that will reduce barriers and increase opportunities for accessing essential financing from all sources for water services and water resources management.



PARALLEL SESSION: FINANCING INVESTMENTS IN WATER FOR GROWTH AND DEVELOPMENT

Date: Wednesday 24th November 2010, 9h00-16h00

Venue: Conference Room 2 (CR2)

Segment	Presenter	Presentation Topic	Chair / Moderator
Sub-session D - Overcoming barriers to financing for water, Wednesday 24 November 2010, 9h00-10h30, African Ministers' Council on Water (AMCOW) / Global Water Partnership (GWP) / European Water Initiative Finance Working Group (EUWI-FWG)			
Introduction 9h00-9h05	Alan Hall , GWP Senior Advisor and EU Water Initiative-Finance Working Group (EUWI-FWG) Chair	Welcome and introduction to the day	Chair Phera Ramoeli , SADC (<i>tbc</i>)
Parallel Session 9h05-10h05 (15 minutes each)	Christopher Tamu , Regional coordinator, GWP-Central Africa, Cameroon	Barriers to water financing in Central Africa and potential solutions	
	Erik Nielsen , Manager African Programmes, Water Integrity Network (WIN)	Improving governance for more and better finance	
	Madiodio Niasse , Director, International Land Coalition (ILC)	Surge in FDI in land and water: Barriers and opportunities for the sustainable development of transboundary basins	
	James Winpenny , EUWI-FWG	Making water less risky for financing	
Panel discussion 10h05-10h30	Panel of Speakers: Christopher Tamu, Erik Nielsen, Madiodio Niasse and James Winpenny	Questions / comments on topics	Moderator - Alan Hall
<i>Coffee break – 10h30-11h00</i>			
Sub-session E - Exploiting opportunities for financing water and sanitation, Wednesday 24 Nov/2010, 11h00-12h30, African Ministers' Council on Water (AMCOW) / Global Water Partnership (GWP) / European Water Initiative Finance Working Group (EUWI-FWG)			
Parallel Session 11h00-11h45 (15 minutes each)	Felix Malachamela , Ministry of Water, Lesotho	Strategic financial planning in Lesotho one year on	Chair - Jean-Pierre Bidjocka , AMCOW-TAC Central Africa (<i>tbc</i>)
	Dennis Mwanza , Deputy Chief of Party, Sustainable Water and Sanitation for Africa (SUWASA), Kenya	Up-scaling micro-finance for water and sanitation	
	Belynda Petrie , Director, Regional Climate Change Programme - Southern Africa	Capitalising on Adaptation Funds	
Panel discussion 11h45-12h30	Panel of Speakers: Felix Malachamela, Dennis Mwanza and Belynda Petrie	Questions / comments on topics	Moderator - Alan Hall
<i>Lunch break – 12h30-14h00</i>			
Sub-session F - Commercial financing for water services - experience from Kenya, Wednesday 24 Nov/2010, 14h00-15h20, African Ministers' Council on Water (AMCOW) / Global Water Partnership (GWP) / Water and Sanitation Program (WSP)			
Introduction 14h00-14h05	Rajesh Advani , Finance specialist, WSP-Africa	Introduction to the session	Chair - Felismina Antia , AMCOW-TAC Southern Africa (<i>tbc</i>)
Parallel Session 14h05-14h40 (12 minutes each)	Vikram Kumar , Investment Officer, Infrastructure Department (Investments), IFC	Risk assessment of water utilities in Kenya	
	Johnson Randu , Managing Director, Malindi Water and Sewerage Company, Kenya	Profile and investment requirements of a medium-sized urban water utility in Kenya	
	Japheth Mutai , CEO, Rift Valley Water Services Board	A license to operate: the financial perspective	
Panel discussion 14h40-15h20	Panel of Speakers: Vikram Kumar, Johnson Randu and Japheth Mutai	Q & A session on commercial financing	Moderator - James Winpenny
Wrap up and closing for the day, Wednesday 24 Nov/2010, 15h20-16h00			
Panel discussion	AMCOW (<i>tbc</i>), Ali Kies (AfDB), Ania Grobicki (GWP) and World Bank (<i>tbc</i>)	Panel comments on the day and final messages	Moderator - James Winpenny