The 12th meeting of the Governing Council (GC) of the African Water Facility was hosted by the African Development Bank on the 22nd and 23rd November 2012, in Tunis. The meeting was attended by 11 members of the Council or their representatives, as well as observers representing the AMCOW Technical Advisory Committee and development partners. The meeting was chaired by the GC Chairman, Honourable Samuel Sipepa Nkomo, Minister of Water Resources Development and Management, Zimbabwe. On behalf of the GC, Mr Bai-Mass Taal welcomed the new Chairman of the Governing Council.

The Chairman presented the outcomes of the 12th Governing Council meeting as follows:

**Progress:** The GC congratulated the AWF, Bank and AMCOW on progress made in last couple of years in preparing and implementing its new Strategic Plan. However, it requested that reporting on progress should align more closely to the new Strategic Plan, and to further improve reporting by beginning to report on development outcomes and impacts. The GC was concerned with the relatively low number of project approvals achieved so far this year, but agreed with the steps outlined in the progress report to ensure better performance in the coming years.

**Disbursement:** The GC appreciated the actions being taken by the AWF to improve disbursements, but requested that more information on these actions and the outcomes be included in the Progress Report and the Work Plan. It would also like to see further refinements in how disbursements are reported, and should include additional indices, such as cumulative disbursements in comparison to administrative costs and funds received.

**Results:** Although the AWF has improved its results reporting in line with its new log-frame, the GC noted that there is still some work to be done to meet the needs of the donor partners. Amongst other enhancements, the GC would like results reporting at the impact level across the continent, and better reporting of cumulative results against the current strategic priorities of the AWF.

**Communications:** The GC welcomed the efforts being made by the AWF to improve communications, noting the need to better package the message regarding the overriding importance of water in order to attract more funding.
**Resource Mobilisation:** The GC appreciated the pledges made by Burkina Faso, Chad, Niger, Nigeria, and the Republics of Congo and Ivory Coast, to make a contribution to the AWF Fund, and called upon them to quickly honour their pledges, as Burkina Faso has already done. The GC also called on other African countries and development partners to provide additional contributions, now that the Strategic Plan has been approved. The GC asked for further clarification and justification on the funds still needed to resource the Strategic Plan, noting that this will facilitate the development partners to process commitments from their organisations. Given the large gap in funding, the GC suggested that there is a need to critically examine how the AWF is mobilising resources, and explore more imaginative ways of raising funds.

**Knowledge:** The GC noted that the generation and sharing of knowledge gained from the AWF portfolio is a key activity of the Facility. In this regard, it requested that the AWF reports better on the outcomes of its projects, based on an analysis of the PCRs and any other assessments, and to clarify as to how it plans to link this to preparation of knowledge products.

**Staffing:** The GC noted with concern the high number of projects per task manager, which impinges on the ability of the Facility to closely supervise the large portfolio and at the same time prepare high quality new projects. It welcomed the efforts being made by the AWF to increase its number of task managers. It also requested the Bank to second additional staff to the Facility given the difficulties faced by the Facility in retaining staff funded under the AWF Fund and TAs.

**Work Plan:** The GC appreciated efforts made by the AWF in preparing the Work Plan and Budget in accordance with the new Strategic Plan. The GC requested clarification on the seeming downscaling of operations in 2013, and the reasons behind the high ratio of admin costs to disbursements, and was assured that the reduced number of projects for approval was a more realistic target given the staffing of the AWF. The GC also highlighted the need to clean up the portfolio by completing, closing out or cancelling poor performing projects; to better differentiate between project vs. administrative costs; to manage the high risks involved in supporting fragile states; and to improve reporting on the actions being taken to improve disbursements. After some deliberations, the GC endorsed the proposed 2012 Work Plan and Budget subject to incorporating the guidance provided in the final document prior to submission for Board approval.

**Annual Report:** The GC requested that, in accordance with the AWF procedures, the Annual Report be submitted to the GC for comment before being submitted to the Board.
**Procedures:** The GC recognised the advantages and also the constraints inherent in operating under the Bank’s rules and procedures, and encouraged the AWF to continue in its efforts to refine its Operational Procedures. The GC encouraged the AWF to draw upon the operational experience of the other development partners who are represented on the GC in refining its procedures. It was agreed that the AWF will submit the revised version to the GC for comments before submission to the Board.

**Private Sector:** As part of ongoing review of the Operational Procedures, AWF sought the advice of the GC on the eligibility of private sector institutions for AWF funding. After much debate it was agreed in principle that the GC supports the idea of private sector institutions being eligible for AWF funding, however there is need for further consultations by development partners with their respective headquarters. The GC also asked the AWF to prepare a paper on private sector funding, incorporating the perspectives of the development partners and AMCOW, for submission to the next GC meeting so a proper informed decision can be made on the issue. The AWF will prepare a concept note which will be distributed for comments and used by the development partners for consultation with their capitals and provide feedback to the AWF.

**The venue for the next meeting in 2013:** The AWF will consult with members to identify a host, failing which the Bank will host the next meeting in Tunis.