Unlocking Funding for Water Infrastructure

Challenges & Opportunities
- Launched in 2005 following the G8 Gleneagles Summit
- Sector Platforms to catalyse donor and private sector financing of infrastructure projects and regional programmes in Africa to
  - SCALE UP finance for infrastructure
  - IDENTIFY & FACILITATE bankable projects
  - FOSTER greater co-operation in alignment with African Priorities
  - INCREASE knowledge
- Members include G8 countries, World Bank, AfDB, EC, EIB, DBSA
- Widening of membership to include G20 countries recently decided
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 and sharing of benefits across sectors.

- Impact of **climate change** increase hydrological variability and need for adaptation/climate resilient approaches.
Funding Requirements
Water Infrastructure Needs

- AICD: Spending needs for WSS and Irrigation amount to 25.3 bn USD p.a. and for Energy 41.0 bn USD p.a.


- Climate proofing of existing infrastructure will increase costs by 40%.

- Scaling up financial resources, increasing accessibility & providing additional predictable funding are key to meet water security.
Tackling Main Bottlenecks

(1) Scarce Financial Resources

Financial Commitments by ICA Members to the Infrastructure 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 level** e.g.: PIDA.

- **Project Preparation and Implementation** will be a major challenge that requires innovative financing structures and mobilization of additional traditional and non-traditional financial resources.

  => Role of ICA: Facilitation of Mobilization of Financing

- **Climate Proofing** of investment programs will add additional complexity to regional projects on shared water resources.

  => Support of AMCWG/GWP WACDEP Program

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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
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
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