



INFORMATION & COMMUNICATION DIRECTORATE

Press Release No: xxxx/2023 Date: 01 September 2023

Venue: Addis Ababa, Ethiopia

Concrete actions towards water security in Africa brought forward as the continent prepares its Water Investment Action Plan

African Union Member States, international development partners, and civil society have outlined priority actions for the Africa Water Investment Action Plan, which will accelerate the implementation of the United Nations (UN) 2023 Water Action Agenda on the continent.

The plan will guide African states to mobilise **US\$30bn/year** in additional financing towards water security and sustainable sanitation by 2030.

Currently under development, the plan will support the recommendations of the International High-Level Panel on Water Investments as outlined in the landmark report, *Africa's Rising Investment Tide*, launched at the UN 2023 Water Conference, as well as the African Union's Continental Africa Water Investment Programme (AIP).

Priority actions for the plan were raised at a global consultation convened by the African Union Commission (AUC) in collaboration with the High-Level Panel at Stockholm World Water Week 2023 on 21 August 2023.

This consultative process will contribute to the Launch of the High-Level Panel Campaign, Mind the Gap – Invest in Water, planned during the UN General Assembly - SDG Summit on 19 September 2023, New York.

The Co-Chairs of the High-Level Panel are H.E. Macky Sall, President of the Republic of Senegal; H.E. Mark Rutte, Prime Minister of The Kingdom of the Netherlands; and H.E. Hage Geingob, President of the Republic of Namibia. H.E. Jakaya Kikwete, Former President of the United Republic of Tanzania, acts as Alternate Co-Chair.

<u>High-Level Panel Water Investment Action Plan to provide roadmap for mobilising</u> resources

Opening the global consultation on behalf of the Panel's Co-Chairs, Hon Calle Schlettwein, Minister of Agriculture, Water and Land Reform for the Republic of Namibia, said: "Africa has massive opportunities, her enormous resource wealth, including water, her potential to become the breadbasket of the world, her youthful population, her potential for green energy, to mention a few. We must now convert this potential into reality."

"We are convinced that this Investment Action Plan will provide the roadmap for the continent in terms of mobilising the much-needed investments, making sure that all our Member States can align their investment plans with the action plan itself," said Mr Harsen Nyambe, AUC Director of Sustainable Environment and Blue Economy. He spoke on behalf of H.E. Josefa Sacko, African Union Commissioner for Agriculture, Rural Development, Blue Economy and Sustainable Environment (ARBE).

"Water, sanitation and hygiene are fundamental to Africa's social and economic transformation and will enable Africa to make a quantum leap in industrialisation and development," said Hon.





Serigne Mbaye THIAM, Minister of Water and Sanitation for the Republic of Senegal, represented Dr. Mohamed DIATTA.

Nine investment sources identified for at least \$30 billion/year additional finance by 2030

The High-Level Panel Report outlines the pyramid of water investment transformation for Africa with nine financing sources, namely:

- 1. Sector governance: efficiency gains and cost savings;
- 2. Valuing water-related risks and internalising the environmental costs;
- 3. Institutional investors;
- 4. Mineral resources tax;
- 5. African governments' budgets;
- 6. National development banks, commercial banks and micro-finance institutions (MFIs);
- 7. Multilateral climate funds:
- 8. Multilateral Development Banks and Development Finance Institutions; and
- 9. Bilateral ODA and philanthropy.

Financing targets for each financing source are presented that map out how to raise at least \$30 billion/year additional by 2030.

Total value	US\$ Billion per Year	Incremental increase allocated to water
Bilateral ODA and philanthropy for Africa US\$1.5 billion in 2020 to water from OECD Common Reportii US\$0.5 billion from BRICS, gulf states, and philanthropy	ng Standard \$0.5	Bilateral ODA and philanthropy Increase by 25% will result in an additional US\$0.5 billion/year
Multilateral and Development Financial Institutions US\$20 billion water portfolio in Africa Portfolio turns over every 4 years	\$1.0	Multilateral and Development Financial Institutions Increase by 20%, gives \$8 billion until 2030 which equates to US\$1 billion/year
Multilateral Climate Funds US\$2.8 trillion NDCs in Africa, 24% for adaptation Projection US\$100 billion a year, 30% for Africa	\$3.2	Multilateral Climate Funds 15% Africa funds for water \$ 3.2 billion / year
National Banks, MFIs, Local Governments Information known on National Banks only In 2020, US\$6 billion in assets in African National Banks		National Banks, MFIs, Local Governments 20% in water from National Banks and other MFIs US\$1.5 billion/ year
African Governments budgets US\$6 billion per year water expenditure infrastructure \$ unknown staffing and maintenance	Domestic resource	African Governments budgets 20% higher allocation to infrastructure Increase disbursements for staffing and maintenance US\$ 2 billion/year
Pollution and Mineral Resources Taxes African extractive sector tax revenue approx. 2% of GDP (US\$60 billion), Africa 5.5% of global output = US\$406 billion	mobilization \$17.5	Pollution and Mineral Resources Taxes 1% water tax on mineral resources US\$4 billion / year
Institutional Investors US\$14 trillion available globally US\$700 billion assets under management (AUM) in Africa		Institutional Investors Double AUM in Africa by 2030 10% of which for water and sanitation US\$ 10 billion / year
Valuing water related risks and observing environmental standards U\$\$61-U\$\$67 billion potential impact of water risks reported by 99 companies in Africa	Significant savings generate by industries	Valuing water related risks and observing environmental standards Several billion \$ water related costs averted each year from improved water stewardship
Sector governance: Efficiency Gains & Cost Savings US\$100 billion efficiencies on ex- isting assets until 2030 (operation- al: non-revenue, billing, adequate technologies, energy efficiency) US\$50 billion new investments per year	\$ 11. 5	Sector governance: Efficiency Gains & Cost Savings Efficiency gain 10% existing assets, 20% new assets US\$1.5 billion/year efficiencies existing assets US\$10 billion/year efficiencies new assets





Bulk of finance to come from domestic sources combined with radical improvement of delivery

"The bulk of the finance will need to be mobilised from domestic sources, combined with a radical improvement of delivery and critically matching supply with demand, and based on future-proof programming instead of funding practices of the past," said Amb. Henk Ovink, Former First Special Envoy International Water Affairs of the Kingdom of the Netherlands.

The High-Level Panel calls on African governments to increase water infrastructure allocations by 20%. The governments of Zambia, Namibia, Senegal, Tanzania and South Africa confirmed that this target is achievable with better articulation of the economic contribution of water. Hon. Mike Mposha, Minister of Water Development and Sanitation for Zambia said that the country had allocated **US\$1bn** towards its US\$5.7bn national water investment programme and that Zambia's budget allocation for water and sanitation had increased by **27**% over the last three years.

AIP partners and stakeholders, including representatives from the World Bank, African Development Bank, Development Bank of Southern Africa, Green Climate Fund, Global Environment Facility, Bill & Melinda Gates Foundation, Organisation for Economic Cooperation and Development, and others discussed the need for strong and mutually beneficial partnerships between national governments and non-government players, specifically the private sector.

"We need to bring in other investors, and this can only be facilitated by demonstrating strong leadership," said Osward Chanda, Director of Water Development and Sanitation Department at the African Development Bank.

Stakeholders also identified the need for improved efficiency and accountability in project execution and water service provision; policy and regulatory reforms; capacity building; and the use of technology and innovation.

Release of the Water Investment Action Plan

The Water Investment Action Plan will centre around an investment action framework and provide detailed actions for each finance source that provide the right enabling environment and remove key bottlenecks, naming the responsible actors, estimating approximate costs, and proposing key milestones that need to be achieved.

The Water Investment Action Plan will be released during the last quarter of 2023. Editors' notes:





The International High-Level Panel on Water Investments for Africa was formally launched on 25 March 2022, during the 9th World Water Forum in Dakar, by His Excellency Macky Sall, President of the Republic of Senegal and Chair of the African Union. The panel's objective is to develop actionable pathways for mobilising at least an additional US\$30bn annually by 2030 to implement the Continental Africa Water Investment Programme (AIP) and close the existing water investment gap in Africa.

More information on the International High-Level Panel on Water Investments on Africa: https://aipwater.org/high-level-panel/

The report of the International High-Level Panel on Water Investments on Africa, *Africa's Rising Investment Tide*, may be downloaded via the following links: ENGLISH | FRENCH More information on the Continental Africa Water Investment Programme (AIP): https://aipwater.org/

For further information: Information and Communication Directorate, African Union Commission I E-mail: DIC@africa-union.org

<u>Stakeholders leading discussions on the Water Investment Action Plan during the</u> Consultation:

- Dr Mohamed DIATTA, Sherpa to the High-Level Panel Co-Chair, H.E Macky Sall, President of the Republic of Senegal;
- Alex Simalabwi, Executive Secretary of GWPSA-Africa, Director-High Level Panel Secretariat, Sherpa to the High-Level Panel Alternate Co-Chair, H.E Jakaya Kikwete, Former President of the United Republic of Tanzania.
- Ismail Fahmy M Shaiye, Advisor: Water and Climate Change in the Executive Office of the President of Kenya
- Lisa Rudge, Water, Sanitation & Hygiene Adviser at the UK's Foreign, Commonwealth and Development Office;
- Brian Arbogast, Director of the Water, Sanitation and Hygiene team at the Bill & Melinda Gates Foundation
- Khalifa Sarr, Head of the Office of the Special Envoy of the President of African Development Bank for the Alliance for Green Infrastructure in Africa
- Aude FARNAULT, Policy Analyst on Water Finance and Economics at the OECD Environment Directorate;
- Graham Chingambu, Fund Manager: SADC Water Fund, Development Bank of Southern Africa;
- Dr Amgad Elmahdi, Water Sector Lead at the Green Climate Fund;
- Dr George Lugomela, Director of Water Resources in the Government of the Republic of Tanzania's Ministry of Water;
- Dr. Hubert Danso, Chairman of the African Union's Continental Business Network;





- Hzekiel Aynalem: WASH and renewable energy project loans specialist at the Vision Fund Microfinance Institution Ethiopia;
- Dr Nicholas Igwe, Global Head for the Organised Private Sector in Water, Sanitation and Hygiene (OPS-WASH), the Global Private Sector Constituency Steering Committee Representative for Sanitation and Water for All (SWA) Partnership and the CEO of Zenith Water Projects LTD;
- Arshad Sayed, CEO for Climate Action Systems

For further information, please contact:

Mr. Gatkuoth Kai| Technical Coordinator for Disaster Risk Reduction| Directorate of Sustainable Environment and Blue Economy, | E-mail: KaiG@africa-union.org | WhatsApp: +251 909537884

For media enquiry:

Mr. Molalet Tsedeke, Information and Communications Directorate | African Union Commission|+251-911-630 631; Molalett@africa-union.org

Ms. Maryanne Muriuki, Communication Specialist, Disaster Risk Reduction Unit, Department of Agriculture, Rural Development, Blue Economy and Sustainable Environment, AU Commission. Email: MuriukiM@africa-union.org

Information and Communication Directorate| African Union Commission | E-mail: DIC@african-union.org | Website: www.au.int | Addis Ababa | Ethiopia Follow Us: Facebook | Twitter |