



An African
Response to
Agenda 2030

AWF
Strategy
2017-2025

SWW, 27 August 2017



African Water Facility: "Project Preparation Facility of the Year"
Africa investor (AI) Infrastructure Project Developer Awards 2015



African Water Facility
Facilité africaine de l'eau
Mobilising Resources for Water in Africa
Mobiliser des ressources pour l'eau en Afrique

AWF Strategy 2017-2025

Vision

A water secure Africa where the continent's water resources are developed and managed equitably and sustainably for poverty alleviation, socio-economic development, regional cooperation, environment protection and climate change resilience

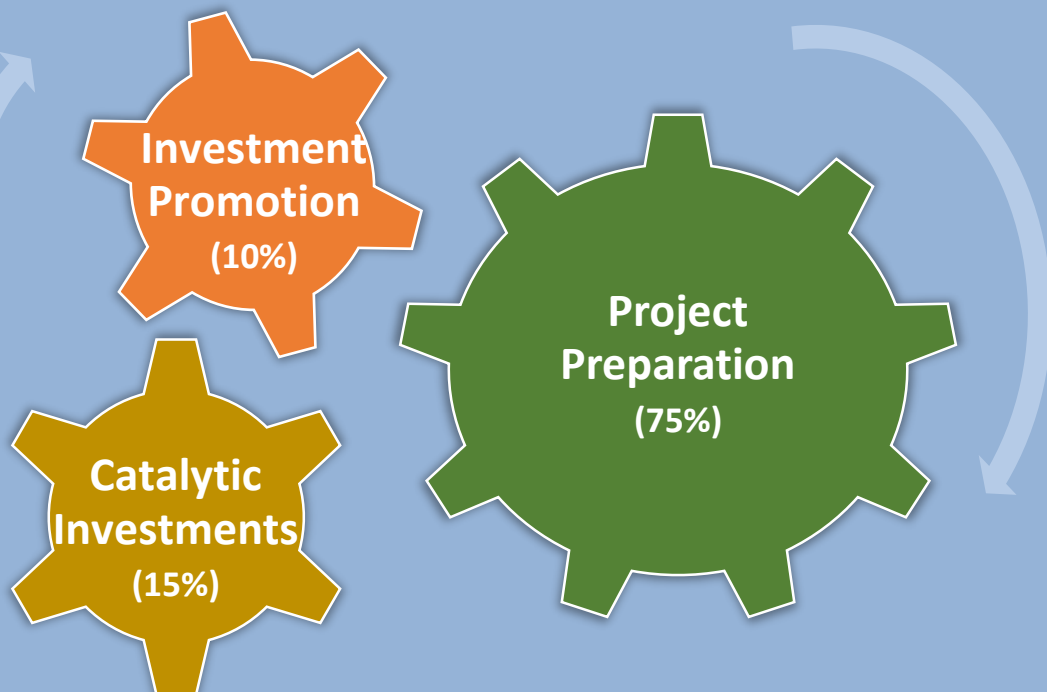
Mission

The primary water instrument in Africa that supports & facilitates resources mobilization to meet the huge investment gap for water infrastructure development

Goal 2025

To mobilise resources to ensure water security in Africa contributing to meeting the goals and targets established by the Africa Water Vision and the SDGs

Pillars



Climate Change & Gender Social Equity & Fragile States

Strategic Priority 1 : Project Preparation



Objective

To finance the preparation of projects and programmes for water resources development, and secure follow-on investment for their implementation.

Activities

Covering all aspects of the project preparation cycle

PROJECT PREPARATION

- Feasibility studies
- Project Design
- Project Structuring
- Scaling up innovative solutions
- Bankable projects for blended/commercial finance

WRD PLANS

- Assessment of WR potential & management needs
- National & Transboundary IWRM planning

ENABLING ENVIRONMENT FOR INVESTMENTS

embedded in project prep

- Governance frameworks & tools
- Regulation
- WR data & information
- TWRM cooperation arrangements



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Strategic Priority 2: Catalytic Investments



Objective

To make investments that leverage additional resources for water projects; diffuse innovation; and provide evidence that encourages private stakeholders to invest

Activities

Deploying small but **catalytic investments**, that enable projects to be implemented

Public & private recipients

Max. 33% of project investment

REPLICATING & PILOTING INNOVATIVE SOLUTIONS

Investments to **trigger implementation of innovative projects**

- Business models, technologies & financing mechanisms
- Priority to projects that address gender, pro-poor, social inclusion

PROVIDING VIABILITY GAP FUNDING

Investments to **leverage commercial finance**

- Generally strengthen the project company's balance sheet
- Targeted subsidies such as financing guarantees or interest rate subsidies



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Strategic Priority 3: Investment Promotion



Objective

To facilitate an increase in the number of public and private investment opportunities beyond the reach of specific AWF-funded projects

Activities

Undertaken directly by AWF

INVESTMENT OPPORTUNITY DIAGNOSTICS

- Assessments of infrastructure investment needs & preparedness
- Inventory of potential projects to build a pipeline
- Credit assessments of service providers

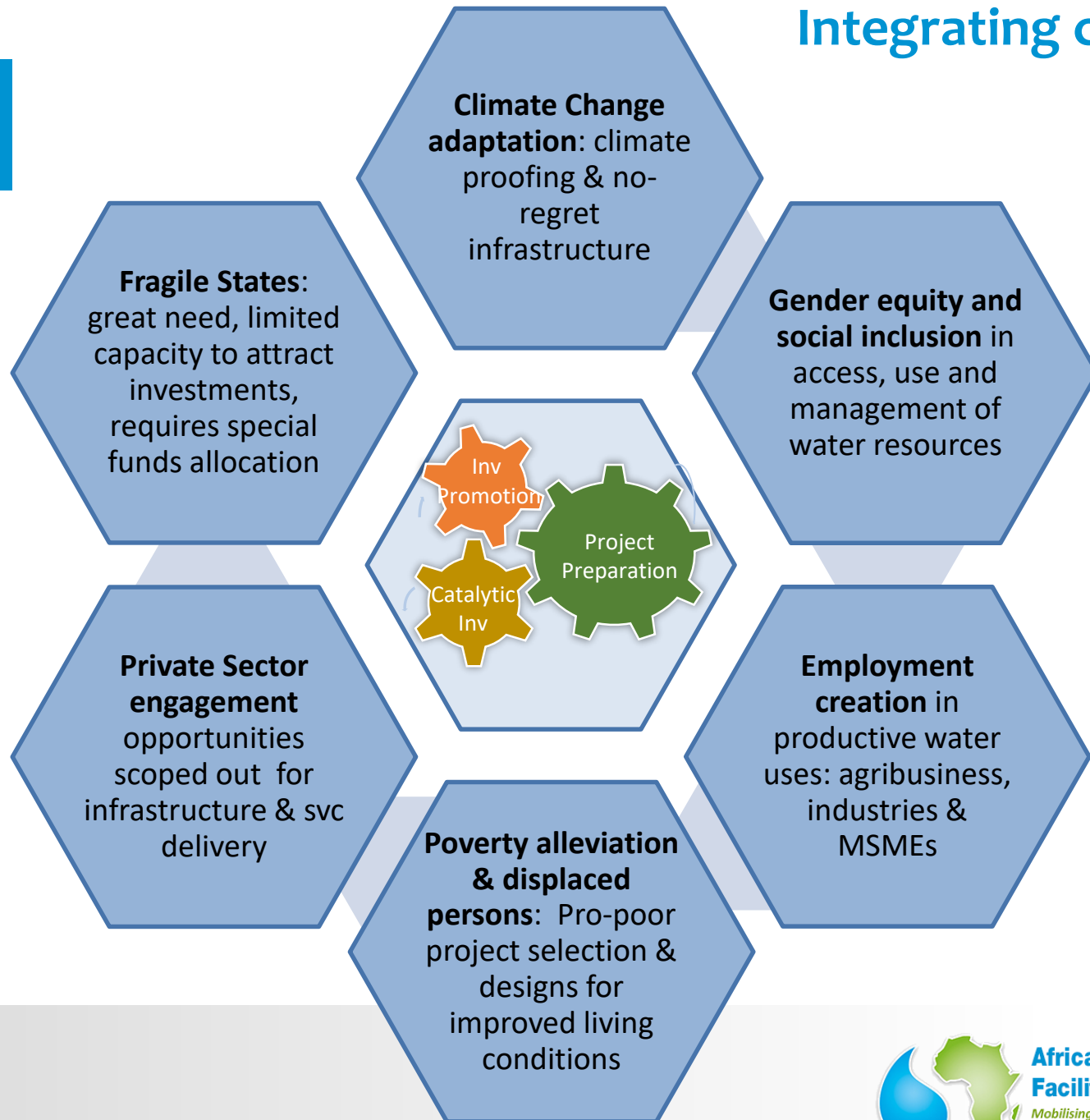
NETWORKING PLATFORM

- Market project opportunities to potential investors
- Develop a water investment networking platform
- Share experiences and innovation

GUARANTEE BROKERAGE

- Awareness raising for risk mitigation instruments
- Establish an **guarantee broker function**: liaise with guarantors to help project sponsors obtain the necessary guarantees/ insurances

Integrating cross-cutting priorities



Results: Mobilising € 15 billion in water investments

Leverage of AWF Special Fund 1:60



Water Supply

€3.4 billion

👍 Providing 25 million people with safely managed water

Sanitation

€3 billion

👍 Providing 20 million with safely managed sanitation



Irrigation

€3 billion

👍 Increasing the irrigable land by 680,000 Ha

Multipurpose water storage

€2.6 billion

👍 Increasing storage volume by 14 billion m³



Hydropower

€3 billion

👍 Increasing electricity capacity by 2,100 MW

👍 Demonstration effect leading to an increased uptake of alternative approaches

👍 Accelerated project development timeframes through networking

Funding the strategy for financial sustainability

1. Increased contributions from funding partners

2. Mobilising more co-financing

3. Introducing cost recovery



Eur 50m per year

1

- Immediate focus!
- Increased marketing increase number of financiers: OECD members, MDBs, DFIs, philanthropic, AfDB
- Promoting AWF as the preferred water partner for Climate Change and infrastructure initiatives like GCF, Africa50, GIH
- Targeted funding for specific donor priorities, within the context of a pooled fund. E.g., Calls for Proposals

2

- Increasing co-financing, especially from multi-sector PPFs within and outside AfDB

3

- Cost Recovery for mid- to late stage projects
- The ultimate bearer of the preparation costs will be the payer of the follow-on investment
- Provides an incentive to speed up project preparation
- Modalities: Contingent grants, potentially fee-based services
- Higher levels of donor grant funds = increased revolving funds

4

- Funding target is a significant increase of current operations, yet modest contribution to sector

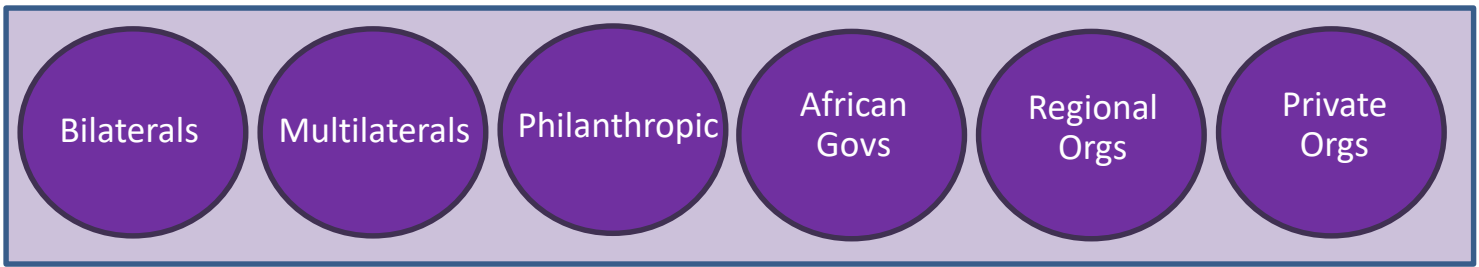


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SUMMARY

Funding partners



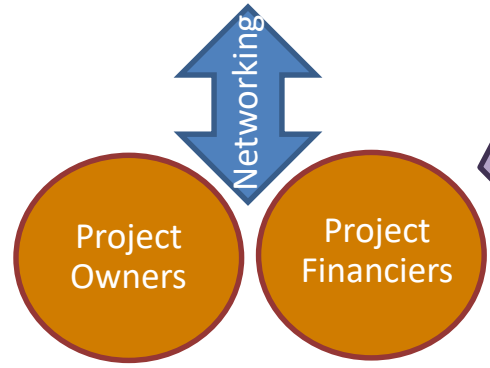
AWF Fund



AWF Products

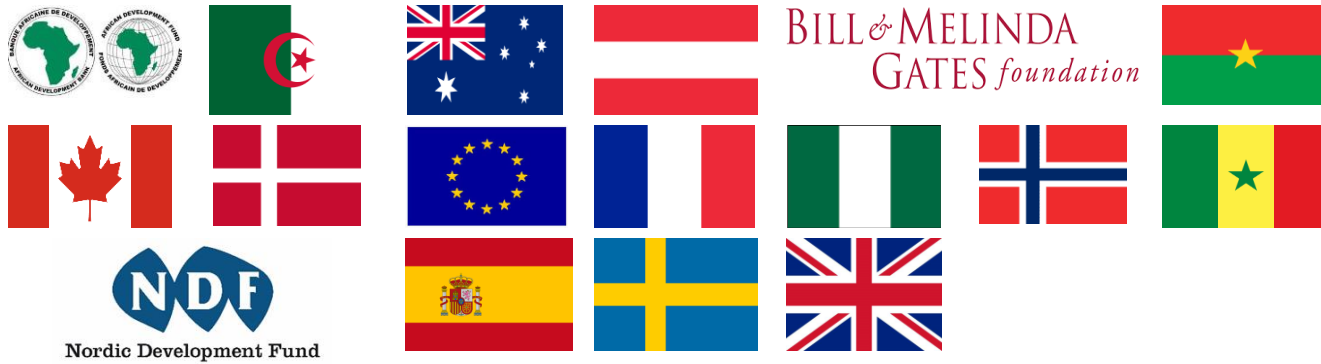
Cost recovery (50%)

Beneficiaries





Thank You



www.africanwaterfacility.org