



**African EU Water Partnership Programme
2018 World Water Week Dialogue Platform
Events Summary
Aug 29-30, 2018**



Summary Report Contents:

World Water Week Engagement Summary Snapshot.....	Page 2
Showcase Summary and Outcomes.....	Page 2
Sofa Summary and Outcomes.....	Page 9
Next Steps.....	Page 9
Annex I Showcase Programme.....	Page 10
Annex II Showcase Participants List.....	Page 11



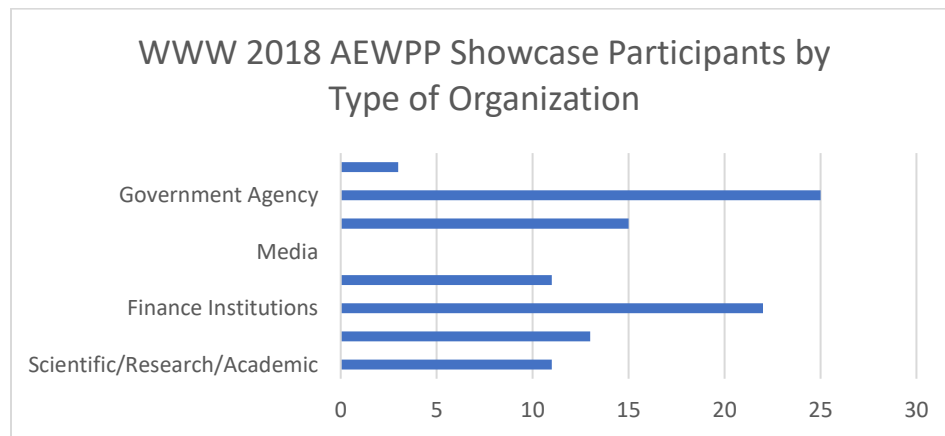
World Water Week Dialogue Platform Events Summary Snapshot

During the 2018 World Water Week the African EU Water Partnership Programme (AEWPP) partnered with a variety of actors and institutions to highlight a series of key messages and lessons learned derived from the first year of the AEWPP and create space for stakeholder dialogue. Highlight events included the AEWPP co-convened Showcase Event entitled ‘Water Finance Constraints: Africa and Sweden’ and two Sofa video recording and livestreaming events. Each event was designed to elevate key messages in partnership with implementation partners to raise interest and attention to the issues around financing for water infrastructure in Africa. This summary was assembled by the AEWPP project team with additional support from Showcase rapporteurs Charlotte Grech-Madin and Stefan Döring, PhD students at Uppsala University.

‘Water Finance Constraints: Africa and Sweden’: Showcase Summary and Outcomes:

The 2018 AEWPP co-convened Showcase ‘Water Finance Constraints: Africa and Sweden’ drew broad interest at the World Water Week for the second year in a row sparking deep discussion on the barriers and opportunities in water infrastructure financing as well as enabling stakeholder dialogue, networking and match making opportunities between the AEWPP indicative projects, stakeholders and financing partners.

A total of 79 World Water Week participants (based on scanned IDs) attended the Showcase and an additional 21 unregistered participants joined the event taking advantage of the event’s open to the public status. Participating attendees were drawn from a range of different stakeholder groups including government agencies, intergovernmental organizations including river basin organizations, civil society organizations, development partners and financing institutions, private sector representatives, media, academic/research representatives and others. Participant data from the event indicates strong interests from a range of sectors with particularly interest from government agencies and financing institutions.





Participant Engagement: Geographic region



■ Africa Based ■ European Based ■ Other

Participant Engagement: Gender

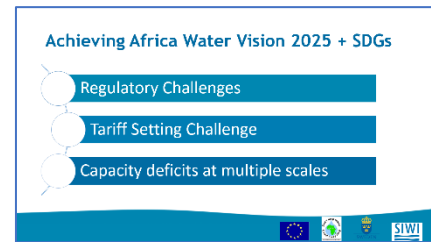


■ Female ■ Male ■ Did not self identify

2018 also saw a significant rise in interest from European based experts, attributed to the 2018 thematic focus on water infrastructure financing challenges shared between European and African contexts. Further participant data analysis indicates that 37% of session participants were female participants; 54% were male and 9% did not self-identify.

Structurally, the Showcase began with a series of presentations to set the stage around some of the challenges and opportunities to improve financing models around water infrastructure financing. This was then followed by an interactive and dynamic World Café session with tables around five themes facilitated by experts from both African and European contexts.

SIWI’s Africa Regional Director, **Anton Earle** introduced the Showcase concept, co-convening partners, and highlighted some of the key thematic issues of high importance to water infrastructure financing in both the African and European contexts. Specifically, regulatory challenges, tariff setting challenges, and capacity deficits at multiple scales. He highlighted that through engaging with often similar experiences, a variety of lessons can be learned, and recommendations formed to overcome these bottlenecks. **Canisius Kanangire**, Executive Secretary, AMCOW stressed that most people in Africa are not aware that water financing problems exist in Europe and highlighted the need to work together between European and African investors to achieve shared goals. He further called for the water sector to be showcased as attractive investment opportunity. **Karin Anette Andersson**, Head of Unit, AFRIKA/HÅLLBAR, Sida spoke to Sida’s long-term commitment to advance innovative financing in water and stressed that both the public and private sectors need to be involved equally. She further highlighted SIDA’s support via AEWPP and partnership with OECD on this issue. **Charlotta Dawidowski Sydstrand** of AP7 focused on the Swedish experience highlighting that Sweden also has to work hard to achieve all SDGs domestically. She indicated that today, about 12 billion Swedish crowns are invested in the water sector, yet there is a need for almost double as much (22 billion SEK). Further, most of Swedish water infrastructures was built during the 1960s and 70s and requires more investments for maintenance and renewal. She also noted the growing interest in “Blue bonds” specifically following the 2018 dry summer in Sweden. Swedish pension funds alone have billions of US Dollars ready for investment. **Ziyanda Mpakama**, Programme Manager for the AEWPP gave a brief overview of AEWPP and its current status, providing a reporting back on challenges that emerged from AEWPP case studies. She highlighted comparisons to the energy sector noting, that water financing sector is way behind the energy financing sector with the lack of cost-effective tariffs being the key challenge. **Kathleen Dominique**, OECD Environment Directorate described the importance to keep in mind the broad spectrum of water-related investments and that not all strategies will work for all types of water financing. Strong need to create proper risk profiles for water infrastructure projects.





In all, the introduction presentations highlighted the urgent need for investment in water and sanitation infrastructure both in Sweden (as well as many other OECD countries) and Africa. The challenges around financing being not an unwillingness to invest or a lack of available assets. Rather there are very similar problems that African and Swedish municipalities face: tariff setting and implementation, complicated water regulations, unwilling or unable to assume more debt on their balance sheets, and they have difficulties in attracting capacity – skilled leaders to work on water projects. These problems make it difficult to attract investors who are looking for long-term, low-risk investments. Challenges notwithstanding, there are many institutions in Sweden that have committed themselves to making investments in sustainable development, and are looking for projects that fall within smart investment water projects.

Participants were then invited to share their experiences and recommendations through a World Café session designed to be a structured conversational process for knowledge sharing that provided the opportunity to synthesize ideas of a diverse audience. Five key themes were discussed, including: (i) municipal challenges to take on debt for water infrastructure; (ii) tariff setting; (iii) legal and regulatory environment for investment including alternative procurement challenges; (iv) addressing capacity gaps at multiple scales (municipal, national, regional, global); (v) blended financing for water investments. Challenges were identified relating to measurement, price structures, education on sustainability, inadequate legal frameworks, lack of human capacity, poor political leadership in the water sector, de-prioritization of sanitation, and limited transparency. Recommendations included, inter alia, developing long-term financial plans, human resource management plans, promotion of innovation, enhanced political will, increased training and awareness of sanitation and sustainability, soft loans, de-linking tariffs from politics, greater technical assistance for water projects, and identification of the most scalable projects.

Altogether, the challenges and recommendations identified in the session provide vital impetus to move forward in addressing key water finance constraints in both Sweden and the African continent.



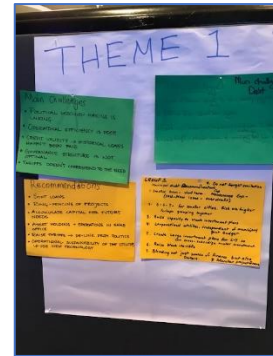
Theme 1: Municipal challenges to take on debt for water infrastructure

Challenges:

- Financial structure of municipalities
- Addressing non-revenue water
- Public sector salary scale versus utility
- Accounting: Show business cases for private financing
- Governments shy away from politicising water sector
- Sanitation projects
- Differentiating levels (technical vs financial)
- Capacity to develop own projects

Recommendations:

- Integrate ICT solutions
- Posting resources, i.e. procurement services
- Leveraging existing resources
- Advocacy for water agenda
- Make water key financial aspects in municipalities
- Create more aware on sanitation
- Political will to impose cost-reflective tariffs
- Establish: human resource management plan, including technical and financial level
- Improve integrity in the water sector
- Make the water sector more attractive





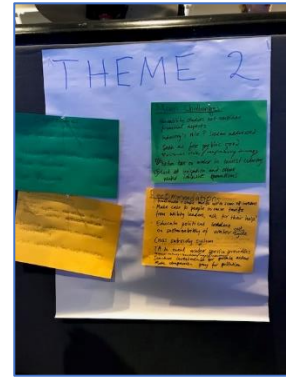
Theme 2: Tariff setting

Challenges:

- Difficult to implement where there is potable water
- Measuring utilization
- Price structure
- Cost recovery
- Feasibility studies do not consider financial aspects
- Industry's role is seldom addressed
- Public often sees water as "free"

Recommendations:

- Extra tax on water in tourism, agriculture, and industries
- Better integrate taxes from irrigation or other water industry operations
- Install meter stems for non-potable water
- Develop instruments to measure how to ascertain appropriate pricing
- Install operations for cost recovery
- Secure stable tariffs for long term risks
- Involve utility leaders to make case for raising tariffs
- Educate political leaders on sustainability of water cost cycle
- Cross subsidy systems
- TA to rural water service providers
- Make companies pay for pollution



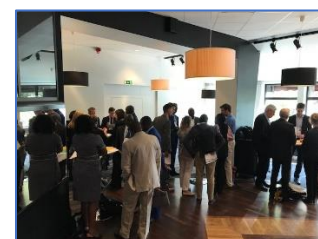
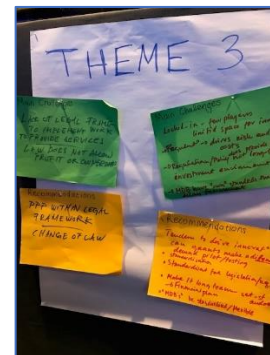
Theme 3: Legal and regulatory environment for investment including alternative procurement challenges

Challenges:

- Lack of legal framework to implement for service provision
- Law does not all profits or ownership within water sector
- Only a few actors that are locked-in to their roles
- Limited space for innovation
- Regulations drive risks and costs
- Regulations do not establish an environment for long-term investment
- MDB have "own" standards, delaying procurement

Recommendations:

- PPP within legal framework
- Support and drive innovation
- Demand piloting/testing periods
- Standardize legislation and regulations, and MDBs
- Make long-term settings and financial plans





Theme 4: Addressing Capacity Gaps at multiple levels (local to state)

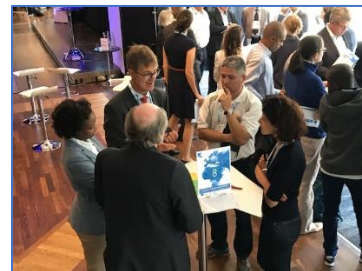
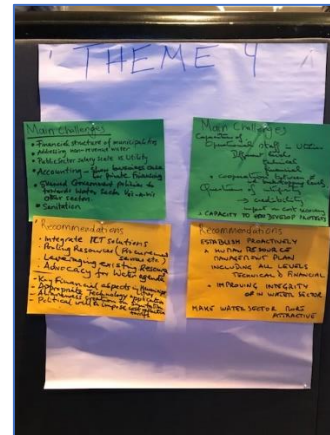
Challenges:

- Lack of political decision making
- Poor operational efficiency
- Credit validity (historical loans have not been paid)
- Tariffs do not correspond to the needs
- Lack of human capacity to identify and develop projects
- Political tenor – tenor term signs
- Low tariffs

Recommendations:

- Soft loans
- Ring-fencing of projects
- Accumulate capital for future needs
- Asset holding and operations in same office
- Raise tariffs -> de-link from politics
- Operational sustainability of the utilities > use new technology
- Smaller loans, short term, cap maintenance expenditure (cash flow issues – overdraft)
- B–O–T for smaller cities. Risks are higher, perhaps grouping together
- Build capacity to create investment plans
- Corporate utilities, independent of municipal budget
- Create large investment plans for L-T so can cross-subsidize water investment
- Raise block tariffs
- Blending not just source of finance but also sector
- Don't forget sanitation

Monitor project finance





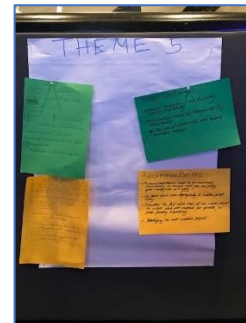
Theme 5: Blended financing for water investments

Challenges:

- Problems with transparency – lack of visibility regarding profit making
- Having a political leadership/championship (India example)
- Risk of water first and leaving sanitation behind

Recommendations:

- Technical assistance needs to be mobilized concurrently, to ensure what you are putting your money into will work
- Use donor funds more strategically to mobilize private money
- Unbundling the full value chain of the water projects to isolate each part needed for private, or public funding respectively
- Identifying the most scalable projects



The session concluded with an engaging reporting back with **Xanani Baloyi**, Project Officer with the SIWI AEWPP team, reviewing the submitted challenges and recommendations from each group as above.



The AEWPP Value Proposition and AEWPP Project Pipeline documents were presented and disseminated during the event in limited hard copy and via the World Water Week event page. In addition, studies presented by all co-conveners were available in full via the World Water Week event page including the following resources:

- **Vatten som investerings objekt:** Report by the Swedish Church, AP7, AP3, Skandia and SPP work together as investors with Agenda 2030 and Goal 6 – clean water and sanitation for all. Collaboration takes place within the framework of a SIDA initiative, Swedish Investors for Sustainable Development (SISD). The group has focused on investments that need to be made in Swedish water infrastructure to meet goal 6. During the course of work it has been found that there is more capital than there are investment opportunities within sustainable water and sanitation.
- **OECD Policy Paper Financing Water Investing in Sustainable Growth**
- **Africa EU Water Partnership Project: Unlocking Finance for regional water infrastructure in Africa**



Sofa Summary and Outcomes:

AEWPP organized two Sofas to elevate key lessons learned and trends within the water infrastructure financing sector. The [fifteen-minute segment](#) focused on key aspects of regional water infrastructure governance and innovative financing mechanisms and featured expert panelists Ziyanda Mpakama, Programme Manager, Stockholm International Water Institute (SIWI); Joseph Murabula, Kenya Innovative Finance Facility for Water (KIFFWA); Gabriel Kalinga, Songwe River Basin Commission (SRBC), Tanzania; and Lenka Thamae, Executive Secretary, Orange-Senqu River Commission (ORASECOM). The second [five-minute segment](#) was a focused exchange between the Sofa host and Ziyanda Mpakama, Programme Manager, Stockholm International Water Institute (SIWI) digging deeper into issues around nexus financing and the how improved financing strategies can elevate social development impacts around water infrastructure financing.



Next Steps:

The AEWPP team will be formulating a policy brief structured around the five themes elevated during the World Café component of the ‘Water Finance Constraints: Africa and Sweden’ Showcase. This policy brief will be released in Q4 of 2018. In 2019 SIWI will release additional policy briefs focused on several of the themes elevated during the World Café session.

AEWPP will be hosting additional opportunities for stakeholder engagement and dialogue throughout Q4 of 2018 and 2019. Upcoming events include:

- Africa Water Week: Oct 29 - Nov 2, 2018; Event with CRIDF under development focused on Nexus approach
- African Investment Forum: Nov 2018, Johannesburg
- GWP Nexus Event Oct 2018
- JAES 2019 (tbc)
- World Water Week 2019 (Nexus w/ AMCOW)



Annex I: Showcase Programme

- 14:00-14:05 Welcome and Session Introduction: Anton Earle, Director, Africa Regional Centre, SIWI
- 14:05-14:10 Welcome Address: Canisius Kanangire, Executive Secretary, AMCOW
- 14:10-14:18 Welcome Address: Sida's long-term engagements to advance innovative financing in the water sector; Karin Anette Andersson, Head of Unit, AFRIKA/HÅLLBAR, Sida
- 14:18-14:26 Challenges and Opportunities for Water Infrastructure Financing in Sweden: Presentation of SISD Study Key Findings; Charlotta Dawidowski Sydstrand, AP7
- 14:26-14:32 Challenges and Opportunities for Water Infrastructure Financing Across Africa using case studies from the AEWPP Project Pipeline; Ziyanda Mpakama, Programme Manager, AEWPP, SIWI
- 14:32-14:40 Blended finance for water investments: opportunities and challenges; Kathleen Dominique, OECD Environment Directorate
- 14:40-14:50 Introduction to the World Café, thematic issues and table facilitators; Facilitated by Anton Earle, Director, Africa Regional Centre, SIWI and Dr Grit Martinez, Ecologic
- 14:50-15:20 World Café: Two rounds of world café session (15 min each)

Theme 1: Municipal challenges to take on debt for water infrastructure

Issue Snapshot: Traditional balance sheet based or alternative procurement methodologies i.e. PPPs. Municipalities concern to increase their debt can be mitigated through consideration of PPPs where the private sector raises finances.

Facilitators: Joseph Murabula, Kenya Innovative Finance Facility for Water (KIFFWA); Johanna Landgren, SPP; Andre Kruger, Water Finance Specialist; Tangvi Nagpal, International Development Program, Johns Hopkins University

Theme 2: Tariff setting (parallel discussions in English and French)

Issue Snapshot: Political emphasis on low tariffs leads to water tariffs that are not fully cost reflective. As such water utilities are unable to maintain and expand services.

Facilitators: Charles Reeves, Climate Resilient Infrastructure Development Facility; Gunnela Hahn, Church of Sweden; Sylvain Guebanda, TAC Central African Republic; Benson Ajisegiri, Nigeria TAC; Marcus Svedberg, Senior Advisor at Stockholm Sustainable Finance Centre

Theme 3: Legal and regulatory environment for investment including alternative procurement challenges

Issue Snapshot: Why is it difficult to initiate PPPs in the water sector? Is profit making in the water sector permitted?

Facilitators: Nompumelelo Ntshalintshali, AMCOW TAC, Swaziland, Karin Lindblad, Sida; Peter Mahal Akat, TAC South Sudan; Johan Floren, AP7;



Theme 4: Addressing Capacity Gaps at multiple scales (municipal, national, regional, global) (parallel discussions in English and French)

Issue Snapshot: Challenges in attracting and retaining core capacities to improve abilities to attract and manage infrastructure financings and long term strategic planning at multiple scales. Options for mitigating this challenge?

Facilitators: Charlotta Dawidowski, AP7; Lydie Menouer, AEWPP Financing Consultant West and Central Africa; Andre Liebaert, Advisor EU Commission

Theme 5: Blended financing for water investments

Issue Snapshot: Strategically using development finance to mobilize additional commercial finance that contributes to water security and sustainable growth. This includes leveraging financial resources from a variety of different resource streams: government (grants, equity), DFIs, capital market (insurance, pension funds) to scale up financing flows.

Facilitators: Lenka Thamae, ORASECOM; Paul Horrocks, OECD; Malango Mughogho, Climate Resilient Infrastructure Development Facility (CRIDF); Kathleen Dominique, OECD 15:20-15:30 Reporting Back; Facilitated by Xanani Baloyi, Programme Officer, Africa Regional Centre, SIWI

Annex II: Showcase Participants List

Name	Affiliation
Canisius Kanangire	African Ministers' Council on Water (AMCOW)
Annika Karlsson	SIDA
Andre Kruger	SIWI
Joseph Murabula	KIFFWA
John Brogan	Terre des hommes
Ziyanda Mpakama	Stockholm International Water Institute
	Massachusetts Institute of Technology
Louise Croneborg-Jones	LCJ Consulting
Shanna Nienaber	Water Research Commission
Teboho Nkhahle	Lesotho Highlands Development Authority
Grit Martinez	Ecologic Institute
Elizabeth Yaari	Stockholm International Water Institute (SIWI)
Paul Drenning	Chalmers
Debora Falk	Norconsult Consulting
Lydie Menouer	Maryll consulting
Nompumelelo Ntshalintshali	AMCOW
Peter Mahal Akat	Ministry of Water Resources and Irrigation
	JHU SAIS
Pelle Seman	SEMCAT
	Eldoret Water and Sanitation Company



Malango Mughogho	CRIDF
Mullin Bernhardt	UNEP
Lis Kalinga	Songwe River Basin Development Programme
Gabriel Barbee	Catholic Relief Services
Paul Horrocks	OECD
Andre Liebaert	European Commission
Antony AMBUGO	WATER SERVICE PROVIDERS ASSOCIATION
Torun Reinhammar	CDP
Sylvain GUEBANDA	MINISTERE DU DEVELOPPEMENT DE L'ENERGIE ET DES RESSOURCES HYDRAULIQUES
Adele Gremombo	AFCIDR
	OECD
Samantha Yates	Global Water Leaders Group / Global Water Intelligence
	South Sudan Urban Water Corporation
	Ministry of Water Resources and Irrigation
	Uppsala University
Andrew Chatting	ECODIT
Lackson Samboko	Water Resources Management Authority
Konstant Bruinette	Development Bank of Southern Africa
Andy Maro Tola	Nile Basin Initiative/NELSAP
Grania Rubomboras	Nile Basin Initiative
Annie Strand	SIWI
Charles Reeve	Climate Resilience Infrastructure Development Facility (CRIDF)
Jean-Paul Penrose	DFID
Preeti Sinha	WSSCC
Jackline Muturi	SNV-Netherlands Development Organisation
Charlotte Grech-Madin	Uppsala University International Centre for Water Cooperation
Steffan Aldenfalk	Xylem
Richard Rapier	USAID Water for Africa through Leadership and Institutional Support
Sarah Forcino	Catholic Relief Services
Karolina Wallin Fernqvist	Sida/Uppsala University
Hampus Nilsson	Lund University
Isabelle Karnik	Uppsala university
Nicholas Lorne	Waterpreneurs
Dibi MILLOGO	Volta Basin Authority
Maxime SOMDA	UICN
Klaus Leroch	Austrian Development Agency
	Ragn Sells
Sunil Lalvani	project maji
Ian Cooke	SD Venture Advisors
Gemma James	Principles for Responsible Investment
Anthony Kariuki	The Nature Conservancy
Stuti Sharma	World bank
David Wilcox	ReachScale



Brieux Michoud	Waterpreneurs
Regina Rossmann	Deutsche Gesellschaft für Internationale Zusammenarbeit GIZ
Daniel Nordmann	German Agency for International Cooperation
Rolfe Eberhard	independent professional
Henry Roman	Department of Science and Technology
Zabathwa Mzamane	EThekweni Municipality
Joanna Fatch	AU/NEPAD Southern African Network of Water Centres of Excellence
Shaheen Kassimlakha	Hilton Foundation
Andrew Takawira	Global Water Partnership
Mats Åberg	SIDA
Evangelos KONSTANTIANOS	GWP-MED
Mats ERIKSSON	Stockholm International Water Institute
Michael Gardner	Aqaix
Wei Hu	Ministry of Foreign Affairs of the People's Republic of China
Ian Moise	Catholic Relief Services
Lucie leclert	Caritas Switzerland
Malena Rosman	Sida
Karin Lindbled	Sida
Karin Svensson	Sida
Bjorn Bergsbard	
Malena Shredberg	SSEC
Carlotta Dawidowski Sydstrand	AP7
Michel Lindmmou	AP7
Johan Flore	AP7
Karin Anderssen	Sida
Karin Rosman	Deushe Bank
Anton Earle	SIWI
Gunneth Hahn	Church of Sweden
Johanna Landberg	SPP
Anne Clarie Horngard	AP3
Andres Aridson	Sida
Samer Al Feyneh	Sida
Christopher Onajin	Sida
Aaron Mattan	SSPC/SFI
Jonsson	Swedbank
Peter	EMT Capital
Lena Rupp	Sida
Ora Axelson	