A knowledge asset of the African Ministers’ Council on Water

This material is shared as a learning resource to promote awareness and good practice in the provision, use and management of water resources for sustainable social and economic development and maintenance of African ecosystems.

Copyright for this material rests with the authors.
African Development Bank
Group Strategic Framework &
the High 5s: Contributing to
Water Security

2018 Africa Water Week – Libreville
Session Objectives

• To provide an overview of AfDB’s Ten Year Strategy (2013 – 2022) and the Top 5 Priorities (High 5s)
• To highlight the contribution of the High 5s to water security
• To provide a brief outline of the Draft AfDB Water Policy and how this responds to water security in Africa
• To hear your views
AfDB’s Ten Year Strategy (2013-2022) – At the Centre of Africa’s Transformation

Two objectives to support transformation

- Inclusive growth
- Gradual transition to green growth

Five core operational priorities

- Infrastructure development
- Regional integration
- Private sector development
- Governance & accountability
- Skills & technology

Three areas of special emphasis

- Fragile states
  - A ‘continuum’ & regional approach
- Agriculture & food security
  - Supporting value chains
- Gender
  - Economic empowerment
  - Legal & property rights

Special emphasis areas:

- Age
- Gender
- Geography

Additional focus areas:

- Building resilience
- Managing natural resources
- Sustainable infrastructure

Economic empowerment

Legal & property rights

Supporting value chains

Managing natural resources

Sustainable infrastructure

Building resilience

Gender
What do we need to Achieve Africa’s Transformation – AfDB Estimates

**UNIVERSAL ACCESS TO ELECTRICITY**
- +162 GW electricity generated
- + 130 million on-grid connections
- + 75 million off-grid connections

**AGRICULTURAL TRANSFORMATION**
- ~130m lifted out of extreme poverty
- Zero hunger and malnutrition
- Africa’s net trade balance – $0 billion
- Africa share of market value for processed commodities increased by 40%

**ECONOMIC DIVERSIFICATION**
- Industrial contribution to GDP increased by 130%
- 35 special economic zones supported
- 30 PPPs developed & strengthened

**REGIONAL MARKETS**
- Intra-African trade representing 52% of total trade
- US $172 billion saved in transportation cost
- No visa requirements for Africans travelling across Africa

**SOCIAL AND ECONOMIC OPPORTUNITIES**
- US $30 billion in income gains for the African economy
- Improving access to water & sanitation
- Strengthening health care & educational systems

Approx. USD 170 billion per annum
The Banks Key Five Priorities to economic transformation in Africa: The High 5s

- Light Up and Power Africa
- Feed Africa
- Industrialise Africa
- Integrate Africa
- Improve the Quality of Life for the People of Africa

Taken together these priorities provide an integrative approach for responding to the challenges in Africa.
Banks vision for water security is:

“an Africa where there is an equitable and sustainable use and management of water resources for poverty alleviation, socio-economic development, regional cooperation and the environment, in line with the Africa Water Vision 2025”
The Centrality of Water in the High 5s Agenda

Water for Industrialization

Water for energy production
- Water for transportation
- Regional Water management

Agricultural water

Water Supply and Sanitation

Feed Africa

Industrialize Africa

Light Up and Power Africa

Improve the quality of life

Integrate Africa

Gender

Climate change

Fragility

Cross-cutting issues

Water

Women and Youth Empowerment

Disaster Risk Management

Climate change

Cross-cutting issues
Light Up and Power Africa – New Deal on Energy for Africa

- Energy shortages estimated to cost Africa 2-4 percent of regional GDP per annum
- 645 million African lack access to electricity
- Potential for renewable energy generation is very high – Estimated 10 terawatts of solar energy, 110 gigawatts of wind, 15 gigawatts of geothermal, and 350 gigawatts of hydroelectric energy
- Hydropower provides around a fifth of current renewable capacity but less than a tenth of total potential has been utilized.
- AfDB commits to $12 Billion over 2016-2020
Light Up and Power Africa – Implications for Water Security

- Hydroelectricity a significant component of renewable generation potential
- Electricity generation and storage development common to Country Strategy Plans
- Care needed to ensure that local water security needs are considered within decisions
- Much potential is located in the Congo basin, but financing activities may require external input, such as through Southern Africa Power Pool
- Increased promotion of multi-use storage or multi-state storage such as the Songwe River Basin Development Programme is a key opportunity for transformation
Feed Africa

• Undernourishment prevalent in parts of Africa
• Africa is a net food importer
• Africa’s potential for agricultural production is enormous, with 60% of the world’s unused arable land
• Agriculture accounts for 51% of jobs across Africa but only 25% of African GDP
• African business presently has a minimal role in downstream processing – e.g. Cocoa where production of beans is 73% but ground cocoa is only 16%
• Climate variability and climate change are important limiting factors to the expansion of agricultural activity
Feed Africa – Implications for water security

• Water-food-energy nexus is central to sustainable development

• Water for agricultural use is the largest user of water, and expanding irrigated land from present 7% requires efficiencies and managing pollution

• Increasing industrial processes used to improve the value chain in agro-processing corridors will result in increased water demand and pollution

• Need to ensure that water demand and pollution is fully taken into account as part of the overall plans to Feed Africa
Industrialise Africa

• On average, African industry generates merely USD 700 of GDP per capita, which is less than a third of the same measure in Latin America (USD 2 500) and barely a fifth of that in East Asia (USD 3 400).

• African exports consist of low technology manufactures and unprocessed natural resources, which represent more than 80% of exports from Algeria, Angola or Nigeria, for example.

• Promoting industrialization will diversify economies, increase skills capacity, and create jobs.
Industrialise Africa – Implications for water security

- Many industrial processes require secure quantity/quality of water
- Increased industrialization to more than double present output puts pressure on local water resources – including both water supply networks or on-site solutions such as boreholes
- Much of the industrialization is likely to occur in places that already have local industry, due to local industrial ecosystems
- Often found in major urban areas already seeing substantial population growth
- Can be used to help secure investments into the water sector in these urban areas that can be used for domestic and productive use if managed well
Integrate Africa

• Intra-African trade is the lowest globally – approximately 15 percent compared to 54 percent in the North America Free Trade Area, 70 percent within the European Union and 60 percent in Asia

• There is also very limited integration of regional markets for infrastructure services, particularly in power, energy, water and sanitation

• Approximately 80 transboundary basins and 38 shared aquifers
Integrate Africa – Implications for water security

• Support development of multipurpose dams, transboundary river resources and other river basin programs for flood control, irrigation, transport, drought prevention and industrial water supply

• Build capacity of Africa’s lake and river basin organizations to develop hydraulic infrastructure

• Address sustainable development issues in transboundary water management.

• Adopt measures for environmental and climatic resilience of ecosystems and infrastructure, including freshwater ecosystems
Improve the Quality of Life for the People of Africa

• The continent’s population of 1.2 billion is projected to more than double by 2050, when Africa will be home to one-fourth of the world’s population

• Improved sanitation and water necessary for improved health outcomes

• Improved education also necessary

• Africa will remain the world’s youngest region, with a median age of 25 and there needs to be a focus on creating employment for youth
Improve the Quality of Life for the People of Africa – Implications for Water Security

- Water and sanitation services at the core of addressing water security at national and regional levels
- Water security important for addressing health issues and inequality
- Potential for providing economic opportunities that can foster resilience and reduce vulnerability
- Ensure that actions to address water security take into account cross-cutting issues such as gender
AfDB Draft Water Policy

• Priority areas of focus include water supply and sanitation, agriculture, energy, transportation, industry and tourism, and water related disaster risk management, taking into account cross-cutting issues such as private sector participation, gender, environmental and social responsibility, and climate change

• Action through:
  ➢ Water sector strategies (e.g. Bankwide Water Sector Strategic Plan, RWSSI, AWF)
  ➢ Mainstreaming water security in Bank’s policies, strategies, guidelines and operations
  ➢ Strengthen internal/external coordination and partnerships around the water sector in Africa
  ➢ Monitoring and Evaluation
AfDB’s Engagement in the Water Sector

AHWS leads Bank’s work on promotion of sustainable and integrated solutions across the water and sanitation value chain to support Africa’s economic transformation.

**Coordinates Bank’s water development and sanitation-related activities to enhance synergies and support achievement of the High 5 on Improving the Quality of Life of the People of Africa; and contributes to the other High 5s towards sustainable development of Africa’s water resources.**

**Areas of Intervention**

1. **WATER COORDINATION AND PARTNERSHIPS**
   - 1.1 Intra-Bank sector coordination and monitoring & evaluation
   - 1.2 Strategic partnerships with regional & global stakeholders
   - 1.3 Coordination of Trust Funds & Initiatives: RWSSI & Water Partnership Programme
   - 1.4 Non-traditional financing modalities and economic solutions

2. **WATER SECURITY & SANITATION BEST PRACTICE AND INNOVATIONS**
   - 2.1 Strategic work, new knowledge, tools on water supply, sanitation, water resources etc.
   - 2.2 Support regional hubs on: complex projects; and on strategies
   - 2.3 Promotes innovative technologies; efficient managerial approaches; and good governance

3. **FACILITATION OF RESOURCE MOBILIZATION FOR INVESTMENTS (AWF)**
   - 3.1 Project and program preparation and facilitation of follow-on investments
   - 3.2 Catalytic investments for pilots and to mobilize private sector financing
   - 3.3 Water & sanitation investment promotion
Thank you

And an opportunity for questions