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.

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AWF 2017 – 2025

STRATEGY

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AWF - One of the responses to Africa’s water challenges

**Creation**

An Initiative of African Ministers’ Council on Water (AMCOW).

- Created in 2004 by AfDB
- Operational since 2006

**Administration**

- Hosted and administered by the African Development Bank (AfDB).

**Mission**

- To assist African countries to mobilise and apply resources to the Water and Sanitation sector for the implementation of the Africa Water Vision (2025) and meet the SDGs (2030).
AWF Main results 2016-2018

117 projects approved
52 beneficiary countries
€153 million committed

AWF Active Portfolio

- National Projects
- Multinational Projects
AWF Leverage Effect as at 31st December 2017

On average, each €1 contributed by the AWF has attracted €32 in additional follow-up investments

€ 44 m AWF Invested in Bankable Projects

€ 1.5 billion Committed for follow-on investments

€ 2.1 billion Pledged

The amounts pledged and committed will increase after the ongoing survey on the follow-on investments leveraged
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.

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

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.

**Vision:**

**Mission:**

**Goal 2025:**

**Pillars:**

- **Investment Promotion (10%)**
- **Catalytic Investments (15%)**
- **Project Preparation (75%)**

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

### Objective

**Strategic Priority 2: Catalytic Investments**

**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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**African Water Facility**

Facilité africaine de l'eau

Mobilising Resources for Water in Africa

Mobiliser des ressources pour l'eau en Afrique
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

- **Climate Change adaptation**: climate proofing & no-regret infrastructure
- **Fragile States**: great need, limited capacity to attract investments, requires special funds allocation
- **Gender equity and social inclusion**: in access, use and management of water resources
- **Private Sector engagement opportunities**: scoped out for infrastructure & svc delivery
- **Poverty alleviation & displaced persons**: Pro-poor project selection & designs for improved living conditions
- **Employment creation**: in productive water uses: agribusiness, industries & MSMEs
- **Fragile States**: great need, limited capacity to attract investments, requires special funds allocation

Promotion, Catalytic Inv, Project Preparation
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

**Hydropower**
€3 billion
👍 Increasing electricity capacity by 2,100 MW

**Multipurpose water storage**
€2.6 billion
👍 Increasing storage volume by 14 billion m³
AWF BUSINESS MODEL

Funding partners

AWF Funds

AWF Products

Cost recovery (50%)

Beneficiaries

AWF Basket Fund

- WRM Plans & Enabling Env
- Transaction Support
- Networking opportunities

- Structuring & Feasibility Studies
- Catalytic Investment
- Guarantee Brokerage

- African Govs
- Regional Orgs
- Utilities & Svc Providers
- NGOs/CBOs

Project Owners

Project Financiers

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

www.africanwaterfacility.org