

# African Water Facility

## Opportunities for Transboundary Investments in the Nile Basin

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AFRICAN DEVELOPMENT BANK GROUP  
GROUPE DE LA BANQUE AFRICAINE  
DE DEVELOPPEMENT



**African Water Facility**  
**Facilité africaine de l'eau**

*Mobilising Resources for Water in Africa*  
*Mobiliser des ressources pour l'eau en Afrique*



# Outline

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Nile Basin - Issues and Trends

2

Nile Basin - Challenges

3

Examples of Transboundary Investments

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Opportunities and Way Forward


- **Declining water resources availability per capita** coupled with **rising water demand due** to urbanization, population growth, poor catchment management.
- **Climate change and variability significantly affecting water resources**, experiencing recurrent prolonged droughts and severe floods
- **Increased inter sectoral competition over multi-purpose needs and uses for water** (water, food, energy, ecosystem, mining, tourism, etc.)
- **Lack/weak basin-wide/transboundary cooperative frameworks and institutions** for coordinated water resources planning, management and development, which are critical in the current situation of increased climate change impacts






- **Weak data/information/knowledge and capacity enabling environments** to support effective analytical work and forecasting to inform optimized water resources planning, regulation and climate-smart investments
- **Limited multi-sectoral planning, implementation and management of water resources projects** based on the Water-Energy-Food-Ecosystem-Climate nexus approach and IWRM
- **Countries paying too little attention to water quality and environment pollution.** Many countries do not have standards, effective policies, to control water pollution or the capacity to enforce existing legislation
- **Increased cost** of water resources investment, operation and management

 Rapid urbanization & population growth  
**Increased water demand, tensions  
competition over water use**

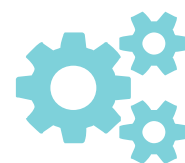
 Increased climate change risks  
**Water stress & scarcity  
Floods affecting livelihood**

 Lack of high-level commitment  
**Lack of finance**

 Water cooperation is a long-term and resource-intensive process

**Weak Basin-wide  
Cooperative governance**

Absence of harmonised legal  
& regulatory frameworks



**Operational inefficiencies &  
Uncoordinated investment  
planning**



# 3 Example of Transboundary Investment Project

## LAKE VICTORIA BASIN

Lake Victoria Basin Commission Water and Sanitation Initiative (Uganda, Kenya, Tanzania, Burundi, Rwanda)

Approval Year : 2008 , **AWF financing commitment: Eur. 994,000**

### Objective

- Dvt. short- and long-term investment plans to improve water and sanitation supply and environmental mgt. services in 15 priority secondary towns

### Results

- ***Investment plans developed for long term needs of 15 towns***, targeting improved water supply , on-site solid waste mgt , surface drainage and capacity building.
- ***EUR 98.9 million mobilized*** in downstream financing for expansion of water supply and services network benefiting more than ***5 million people in the 15 towns.***
- ***Strong regional cooperation and integration mechanism enforced*** across the 15 priority towns



EAST AFRICAN COMMUNITY  
**LAKE VICTORIA  
BASIN COMMISSION**  
*One People, One Destiny*

# 3 Example of Transboundary Investment Project

## 80MW REGIONAL RUSUMO HYDROPOWER PROJECT

Nile Basin Initiative/ (Tanzania, Burundi, Rwanda)

Approval Year : 2010, **World Bank** financing commitment: **USD, 7.72 Million** for studies

### Objective

- Improve countries' economies with reliable and less costly power supply

### Results

- *Increase electricity access in the three countries*
- **USD 500 million mobilized (USD 340M – World Bank & USD 160 Million – AfDB)** in downstream investment financing for hydropower generation, livelihood program and transmission lines benefiting more than **1.2 million people** in the three countries.
- ***Strong regional cooperation and power integration***





## 3 Example of Transboundary Investment Project

### NIGER BASIN

Preliminary studies for multipurpose infrastructure for the Niger basin agricultural and climate change adaptation and development programme

Approval year : **2013** , **AWF financing commitment** : Eur. 960,000

#### Objective

- Preparation of multipurpose infrastructure studies for integrated dvt targeting small dams, irrigation, fishing and water reservoirs.

#### Results

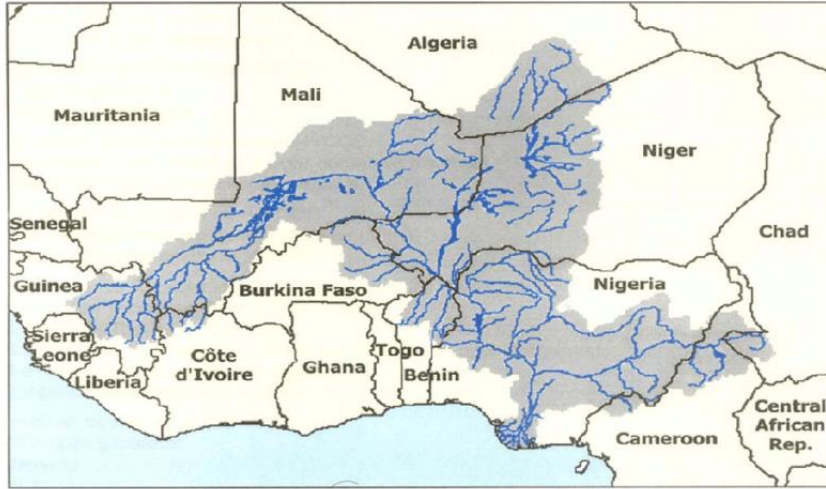
- **9 priority investment projects** developed for each country in the basin
- **EUR 262.06 million secured as downstream financing** for 9 national projects. Implementation ongoing targeting ;
  - **Recovery of 140 000 ha of degraded land target, 4 million farmers**
  - **Construction of 209 water infrastructure systems** for agro-pastoral & fish-farming activities
  - Implementation of 450 sub-projects for agric. chain dvt and capacity building of 184 youth SMEs



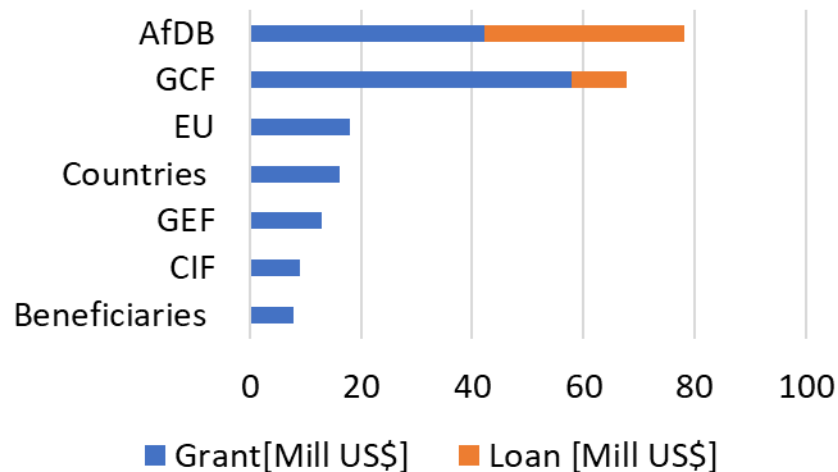


# Niger River basin -PIDACC Program, (\$ 210 million)

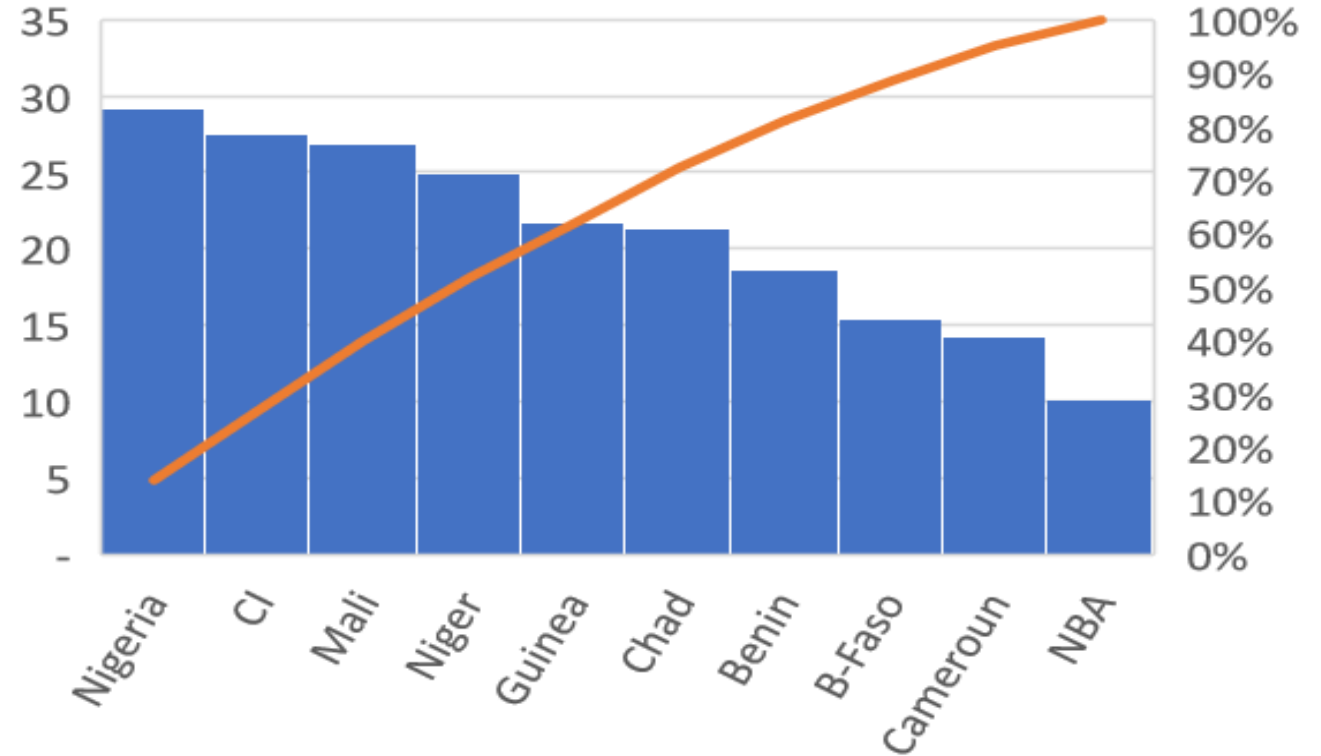
## AWF Investment Euro 1 Million (2017) – Climate Resilient Basin Planning



Financial Structure by Source of Funds



Financing Allocation by Country/Agency



Loan financing 22%;  
Grant financing 78%

**Abundant Water  
Resources**

**Nile Basin Investment  
Program**

**New Donor focus on  
Transboundary  
Cooperation and Basin  
development**

**Climate Finance  
targeting Basin-wide  
approaches**

**Current NBI structures-  
spring board for Basin-  
wide institution**

**Country focus on  
major infrastructure  
for Water, Energy and  
Food security**

## 4

## WAY FORWARD

- Establish effective **governance arrangements (reforms) anchored at high level**
- Strengthen **climate resilient basin level planning** (water, food, energy, ecosystem, Climate and Peace nexus)
- Strengthen **water sector prioritization at national level informed by regional plans**
- Investment program with a **climate focused project pipeline** and prepare bankable projects
- Build more trust- undertake **joint projects, leverage finance and shared benefits**
- Strengthen **partnerships and attract innovative finance** (blended finance incl. environment and climate finance)



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## Thank you

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