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### **REGIONAL WORKSHOP ON WATER FINANCING IN WEST AFRICA**

**Ouagadougou 29-30 March 2007**

**Vanessa Celosse / Alan Hall**

#### **1. Background**

In response to calls, from regional bodies, for increased focus on financing in the water sector the EU Water Initiative Finance Working Group (EUWI FWG) and Global Water Partnership Organisation (GWPO) agreed to collaborate on a programme for supporting capacity building and knowledge sharing on financing water for Africa and Caucasus & Central Asia.

The purpose of this collaboration is to increase access to and knowledge of a broader range of finance mechanisms and financial policy tools for water-related development and management by senior officials and water specialists operating at the country and municipal level.

#### Rational for collaboration:

In 2004 GWP agreed funding with the Dutch Ministry of Foreign Affairs a “Programme for National IWRM and Water Efficiency for six Countries in Africa”. Specifically the Dutch programme includes a component on: Increasing the understanding of and potential access to a broader range of financing instruments. In addition the programme was developed with and in the context of the EU Water Initiative. The EUWI was envisaged as a partner at both the regional level and country level in Africa.

GWP regional work programme for the Caucasus and Central Asia (CACENA) region in 2007 will support activities on “IWRM water policy and strategy development facilitated on relevant levels”. Specifically the GWP CACENA will support the organization of political dialogues on IWRM implementation at the national level, which will include intersectoral seminars and round tables. This work is being supported by the Government of Finland and GWP core funds.

#### Area of collaboration:

The EUWI FWG agreed to support GWP in both East and West Africa regions and Caucasus and Central Asia region to develop and implement regional and country level activities on finance.

Specific outputs included regional workshops on financing water sector, and follow-up activities at country level – e.g. round-tables on financing.

#### West Africa Workshop organisers:

The West Africa Water Partnership (GWP/WAWP) is a regional water partnership of the GWP and was established in 2002 to promote Integrated Water Resources Management (IWRM). It aims to support West Africa countries in their efforts to manage their water resources in a sustainable manner. GWP/WAWP believes that improved water management helps combat poverty, improve social well-being and support economic growth.

The GWP/WAWP network brings together all relevant regional institutions active in the water sector (ECOWAS, WAEMU, international environmental organisations, regional research and training institutions, professional organisations on water supply, irrigation, etc.). The regional network also comprises 11 country water partnerships: Burkina Faso, Ghana, Senegal, Mali, Benin, Niger, Guinea, Cape Verde, Togo, Nigeria, Côte d'Ivoire.

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GWP/WAWP is a unique regional multi-stakeholder platform on water issues in Africa. As part of its role in the region it is organising this Workshop on Financing Water; with co-funding from EU Water Initiative Finance Working Group. The workshop was organised with the collaboration of the Ministry of Agriculture, Hydraulic and Fisheries Resources of Burkina Faso.

## 2. Objective of the West Africa Financing Water Workshop

The objectives of the workshop were:

- **Sharing knowledge and experiences** of different types of financing, building capacities on financing water and new mechanisms and understand the linkages between financing and governance.
- **Finding solutions:** Identify economically and financially viable alternatives in multiple objective water programs to help meet social and political expectations between communities and their governments.
- **Devise follow-up mechanisms:** At the country level; for trans-boundary water resources; and at the region to enhance tangible and sustained investment programs.

The workshop was attended by representatives of the West Africa CWPs, senior representatives from ministries of Water and Finance from 10 countries, National NGOs, GWPO, GWP Eastern Africa, ECOWAS Water Resources Coordinating Unit, basin organisations, West Africa Monetary Union and the EU Water Initiative (EUWI). A list of participants is attached

## 3. Methodology

The agenda was divided into two parts over a period of two days. The first day began with an opening statements from representative from Minister of Agriculture, Hydraulic and Fisheries Resources of Burkina Faso, Francis Bougaire (DGRE – Burkina Faso), Madiodio Niasse (WAWP Chair), Alan Hall (GWPO), and Sanoussi Fofana (MAHRH). These were followed by a presentation on Water Financing from a global and regional perspective from Daniel Valensuela – ex. GWP Network Officer. Presentations were also given by the Chair of the EU Water Initiative Africa Working Group – Martin Parent - and by Herve Ouédraogo, permanent Secretary of ARID.

This was followed by country level presentations which focused on country level issues.

Financing IWRM (Burkina Faso) D. Bayili

Financing Multiple Use Infrastructure (Senegal) F. Ndaw

Financing Mechanism and Absorption of funds (Benin). E. Yetongnon

After the presentations on day one, participants were divided into two groups and were asked to look at;

- Infrastructure Financing (Big and Small) – Group 1
- Absorption of Funds - Group 2

Group discussions focused on the difficulties, constraints and possible solutions at regional and country level. Summaries of the group discussions were presented and discussed at plenary session at the beginning of day two.

The second day focused on Financing Water from an IWRM perspective (A Hall - GWP) and importance of integrating water into the PRSPs (S Gueye - Senegal) and related processes. Introductory presentations were followed by the re-formation of the two working groups to focus on assessing how the IWRM approach can be useful in addressing the constraints, the development of additional solutions and incorporating water in national poverty reduction and development strategies.

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In the concluding session, the outputs from the two groups were discussed and agreed. The chair of WAWP synthesized the discussions, conclusions and actions for follow up.

## **2. Workshop Outcomes and Highlights**

A final report on the workshop will be produced in French and English and will give a detail summary of the outcomes and highlights. This document will be available by week beginning 16 April 2007.

Some of the key points that emerged from the workshop were:

1. Strategic planning: In order to realize adequate financing for water and IWRM, the water sector has to work with the responsible institutions to ensure that water is a priority in country poverty reduction and MDG action plans as well as other key national strategy documents and plans.
2. Harmonisation: Bottlenecks from both the demand and supply sides of financing in water sector need to be addressed in order to absorb existing funds and more efficiently use new funds e.g. donors need to look at harmonizing and simplifying their procedures at an operational level (i.e. apply the principles of the Paris Declaration) and governments need to give donors clear and consistent messages on what procedures need to be harmonized and at which operational level.
3. Decentralization: human resources and skills for water interventions must be developed and finances provided in addition to devolving responsibilities for management and service delivery.
4. Aid delivery: In the water sector, the options for new forms of aid delivery (e.g. direct core or sector budget support) are not well understood. In addition their potential impacts funding to the water sector should be examined further.
5. New financing mechanisms: There was a general lack of awareness of different possibilities in accessing non-ODA funds. Water charges and local private sector were accepted as options for generating finance.
6. Knowledge sharing: The workshop brought together Finance and Water people; it was generally agreed the workshop resulted in a better understanding of the issues facing the two sectors to increase finance for water.

## **3. Follow Up Actions**

- **Share this briefing on the West Africa Financing Water workshop with the EUWI Africa Working Group and GWP regions.**
- **Liaise with GWP East Africa for input to their workshop planned for 16 – 18 April.**
- **WAWP to follow up with country level activities in Benin, Cap Verde, Mali and Senegal as part of the Programme for African Water Development with support from GWPO. WAWP to identify one other country in West Africa for country level follow up.**
- **EUWI FWG to liaise with GWP on country level follow ups to see where EUWI FWG & AWG members can add value/resources.**
- **Examine what training material exists and could be further developed to build capacity and awareness on financing issues (e.g. finalise Introduction to Finance document for country level follow-up).**
- **Circulate final workshop report to EUWI FWG members and revisit follow-up actions with the members.**
- **EUWI FWG and GWP to discuss future engagement on financing issues during the EUWI FWG work programme 2007 - 2008.**