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REGIONAL WORKSHOP AND CONFERENCE ON WATER FINANCING IN EASTERN AFRICA Nairobi 16 – 18 April 2007

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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.

Eastern Africa Workshop organisers:

GWP Eastern Africa was launched in November 2002 in Kampala by Hon Maria Mutagamba, Minister for Water in Uganda, and is now hosted by the Nile Basin Initiative Secretariat at Entebbe. It covers six countries Burundi, Eritrea, Ethiopia, Kenya, Rwanda, Somalia Sudan and Uganda. Djibouti attended meetings for preparation of the regional partnership but has not yet been included in the present activities.

GWP Eastern Africa is in the process of supporting Burundi, Eritrea, Ethiopia, and Kenya to formulate action programs for the sustainable management, conservation and utilisation of their scarce water resources, particularly the development of national IWRM Plans through wide participation of water sector actors and stakeholders. These Plans necessarily include comprehensive reform and capacity development programs to improve efficiency of existing

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services;, and more importantly, programs to develop infrastructure for water security and to meet the Millennium Development Goals (MDGs).

The African Ministerial Committee on Water (AMCOW), which provides policy oversight and initiatives on water issues on the continent, has regularly utilised GWP Eastern Africa in identifying means and opportunities to enhance sustainable water development and management.

During the AMCOW Eastern Africa meeting held in Addis Ababa on 17-18 September 2006, the Ministers directed the Technical Advisory Committee (TAC) to develop economic arguments for financing water infrastructure, and asked GWP Eastern Africa to proceed with a regional conference that would bring together Ministries for Water and Finance, key donor agencies, expert groups and stakeholder representatives to identify how infrastructure shall be financed, the requirements and roles for each party to remove the bottlenecks.

The workshop and conference was also supported by inputs from AMCOW and the Government of Kenya

2. Objective of the Eastern Africa Financing Water Workshop and Conference

The objectives of the workshop were:

- Identify challenges, investment requirements, and new business opportunities in the water sector
- Identify economically and financially viable alternatives in multiple objective water programs to help meet social and political expectations between communities and their Governments
- Assess policy and implementation performance by Governments and Donors
- Develop stronger collaboration between governments, civil society and donor community facilitated by regional policy support and capacity building organization.
- Propose follow-up mechanisms at country level, for trans-boundary water resources and at regional for a periodic review system to enhance tangible and sustained investment programs.

The workshop and conference was attended by representatives from CWP's in Burundi, Cameroon, Eritrea, Ethiopia and Mozambique, EA-GWP; officials from the governments of Ethiopia, Kenya, Sudan, Uganda and Tanzania, and international donors and organisations including JICA, UNEP, UNECA, SNV (NL) and the EU Water Initiative (EUWI). A list of participants is attached.

3. Methodology

The two day technical workshop was followed by a Ministerial Conference. The workshop was divided into three parts over the two days. The first day began with opening statements from Martha Solomon AMCOW TAC Chair – MoWR Ethiopia), Regional Coordinator, Simon Thou – GWP Eastern Africa, Sekou Thoure – UNEP, Stephen Donkor – UNECA and a Keynote address from the Permanent Secretary Ministry of Water & Irrigation given by Eng R. N. Gakubia. This was followed by presentations under two themes:

Challenges to water development:

1. Issues and Challenges to Water Development, Gulilat Berhane, Ministry of Water Resources, Ethiopia

Financing Water:

2. New Global Approaches, Jim Winpenny, EU Water Initiative Finance Working Group

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3. Financing Infrastructure, Barrow Lamin, African Development Bank
4. Getting more from Government Budget, Robert Gakubia, Director of Water, Kenya

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

- Water Services
- Irrigation & Food Security
- Hydropower

Each working group started with a presentation setting the scene for the discussions. The discussions then focused on issues, constraints and recommendations within the sub-sectors. Each working group was assigned a rapporteur who gave summary at the plenary session at the end of day one.

Day two began with presentations under the following three themes:

Sustaining Water Services:

1. Efficient Financing, Implementation and Management, Eng. Mohammed Ammar, Director-General, National Water Cooperation Sudan and Eng Mahboub Maalim, Permanent Secretary, Ministry Water & Irrigation, Kenya

Financing small scale programs -

2. Disan Ssozi, Ministry of Water & Environment, Uganda
3. John Byarugaba, UWASNET

IWRM and Financing

4. Alan Hall, GWP Stockholm

Participants were again divided into three groups and were asked to look at:

- Microfinance
- Scaling Up
- Financing Non-Structural Actions

The group discussions were formatted as in day one with presentations and discussions on issues, constraints and recommendations (except Financing Non-Structural actions which took its cue from the last presentation at Plenary).

Following the working group sessions on day two there were two presentations:

5. Financing Transboundary Water Programs – Anders Jakobsen, SIWI
6. Basin scale financing: Implications at the Regional & National Level – Simon Thuo, GWP Eastern Africa

These were followed by a short discussion.

The workshop concluded with presentations at plenary of the mornings working group sessions, a discussion on the workshop outcomes and follow (Aly Kerdany – GWPO Stockholm) and discussion on the recommendations to the ministerial session.

The final day (day three) was the Ministerial Conference.

Attached is the Ministerial Statement agreed by the following Ministers:

- Hon. John Mutua Katuku, Minister for Water & Irrigation, Kenya
- Hon. Jenipher Namuyangu, Minister of State for Water, Uganda
- Hon. Dr Shukuru Jumanne Kawambwa, Minister for Water, Tanzania
- Hon. Kamal Ali Mohamed, Minister for Irrigation and Water Resources, Sudan

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2. Workshop Outcomes and Highlights

A final report on the workshop is attached and gives a detail summary of the outcomes and highlights.

The ministerial statement highlighted the following points from the two day workshop:

- enhance engagement, collaboration, partnerships and alliances for achieving the MDGs;
- double efforts in financing of water; including increased national budget allocations for sustainable water use; use increased provisions to finance “Public Goods” that put in place the enabling environment and leverage other finance;
- effective governance systems and structural reforms are needed to attract investment; build capacity to make reforms effective;
- national budgets should be more functional and linked to outcomes;
- procedures should be simplified in order to increase the rate of spending;
- development partners should meet their commitments under the Paris and Monterrey Declarations; and should increase their support to infrastructure development in the region.

There was a high level of interest by countries to initiate follow activities

There was good representation of governments particularly at the Ministerial Conference

Participants showed a good understanding of general finance issues

General points

1. The workshop and conference could have been better organised – in particular the work groups sessions
2. Better management of the inputs from the international organisations.
3. There was a conflict between the objectives of the workshop and the objectives of the Ministerial conference – the result of which was the content of the workshop was too broad.
4. The participation of the regional CWP was overshadowed by international organisation and Kenyan government participation

3. Follow Up Actions

- **Share this briefing on the Eastern Africa Financing Water workshop (together with that on the West Africa meeting) with the EUWI Africa Working Group and GWP regions.**
- **GWP-EAf to support Chair of AMCOW to get statement on financing presented at the AMCOW meeting in Brazzaville end May 2007 and coordinate with WAf and SAf to ensure consistent message from all regions.**
- **GWP to follow up with country level activities in Eritrea, Mozambique and Swaziland as part of the Programme for African Water Development with support from GWPO.**
- **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.**
- **GWP-EA to summarize country matrix follow up forms to assess further country level follow up.**
- **EUWI FWG and GWP to discuss future engagement on financing issues during the EUWI FWG work programme 2007 - 2008.**