

About the African Water Facility (www.africanwaterfacility.com)¹

The African Water Facility is an initiative led by the African Minister's Council on Water (AMCOW) to mobilise and apply resources to finance water development activities in Africa. The Facility has been established within the context of the Africa Water Vision and the Millennium Development Goals. The African Development Bank is hosting the Facility on the request of AMCOW.

In March 2000, during the Second World Water Forum at The Hague, African Ministers of Water Resources and other stakeholders endorsed the African Water Vision (AWV). As a first step in mobilizing the required resources to achieve the African Water Vision, the African Water Task Force, created to help implement the AWV, recommended the establishment of an African Water Facility (AWF) to mobilize resources to finance water infrastructure and water investment facilitating activities in Africa. This was endorsed by the African Water Stakeholders Conference held in Accra in April 2002.

Furthermore, in April 2002, the African Ministers for Water Resources established the African Ministers' Council on Water (AMCOW) to provide political leadership, policy direction and advocacy in the use and management of water resources. AMCOW, as one of its initial activities, resolved to set in motion the establishment of the African Water Facility as an essential requirement for achieving the African Water Vision and for the implementation of the Framework for Action.

In recognition of the African Development Bank's role as a significant and committed contributor to the development of Africa's water resources, AMCOW requested the Bank to host the AWF. In response, the Bank welcomed the request from AMCOW and agreed to establish the AWF Fund and administer its resources. The AWF was legally established with the approval by the Board of Governors of the African Development Bank at the annual meeting in Kampala on 25 May 2004, of the Instrument for the Establishment of the African Water Facility Special Fund (the 'AWF Fund'). The AWF became effective at the end of December 2004 with the payment of the minimum UA 10 million required by the Instrument.

In accordance with the terms of the Instrument, an AWF Governing Council (GC) was put into place, responsible for determining the general policy directions and guiding the operational activities of the AWF. As well, under its Rules of Procedure, the GC is responsible for initiating discussions for the general replenishment of the resources of the AWF Fund. The GC has thirteen members, with five members appointed by AMCOW, one member each appointed by the African Development Bank, the African Union (represented by the NEPAD-Secretariat) and UN-Water/Africa, and five members appointed by Donors to the Water Fund. As well, the AWF Director is an *ex-officio* member.

Under the terms of the Instrument, the AfDB has been designated as the Trustee for the AWF Fund, and in this capacity must manage and apply the Funds for the purpose of, and

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in accordance with, the provisions of the Instrument. It is further stipulated that the Bank must administer the AWF Fund through its own organisation, facilities and staff, and must apply the same principles and criteria that are applicable to financing provided from its own ordinary resources. The Board of Directors of the Bank is responsible for the general operations of the AWF Fund, and in that regard approves the financing or other form of assistance to be provided by the Fund. For example, the Board of Directors approves the annual budget and financial statements of the AWF after taking into consideration any of the comments that may be received from the Governing Council. Another significant clause of the Instrument states that the “The Board of Directors of the Bank, in consultation with the Governing Council, shall adopt operational procedures which shall in particular be designed to ensure a fast-track process for the consideration, approval and implementation of operations financed with the resources of the Water Fund.”

The first inaugural meeting of the AWF Governing Council was held on 8 July 2005 in Tunis. At this meeting the Governing Council adopted its own “Rules of Procedure”, and also reviewed the draft AWF Operational Procedures for onward submission to the AfDB Board for approval, which was granted on 19th October 2005. At its second meeting on the 31st October 2005, the Governing Council considered and approved the Operational Programme 2005-2009 of the AWF. The approved Programme was distributed to the Board members for information. Following the approval of the Operational Programme, the 2006 Indicative Financing Program and Administrative Expenses Budget was prepared, reviewed and endorsed by the Governing Council, and approved by the Board of Directors. This procedure is followed for all subsequent Annual Financing Programmes and Budgets.

Advocacy work geared to the popularization of the objectives of the Facility and resource mobilisation was undertaken at various regional and international forums. As a result, the AWF garnered considerable support, and financial commitments were secured from the Governments of Canada, Norway, Sweden, Denmark, Austria, France and the European Union, amounting to over Euro 60 million. The AfDB also made a significant commitment to establish the Facility, provide staff secondments, and organize its office as part of its contribution.

There were many activities undertaken in 2005 related to the consolidation of the AWF. The office of the Facility was established by the Bank with the provision of office spaces and facilities and appointment of key personnel. The Director of the Facility was appointed in April 2005 and two senior professional staff members were recruited and joined the Facility in July and August 2005. These consolidation activities have continued into 2006 and 2007 with the secondment of additional staff, preparation of Resource Mobilisation and Communication strategies, revision of the Operational Procedures and drafting of the Operations Manual, etc.

The existing AWF Operational Programme 2005-2009 was prepared and approved in October 2005 during the establishment of the Facility. It was initially planned to be reviewed and updated on an annual basis to better incorporate experience gained from implementation; trends arising based on demands for AWF assistance; and the ability of

the Facility to respond based on resource availability. The need for a revision was considered by the Governing Council at their 4th meeting in October 2006, where it was decided that this be undertaken in 2007 in consultation with the AMCOW TAC in order to obtain broad consensus and commitment, and to ensure that the AWF operational focus and areas of intervention accurately reflects the AMCOW water agenda. This document has been prepared in response to this decision.

The purpose of the revision of the Operational Programme is to better define and describe the operational focus and areas of intervention of the AWF, and to provide an overview of the implementation plan and associated resource requirements up to its sunset date of 2025. The intended audience is all those who are involved with or impacted by the activities of the Facility. It contains:

- An update of the goals and objectives of the Facility, which have been rewritten to be more in-line with those of African Water Vision and Framework for Action.
- A detailed description of the main operational components to be implemented, with corresponding activities, outputs and indicators.
- A section outlining the various types of organisational activities which are undertaken by the Facility and its stakeholders in support of operations.
- A three year implementation plan and indicative allocation of resources for 2008-2010, and a longer term plan with targets and resource requirements for 2015 and 2025.
- A discussion of resource mobilisation options and strategies.
- The preparation of a preliminary staffing strategy outlining the human resource requirement needed for the Facility to achieve its objectives.
- A description of the performance assessment and risk management mechanisms, under a results based management approach

AWF Operational procedures are in the meantime under revision, and the operational manual, the application format and the guidelines for applicants are under finalization.

Objective of the AWF

The purpose of the AWF as defined in the Instrument establishing it is to pool the resources mobilized from donors and apply these to finance facilitation activities and infrastructure investments in the water sector. The Instrument provides that the resources of the Water Fund shall be applied primarily to water resources projects and programmes focused on the following aspects:

- Integrated Water Resources Management (IWRM)
- Capacity Building
- Policy, legal and Institutional Reform
- Knowledge and Information building or dissemination
- Developing and Implementing a Regulatory Framework
- Effective Management of Shared Waters
- Monitoring and Evaluation
- Environmental Management
- Strategic capital investment programmes and projects implementation

On the basis of the objective of the Facility and intervention areas provided in the instrument, two broad categories of support have been defined in that regard: i) Improving the enabling environment to attract increased investments; and ii) Direct capital investment for the purpose of triggering larger investment for sustainable development.

To realise this objective, all interventions under the Facility will focus on achieving the following three main outcomes:

- **Improved Integrated Water Resources Management:** Regional Member Countries (RMCs) = African countries have increased capacity to manage their water resources effectively based on IWRM principles that set the stage for coherent and sustainable investments;
- **Improved Trans-boundary Water Resources Management:** Regional organisations manage trans-boundary water resources under a cooperative framework which fosters investments with shared benefits;
- **Increased Water Sector Investments:** RMCs and regional organisations projects and programmes through increased investments resulting from sound investment climate, better preparation, and availability of funding.

Areas of Intervention

To be able to achieve these outcomes, three corresponding main components or areas of intervention have been identified hereunder:

- **Implementation of National IWRM:** Provide support to RMCs to improve or establish IWRM policies and institutional frameworks, and prepare strategies, investments programs and implementation plans;
- **Transboundary Water Resource Management (TWRM):** Support joint development of shared waters in the areas of advocacy, partnerships and joint development program of mutual benefits;
- **Capital Investment:** Support to water resources development programme and project preparation at national and regional level in order to have a pool of viable projects that will attract immediate investments interventions; Provide targeted investment resources for small-scale water infrastructure development.

In addition, interventions will be made in two other crosscutting components which are designed to consolidate and provide broad support to the IWRM, TWRM. These are the following:

Funds released by donors to the AWF special fund: around 20 million Euro

At mid August, 23 approved projects for amount 17,8 millions euros

Disbursement mid August around 2,5 million euros

- **Information and Knowledge Systems:** Support the establishment and enhancement of information and knowledge management capabilities at national and regional level to support development and management of water resources;

- **Monitoring and Evaluation (M&E):** Support the establishment of water sector M&E systems and capabilities at national and regional levels to foster water development effectiveness;

Update on ongoing AWF and Bank's developments:

- ESTA (Department of statistics) is currently developing a web based database on 1) AfDB water and sanitation activities and 2) RMCs data. Time schedule: end 2007
- ICA (Infrastructure Consortium for Africa) is supporting the Africa Infrastructure Country Diagnostic Study (AICD) conducted by the World Bank. The AICD looks at five major sectors of infrastructure, including information and communication technologies, irrigation, power, transport, and water and sanitation. Data will be collected in 24 countries and further incorporate into the AfDB database. Surveyed countries: Benin, Burkina Faso, Cabo Verde, Cameroon, Chad, Congo (Democratic Republic of Congo), Côte d'Ivoire, Ethiopia, Ghana, Kenya, Madagascar, Malawi, Mali, Mozambique, Namibia, Niger, Nigeria, Rwanda, Senegal, South Africa, Sudan, Tanzania, Uganda and Zambia. Time schedule: end 2007
- OWAS (water and Sanitation Department) is undertaking a rapid water supply and sanitation sector assessment focusing on RWSSI update and sanitation in 21 regional member countries of the Bank. The study will be carried out using individual local consultants. The countries include: Botswana, Burundi, Cameroun, Cap Verde, Chad, Cote D'Ivoire, Egypt, Eritrea, Gambia, Ghana, Lesotho, Malawi, Mauritania, Morocco, Namibia, Nigeria, Sierra Leone, Swaziland, Togo, Tunisia, and Zimbabwe. Assessments in the remaining countries will be conducted in the form of questionnaires which the Governments will be requested to fill. Time schedule: end 2007
- Supporting water sector M&E at the national and regional levels is a priority activity of the AWF. In order to provide more effective M&E support to countries and to adequately harmonise, coordinate and align M&E activities at the regional level, the African Minister Council on Water (AMCOW) has requested the AWF to organise a regional forum of all the stakeholders involved in M&E work in the region.
- In this respect, the AWF organized on 21-22 September 2006 a regional consultative meeting on “Building Partnership to Support African Countries in Water Sector Monitoring and Evaluation”. As indicated in the final communiqué, the meeting requested the AWF to undertake a quick pan African assessment of the current situation, stakeholders and activities in supporting Water sector M&E. A consultancy firm is under recruitment to assess the water sector M&E status in Africa and develop a methodology for country level M&E assessment. The AWF is developing a comprehensive approach (framework) for regional IWRM M&E mechanism. This AMCOW's assignment is supervised by a multi stakeholder regional working group. Time schedule: October 2007