



AFRICAN DEVELOPMENT BANK GROUP
GROUPE DE LA BANQUE AFRICAINE
DE DEVELOPPEMENT

The African Development Bank – Financing project preparation for water infrastructure projects

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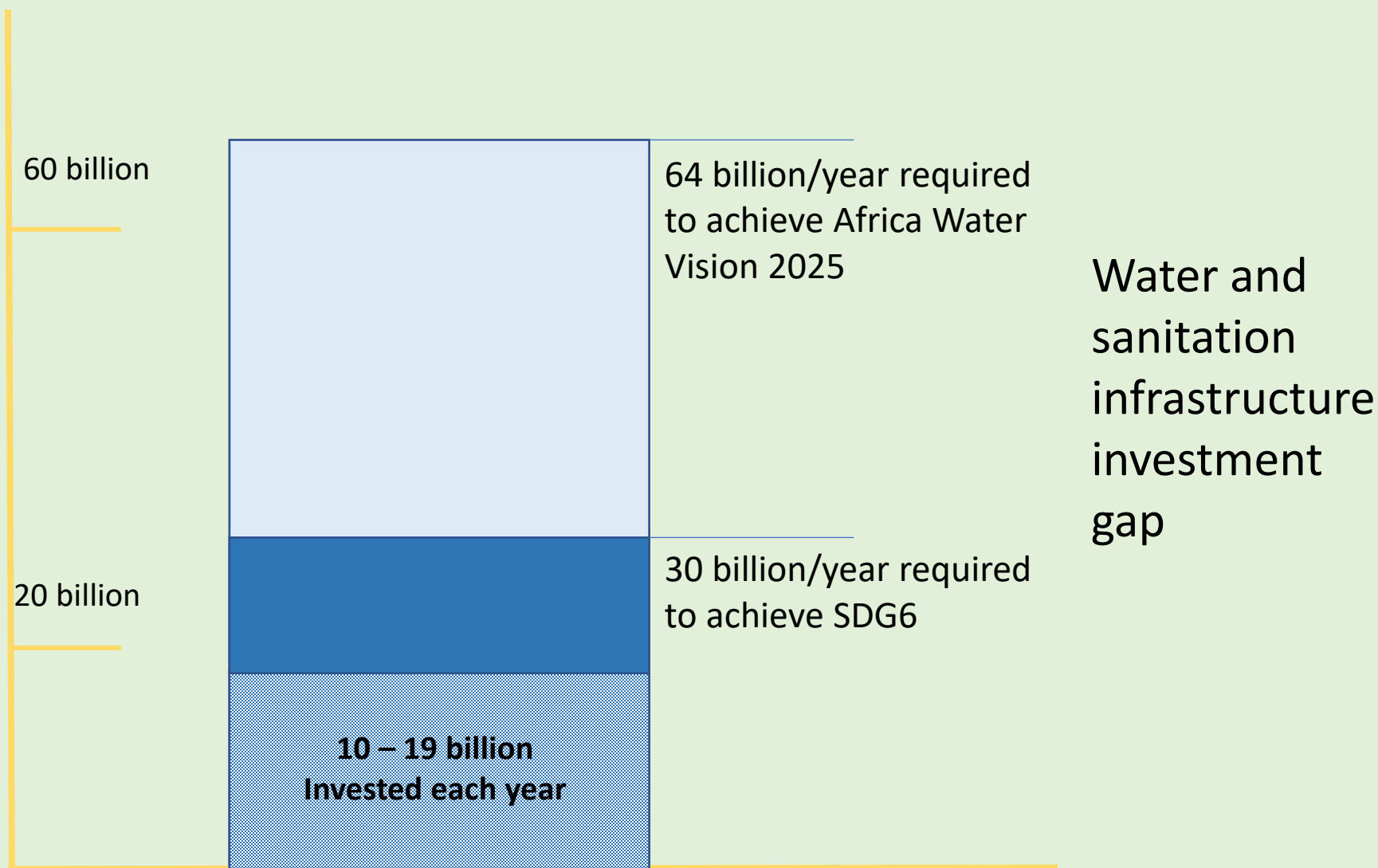
Water infrastructure and Climate Change in Africa

- Water is the means through which climate change impacts will be felt.
- Investments in water infrastructure are critical for countries to adapt to rapid developments in climate change and to ensure water security.
- Current financing for water infrastructure development is not adequate.

Importance of water infrastructure in Africa

- Investing in water infrastructure will be the key to ensuring sustainable development and is a direct way out of poverty.
- Investing in water infrastructure has economic as well as social benefits.
 - \$1 invested in improving sanitation → \$5.5 in benefits for the community
 - \$1 invested in drinking water treatment infrastructure → \$2 return (WHO)
 - Overall annual economic loss due to lack of access to safe water and sanitation in Africa is 5% of GDP.

The water infrastructure gap in Africa



Why is there such a large water infrastructure gap?

- The lack of project readiness for investment is one of the most limiting factors in attracting additional financing
- This calls for enhanced sector development and better upstream project preparation to develop financially and technically viable projects.
- Project preparation is a complex activity that requires diverse technical competencies and knowledge.
- Infrastructure Project Preparation Facilities (IPPFs/PPFs)

“Project preparation facilities are critical to develop bankable infrastructure projects, given that one of the major challenges in infrastructure projects was moving commercially viable projects to financial close.” -- President Adesina

NEPAD Infrastructure Project Preparation Facility (NEPAD-IPPF) Special Fund

- Established to assist African countries, RECs, specialized agencies and related institutions by providing grant resources for:
 - preparing high-quality and viable regional/continental infrastructure projects;
 - developing a consensus and partnership for project implementation;
 - promoting infrastructure projects and programs.
- Supports projects in transport, energy, ICT, and water resources management sectors for:
 - Prefeasibility/feasibility studies;
 - project structuring;
 - capacity building for infrastructure development
 - facilitation and creation of an enabling environment for regional infrastructure development.

African Development Fund - PPF

Objectives:

- Promote the quality at entry of projects and programmes by supporting the preparatory phase;
- Provide specific support to national governments for preparatory activities of priority projects and programmes with a high probability of implementation by the recipient Government;
- Promote ownership and engagement in project preparation
- Scope of eligible activities include:
 - Feasibility studies, detailed designs, technical studies
 - EIA, gender studies, studies on cross-cutting issues
 - Institutional support, capacity development, human resource development during preparatory phase
 - Climate-proofing of projects, resilience to climate change
 - Financial and legal structuring of PPPs and concessions

African Water Facility

- Provides grants and expert technical assistance to implement innovative water projects and raise investment for water projects throughout Africa
- AWF provides support in the following areas:
 - Strengthening water governance;
 - Meeting water needs through the preparation of programmes and projects that will attract follow on investments;
 - Attracting additional funding to the sector and ensuring more effective use of available funding;
 - Improving water knowledge.



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THANK YOU
