

***THE AFRICAN DEVELOPMENT BANK GROUP***



***FIRST AFRICAN WATER WEEK***

***ACCELERATING WATER SECURITY  
FOR SOCIO-ECONOMIC DEVELOPMENT  
OF AFRICA***

**ADDRESS BY**

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1. Honourable Minister Oumar Sarr, representing the President of AMCOW, Honourable AMCOW Ministers, His Royal Highness the Prince of Orange, Your Excellencies, distinguished guests, ladies and gentlemen. Let me join Honourable Mohamed Habib Haddad, Minister for Agriculture and Water Resources and our Tunisian hosts in welcoming all of you to Tunis, the temporary home of the African Development Bank.
2. The social and economic case for investment in water is self explanatory. More than any other sector, water impacts on all the main themes of the development agenda: food security, poverty alleviation, environmental sustainability, gender, education, health and good governance. The cascading effect of water development and provisioning helps in the attainment of all other development goals contained in the Millennium Development Goals (MDGs). This is why the African Development Bank decided to scale up its activities on water.
3. This being the international year of sanitation, I am happy to note that last month's Africa-san conference in Durban, South Africa resulted in a ministerial declaration where African Ministers declared their collective resolve to provide the needed political and institutional support to help address some of the shortcomings towards achieving the MDGs in sanitation across the continent.

The declaration recognised that over 60% of Africa's population currently does not have access to improved sanitation facilities, resulting in death of about one million people each year.

4. The theme of this First African Water Week is "**accelerating water security for socio-economic development of Africa**". Water security understood as the capacity to provide sufficient and sustainable quantity and quality of water for all types of water services and economic activities including drinking, sanitation and health, food production, energy, industry and ecosystem protection.
5. Let me recall the statistics familiar to you:
  - About 340 million Africans lack access to safe drinking water while almost 500 million lack access to improved sanitation facilities.
  - Only about 4% of Africa's annual renewable water resources has been developed for irrigation, water supply and hydro-power use compared to 70 to 90% in developed countries. Per capita water storage in Africa is less than 100m<sup>3</sup> compared to about 3,500m<sup>3</sup> in Europe and 6,000m<sup>3</sup> in USA.
  - Sub-Saharan Africa has developed less irrigation than any other region in the world. Out of over 40 million hectares of irrigation potential in Africa, only 10 % has been cultivated and only 6 % of the cultivated area is under irrigation.
  - Despite the huge energy deficit facing the continent, only 3% of Africa's technically feasible hydropower potential is developed. In a world of rapidly

- increasing energy costs, the good news is that Africa can fully meet its energy needs by developing its enormous hydropower potential, providing the much needed clean energy.
- Africa has about 60 major shared surface water basins and about 38 major trans-boundary groundwater aquifers. In an increasing number of river basins, there is rising competition between different users despite the overall “abundance” of water leading to shortages and conflicts, suboptimal production and environmental degradation. This calls for joint management of trans-boundary water resources.
  - Africa is facing the highest urban population growth rates in the world with enormous development challenges characterized by a proliferation of unplanned habitats, poor access to essential water and sanitation services and very high risk of water pollution.
6. As Africa’s premier Bank we seek to help our member countries deal with old and new threats including climate change, growing populations and rapid urbanization, reduced food security, increased water stress, competition for natural resources, and higher risk of pollution and diseases and malnutrition. Due to insufficient water storage infrastructure, millions of people in Africa continue to suffer from the effects of floods and droughts. The devastating floods last year that caused death and suffering to millions of people in 19 African countries were preceded a few years earlier by wide spread drought in the Southern African region which also caused death and suffering to the people.
7. I am happy to note that African governments, stakeholders and development partners have over the past decades embarked on several initiatives to address the challenges of water security through specific political, technical and institutional measures and investments. Some examples of the regional responses include the following:
- The African Water Vision and Framework for Action adopted by African Ministers in charge of water in 2000, which defines ***“a vision of an Africa where there is an equitable and sustainable use and management of water resources for poverty alleviation, socio-economic development, regional cooperation, and the environment”***.
  - The establishment of the African Ministers Council on Water (AMCOW) in 2002 to provide political leadership, policy and strategy direction and to serve as a forum for advocacy, consensus building and joint action on water issues.
  - The Sirte Declaration at the Extraordinary Session of the Assembly of Heads of States and Governments in 2004, articulating the political commitment at the highest level to develop and promote water resources infrastructure to ensure water availability for various uses.
  - The establishment of the African Water Facility, an important AMCOW instrument, hosted by the Bank, to assist Regional member countries

- The establishment of various River basin organisations such as the Senegal, Niger, Nile, Congo, Lake Chad, and others within the SADC sub-region, which have developed common visions and actions embarking on implementation of long term infrastructure programmes.
  - NEPAD, with the support of partners including the African Development Bank, has embarked on the implementation of thematic programmes on trans boundary water management, water and sanitation as well as agriculture.
8. I have remarked on several occasions that Africa is on the move. In general, Africa is experiencing the longest period of sustained growth for 50 years. Across the African continent, we see successful policy changes, improved governance and management that has enabled it to take advantage of favourable international market developments such as the strong demand for its commodities and the favourable international initiatives such as comprehensive debt relief.
9. The African Development Bank recognizes that one of the critical factors for promoting sustainable economic growth and poverty reduction in Africa is the provision of access to affordable infrastructure services to all. This is why we have identified infrastructure as our key focus area in the Bank. Infrastructure for water security ranks high among our priorities, and I created a Department of Water and Sanitation to concentrate our actions in the sector. Let me now share with you what we are doing at the African Development Bank in response to the daunting water challenges.
- Since 2003 the Bank adopted a strategy of significantly increasing its interventions in rural water supply and sanitation while continuing to support urban and peri-urban water supply and sanitation and promoting integrated management of water resources. This has been achieved through the development and promotion of four complementary regional water initiatives developed with support of our partners many of whom are present here today. These are the: Rural Water Supply and Sanitation Initiative, African Water Facility, Multi-Donor Water Partnership Programme and the NEPAD Water and Sanitation Programme. These initiatives complement our activities in urban water supply and sanitation.
10. The Rural Water Supply and Sanitation Initiative (RWSSI) has grown to be the largest water initiative of the Bank, with a focus in the rural areas. The initiative was conceived to address the problem of low access to water supply and sanitation in rural Africa where the majority of the population live. Many of you were present at its launch in this same venue on the occasion of the African Development Bank's Water Week in 2004.

The overall objective of this initiative is to accelerate access to water supply and sanitation services in rural Africa with a view to attaining 80% coverage

by 2015, from 47% and 44% for water and sanitation respectively in year 2000. So far 17 RWSSI programmes have been approved since 2003 with total financing at USD 1.8 billion of which the Bank has contributed USD 750 million and leveraged USD 1.05 billion from other donors and RMCs. These programmes are expected to extend water supply and sanitation services to some 30 million and 28 million rural people respectively by 2010.

Although only in its second year of full operation, the African Water Facility has already provided financing for 30 projects valued at over 24 million Euros, since the start of operations in 2006. The bulk of these approvals have been for strengthening water governance in the sustainable management of national and trans-boundary water resources, feasibility studies and a few small-scale pilot investments.

11. The Bank financing in the water supply and sanitation has increased five fold, from an average of less than US\$ 70 million per annum up to 2002, to over US\$ 330 million per annum since 2003. The total ADB Group financing for urban and rural water supply and sanitation projects and programmes since 2003 is about US\$ 1.6 billion for projects and programmes amounting to US\$ 2.3 billion. These projects are expected to extend water and sanitation services to some 40 million people by 2010.
12. In line with the vision elaborated in 1999 and the Bank's agriculture and rural development sector policy approved in 2000, the Bank Group has financed numerous agriculture water development projects and programs. To date, the active Agricultural Water Development portfolio of the Bank comprises 53 projects and programs in 23 Regional Member Countries amounting to over US\$ 1.37 billion and equivalent to 29 percent of the total financing for agriculture.
13. In all, Bank Group financing for water sector activities (water supply and sanitation, irrigation, and hydropower) reached USD 7 billion at the end of 2007 and is equivalent to 10.7% of total Bank Group financing of USD 65.7 billion since it commenced operations in 1967.
14. Let me share with you a few examples of success stories from our engagements in the water sector.

**Uganda:**

The Bank is the lead donor in Uganda water and sanitation sector. We have supported the Small Towns Water Supply and Sanitation Project that will provide water supply and sanitation services to a population of 350,000 spread in seven secondary towns. In addition to water supply and sanitation, the project includes improvements of drainage, solid waste management and sanitation. It addresses all these issues in an integrated manner. The project also promotes indigenous private operators to run the water supply and public sanitation systems on commercial principles in order to enhance sustainability. During my recent visit to Uganda, I was pleased to meet beneficiaries with high expectations of the benefits to be derived from the project.

**Morocco:**

Since 1978, the Bank has financed 10 operations in the water and sanitation sector, including 9 investment projects and one Sector Adjustment Programme. Our consistency in the support has paid off, helping to increase access for rural water supply from 14% in 1990 to about 85% currently and sanitation access from 50% access rate in 1990 to over 65% currently. The Sector Adjustment Programme has contributed to improving the institutional and regulatory framework for integrated water resources management aimed at addressing the water security challenges of the country.

**Bank involvement in the Congo Basin:**

There is no doubt about the important role of the Congo basin in Africa. Being aware of the critical role of the forest in preserving the environment and mitigating the climate change impacts, the Bank hosted an International Conference on *“Funding Mechanisms for Sustainable Management of the Congo Basin Forest Ecosystems”* in partnership with Central Africa Forests Commission (COMIFAC) and DFID in February 2008. One of the major outcomes of the Conference was to establish a Special Fund for the Congo Basin Forest Ecosystems. I am delighted to inform you that the fund is to be hosted by the Bank with an initial allocation of around USD 100 million from the UK Government.

The AWF is also supporting the establishment of the Congo Basin Authority while the Bank is funding a feasibility study for the sustainable development of the hydropower potential of the Inga.

**Irrigation in Support of food production in Mozambique:**

On food production at the farm level, I am delighted to share with you the success story of Macubulane Irrigation Scheme in Maputo Province of Mozambique (200 ha). Through the Bank funded project on Small Scale Irrigation, 196 farmers, out of which 91 are women, have been able to run a sustainable business, take credit, successfully produce sugar cane, sell it to the sugar factory, pay back their credit and make average revenue for each farmer of 50,000 Meticais (approximately 1,900 USD). In addition to the extra cash, farmers were also allocated a small parcel of land to grow their own food.

**Public – Private Partnerships in provision of infrastructure**

The 250 Megawatt Bujagali hydropower project in Uganda financed by many development partners including the Bank, is a model of the kind of innovative funding solutions and partnerships that will help resolve Africa’s water security crisis.

15. Distinguished guests, ladies and gentlemen, to conclude, the broad overview of the challenges to achieve water security in Africa and the responses so far, have demonstrated that while significant efforts are underway particularly in relation to the MDG targets, a coherent strategic approach to put water at the centre of socio-economic development is a must. Clearly, a **“business as**

- a) I am glad the African Governments have raised the priority accorded to water development and continue to adopt appropriate policies and strategies and develop comprehensive national programmes for improved water security, particularly for water supply and sanitation, irrigation, hydropower (clean energy), flood control, and water conservation for drought mitigation and reflect them in their PRSPs. Governments must now build capacity at the national and decentralized local Government level, and develop knowledge and information systems for improved sector governance.
  - b) Bilateral and multilateral financiers should support the capacity building efforts of Governments through appropriate knowledge transfer mechanisms. They should coordinate their efforts around government led actions in line with the alignment and harmonization agenda we adopted in Paris for enhanced aid effectiveness. NGOs should continue with the important role they play at the community level building their capacities for effective participation in water development activities.
  - c) The financing requirements for water security infrastructure are enormous. All stakeholders – public and private sector, Donors and NGOs should play their roles. On their part, African governments must reflect the increased priority accorded to the water sector in their budgetary allocations to the sector. They should enhance progress in creating a conducive environment for more private sector involvement in investment in water security infrastructure and the operation of infrastructure services. Donors should increase their assistance in line with the commitments made at Monterrey and Gleneagles. Given the constraints on public and ODA financing, we must use our collective efforts to develop and encourage innovative ways of financing water sector investments to meet the enormous investment needs on the ground. We must therefore continue to find ways of tapping some of the huge amounts of funds within the local financial and international capital markets, and channelling these to investments in water security infrastructure.
  - d) Let us intensify our efforts at regional integration in the context of managing the multitude of trans-boundary water basins. This effort needs to be supported by concrete actions on improving governance and institutional development at national, regional and trans-boundary river basin level. These efforts should be enhanced and developed under a strategic framework designed to enable Africa to achieve the water security objectives.
16. Distinguished guests, ladies and gentlemen, even within the African continent we see that it is the middle income countries like Tunisia which have invested more in improving their water security that have realised greater socio-economic development than the low income countries. It is therefore my hope that during the next three days, you will deliberate the main issues and come up with clear recommendations on what each of us stakeholders needs to do better for accelerating progress towards water security for socio-economic development in Africa.

17. Clearly, it is no longer acceptable that the African continent continue to utilize only 4% of its water resources, when a huge proportion of the people do not have access to safe water, and when large populations are faced with frequent floods and drought, in addition to food and energy shortages. Action is urgently needed, and I am confident that you will come up with appropriate action plans for the benefit of our people.

Thank you for your attention.