

# **GCF Africa Regional Dialogue:**

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## **Challenges, opportunities and investment options for the water sector in Africa**

**Alex Simalabwi**  
**Executive Secretary, GWPSA**  
**Director-Africa Water Investment Programme**  
**Global Head-Climate Resilience**

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## **90% Countries priorities water in NAPs, NDCs..Water**

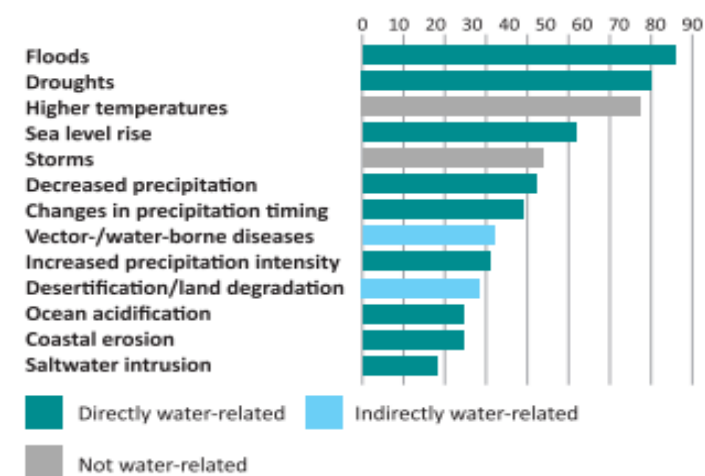
**According to the GWP analysis, over 90% of developing countries prioritize water-related actions.**

- **Only 10%** of these can package their needs into bankable investments to secure required financing for climate resilient water investments

# CHALLENGE: RISING INVESTMENT GAP

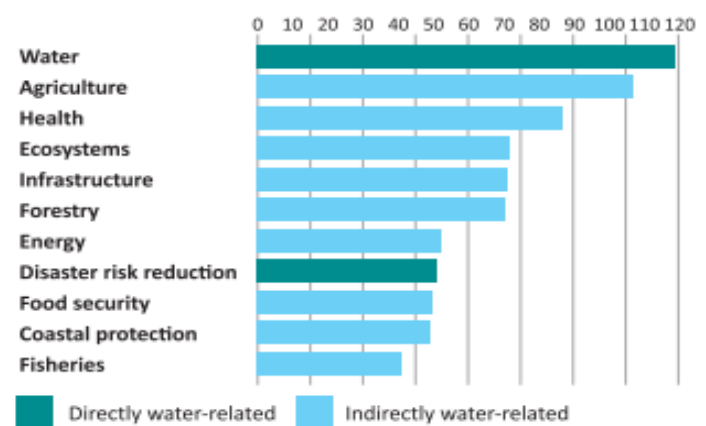
*Countries prioritise water in their NDCs, NAPs but investments in WRM are not advancing at the rate needed to build climate resilience due to limited technical, financial and governance capabilities*

**Figure 2. Key climate hazards identified in the adaptation components of NDCs**  
(number of countries referring to a hazard)



Source: UNFCCC, 2016, 137 countries. Categorisation into Directly water-related, Indirectly water-related, and Not water-related done by GWP.

**Figure 3. Priority areas and sectors for adaptation actions in NDCs**  
(number of countries referring to area or sector)



Source: UNFCCC, 2016, 137 countries. Categorisation into Directly water-related, Indirectly water-related, and Not water-related done by GWP.

*Investment needs to substantially exceed current financing flows. Projections of water security investment needs are diverse, but they all indicate that the scale of investment ought to increase significantly. Global estimates range from USD 6.7 trillion by 2030 to USD 22.6 trillion by 2050. (source WB/UN, 2018)*

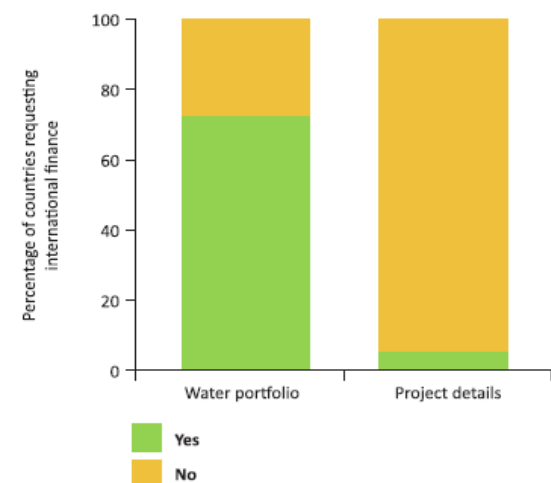
*86% NDC delivery contingent on international support, less than 10% have detailed proposals for finance*

**Table 2. State of proposed actions on water in NDCs**

	% of countries
Portfolio of actions on water	69
Detailed project proposals	10
Requests for international support (finance, technology development and capacity building)	86
Domestic contributions underway or planned	74
Costs of adaptation actions estimated (total or specific to water)	44

Source: GWP, 2018

**Figure 14. Percentage of countries requesting international finance for NDC implementation that have water portfolios or project details ready**



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## 265 billion by 2030

**Africa gap in the financing needed to turn these plans into action continues to widen:**

- **USD 7-15 billion**-adaptation costs estimate due to past emissions annually by 2020; could reach **USD 50 billion** per year by 2050
- Africa gets only 12% of the financing it needs; and faces an adaptation finance gap of **\$265billion by 2030**
- Cumulatively, climate finance in the region needs to **grow by up to 9-times to meet the region's 2030 climate goals.**



**By 2030 the African population will reach 1.6 billion**

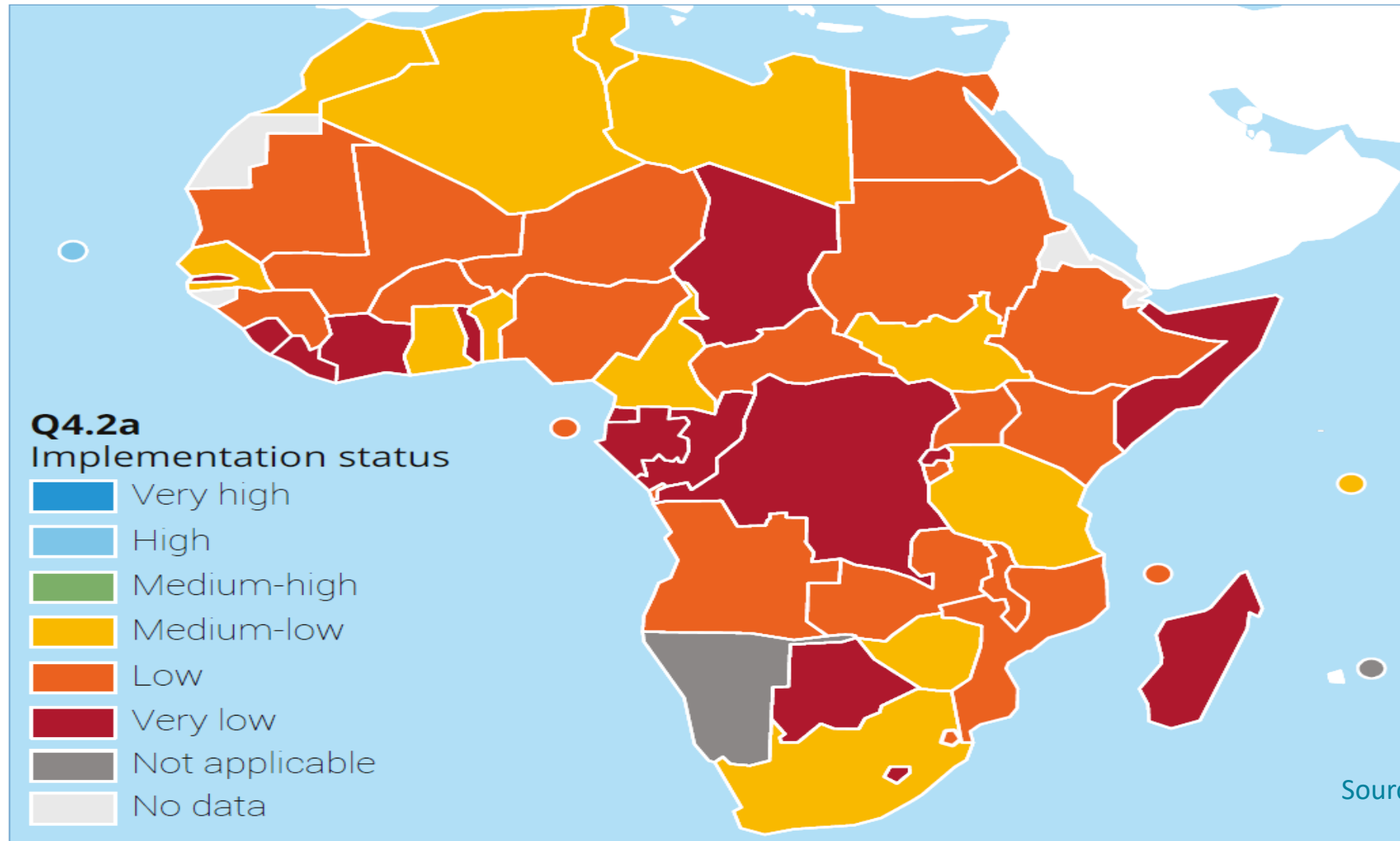


**To meet growing needs, Africa will need 50% increase in food and 10 times more water for energy generation**





Approximately 98 per cent of African countries report insufficient funding from the subnational or basin/aquifer levels reaching all planned programmes or projects (medium-low to very low implementation).



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## **Cost of inaction too high \$200 billion/year**

**Africa's adaptation challenge will grow substantially; the region is already heating up twice as fast as the rest of the globe**

- *Nearly 5% of GDP (**US\$200 Billion**) is lost annually due to inadequate water supply and sanitation in Sub-Saharan Africa*
- *Climate change-related water impacts may cost an additional **US\$50 billion** annually by mid-century*
- *Funding in water & sanitation across Africa needs to triple*



## Consequences of inadequate investments in water security

**Inadequate availability of water infrastructure for social-economic growth and development- health, food security, liveable cities, energy for all, environmental wellbeing, and climate action.**

- *Over 300 million Africans do not have access to clean drinking water.*
- *Over 700 million live without access to adequate sanitation.*
- *Sub-Saharan Africa loses 5% of its GDP annually because of a lack of water, contaminated water or poor sanitation.*
- *40 billion hours of otherwise productive time is spent just collecting water, (AfDB/ICA 2019)*
- *Inadequate water governance , weak implementation of water policies plans and strategies*

# Climate change compounds the challenge by increasing water insecurity across the continent

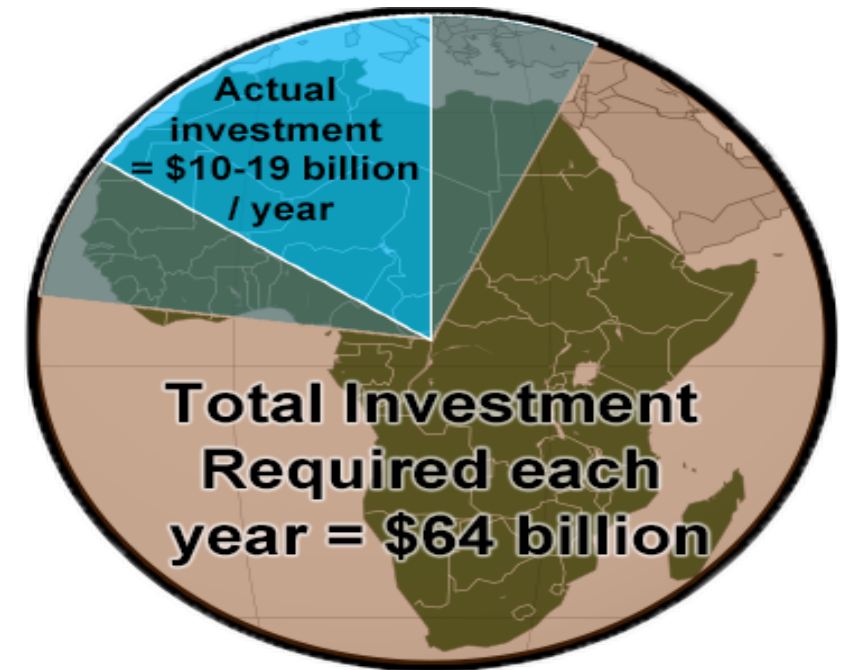
**Climate change compounds the challenge , increasing water insecurity**

**Delivery of water infrastructure below target**

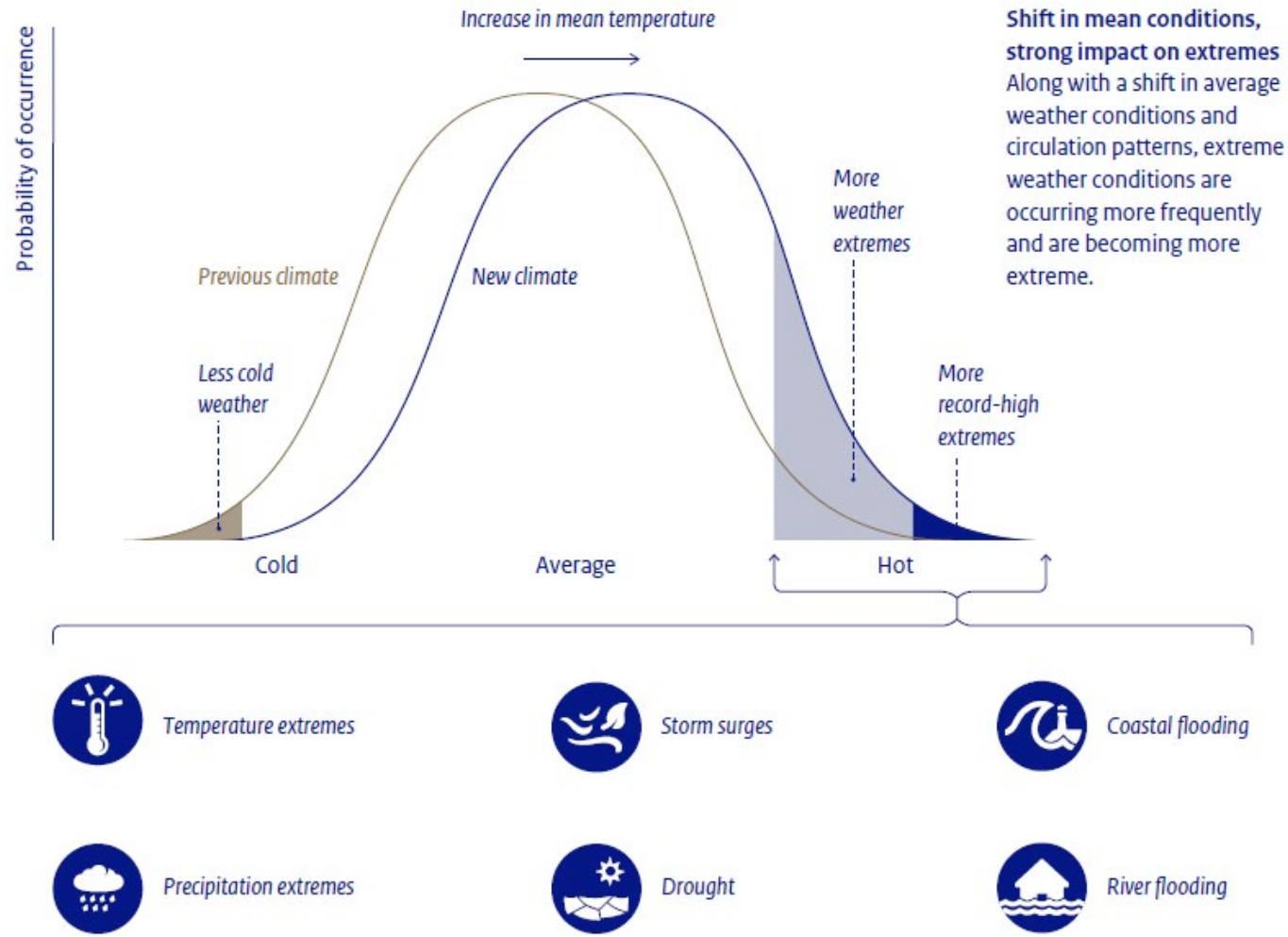
**Inadequate bankable water projects**

**Inadequate capacity for project preparation**

**Inadequate upstream funding of project preparation**



# When the Climate Change, water changes



**Source:** Ligtoet W. et al. (2018), The Geography of Future Water Challenges, The Hague: PBL Netherlands Environmental Assessment Agency



# Climate Change Impacts

**Flooding and droughts continue to affect vulnerable populations across Africa**

- *Floods in the Sahel – 3.4 million affected, 1.4 million displaced. Over 600 and 159 casualties in Nigeria and Niger respectively*
- *Floods in South Africa – 448 casualties, 40,000 displaced*
- *Drought in Horn of Africa – 36 million affected, 21 million facing food insecurity*
- *Derna dam collapse in Libya following Storm Daniel caused deaths of 18-20,000 people, ~1/5<sup>th</sup> of the population of Derna – showing how infrastructural challenges can be exacerbated by climatic impacts*

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## Projected Impacts

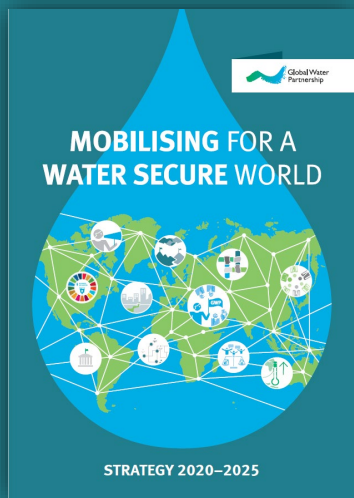
**Projected climate impacts in Africa are largely driven through water**

- *Observed and projected increases in heavy rainfall events and flooding almost everywhere in Africa*
- *Increases in drought and decreases in water availability in most regions, excluding Sahara, North-Eastern Africa and South-Eastern Africa*
- *Expected reductions in staple crops, resulting in reduced food security and increases in malnutrition*
- *Extreme variability in rainfall and river discharge have severe impacts on water security, particularly for water supply schemes not capacitated to cope with planning under deep uncertainty*

# Our response to the climate challenge

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# CATALYSE CLIMATE-RESILIENT DEVELOPMENT

- Advance national adaptation planning
- Facilitate access to climate finance
- Support integrated resilience planning, including for water infrastructure



**SUCCESS  
WILL BE...**

## **30+ countries access climate finance**




to implement water-informed National Adaptation Plans and integrated flood and drought management policies and measures.

## **Investments of more than €1 billion**

directly supported in climate-resilient water management and infrastructure founded on robust, inclusive, and effective water governance systems.



**GWP Partners Present in over 180 countries**  
Climate Resilience Program active globally

	<i>Funded, under implementation / funding endorsed</i>
	<i>Proposal under development</i>
	<i>Capacity building, upstream awareness raising</i>



**Towards a water secure world**

[www.gwp.org](http://www.gwp.org)





**Every US\$1 invested in  
climate-resilient water  
and sanitation returns  
at least US\$7**





Government of the Netherlands



# Continental Africa Water Investment Programme (AIP)

## International High Level Panel on Water Investments for Africa

Uganda National Water Finance Dialogue, 30 August 2023



Alex Simalabwi, Executive Secretary-  
Director-AIP, GWPSA-Africa



GLOBAL  
CENTER ON  
ADAPTATION

# AIP was adopted by AU Heads of States in February 2021



## February 2021

The AIP was adopted during the 34th Ordinary Session of the Assembly of **AU Heads of State and Government in Addis Ababa, Ethiopia**, as part of the **Programme for Infrastructure Development in Africa (PIDA) Priority Action Plan**.

**2019:** Endorsed by the **Governance Council of the African Ministers' Council on Water** in February 2019 – to transform Africa's water investment outlook through increased partnerships and implementation the AIP.

**2018: Joint UN/World Bank High-Level Panel on Water** called for the launch of an Africa Water Investment Programme in its final report.



# WHY AIP: TO CLOSE THE WATER INVESTMENT GAP

Delivery of water investments remains below minimum of \$30 billion/year target to achieve 2030 SDG 6

**AIP aims to close the SDG 6 water investments gap by mobilising \$30 billion/ year by 2030**

Approximately **US\$50 billion annually**, or US\$40 per African per year is required, to achieve water security and sustainable sanitation in Africa by 2030



- Water Investment gap is even larger to achieve the 2025 Water Vision.
- At least USD30 billion/year additional investments is required to achieve SDG 6 by 2030
- In reality, only \$10-\$19 billion/year is invested in water security.



# AIP INTERNATIONAL HIGH-LEVEL PANEL ON WATER INVESTMENTS FOR AFRICA



**H.E. Macky Sall**  
Co-Chair  
President of the Republic  
of Senegal  
Chair: African Union



**H.E. Hage Geingob**  
Co-Chair  
President of the Republic  
of Namibia



**H.E. Mark Rutte**  
Co-Chair  
Prime Minister of the  
Netherlands



**H.E. Jakaya Kikwete**  
Alternate Co-Chair  
Former President of the  
United Republic of  
Tanzania



**H.E. Cyril Ramaphosa**  
President of the Republic  
of South Africa



**H.E. Samia Hassan**  
President of the United  
Republic of Tanzania



**H.E. William Ruto**  
President of the Republic  
of Kenya



**H.E. Hakainde Hichilema**  
President of the Republic  
of Zambia



**H.E. Adama Barrow**  
President of the Republic  
of The Gambia



**H.E. Moussa Faki**  
Chair: African Union  
Commission



**Nardos Bekele-Thomas**  
CEO: African Union  
Development Agency -  
NEPAD



**Achim Steiner**  
Administrator: United  
Nations Development  
Programme



**Catherine Russell**  
Executive Director:  
United Nations Children's  
Fund



**Prof. Dr. Patrick  
Verkooijen**  
CEO: Global Center on  
Adaptation

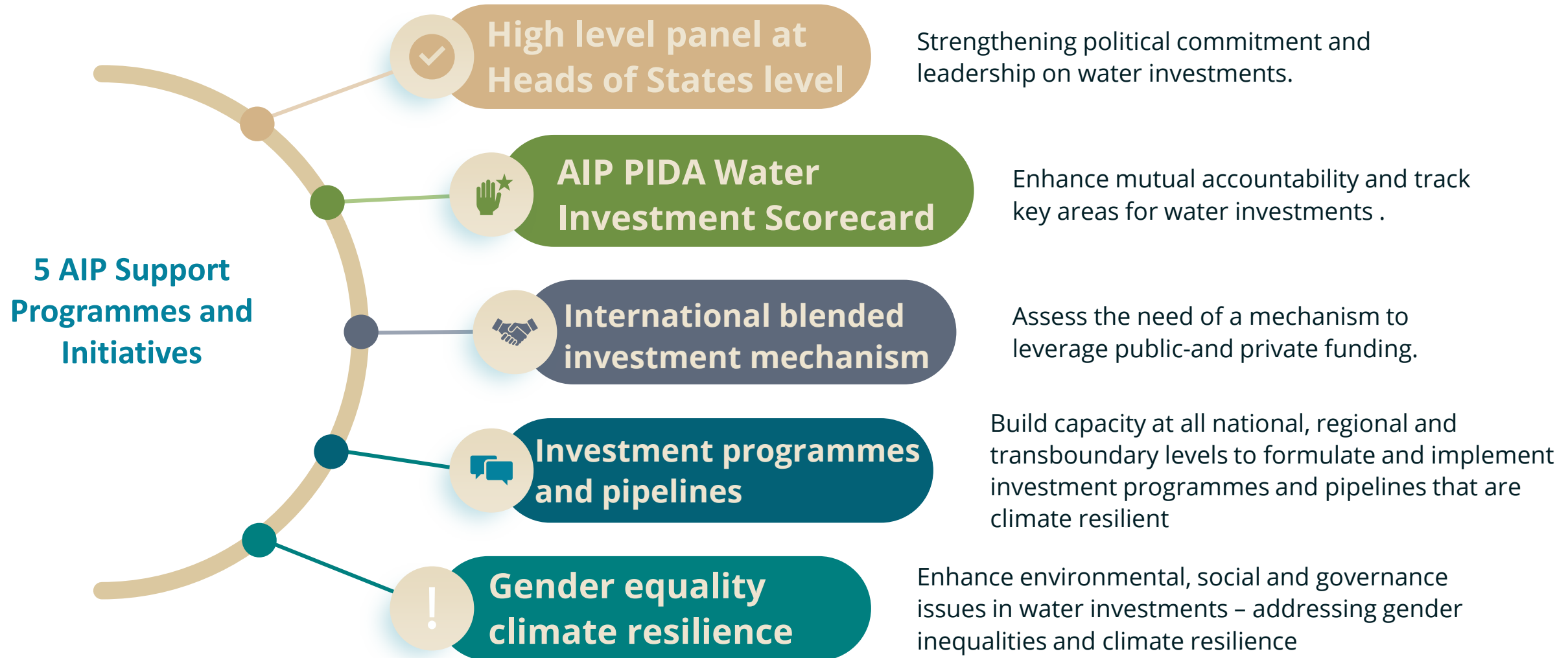


**Pablo Bereciartua**  
Chair: Global Water  
Partnership



**H.E. Ibrahim Mayaki**  
Former Prime Minister of  
Republic of Niger

# HOW AIP CONTRIBUTES TO CLOSING-WATER INVESTMENT GAP



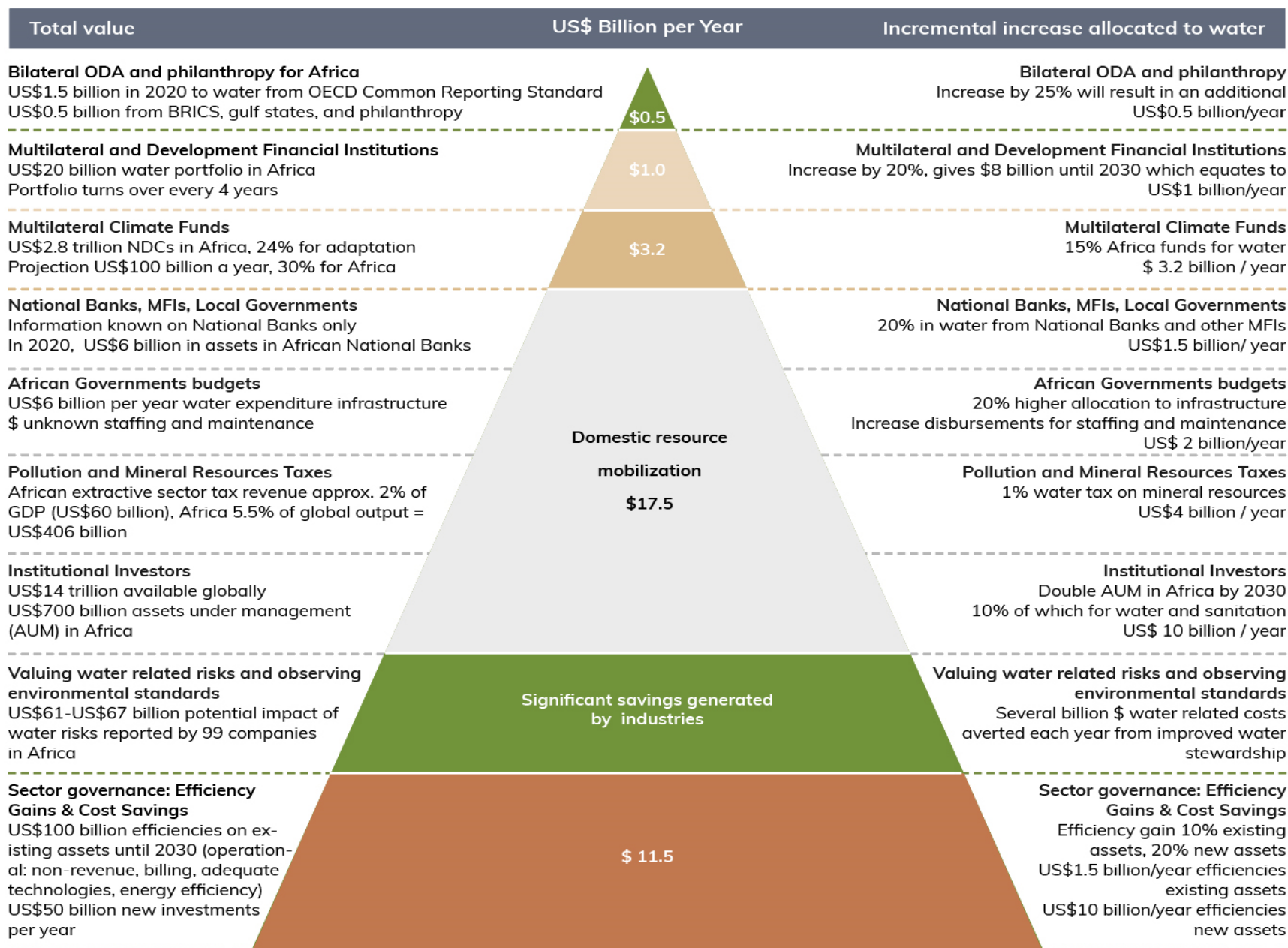


**With conservative assumptions, over US\$30 billion per year can be mobilised through three actionable pathways**



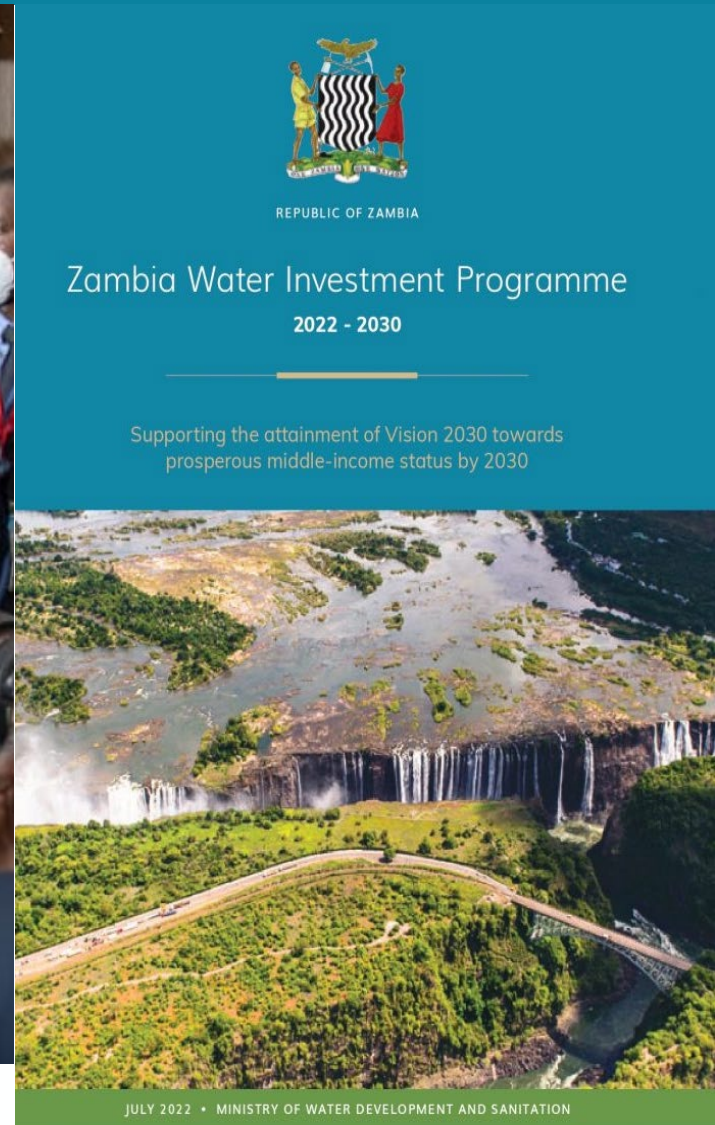


# AIP Pyramid of water investment transformation





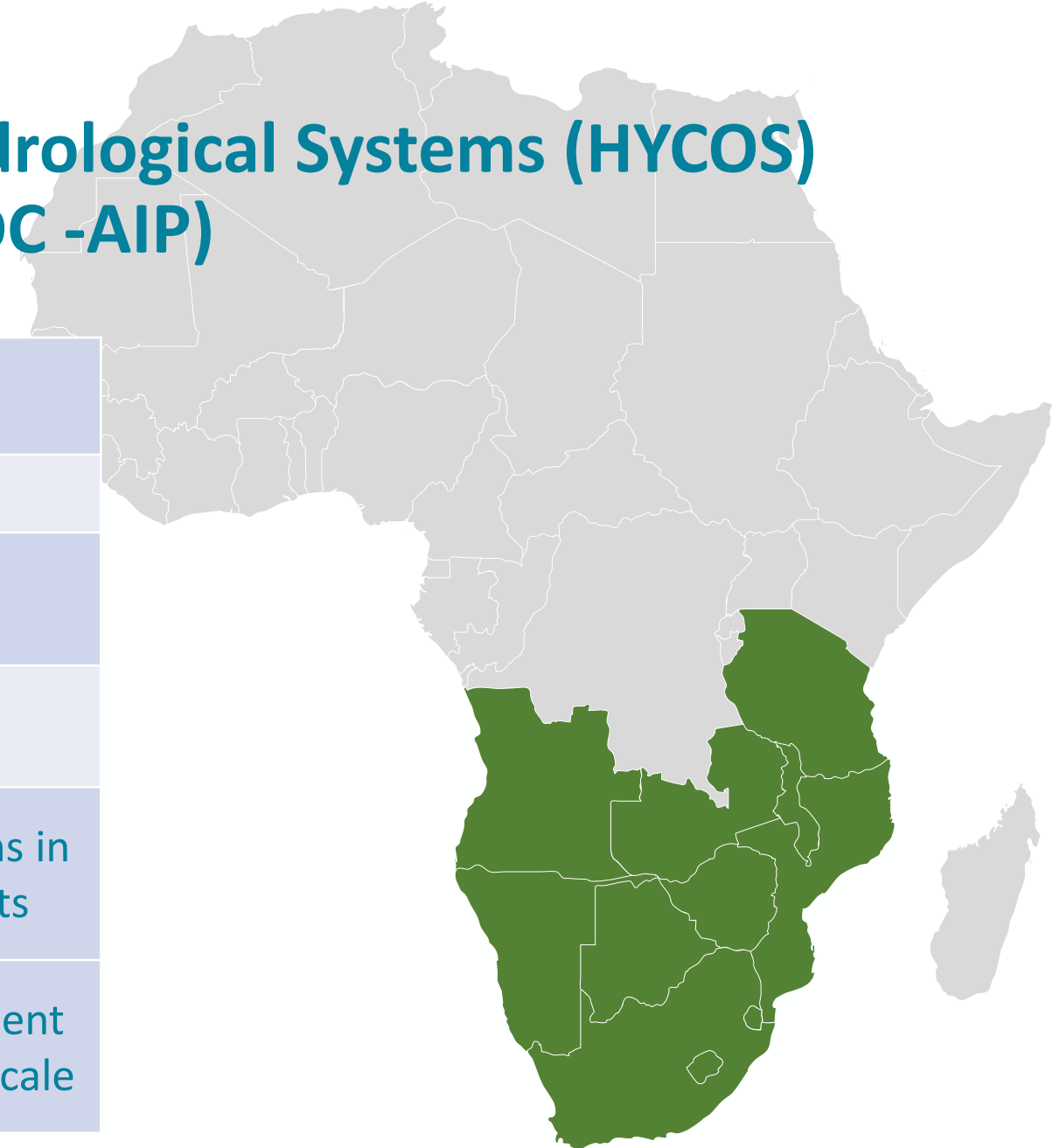
# USD\$6 Billion Zambia Water Investment Programme was launched in July by the President of Zambia, H.E Hakainde Hichilema



**\$1 billion government commitment by 2030**

# SADC Regional Climate Resilient Hydrological Systems (HYCOS) Water Investment Programme (SADC -AIP)

Accredited Entity	DBSA
Finance	GCF, PPF
Targeted Funding	~US\$117 Million
Stage	Concept Note endorsed, PPF approved
Theme	Climate Information and Early Warning Systems in SADC, Climate-informed innovative investments
Innovation	Mainstreaming climate information in investment planning, mobilising political commitment at scale





# AU-GCF....Multi-Country Readiness initiative-strengthening country capacity, local knowledge and climate resilience investment plans



## Objective:

- Provide continental-level support for countries to develop climate-resilient investment programmes
- *11 countries in first proposal*
- *17 countries expressed interest to the AUC*
- *To launch at COP 28*



# African Climate Resilient Co-Investment Programme

Consortium of GCF & Africa partners enable coordination, develop pipeline and identify pilots

## ACR-CoP Umbrella Coordination

CN and PPF will be developed for this project that will serve as the Umbrella Program for the Initiative

### Pipeline Acceleration *(funded via donor co financing)*

- Tailored one-on-one technical support is provided to participating countries in accordance with the global action plan
- Gap analysis at regional and national level

### AU-AIP High Level Panel Enabling Condition

- Regional outreach campaigns carried out with partners to ensure synergies
- A regional financing campaigns organized targeting donors, philanthropists, and private sector
- Advancing regional knowledge
- A sustainability strategy established for the regional support architecture

### Country-level Priority Actions *(via AE/DAE- 5 to 8 priority countries)*

- National level advocacy activities carried out
- Capacity building
- Investment activities
- Strengthening governance

*Scaling up SADC AIP.....Climate Information and Early Warning Systems in Africa, Climate-informed innovative investments*

**Incubator project** = Coordination project to get the investment project-development going – feeding into the accelerator series of projects



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## International High-Level Panel Campaign:



# International High-Level Panel Campaign, 'Mind the Gap-Invest in Water', launched at UN General Assembly :





**THE HIGH-LEVEL PANEL INVITES  
AFRICAN HEADS OF STATE AND  
GLOBAL LEADERS TO JOIN  
EFFORTS TO AT LEAST DOUBLE  
CURRENT WATER INVESTMENTS  
AND IMPLEMENT NATIONAL  
WATER INVESTMENT  
PROGRAMMES BY 2030**

