

## DISCUSSION HIGHLIGHTS

10th Roundtable on Financing Water: Regional meeting on Africa  
22-23 November 2023, Abidjan

For further information on the Roundtable, please visit our [website](#) or contact:

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## Introduction

The 10th Roundtable on Financing Water: Regional meeting on Africa was co-convened by the OECD and the African Development Bank, in partnership with the government of the Netherlands, the World Water Council and the World Bank. 300 leading finance and water experts<sup>1</sup> from across Africa, and beyond, gathered in Abidjan to review and explore new approaches to water finance and promote impactful ways of financing water-related investment in Africa. Two regional initiatives<sup>2</sup> were presented. The Roundtable meeting was the first after the UN 2023 Water Conference and took place a few days before COP 28, where the key takeaways were shared.

Beyond significant financing needs, there is a strong economic case for financing water in Africa, considering that water drives economic development in the region and that water and biodiversity in Africa benefit global value chains. The challenging macroeconomic context (increased difficulty in accessing financial markets, burgeoning public debt and liquidity issues) and the decline in official development assistance to Africa have reduced the capacity of African countries to invest in crucial sectors, including water and sanitation. Despite the challenges and the urgency of the water crisis, Africa also presents significant opportunities for sustainable investment, in particular for water (GDP growth, natural resources, domestic financial resources, young population). Strengthening economic policy instruments and developing multilateral trade agreements for sustainable water management have the potential to harness the value of Africa's water and drive fair and sustainable water resource management globally. Furthermore, in addition to usual suspects (essentially central governments and DFIs), there is scope for national and regional financiers (development banks, domestic commercial financiers, central banks) to play a more active role in financing water.

## Key messages

- **Without efficient investments in water, there will be no sustainable economies in Africa.** Investing in water has a multiplying effect to all sectors of the economy. The management of water resources has to be in line with countries' economic development strategies.
- **National and regional development banks represent a significant untapped potential for financing water security in Africa.** Acknowledging that water is a condition and driver for sustainable economic growth, some national development banks recently started to consider water in their portfolio.
- **There is significant scope to mobilise private sources of finance for water in Africa more effectively,** by strengthening water investment frameworks and diversifying financing instruments. The limitations of mobilising the private sector for water should be clearly understood to enhance its effectiveness.
- **High-income economies rely heavily on Africa's water sources through trade.** Unsustainable water footprints degrade the continent's water resources. **Accelerating the reform of tax systems, strengthening economic policy instruments for water management and developing multilateral trade agreements** have the potential to harness the value of Africa's water and drive fair and sustainable water resource management globally.

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<sup>1</sup> Leaders of water utilities, water regulatory authorities, governments, public and private investors, financial institutions, commercial banks, central banks, and others

<sup>2</sup> the 300 Water Leaders Initiative for Africa and the Investment Action Plan of the High-Level Panel on Water Investments for Africa

- **Water risk is an important source of vulnerability to African economies** given dependencies on primary sectors. **Understanding double materiality is critical. Central Banks** must put in place strategies to address nature-related risks and ensure financial and monetary stability. **Commercial banks** have an important role in understanding climate risks and integrating them into their daily operations. It is **important to have an African voice** on these issues, **through coordination of different initiatives.**
- **Sub-Saharan Africa remains the area in the world with the lowest access to sanitation services.** National regulators are increasingly involved in **regulating and monitoring sanitation** (in addition to water) and have a key role to play in unlocking finance for sanitation, as recommended by the [ESAWAS regulators association](#). Governments and regulators are responsible in particular for **lowering the transaction costs for investors** (including private) - providing clear entry routes and long-term project pipelines.
- **For African water utility leaders, sector prioritisation from national governments, tailored regulation, increased flexibility in financing conditions from DFIs, and capacity building** would greatly help them to face their challenges to service delivery and unlock opportunities for financing. African utility leaders could benefit from sharing their challenges and successes with fellow leaders through the [300 Water Leaders Initiative](#).
- Beyond financing water, the compatibility of the **current international economic system** and the **international financial architecture** with the sustainable management of water resources is being questioned. Finally, the issue of measuring and mitigating the impact of water-intensive industries (agriculture, industry, mining and others) on water resources must also be central to the debate.

## Opening/ Session 1 – Setting the scene: Investing in water, a condition for the prosperity of African economies

The opening and session 1 defined the specific challenges and opportunities for financing water-related investments in the continent, the scale of financing needs and capacities, paving the way for regional solutions and giving African perspectives on the global water agenda (UN 2026 Water Conference, SDG summit, COP 28...).

**In a very difficult macroeconomic and financial context, combined with a fall in official development assistance, the challenges of financing water are becoming more acute in Africa.** 1 in every 3 people across Africa face water scarcity; 447 million people are denied even a basic drinking water supply and 805 million lack access to at least basic sanitation services. Population growth, rapid urbanisation, agricultural demand, and climate change – especially climate-related natural disasters like droughts, and floods – amplify these challenges. Achieving SDG6 by 2030 in Africa would require an increase in rates of progress by: 12 for safely managed drinking water, 20 for safely managed sanitation, 42 for basic hygiene services.

**Despite the challenges and the urgency of the water crisis, Africa presents significant opportunities for sustainable investment, in particular for water.** Africa is among the fastest regional growing economies in the world (on average 2-4% for the next five years). Moreover, significant progress has already been made in closing the gap, considering that the greatest increase in water access was achieved by the continent in the last two decades, despite the population growth. The report of the [High Level Panel on Water Investments in Africa](#) shows that most of the investment needed to close the gap could come from domestic sources, in particular by increasing the efficiency of investments and policies. Yet, current investment levels by countries are estimated at 0.5% of GDP on average, while expenditures

required to reach SDG 6 targets in Sub-Saharan Africa are estimated over 4% of GDP on average.

**Without efficient investments in water, there will be no sustainable economies in Africa.** Investing in water has a **multiplying effect** to all sectors of the economy. Every US dollar invested in climate-resilient water and sanitation yields at least US \$7 in gains for economies. The cost of inaction is high - nearly 200 billion US dollars are lost every year due to lack of investment in water and sanitation on the continent. Under a business-as-usual scenario, the Sahel and Central Africa are projected to experience negative GDP impacts of 12% and 7% respectively by 2050 because of climate change effects on water resources.

**Management of water resources has to be in line with countries' economic development strategies.**

Taking a holistic approach that recognises the complexity of water services and their interconnection with multiple systems is necessary. In that perspective, the World Bank developed a country climate development report (CCDR) to integrate climate and development (they are finalising the one of Cote d'Ivoire), in which water is at the centre of the conversation. Furthermore, countries should strengthen their economy-wide approaches to water management. This approach brought results in Namibia (coordination forums), Zimbabwe (coordination committees), Tanzania (national sanitation campaign) and Ethiopia (wash national programmes).

**Bridging the financing gap will require a more effective use of the diverse sources of finance for water** (in particular private and domestic sources), improving sector prioritisation by governments, strengthening the enabling conditions, creating robust water strategies, creditworthy utilities, stable regulation, and long-term predictable water portfolios. Examples from countries like Tanzania, Angola, and Kenya highlight increased investment following the establishment of autonomous economic regulation for water services. The development of innovative financial mechanisms such as green bonds or water and sanitation-specific investment funds (such as the Blue Fund in Senegal) and securitisation instruments are relevant options to be considered by governments. Finally, at the global level, financing water deserves robust global initiatives at the same level as the Green Climate Fund (GCF) and other large-scale financing mechanisms.

## Session 2 – The untapped power of regional and national development banks

Regional and national development banks represent a nearly untapped potential source of funding for the water sector in Africa. Session 2 discussed the challenges and opportunities for regional and national development banks to invest in water in Africa, and the role of multilateral development banks to support them in their endeavour to integrate water into their portfolios.

**National and regional development banks represent a significant potential for financing water security in Africa.** In 2020, there were 95 development banks operating at subnational, national and regional levels in Africa, investing USD 24 billion per year. Water is currently almost absent from the portfolios of national and regional development banks. Their mandate is to finance economic development in their region or country. Acknowledging that water is a condition and driver for economic growth and poverty eradication, national development banks recently started to consider water in their portfolio. Specific actions from national development banks (NDBs) include providing long-term financing in local currency at favourable interest rates (which is not the case of commercial banks), channelling sovereign loans to municipalities and utilities, participating in special purpose vehicles, supporting project preparation and development to strengthen national project pipelines, providing technical assistance and promoting national sector dialogues. To encourage the involvement of NDBs in water, the [Water Finance Coalition](#) – a global coalition of public development banks active on water finance – is providing technical assistance to national development banks to help them to include water in their strategies and portfolios. Three pilots

are on-going in Africa, in Asia and in Latin America.

**The main reasons for the lack of investment in water by NDBs include the lack of prioritisation of water in national development plans, the financial weaknesses of water utilities and the difficulty for NDBs to access capital markets.** NDBs align their priorities with national development plans and strategies, in which water is not always prioritised. If water is put at the forefront by policymakers (as a key sector for economic development), NDBs would be inclined to designate water as a strategic priority. For instance, the Development Bank of Southern Africa (DBSA) is collaborating with the Government of South Africa through the Water Partnership, which aims to create a water reuse program to leverage funding for water (including private).

**MDBs have a key role to play in supporting regional and NDBs in including water in their portfolios.** As NDBs often face financial constraints in accessing international capital markets, MDBs can serve as intermediaries, facilitating NDBs' access to more cost-effective finance. The AfDB is a triple AAA-rated institution which has therefore access to global markets at a low rate and can provide a line of credit to NDBs, who can afterwards lend to water projects at concessional rates. MDBs could also further cooperate in co-financing, particularly for early-stage projects, as NDBs often do not have the financial robustness to invest in risky projects. In addition, **cooperation between national and multilateral banks can enable them to be better equipped to deal with foreign exchange risks** (mutual benefit). Finally, MDBs and multilateral agencies (such as AUDA-NEPAD) can support governments in strengthening the enabling environment for investment in water, including to facilitate financing from NDBs. MDBs can collaborate with NDBs which have a privileged and strong relationship with their national governments and are best placed to provide guidance or advice as regards economic development and priorities for investment.

**In a context of reduced availability of concessional resources, development banks should prioritise projects with lower returns and develop accreditations to access climate finance.** The West African Development Bank (BOAD) faces constraints in allocating substantial funding to water due to the diminishing availability of concessional resources (only 600 million FCFA per country per year). Thus, development banks should prioritise projects with anticipated lower returns, especially in rural areas where establishing commercial projects proves challenging. BOAD managed to access more financing for water thanks to its accreditations for environmental, climate and adaptation funds. Similarly, DBSA has managed to get accreditation to access concessional funding from the GCF, which led to increased investments in water. DBSA has provided support to eight regional and NDBs in improving their financial and IT systems and obtaining accreditation from the GCF.

### Session 3 – Leveraging private finance for water

While the main sources of finance for water in Africa are likely to remain public and concessional financing, there is potential to mobilise private capital more effectively. Only 9% of investment in water assets/services in developing countries comes from the private sector; versus 87% in telecoms and 45% in power. This session explored opportunities related to incentives, innovative instruments, and enabling conditions for efficient private investment in water in Africa.

**DFIs could more effectively leverage private finance for water in Africa**, using several levers, which includes supporting prefeasibility studies and the development of replicable and scalable structuring approaches, providing concessional funding and risk mitigation instruments. Following the example of the viability gap funding of the IFC, DFIs can provide grants to strengthen projects' financial sustainability and revenue streams, until they become viable. They can also support the development of **Independent Water Producer (IWP) models**, drawing inspiration from the success of independent energy producers (IPP).

Furthermore, the Scaling Solar model (see box below), developed by the IFC, could be replicated to water, with the creation of **'Scaling Water' programmes**, packages enabling rapid project preparation, tendering, and financial close, to ease private finance for water in Africa.

**Sovereign funds can also play a more active role, in several ways: i) supporting project preparation and development, ii) co-investing in equity through joint ventures and PPPs, iii) supporting the development of blended finance mechanisms and innovative funding.** Le Fonds Souverain d'Investissements Stratégiques (FONSIS) is following this approach in Senegal (see box below).

**Pioneering private equity funds in Africa are trying to integrate water in their portfolios.** The Water acceleration Fund, managed by Incofin Investment Management, was launched at the UN 2023 Water Conference as the first private equity fund for safe drinking water in the world, with EUR 36 million of commitments and the aim to achieve total capital commitments of EUR 70 million in subsequent closings. The committed capital comes from a diverse pool of private and public investors (see box below). It plans to invest in various decentralised solutions, such as water kiosks, as well as in water pipe infrastructure and water technologies. The fund is relying on a pre-investment technical assistance to face the challenge of scarcity of bankable projects.

### Box 1. Leveraging private finance for water

The [Scaling Solar](#) programme supported by the IFC, a 'one-stop-shop' programme which successfully supported private investment in solar energy in Africa, is interesting. This comprehensive package includes technical assistance, streamlined and rapid tendering processes, fully developed templates, competitive financing, insurance, risk management, and credit enhancement. This model could be replicated to water, with the creation of **'Scaling Water'** programmes.

Le **Fonds Souverain d'Investissements Stratégiques (FONSIS)** is supporting the preparation and development of water projects, including feasibility, securing land and permits, climate and social assessment, among others. FONSIS has actively participated in joint ventures, notably taking equity in the water distribution company for urban areas in Senegal. FONSIS is also in charge of the operationalisation of the Blue Fund in Senegal - a \$1 billion equity investment fund aiming at supporting projects and SMEs in the WASH sector, diversifying funding sources, structuring water projects and developing a private enterprises ecosystem.

**Incofin Investment Management** has an ambitious target of providing 20 billion liters of water to 30 million people, mainly in Africa (mostly sub-Saharan Africa) and Asia. The committed capital comes from a diverse pool of private and public investors, including Danone along with BNP Paris, the U.S. International Development Finance Corporate (DFC), Norfund, the Danish development finance institution and Aqua for All. The U.S. Agency for International Development (USAID) provided catalytic funding to enable a first-loss tranche.

Source: Authors based on the Roundtable discussions

**Various PPP models for water in Africa can be part of the solution if they are well framed and regulated.** The WB PPP database shows that only a small share of these arrangements is in water, due to the high input costs and low cost recovery. Across the continent, different models of PPP are developing (such as the Kigali Bulk Water Supply developed by Metito), with different levels of maturity

and focusing on different sectors (desalination in North Africa, bulk and sanitation in East and West Africa, bulk and transports in South Africa). There are opportunities to replicate and enhance PPP models by enhancing transparency in the process, clearly defining responsibilities, and establishing a robust legal framework (giving clarity on conflict resolution, responsibilities, risks and benefit sharing notably).

**The limitations of mobilising the private sector water should be clearly understood to enhance its effectiveness.** Looking beyond financial transactions, the ultimate goal should be universal access to water and sanitation. As private entities seek to maximise returns, adequate preparation, governance mechanisms and regulation becomes essential to mitigate potential pitfalls (to prevent adverse outcomes, similar to challenges observed in England and Wales).

**Nature Bonds can help governments reduce their sovereign debt burden and unlock (private) funds to meet climate, biodiversity and water ambitions.** The instruments are particularly relevant for countries in Sub-Saharan Africa facing difficulties in accessing financial markets and a persistent debt crisis. Nature Bonds are a mechanism where commercial debt is traded at a discount, creating an opportunity for countries to refinance with new lines of credit featuring more favourable terms. The resulting savings are then directed towards an independent conservation fund. A notable example is the [Gabon Nature Bond Project](#), representing the largest debt conversion led by The Nature Conservancy (TNC) to date, and the first of its kind in mainland Africa. While the focus has been on saltwater conservation, the same approach can be extended to freshwater conservation initiatives.

## Session 4 – The Global Value of Water and Biodiversity in Africa

Water and biodiversity in Africa have global value, through trade and global value chains. Session 4 characterised that global value and explored tools that can acknowledge it and redirect financing flows so that they benefit African economies and communities.

**High-income economies rely heavily on Africa's water sources through trade**, according to data presented by the [Fair Water Footprint](#). High-income countries have an external water footprint that generally represents between 50% and 80% of the water they consume. A quarter to a third of the water footprint of the Global North countries comes from Africa. Similarly, key sectors of Africa's export economy rely on large water withdrawals and highly polluting industries, due to dependence on agricultural products and minerals. 92% of Africa's exports, worth around 432 billion dollars a year, depend essentially on water. **Unsustainable water footprints degrade the continent's water resources.** Half of the Global North's water footprint is unsustainable, leading to the depletion and pollution of rivers, aquifers and lakes. In-depth field research confirms this, with examples such as the sugar sector exacerbating droughts and floods in Tanzania, Malawi and Zambia, textiles and mining polluting water bodies in Madagascar and Zambia, the production of fresh fruit, vegetable and flowers driving water crises and denial of the human right to water in Kenya, Ethiopia and Morocco. Surpassing the 1.5-degree threshold is expected to significantly intensify these pressures on human health, ecosystems and economies, which spread throughout the global supply chain.

**Accelerating the reform of national tax systems and strengthening economic policy instruments for water management** (e.g., abstraction and pollution charges) **have the potential to harness the value of Africa's water and drive fair and sustainable water resource management globally.** Currently, African countries tend to charge insufficient amounts (tariffs, charges, fees...) for the water used. By implementing adequate charges for water use and wastewater discharge, the global community will be encouraged to use water resources more sustainably. In addition, examining the tax system becomes crucial, especially considering the practice of offshoring taxes by multinational corporations benefiting from water use in Africa. The OECD estimates that countries globally lose a substantial amount, between 100

and 240 billion USD annually, due to base erosion and profit shifting (BEPS). While some countries in Africa have joined the [OECD/G20 inclusive framework on BEPS](#), others are yet to do so.

**Collective commitment towards transparent and sustainable supply chains and the implementation of multilateral trade agreements supporting the sustainable use of water can be transformative.**

The Fair Water Footprint Declaration, launched at COP 27 in Glasgow, commits its signatories (governments, global businesses and investors, among others)<sup>3</sup> to a fair water footprint<sup>4</sup> by 2030. While there are still no multilateral trade agreements on the sustainable use of water, many hopes are pinned on the [Global Commission on the Economics of Water](#) (which will deliver its final report at the end of 2024) and the UN (which is currently working on a UN-wide water strategy) to propose multilateral agreements that better reflect the value of water.

**Country driven initiatives are also essential.** The [Freshwater Challenge](#) is a country-led initiative launched in 2023 that aims at restoring 300,000 km of degraded rivers and 350 million hectares of degraded wetlands by 2030, conserving freshwater ecosystems intact. In Africa, Uganda is one country who is supporting the Freshwater Challenge. In this country, it is estimated that water resources contribute 9% to GDP. The country has developed integrated planning for water resources at the catchment level (32 catchments). The country is revising its Water Act. The intention is to make the cost of water degradation more stringent than the cost of restoring water resources, and to support that any water-related investment devote up to 3% of the overall investment to the protection of the catchment that supplies the water.

**Frequent and thorough freshwater assessments are required, to have clearer views of the state of water resources and how their degradation affects economies and communities.** The implementation of natural capital accounting for water, on the model of other natural resources, is also an option to better value water resources, monitor impacts and compensations. Moreover, **the implementation of appropriate economic instruments, such as payment for ecosystem services, can leverage private finance to achieve cost-effective conservation and sustainable water management.** The Nature Conservancy's (TNC) implemented this model at scale in Africa, with the [Africa Water Funds](#): downstream communities (beneficiaries) engage upstream communities (stewards and providers) in conservation actions and sustainable management of water resources, and thereby offset their impact, by pooling funds to cover the associated costs. After launching a first water fund in Nairobi, TNC is now operating sixteen funds across the continent. Every dollar invested can save up to 8 dollars.

## Session 5 – Water-related risks and implications for financial institutions in Africa

There is increasing recognition of the importance of identifying, understanding, and managing water-related financial risks, for safeguarding against financial shocks but also for promoting responsible investment practices. Session 5 looked at existing financial market initiatives and regulatory guidance in Africa that contribute to enhancing the management of water-related risks within the realms of both natural and climate risk considerations.

**Evolving threats linked to climate and nature risks require better policies, regulation and capacity building to help the banking sector manage a changing risk environment.** Climate risk is often seen as being a risk of the future. In the case of Africa, climate change impacts are happening now, with immediate implication for societies and economies, and also to financial systems. The continent is seeing

<sup>3</sup> 28 signatories to date, including 6 global businesses and investors, 8 governments and 14 external support agencies and civil society organisations.

<sup>4</sup> A fair water footprint means: Zero Water Pollution, Sustainable and equitable withdrawal and water use, Full access to safe water, sanitation and hygiene for workers, Working with and protecting nature, Planning for droughts and floods.



increased incidences of prolonged drought and flooding. In an illustrative case, the session documented how water risk is as a source of vulnerability to West African countries given the dependency of primary sectors on water. Water risk has a notable impact on farming and agriculture, with very direct risks of food shortages and food insecurity. These risks have a negative impact on the solvency and financial capacity of financial agents. Lessons from West Africa are relevant at continental level. Studies show that African banks are increasingly vulnerable to climate change, notably through credit operational and liquidity risk. It is becoming apparent that water risks have implications across all sectors, requiring an improved understanding of complexities and interdependencies. This also highlights that water cannot be considered in isolation. Greater alignment on water strategy and awareness of water risk is needed across sectors (for example, agriculture, mining, WSS, urban development).

**Understanding double materiality is critical.** Portfolios are dependent on the provisioning of ecosystem services, including water supply, but are also responsible for exerting pressure on ecosystems across Africa. It is important that financial institutions understand the materiality of water-related risks, to understand balance sheet risk, and therefore to better manage financial risks. At the same time, by better understanding of how investments impact on water resources, financial institutions are better able to divert investment towards investment in water security and away from activities that exacerbate risks. Understanding nature related financial risks, including those relating to water, means comprehensively exploring feedback loops from a biophysical perspective, understanding the consequences of factors like excessive water use on nature, evaluating their economic impacts, and discerning ensuing financial implications.

**Faced with these challenges, central banks have an important role in putting in place risk management frameworks to preserve the economy from impacts of climate and nature.** They also have a role in prioritising sectors that support sustainable development goals and water security. BCEAO (Banque Centrale des États de l'Afrique de l'Ouest or Central Bank of West African States) is working on putting in place monetary policy instruments to increase allocation of bank lending toward low carbon sectors. For the stability of the financial sector, BCEAO is working towards integrating climate risks macro-prudential policy; this paves the way to factoring nature and water risks as well.

**Commercial banks have an important role in understanding climate risks and integrating them into their operations.** In the case of Africa, climate risks are materialising already. When a bank provides a loan facility to a farmer in a zone where water is largely scarce, there is a direct credit risk. Banks need to be able to manage this risk today. But there is positive news. There is growing awareness and four out of five banks surveyed in Africa have put in place or are putting in place a strategy to manage climate risk. **The session also highlighted the importance of having an African voice**, through coordination of different initiatives. In addition, data will be critical to develop effective environmental standards, for financial institutions to develop products, and for corporates to improve water management practices.

## Session 6 – Financing sanitation

The session focused on the financing gap, achieving success in attracting private and climate finance, strengthening sanitation business cases, and introducing AUSII to the audience.

**Sub-Saharan Africa remains the area in the world with the lowest access to sanitation services**, with over 700 million people lacking basic sanitation, one-third of them residing in urban areas. Only 30% of urban populations have access to safely managed sanitation; open defecation is practiced by 200 million individuals, 10% of which live in rural areas. **Specific challenges** such as rapid urbanisation, aging infrastructure, financial inefficiencies of water and sanitation utilities, poor governance arrangements, increased water stress and scarcity, and climate change contribute to the persistent low sanitation

coverage.

**The financing gap is substantial**, requiring 1.1% of GDP for basic sanitation and 2.5% for safe sanitation. Bridging this gap would require an investment in capital costs of US\$10 billion, accompanied by operation and maintenance costs of US\$7.2 billion per year. Impediments include low visibility of revenues, inadequate management and operational performance, limited planning capacity, underdeveloped financial markets, and a lack of suitable financing frameworks. Yet, **the economic benefits of investing in sanitation are significant**, offering a 3-fold return on investment in urban areas and an even more substantial 5 to 6-fold return in rural areas.

**Adapting financing mechanisms to sanitation projects and further developing financing instruments are needed to unlock financing.** Firstly, governments should develop predictable and long-term sanitation projects pipelines with a clear vision of which projects can be financed by the public or private sectors, or both. For instance, sewerage networks can be supported mainly by sovereign loans, while wastewater treatment can be partly financed and operated by the private sector. Innovative financing instruments for sanitation are emerging and should be further developed (with the support of governments, DFIs...). Some countries, such as Zambia and Kenya, implemented sanitation levies or charges to invest in sanitation. In addition, there is hope that instruments such as blue and green bonds, blended finance, guarantees, can be further developed and tailored to financing sanitation.

**Governments and regulators (with the support of DFIs) have a key role to play in creating the conditions to lower transactions costs and diversifying financing sources.** National regulators are increasingly involved in regulating and monitoring sanitation and have a key role to play in unlocking finance for sanitation. At the regional level, [ESAWAS regulators association](#) has developed a recommended regulatory framework. It recognises the importance of integrating water and sanitation into one overarching policy (under the responsibility of the same Ministry), and the importance for regulators to also cover sanitation. Governments and regulators are responsible in particular of providing clear entry routes and facilitating development phases (with the example of the [Kenya Innovative Finance Facility for Water, KIFFWA](#)), and clear, simplified and standardised procedures (including templates documents, tendering and contracts). For instance, Saudi Arabia launched around 12 PPP in water treatment, defining a clear financial structure and using standardised templates, giving the private sector clear information on risks and benefits sharing.

**Raising awareness on the role of sanitation for climate change adaptation and mitigation and valuing the by-products of sanitation will enable to harness climate and green finance for sanitation.** Successfully presenting the sanitation sector as having a significant influence on climate change could open doors to climate finance and green finance. This presents a great opportunity, but also a challenge, to effectively illustrate this link via data and research, and to convince and raise awareness. Furthermore, developing a better understanding of the by-products of wastewater treatment (biogas, treated waste), and recycling them, will enhance access to financing.

**The development of information, data and tools to guide decision-making is also a lever for more efficient investments in sanitation.** Tools are emerging to support governments in the provision of sanitation services, in particular to guide decision-making in terms of investment (costs and benefits analyses) and tariff setting.

## Annexes

### Keynote speech – H.E. Serigne Mbaye Thiam, Minister of Water and Sanitation of the Republic of Senegal

[Link to the speech](#)

### Keynote speech – H.E. Bouake Fofana, Minister of Water, Sanitation and Hygiene of the Republic of Ivory Coast

[Link to the speech](#)

### Side event 1 – Towards the launch of the High-Level Panel Investment Action Plan: enhancing financing for national, and transboundary water projects under the Programme for Infrastructure Development in Africa

**The 2nd Priority Action Plan of the Programme for Infrastructure Development in Africa (PIDA) for the period 2021-2030 presents a strategic opportunity to significantly increase financial resources dedicated to water.** PIDA, a key continental initiative, is poised to achieve regional integration, enhance connectivity, and drive sustainable economic development by advancing critical infrastructure projects. Within the portfolio of the [2nd PIDA Priority Action Plan](#), which encompasses 69 projects, 15 are specifically focused on water. Notable examples include the Transboundary Water Investment Sub-programme and [the Angololo Multipurpose Water Resources Development Project](#).

**The Investment Action Plan of the High-Level Panel on Water Investments for Africa, launched during COP28, delineates specific actions aimed at unlocking investments in water and sanitation across Africa.** The [plan](#) outlines how African countries can mobilise an additional US\$30 billion to ensure water security and sustainable sanitation on the continent, highlighting five key actions. It supports the implementation of the High-Level Panel's landmark report, [Africa's Rising Investment Tide](#), and the continental Africa Investment Programme (AIP). It also unpacks the types of projects prioritised by countries and assesses their alignment with available financial resources.

### Side event 2 – 300 Water Leaders Initiative - Utility challenges to service delivery and unlocking opportunities for financing in Africa

*The session consisted of a diverse panel of four utility leaders (Togolaise des Eaux, Blantyre Water Board, Societe Tchadienne des Eaux and ANAEPMR), one regulator (ESAWAS), one bulk water supplier (Coast*

*WWDA), and the executive director of the African Water Association.*

**From the perspective of the utilities, there is an emphasised need for sector prioritisation from national governments, robust regulation, flexibility in financing conditions, and capacity building.** Utility leaders felt that the strategy and policy to reach SDG6 targets should come from the top. If national governments are not prioritising SDG6 then the utility leaders are unable to align themselves with this target. The **role of the regulator** is seen as key to helping utilities enact changes on the road to SDG6. They can provide incentives and ensure that efficiency of operations is continued beyond the completion of a project. **Utility leaders called on DFI's to be more flexible when financing projects.** Whilst similar models can be rolled out in multiple countries, ultimately financing for each project needs to be bespoke. **Capacity building** has to be the core of every project. However, as access to water is needed immediately, the construction of infrastructure and the transformation of institutions needs to happen simultaneously, which will require immense amounts of capital investment and effort.

There is value in gathering utility CEOs to address these barriers and bringing their voice to the forefront of the conversation. The [300 Water Leaders Initiative](#) aims to facilitate peer-to-peer solution-finding discussions on a regional and global basis. African utility leaders could benefit from sharing their challenges and successes with fellow leaders and finding viable models for transformation to achieve improved levels of operational efficiency and ultimately expand their services.