



# INVESTMENT CASE FOR THE AFRICAN WATER FACILITY (AWF)



March 2022

## TABLE OF CONTENTS

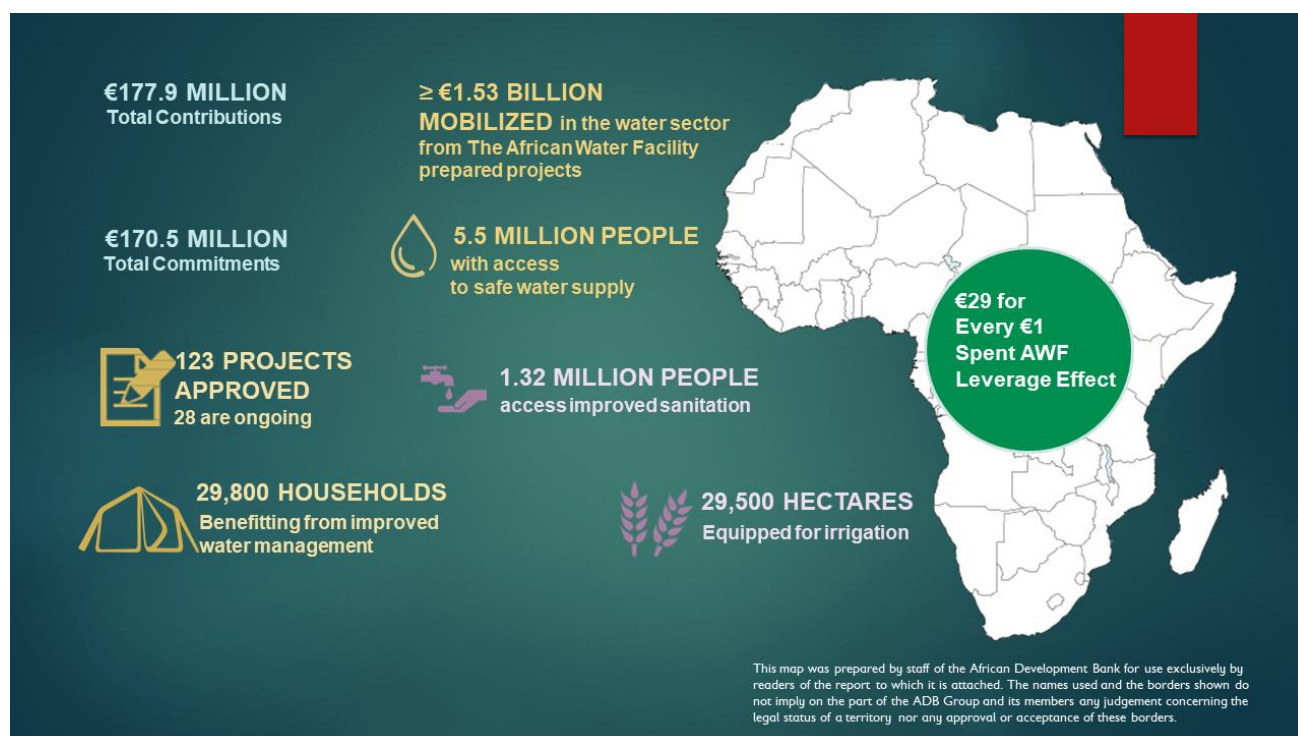
01	CONTEXT .....	2
02	THE AFRICAN WATER FACILITY (AWF) .....	2
03	AWF GOVERNANCE .....	2
04	AWF ACHIEVEMENTS AND IMPACT .....	3
05	AWF IMPACT STORIES .....	3
06	AWF'S REVISED STRATEGY FOR 2017-2025 - KEY ELEMENTS .....	3
07	THE CALL FOR SUPPORT.....	9
08	ENGAGEMENT .....	10
09	ANNEXES .....	10
10	CONTACTS .....	10



## 04 AWF ACHIEVEMENTS AND IMPACT

AWF's achievements and impact since inception, and as of June 2021, are visualized in Table 2:

**Table 2 - AWF Achievements and Impact – as of June 2021**



## 05 AWF IMPACT STORIES

AWF will showcase two impact stories at the World Water Forum in Dakar at the end of March 2022. These are:

- 1) AWF provision of support to the planning and delivery of pro-poor WASH services in urban areas in [Ghana](#)
- 2) AWF provision of support to provide sanitation facilities for households, schools and the public or urban poor areas in [Uganda](#)

## 06 AWF'S REVISED STRATEGY FOR 2017-2025 - KEY ELEMENTS

Since establishment, AWF's work program has been guided by three strategies: the first strategy covered the period 2006-2011 (Phase I); the second strategy covered the period 2012-2015 (Phase II) and [the third strategy](#), which was revised and approved by AWF's Governing Council and AfDB's Board of Directors end 2021, covers the period 2017-2025 (Phase III) <sup>1</sup>.

It is anticipated that the AWF will operate post-2025 based on an end-of-strategy assessment to be aligned upon a new and incoming African Water Vision (AMV) for post-2025. At present, the Bank has initiated discussions with the African Ministers' Council on Water (AMCOW) on the new AWV, and the AWF, being an AMCOW initiative, will continue to operate. The key elements of AWF's revised strategy for 2021-2025 are listed in Table 3:

<sup>1</sup> See: ["African Water Facility Strategy 2017-2025 - Revised Final Version - November 2021"](#)

**Table 3 - Key elements of AWF’s revised strategy for 2021-2025**

- ⇒ **Increased operational efficiency and effectiveness**
- ⇒ **Updated AWF vision, mission, and goal statement for 2021-2025**
- ⇒ **Refined Strategic Priorities and introduction of cross-cutting SDGs in program development and implementation**
- ⇒ **Poised to deliver a significant WASH impact in Africa by 2025 and to set the foundation for AWF’s increased impact for post-2025**
- ⇒ **Presents the Donor Investment case to fund AWF’s expected impact by end 2025**
- ⇒ **Contains a funding strategy**

⇒ **Increased operational efficiency and effectiveness**

AWF’s revised strategy increases operational efficiency and effectiveness via the incorporation of AfDB’s three water trust funds. These are the African Water Facility (AWF), the Rural Water Supply and Sanitation Initiative (RWSSI), and the Multi Donor Water Partnership Programme (MDWPP).

Moreover, the revised strategy addresses operational weaknesses highlighted by the [2019 Independent Evaluation of the AWF](#), and the need to align the Facility’s operations with [AfDB’s new Policy on Water](#) (2021) and [Water Strategy \(2021\)](#).

To overcome the Facility’s past challenges in the pace of project implementation, increased operational efficiency of Facility was notably achieved, as of end 2021, via the strengthening of the AWF secretariat and the appointment of new leadership <sup>2</sup>.

⇒ **Updated AWF vision, mission, and goal statement for 2021-2025**

The vision, mission, and goal statement of the restructured AWF were developed through a participatory process involving AfDB, the AWF, and external partners and stakeholders. See Table 4:

**Table 4 - AWF’s updated vision, mission, and goal statement for 2021-2025**



**VISION**

*“An Africa where there is equitable use and sustainable management and development of water resources for poverty alleviation, socioeconomic development, regional cooperation, climate resilience and environmental protection, and where there is universal access to safe water supply, sanitation, and hygiene services”*



**MISSION STATEMENT**

*“To be the premier water instrument in Africa, providing a coordinating platform for water sector development partners while facilitating the mobilization of finances for priority water infrastructure, and supporting the strengthening of capacity and knowledge for water infrastructure development in Africa, all for the purpose of reinforcing the attainment of water security on the African continent”*



**GOAL STATEMENT**

*“Improved quality of life for urban and rural communities in Africa”*

<sup>2</sup> See in Annex: “AWF Organigram - March 2022”

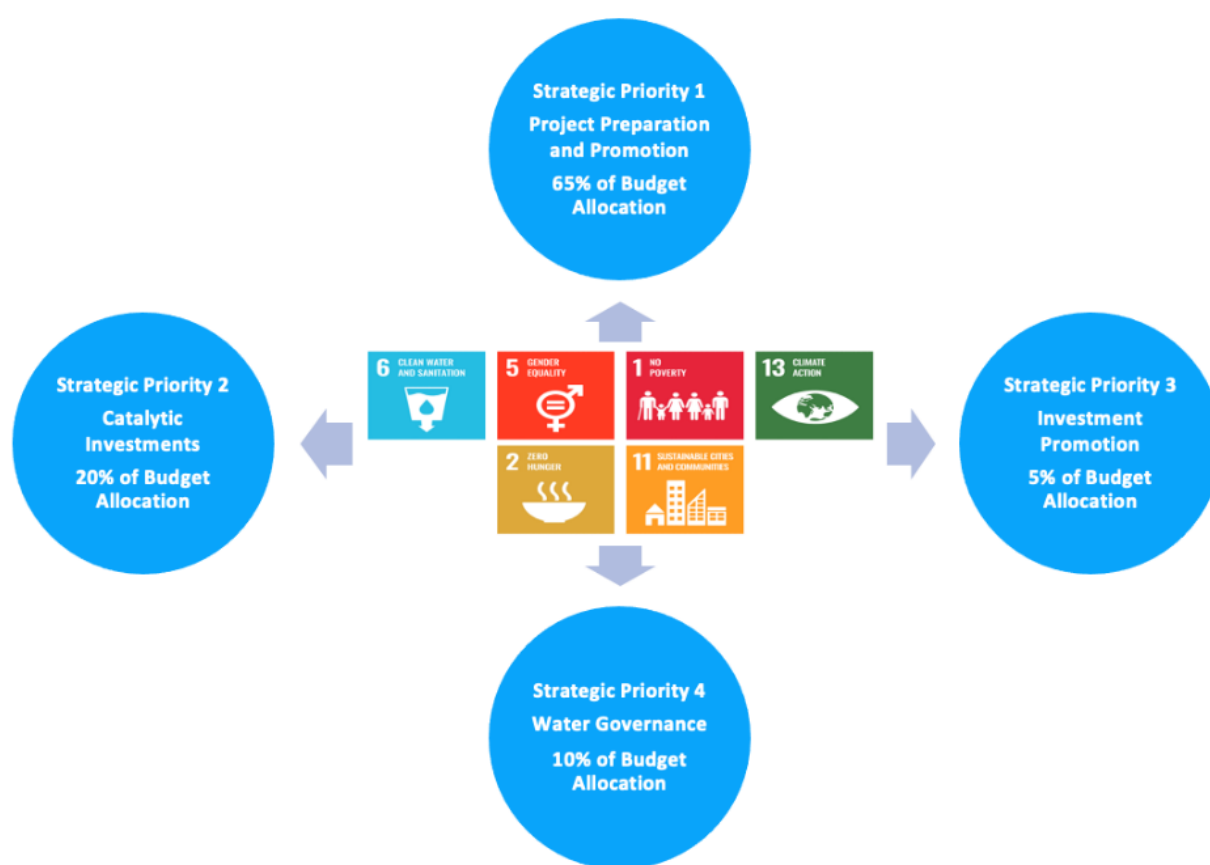
⇒ **Refined Strategic Priorities and introduction of cross-cutting SDGs in program development and implementation**

AWF's revised strategy contains **FOUR** Strategic Priorities.

The first three strategic priorities reinforce previous AWF Strategies. The fourth strategic priority is introduced to accommodate functions related to the integrated AfDB Water Funds. For each strategic priority, the future budget allocation is calculated.

The four strategic priorities are complemented by three cross-cutting SDGs, Gender SDG5, Poverty Alleviation SDG1 and Climate Change SDG13 to be integrated into all stages of programming. Finally, the revised strategy is geared to support SDGs 2, Zero Hunger, and 11, Sustainable Cities and Communities. See table 5:

**Table 5 - AWF's Strategic Priorities, budget allocation and cross-cutting SDGs in program development and implementation**



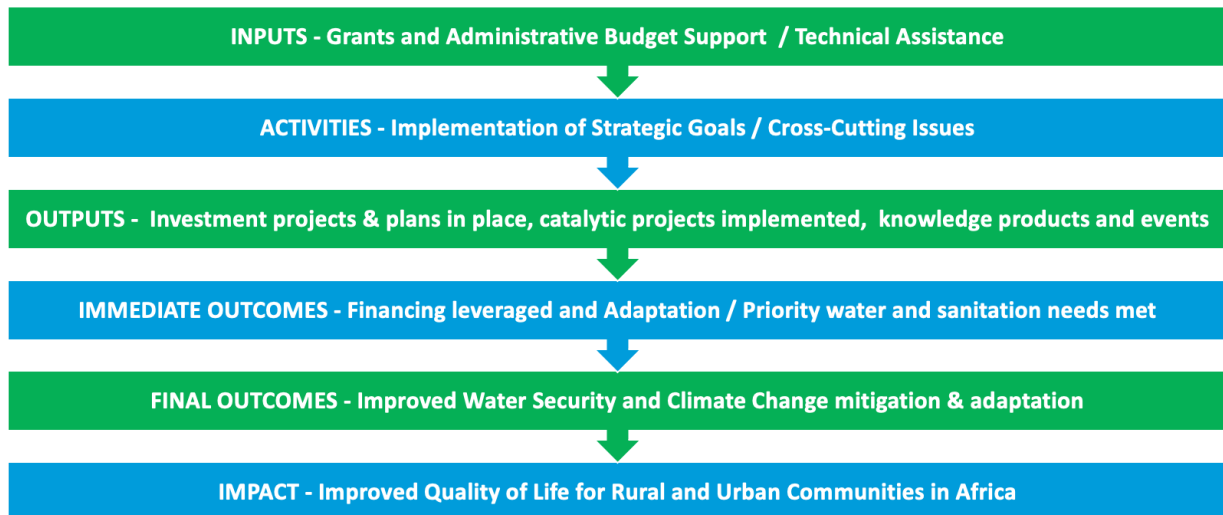
⇒ **Poised to deliver a significant WASH impact in Africa by 2025 and to set the foundation for AWF's increased impact for post-2025**

The AWF impact by 2025 is articulated in the revised strategy via a new theory of change and a new results framework for 2021-2025, which set ambitious impact and outcome targets for end 2025.

AWF's simplified theory of change, under the format of an impact chain, is set out in Table 6 <sup>3</sup>:

<sup>3</sup> See AWF's full theory of change on page 17 of AWF's revised strategy for 2017-2025

**Table 6 - AWF Impact chain for 2025 and beyond**



⇒ **The Donor Investment case to fund AWF’s expected impact by end 2025**

The AWF’s revised strategy contains detailed expected impacts, results, and outcomes backed by a new Theory of Change and a quantified results framework for 2021-2025 <sup>4</sup>.

The donor investment case against the following overall impact, qualified results, and quantified outcomes to be delivered by AWF by end 2025 is as follows <sup>5</sup>. See Table 7:

---

<sup>4</sup> [See page 46 of AWF’s revised strategy for 2017-2025](#)

<sup>5</sup> To note that All AWF-prepared projects under Strategic Priority 1 and catalytic projects under Strategic Priority 2 will be categorized as gender-mainstreaming and will be screened for climate risks and categorized in accordance with AfDB’s Climate Safeguard System

**Table 7 - The AWF Investment case for 2021-2025**



⇒ **The funding strategy**

The delivery of AWF’s revised strategy for 2021-2025 is estimated to require EUR 62.15 million over 5 years (or an average of EUR 12.43 million annually). To fund the revised strategy, AWF has determined **TWO** Key Resource Mobilization Objectives and **FIVE** targets.

The **TWO** Key Objectives are:

**Objective 1** - To ensure that the budget in support of the revised AWF Strategic Plan for 2017-2025 is fully funded by end 2023

**Objective 2** - To significantly expand the AWF’s donor base

The **FIVE** Targets are:

**Target 1 - Overall resource Mobilization Target** - To raise an additional EUR 62,2 million in new multi-year grants by end 2023. See Table 8 below

**Target 2 - Initial resource Mobilization Target** - By end 2022 to mobilize at least EUR 14 million in new multi-year grants. This to be reflected by the signature of a least **TWO** new funding agreements

**Target 3 - Investment leveraging** - By end 2025, to use the new grants to leverage downstream investment of EUR 500 million via the catalytic investment and investment promotion funding windows. See also in Table 8

**Target 4 - Expand the AWF Donor Base** - To at least double AWF’s current donor base of 5 (the Bank, Austria, BMGF, Denmark and NDF) to at least **TEN** by end 2023. See AWF’s current donor base below in Table 9

**Target 5 - AUSIF** - Should AWF be selected to host the new African Urban Sanitation Investment Fund (AUSIF), to mobilize US\$ 75 million for the initial capitalization of AUSIF <sup>6</sup>

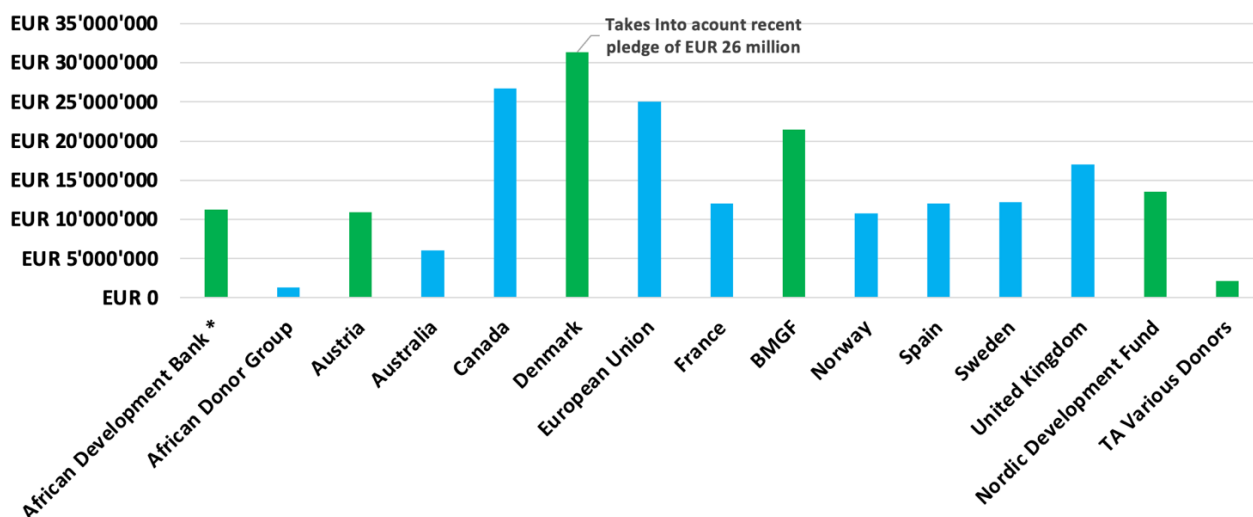
**Table 8 - AWF’s Budget 2022-2025 and Funding Requirements - EUR million**

Strategic Priorities 2021-2025 / Funding Windows	Grants & Administrative Budget Support	Technical Assistance (TA)	}	Expected Downstream Investments leveraged from Grants	
Strategic Priority 1 - Project Preparation and Promotion	40.5	0.0		}	500.0
Strategic Priority 2: Catalytic Investments	10.5	2.0			
Strategic Priority 3 - Investment Promotion	2.9	0.3			
Strategic Priority 4 - Water Governance	5.4	0.7			
<b>AWF Funding Requirements</b>	<b>59.3</b>	<b>2.9</b>			
<b>Total AWF Funding Requirements</b>	<b>62.2</b>				

<sup>6</sup> The African Urban Sanitation Investment Fund (AUSIF) is an initiative currently under development by the AfDB and the Bill & Melinda Gates Foundation. AWF could be asked to host this initiative in 2022

**Table 9 - AWF's Current Donor Base**

**AWF Donor Base / Active Donors**



\* In addition, the Bank has provided administrative and other in-kind support worth EUR 26.3 million

**07 THE CALL FOR SUPPORT**

Since inception in 2004, the AWF has benefitted from strong donor support with, to date, close to EUR 190 million raised in financial contributions. However, AWF experienced operational issues as of 2015, and which resulted in some of its historic donors stepping down.

Today, a dynamized AWF, under new leadership, a revised strategy, renewed strong donor support from Austria, Denmark, the Nordic Development Fund, the BMGF and the AfDB, as well as with strengthened resource mobilization capacities, is emerging to call on its historic and potential new donors to support the impact envisaged by AWF's revised strategy for 2017-2015. In this context the AWF seeks primarily unrestricted funding (Funding Window 1) and support for Technical Assistance (Funding Window 7). See Table 10:

**Table 10 - AWF's Funding Windows and Quality of Funding**

FUNDING WINDOW		QUALITY OF FUNDING
1	Unrestricted Funding / Grants and Administrative Budget Support / AMCOW co-Resource Mobilization <sup>7</sup>	Multi-Year Basket Funding
2	Soft Earmarked per Strategic Objective 1	Allocation to a group of projects
3	Soft Earmarked per Strategic Objective 2	Allocation to a group of projects
4	Soft Earmarked per Strategic Objective 3	Allocation to a group of projects
5	Soft Earmarked per Strategic Objective 4	Allocation to a group of projects
6	Hard Earmarked per Project (s)	Allocation to a specific project (s)
7	Technical Assistance	Allocation to a specific project (s)
8	Reimbursable Grants	Cost-Recovery <sup>8</sup>
9	Fee-Based Services	Cost-Recovery

<sup>7</sup> A given percentage (TBD) of funds received will be allocated to the budget of The African Ministers' Council on Water (AMCOW)

<sup>8</sup> AWF's Cost Recovery mechanisms are currently under consideration and are not yet implemented

In accordance with the Bank's / AWF's business model (which places the focus on unrestricted (basket) funding and technical assistance), the bulk of AWF's Resource Mobilization activities is focused on Funding Windows 1 and 7. Only under certain circumstances, and in accordance with AfDB regulations, will AWF Resource Mobilization seek soft or hard earmarked funding.

As stated above, the overall call for support is for EUR 62,2 million in new multi-year grants by end 2024 with an initial EUR 14 million raised by end 2022.

## 08 ENGAGEMENT

AWF has identified a selected range of new potential donors and partners liable to financially support its revised strategy for 2017-2022.

Via this Investment Case, and with the support of AWF's existing donors, AWF will engage with these new potential donors over the course of the 1<sup>st</sup> semester 2022.

At term, AWF will organize a finding dialogue during the 2<sup>nd</sup> semester of 2022 at a location yet to be determined. The funding dialogue will serve to secure and announce new financial commitments and will be co-chaired by an existing donor or partner.

## 09 ANNEXES

- AWF Organigram - March 2022

## 10 CONTACTS

Mtchera Johannes **CHIRWA**

AfDB/AWF Coordinator

[m.chirwa@afdb.org](mailto:m.chirwa@afdb.org)

Cell + 277 63849310

Samuel **BLAZYK**

AfDB/AWF Chief Program and Coordination Officer

[s.blazyk@afdb.org](mailto:s.blazyk@afdb.org)

Cell + 225 0545 11 98 58

Simon **WREFORD-HOWARD**

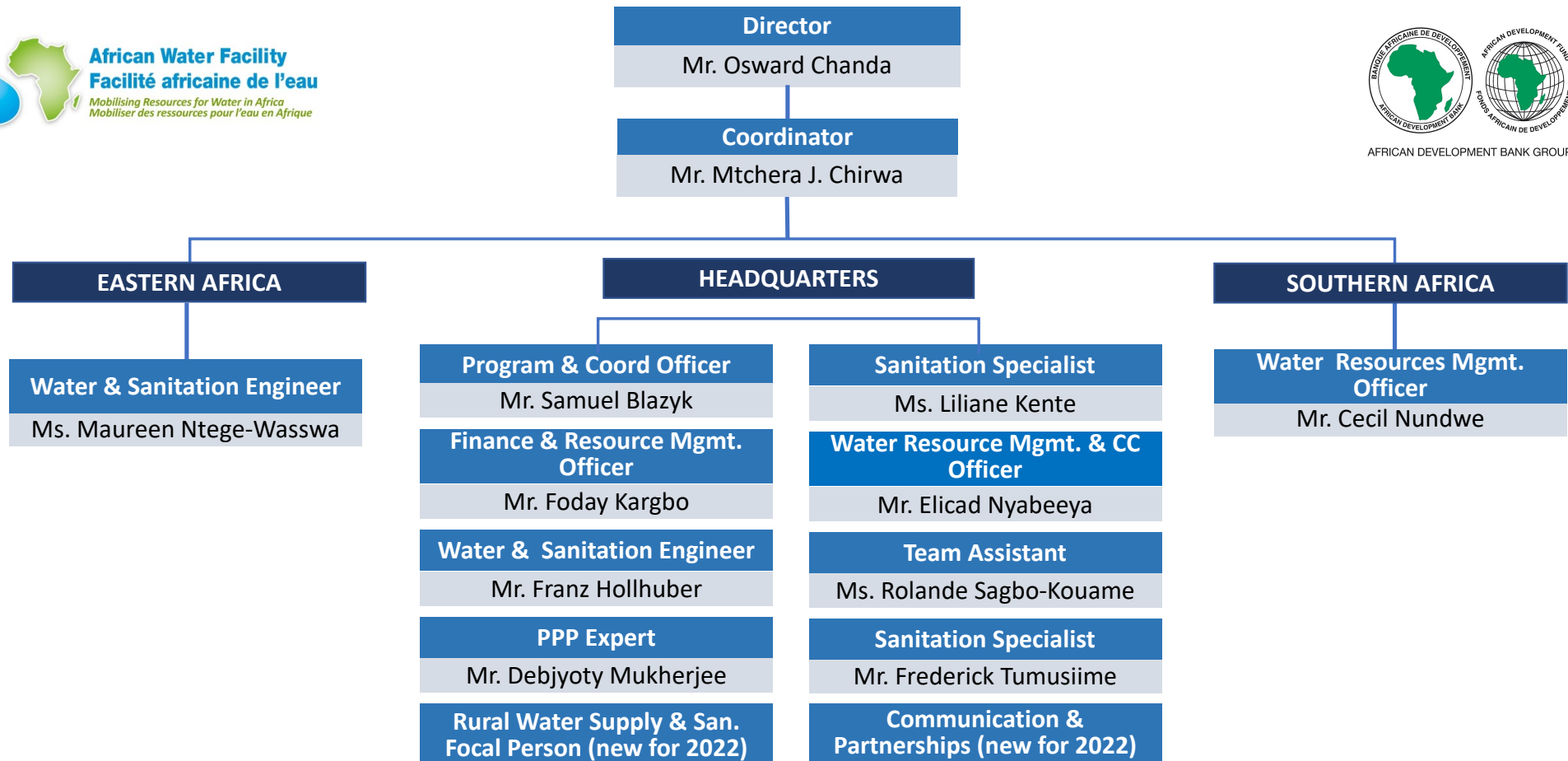
AfDB/AWF Advisor, Resource Mobilization

[s.wreford-howard@afdb.org](mailto:s.wreford-howard@afdb.org)

Cell + 33 7 86 40 67 66

**African Water Facility | Facilité africaine de l'eau**  
**Administered by the African Development Bank | Banque Africaine de Développement**  
**BP 1387 Abidjan 01, Côte d'Ivoire, Immeuble Tour B, Cité Administrative**  
**Avenue Jean Paul II | Tour B 14<sup>th</sup> Floor**  
[africanwaterfacility@afdb.org](mailto:africanwaterfacility@afdb.org)  
<https://www.africanwaterfacility.org>

## African Water Facility (AWF) - Organogram - March 2022



### Functions supported by local and international individual consultants

- International Consultants:**
- Monitoring & Evaluation
  - Resource Mobilization
  - Water Resources Management
  - Communications
  - Water, Sanitation and Hygiene
- Local Consultants:**
- Water, Sanitation and Hygiene in Mali, Burkina Faso, Ethiopia & Somalia