

African Water Facility

Strategic Plan 2012 - 2016



African Water Facility

Mobilising Resources for Water in Africa



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développement

An initiative of:



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Administered by **AFRICAN DEVELOPMENT BANK**

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List of Acronyms

AWF	African Water Facility
ADB/AfDB	African Development Bank
AMCOW	African Ministers' Council on Water
CAADP	Comprehensive African Agricultural Development Programme
CBFF	Congo Basin Forest Fund
FSF	Fragile States Fund
GSE	Gender and Social Equity
IPPF	Infrastructure Project Preparation Facility
MDGs	Millennium Development Goals
M&E	Monitoring and Evaluation
NEPAD	New Partnership for Africa's Development
NGOs	Non Governmental Organisations
PCR	Project Completion Report
PPP	Public Private Partnership
RECs	Regional Economic Communities
RBOs	Regional Basin Organisations
RMF	Results Measurement Framework
WWF	World Water Forum
WSP	Water and Sanitation Programme



Foreword

In 2002, at the time when the African Water Facility was envisaged, the continent was struggling to find a way to manage a looming water crisis. The development of the African water sector was also stagnant because of a lack of significant investment and a serious deficiency in the management of water resources and services, and therefore unable to meet the needs of people.

The idea of the Facility stemmed out of this context, intended as a multi-stakeholder response to these challenges. Yet, defining a mandate that could satisfy beneficiaries and stakeholders alike, remained problematic. Whereas African constituencies favored direct investments, financing partners thought preferable to establish an instrument that would focus on financing water infrastructure and water investment facilitating activities in Africa. Consensus eventually emerged and propelled the Facility forward to catalyze the development of the water sector and improve efficiency in the use of resources.

Finally, some five years into operation, the Facility has come of age and its achievements allow us to fully recognize its role as game changer. After timid beginnings, the Facility has grown into a successful financial leveraging instrument, having attracted an impressive additional €420 million in follow-up investment projects, bringing its leveraging ratio to 1:20, far exceeding expectations. Its portfolio also speaks of a rich diversity of activities, with 70 high quality national and transboundary water projects that were approved at the end of 2011.

These achievements are a compliment to the exemplary manner in which the AWF works alongside beneficiaries to develop quality projects, putting to good use the knowledge and the expertise of dedicated professionals. The AWF has supported many AMCOW priority projects such as the Pan African M&E Initiative and continues to show flexibility in its outlook by adapting to contemporary challenges in the sector, such as climate change,

environmental protection, gender and social equity, and compliance with the Sharm El Sheikh commitments.

As it must, the Facility recently re-examined its strategy in collaboration with its partners and delivers today a revised strategic plan for the period between 2012 and 2016. This document attempts to show how the Facility proposes to adapt to shifting priorities and a fast changing context. Given the impressive leveraging effect obtained through project preparation, the Facility has decided to increase the focus on this activity, which will now represent 70 percent of its commitments. The remaining 30 percent will be dedicated to enhancing water governance and promoting water knowledge.

The founders of the African Water Facility have been proven right in their vision, creating an instrument that is as relevant as useful. Though daunting the task at hand, the Facility has shown to be adequately designed to support the attainment of the Africa Water Vision 2025. We are proud to have gone thus far with the achievements before us, and feel grateful to partners and donors for their continued support, a great testimony to our common success.

As the Facility enters its next phase, I encourage current financial partners to renew their commitment and call on other donors to consider supporting our mission. The proven benefits of improved water resources management on health, energy and food security remind us all of the tremendous importance of developing the sector, fundamental in our common pursuit to accelerating growth and development to improve the lives of millions across the continent.



Bruno Jean Richard ITOUA

Chair, Governing Council

Minister of Energy and Water

AMCOW EXCO Member

Brazzaville, December 12, 2011



Executive Summary

During the period 2012-2016, the African Water Facility will prioritise its role as a mechanism to leverage investments for water development and management in Africa. The Facility will invest about two-thirds of its resources to assist its clients to mobilise project and programme financing that achieve impact for citizens, such as access to drinking water, sanitation and hygiene, better water control for farmers, access to electricity from hydropower, and could also include flood protection, fisheries, transport, industry, tourism and environmental management. Projects supported by the Facility will mainstream gender and social equity, environment, proofing against climate change and other safeguards.

The Facility intends to leverage more resources that deliver faster progress under the Africa Water Vision - estimated to cost \$20 billion per year for the next 25 years. The Facility will commit indicatively up to €40 million per year by 2016 - double its previous level - in supporting clients across the continent to develop about 30 projects annually that replicate good experiences. The Facility expects to leverage €2.5 billion of investment grants and loans. In sharpening the focus of its portfolio, the Facility will continue supporting enhanced governance and the harnessing of knowledge to improve the quality of investments and optimise benefits for citizens.

Realigning Priorities

A number of factors have influenced the Facility's strategic realignment. For one, progress for achieving the Africa Water Vision has been slow – rates of coverage of basic services are off-track and the water resources development is deficient. AMCOW has identified the principal constraints to progress to be investment, institutions and knowledge uptake. In response, the Facility is committing to take the necessary steps to address these issues,

improve its own portfolio impact, and increase its operational effectiveness, aligning with its refocused strategic priorities:

1. Prepare investment projects
2. Enhance water governance
3. Promote water knowledge

The Facility will underpin its support to clients by a strengthening of its own core support functions, including knowledge management and communications, as well as adding the required capacities to implement Project Cycle Management activities. Having learned lessons from its early years of operations, the Facility is also introducing improvements to its operational procedures to upgrade its effectiveness.

Africa Water Vision 2025

The shared vision is:

“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 Africa Water Vision for 2025 was created by the United Nations Economic Commission for Africa. It is designed to avoid the disastrous consequences of water threats and lead to a future where the full potential of Africa's water resources can be readily unleashed to stimulate and sustain growth in the region's economic development and social well-being.

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1.1 Brief Background on AWF

The African Water Facility (AWF) is an initiative of the African Ministers' Council on Water (AMCOW). Established in 2004, AWF assists African countries to address the increasing investment need for the development and management of water resources in Africa, towards meeting the Africa Water Vision 2025 targets and the Millennium Development Goals. The Facility is a demand-driven African-led instrument that supports a wide range of African institutions. So far, it has targeted smaller -up to €5 million- upstream projects, innovative and catalytic in nature with the aim of mobilising additional funding through fast-track procedures.

The policy directions and operational activities of the Facility are guided by a 13-member Governing Council composed of five members appointed by AMCOW, one member each appointed by the African Development Bank (AfDB), the African Union, represented by the New Partnership for Africa's Development (NEPAD), and UN-Water/Africa, in addition to five members

appointed by donors. The AWF is hosted and managed by AfDB at the request of AMCOW.

The Facility is a catalytic instrument - not a direct investor - with principal priority to leverage investment by other financial and development partners. Its mission is to attract investments to the water sector through strengthening governance of water resources, improving water knowledge, meeting urgent water needs and strengthening the financial base for the desired water future.

1.2 Achievements

Since 2006, AWF has funded 69 projects in 36 countries, including most of Africa's Fragile States. The investments are estimated at approximately €82 million. Multinational projects extended the reach of the Facility's support to 50 of the continent's 54 countries. To date, the population impacted by direct investments from the Facility is estimated at 900 000 and at 29 million the number of people who will benefit from project preparation.

- i) 12 projects on adoption of national IWRM policies and institutional frameworks, and 7 projects on development of transboundary water resources.
- ii) 8 projects on small strategic investments that piloted/replicated innovative water supply and sanitation (WSS) technologies, and 6 on water for agriculture.
- iii) 21 projects prepared for sector investments in WSS programmes.
- iv) 15 projects have strengthened the information base of countries and shared river basins.

A total of €420 million has been mobilised to finance water sector interventions prepared by the AWF in six African countries and in three regional organisations, including nearly €150 million from AfDB in 2010.

1.3 Purpose and Scope of this Document

Five years into operation, AWF commissioned an Operational Effectiveness Assessment (OEA, 2010) to evaluate its operational activities and institutional set up, and to inform the way forward. The OEA recommended areas of improvement needed to achieve AWF's objectives and overall mandate. This document provides AWF's response to the key OEA recommendations, in the form of an updated strategic plan covering the next five years. This medium-term strategy outlines the priority directions considered necessary to improve the Facility's alignment with sector trends and challenges in Africa, and attempts to better highlight the Facility's comparative advantage and relevance. Implementation arrangements and required resources are summarised herewith in this document, with further details provided in the complementary document, the Strategy Implementation Plan.









2 Sector Trends in Africa and AWF's Positioning

2.1 Sector Challenges and Progress Towards Achievement of the MDGs and the Africa Water Vision

Although governments and stakeholders have been increasingly committed to accelerate the rate of progress to deliver the Africa Water Vision by 2025, the development and use of the water resources potential in Africa is still extremely low. The deficient state of Africa's water infrastructure has left the continent exposed to hydrological and fiscal shocks adversely affecting the availability of energy and food for consumers.

Progress in attaining the MDG targets for access to drinking water, sanitation and hygiene across Africa has been slow. Countries differ widely in rates of progress revealing the widest gaps of coverage of any region of the world. Steady progress has been made in water supply in 17 countries in sub-Saharan Africa; however, the continent lags far behind on the sanitation target,

with only four sub-Saharan countries on-track (see Figure 1). The outstanding challenge in delivering water resources development lies in putting in place the appropriate storage infrastructure, water services and institutional platforms that will boost growth to rates needed to reduce poverty. Less than four percent of the continent's water resources are currently being exploited¹ and only seven percent of Africa's hydropower has been developed, with an electrification gap that keeps on growing.

Africa's agricultural water management is critically deficient. This is detrimental to a sector that is otherwise in a unique position to deliver pro-poor growth among rural households and to reduce exposure to crises of food prices and availability. With an infrastructure base that is so deficient, many economies are extremely vulnerable to hydrological variability. The AfDB's Africa

Figure 1 Map of Africa showing progress towards meeting the MDG targets for sanitation in 2008 (4 Sub-Saharan Countries are on track)



Legend: On track: Coverage >95%, or within 5 % of rate required to meet the MDG target; Not on track: Coverage ≤ the rate in 1990 or > 10% below rate required to meet MDG target; Figure adapted from JMP/UNICEF, 2010.

¹ Infrastructure Development and Regional Integration: Problems, Opportunities and Challenges', Joint Note of the ADB and United Nations Economic Commission for Africa; 2006.

Regional Paper (2009)² reported that Africa loses two percent of annual GDP to regular power outages, and between five and 25 percent to droughts and floods in affected countries. This is on top of the five percent already lost to poor coverage of water and sanitation. With climate change threatening to bring a further five percent hit to GDP (also see Figure 2)³, measures to adapt to climate change are needed urgently. This exacerbates the already daunting challenge of installing appropriate infrastructure and water management.

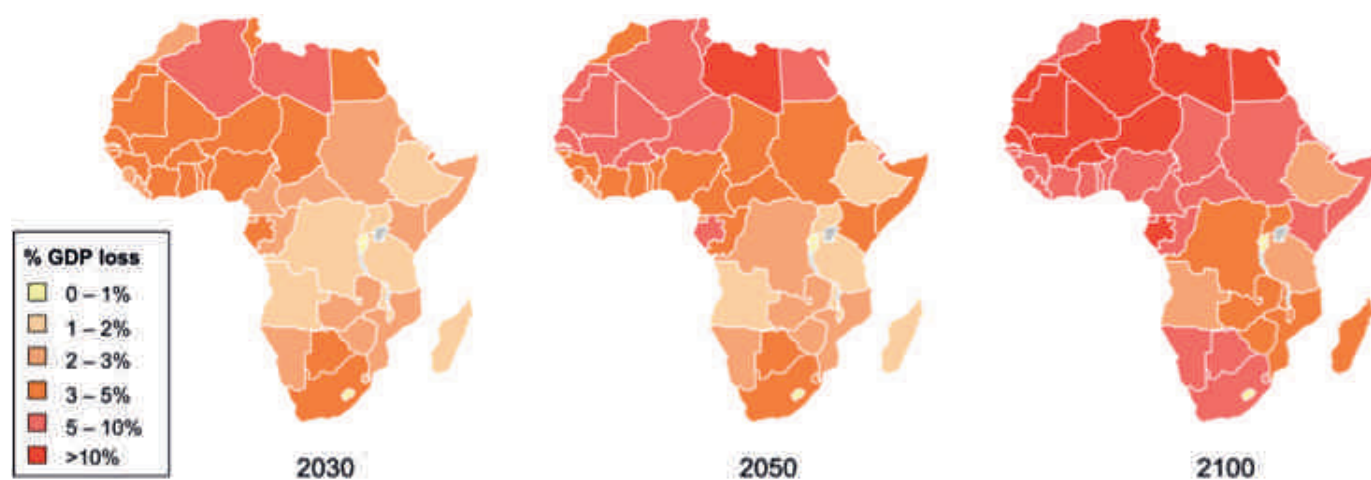
The investment required to meet Africa's deficient water situation is estimated at US\$20 billion per year for each of the next 25 years⁴. Within this, cost estimates of attaining drinking water and sanitation targets are around US\$12 billion per year⁴. The estimated costs were revised in 2009, with a ten-fold increase in their investment requirements, upon recognition of the importance of

water resources infrastructure to support economic growth, food and energy securities and adaptation to climate change. In spite of the many financial instruments in place and the emergence of financiers and innovations, current financial flows remain but a fraction of this requirement.

2.2 Renewed Political Commitment

As the continent pursues its water agenda as articulated in the Africa Water Vision, Africa's political leaders have reinvigorated the calls for the delivery of outcomes for those Africans who have not seen the benefits of better water management. Through wide consultation with stakeholders at African Water Weeks and World Water Forums (in Mexico and Istanbul), AMCOW has identified the principal constraints to progress to be insufficient investment, lack of capacity of institutions and poor knowledge uptake.

Figure 2 Potential annual costs of climate change as a % of GDP in Africa



² Africa Regional Paper - Bridging Divides in Africa's Water Security: An Agenda to Implement Existing Political Commitments, AfDB (2009).

³ Adapted from The Economics of Adapting to Climate Change in Africa: Linking experience, ensembles and entitlement, UNEP paper, 2009.

⁴ Africa Water Vision 2025

The African Union dedicated its June 2008 Summit in Sharm El-Sheikh⁵ (see Box 1) to water and sanitation where Heads of State made important commitments for accelerating the achievement and towards seeking annual reports on progress. African leaders have placed response to Africa's water crisis at the centre-stage of the development agenda.

The AMCOW Workplan for 2011-2013 (November, 2010) was prepared to guide the key strategic activities in the African water sector, as set out in the high-level political commitments by Ministers including declarations at eThekwinini⁶, in Tunis⁷, and in Sirte⁸.

AMCOW also promotes 'Water for Growth and Development' as the strategic focus that responds more effectively to the African context, five years after the 2005 target date set for countries around the world to have national integrated water resources management (IWRM) and water efficiency plans in place. In doing so, AMCOW has acknowledged that water cannot be dealt with in isolation, but requires a high degree of collaboration and engagement between water ministries and those responsible for social and economic development.

The NEPAD-CAADP (NEPAD, 2003) is an African-conceived, led and owned initiative. It is a manifestation of African governments' commitment to address issues of growth in the agricultural sector, rural development and food security (Box 2). Many of CAADP's pillars have ramifications for the water sector and climate change adaptation.

While efforts to enable better water governance of policies as well as institutional development and capacity have led to improvements in national planning and stakeholder engagement, results have been less than satisfactory at local and regional levels.

Box 1

Excerpts from Sharm El Sheikh Commitments for Accelerating Achievement of Water and Sanitation Goals

- a) Raise the profile of sanitation;
- b) Address issues pertaining to agricultural water use for food security;
- c) Develop/update national water management policies, regulatory frameworks, and programmes, and prepare national strategies and action plans for achieving water and sanitation MDG targets;
- d) Ensure the equitable and sustainable use, as well as promote integrated management and development of national and shared water resources in Africa;
- e) Build institutional and human resources capacities at all levels; and enhance information and knowledge management as well as strengthen monitoring and evaluation;
- f) Put in place adaptation measures to improve the resilience of our countries to climate change and variability to our water resources and our capacity to meet the water and sanitation targets;
- g) Develop local financial instruments and markets for investments in water and sanitation sectors;
- h) Mobilise increased donor and other financing for the water and sanitation initiatives as committed in the G8 Initiatives on water and sanitation;
- i) Promote effective engagement of African civil society and public participation in water and sanitation activities and programs; and,
- j) Promote programming that addresses the role and interests of youth and women.

⁵ Sharm El Sheikh Commitments for Accelerating Achievement of Water and Sanitation Goals. Sharm El Sheikh, Egypt. July 2008.

⁶ The eThekwinini Declaration and AfricaSan Action Plan, Durban, South Africa, February 2008.

⁷ Tunis Ministerial Declaration on Accelerating Water Security and Africa's Socio-Economic Development, Tunis, Tunisia, March 2008

⁸ Declaration of the Ministerial Conference on Water for Agriculture and Energy in Africa: The Challenges of Climate Change. Sirte, Libya. December 2008.

Bottlenecks remain in infrastructure development, and operations and maintenance. After years of progress, the opportunity for transformation and reform are more promising than before.

2.3 Positioning the African Water Facility

2.3.1 Assessment of AWF's Operational Effectiveness

The AWF's Operational Effectiveness Assessment (OEA, 2010) was undertaken to evaluate its operational activities and institutional set up, and to inform the way forward. The review confirmed the Facility's added value to the African water sector and concluded that it had developed into a capable institution with potential for growth provided that it makes some adjustments in its operations. Specifically, the assessment recommended for the Facility to prioritise its interventions in the face of globally-dwindling financial resources.

The Assessment also revealed a need for greater focus on results; more selectivity in areas of engagement and rigor in implementation; continued improvement in business processes and efficiency; intensified country dialogue and presence; and, a more systematic matching of resources with priorities. A key recommendation of the Assessment was for the Facility to prepare a Medium-Term Strategy to re-examine its long-term strategic goals and objectives contained in its then existing strategy to achieve greater impact. Overall, the main findings are in the area of portfolio impact potential and operational effectiveness. Out of the many recommendations made, a set of 5 priority actions for urgent implementation was developed as presented in Box 3⁹.

Box 2

Comprehensive Africa Agriculture Development Programme (CAADP)'s 5 Pillars

(<http://www.nepad-caadp.net/implementing-caadp-agenda.php>)

Pillar 1 Extending the area under sustainable land management and water control systems

- TerrAfrica, a partnership, addressing land degradation in sub-Saharan Africa by scaling up harmonised support for effective and efficient country-driven sustainable land and water management – through GEF (USD 1 billion leveraged)
- Conservation agriculture – implemented by NEPAD-FAO
- Water and irrigation – NEPAD coordinates, aligns and manages knowledge initiatives to scaling up investments in irrigation development

Pillar 2 Improving rural infrastructure and trade-related capacities for market access

Pillar 3 Increasing food and nutrition security

Pillar 4 Improving agricultural research, technology dissemination and adoption

Pillar 5 Developing livestock, fisheries and forestry resources

⁹ Compiled by AWF's Donors from about 39 of the recommendations made in the OEA



Box 3

Summary of Priorities for Urgent Implementation AWF's Operational Effectiveness Assessment

1. Increased focus on supervision and support of project implementation thereby achieving quality of projects and improved level of disbursement: this is essential to retain and attract donor finance. AWF should only have a limited expansion of its programme in terms of new projects in the shorter term (2-3 years).
2. Strengthen leadership and management capacities of AWF. This should be a priority irrespective of expansion in the number of projects.
3. Prioritisation of projects and thematic areas should respond to African priorities as expressed by AMCOW's commitments based on Sharm El-Sheikh and other agreements with a particular emphasis on Fragile States and those countries that are in greatest need for support, achieving a balanced portfolio being of a lesser importance.
4. Continue to strengthen the relationship between AMCOW and AWF so that AWF can benefit from AMCOW's role as the central guiding body for the water sector in Africa and to use AMCOW's influence to help address some of the more political challenges in the water sector.
5. Strengthen AWF's M&E systems to improve communication of project outcomes and impact.

2.3.2 Towards the 5-year Strategic Plan

The Facility reviewed and discussed the OEA's recommendations during a Stakeholders' workshop in March 2011. The comparative advantage of the Facility was mapped against the sector trends in Africa. In addition, strong recommendations on AWF's future thrust were made emphasising leveraging investments. The Facility analysed its strengths, weaknesses, opportunities and threats (see Box 4). The need for greater portfolio impact and improved operational effectiveness were emphasised.

i) **Opportunity for greater portfolio impact through a more selective portfolio with mutually-reinforcing building blocks, provided that AWF:**

- leverages larger-scale funds;

- improves monitoring and reporting of its impact and of its recipients;
- more effectively harnesses lessons learned and best practices across its portfolio; and
- delivers strategic analyses of development trends to decision makers for better informed investments at government level.

ii) **Opportunity for improved operational effectiveness** through enhanced project management, notably better supervision and support to implementation. This requires that the Facility harnesses the institutional and operational maturity it has acquired during its five years of operation for the design and implementation of an improved project management, knowledge analysis and use, as well as results measurement. This may include identifying appropriate partners that can best assist the AWF to enhance operational effectiveness.



Box 4

AWF's Strengths, Weaknesses, Opportunities and Threats

Strengths

- Direct response to AMCOW's (and Africa's) priorities, and benefiting from attendant political clout
- Hosted and managed by a reputable premier African development institution
- Ability to be demand-responsive to applications for support as well as proactive for strategic slow-progressing themes e.g., sanitation
- Flexibility to support a wide range of eligible regional and national grant recipients for both facilitation and small strategic investments
- Experience and capacity in financing small and medium size projects (Euro 50,000 - 5 million).
- Capacity for interactive project development and dialogue to support potential beneficiaries

Threats

- Inadequate donor funding to the Facility
- Rapidly shifting priorities of the water sector in Africa
- Potential duplication of roles with other water and infrastructure initiatives in Africa
- World economy downturn affecting downstream funding for project preparation studies

Weaknesses

- Supporting a very broad spectrum of applications/weak prioritisation
- Low staff numbers in the Facility, increasing workload and reducing efficiency
- Inadequate focus on supervision and project implementation support
- Insufficient communication of project outcomes and garnered knowledge

Opportunities

- Potential for leveraging funds from a wide range of sources
- Improving leveraging potential and impact by early engagement of potential investors
- Increased global interest in the "last lap" towards meeting the MDGs
- African political commitment and declarations (e.g., eThekweni, Sharm El Sheikh, Tunis, etc) and initiatives such as CAADP, PIDA, and IPPF.
- Potential for strong linkage between project implementation and leveraging/scaling-up by convening the right partners
- Directly influencing knowledge generation as part of the project development process and to apply or influence application of generated knowledge



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3 Vision, Mission and Strategic Priorities 2012-2016



3.1 Goal, Vision and Mission

The goal of the Facility to 2025 is to mobilise and apply financial and human resources to ensure water security in Africa thereby contributing to meeting the targets and goals established by the Africa Water Vision and the Millennium Development Goals. The Facility will continue supporting delivery of the Africa Water Vision 2025 which will result in Enhanced equitable and sustainable development and management of African water resources for poverty alleviation, socio-economic development, regional cooperation, the environment and resilience to water-related disasters and climate change.

The vision of the Facility is “Towards water for all by 2025”. The connotation “ALL” implies water for all citizens for all uses – drinking, hygiene, sanitation, industry, agriculture, energy, transport, tourism and ecosystems.

The mission of the Facility to 2025 is to mobilise resources for water in Africa, by (1) contributing to the improvement of water resources governance, (2) increasing water wisdom, (3) meeting urgent needs, and by (4) strengthening the financial base for the desired water future. The Instrument establishing the Facility and the long-term Operational Strategy to 2025 both remain unchanged.

3.2 Strategic Priorities

Acting on the drivers of change, and in response to the recommendations of the 2010 Operational Effectiveness Assessment (OEA, 2010), the Facility is realigning its strategic priorities for the period 2012-2016 to better support its clients and for achieving greater impact. The overarching strategic objective for the period is to leverage investments through three new strategic priorities, also referred to as strategic pillars that address the three principal bottlenecks to progress, namely insufficient investments, lack of capacity of institutions and poor knowledge uptake. By doing so, the Facility will be making a contribution – along with others – to the seven priority themes of the AMCOW 2011-2013 Work Plan (AMCOW, 2010).

The Three Strategic Priorities for the Facility within the five-year period 2012-2016 are defined as:

1. Prepare Investment Projects to “mobilise” investment funds
2. Enhance Water Governance to create the conducive environment for effective and sustainable investments
3. Promote Water Knowledge for the preparation of viable projects and informed governance leading to effective and sustainable investments

The three Strategic Priorities are synergetic, mutually reinforce each other and together attract investments into the sector (Figure 3). The Facility can deliver greater impact through its prime emphasis on leveraging and up-scaling investment directly through project preparation, and indirectly by reinforcing governance and harnessing knowledge uptake. The Facility will optimise the benefits by ensuring that cross-cutting issues, such as climate change, environment, and gender and social equity, are properly addressed at every stage of the project cycle.

Figure 3 Mutually reinforcing strategic priorities





Table 1 AWF contribution to AMCOW Workplan

AWF Strategic Priorities	AMCOW Priority Areas
Prepare Investment Projects	1. Water infrastructure for economic growth 3. Meeting the sanitation, hygiene and water MDG targets 4. Global changes and risk management: climate variability and change 6. Financing
Enhance Water Governance	2. Managing (transboundary) water resources 5. Governance and management
Promote Water Knowledge	7. Education, knowledge and capacity development

3.2.1 Strategic Priority 1: Prepare Investment Projects

Overall approach

During the period 2012-2016, the Facility will support the preparation of an increased number of viable and bankable local, national, regional and trans-boundary water projects that leverage significant investments. These projects need to be implemented in order to deliver the anticipated impacts. The project preparation will cover the productive sectors of agriculture, energy, industry, fisheries, transport, urban development, tourism, environmental

management and basic services in sanitation, hygiene and drinking water, all in ways that take into account climate variability and change, and that mainstream gender and social equity and other safeguards.

The Facility will also undertake small strategic investments in difficult situations in order to stimulate upscaling.

By embedding climate change directly into water investments, the Facility seeks to leverage financing that enables water and climate change adaptation and mitigation to be pursued conjunctively, in line with AMCOW's "priority" in this area.





The Facility will continue to be reactive to demand through project applications, as well as through targeted call for proposals, with this Strategic Priority being rolled out through two 'Windows':

- Window 1: Bankable Local, National, Regional and Transboundary Projects/Programmes Development
- Window 2: Small Strategic Investment projects

Objective: Under this priority, the Facility seeks to directly leverage financing for investments through the development of projects in the water sector in order to contribute towards achieving the infrastructure targets of the Africa Water Vision.

Outcome 1

- The financial base is strengthened as water related investments in Africa are increasingly funded through a mix of types of finance, thus securing a leverage effect of grant money which contributes to the development of the sectors of agriculture, energy, industry, transportation, urban development, sanitation, water supply, tourism and environmental management.

Outcome 2

- Progress is made in meeting basic water needs especially of women, disabled and vulnerable people through direct project investments with a focus on the potential for catalyzing additional funding and demonstrating innovative solutions in difficult situations.

Outputs

Output 1.1: Bankable project documents from all water sub-sectors developed in line with overarching principles and other ongoing activities and ready to be funded through a mix of financing sources and modalities and other documents clearly contributing to the preparation of specific bankable projects (such as feasibility studies, investment plans, structured public, private and PPP operations).

Output 1.2: Small strategic (innovative and catalytic) investment projects, comprising the realisation of small scale water and sanitation infrastructure notably in Fragile States and community



initiatives, implemented to stimulate up-scaling (such as pro-poor investments in urban, informal and peri-urban sanitation).

Proportion of Fund: Bankable Project Preparation is the heart of the strategy and will be allocated 60% of the overall budget and Small Strategic Investments will be allocated 10% of the overall budget.

Window 1: Bankable Local, National, Regional and Transboundary Projects/Programmes Development

The Facility will engage in the preparation of water and sanitation infrastructure projects and seek to bring these to financial closure. The types of projects that the Facility will support as part of its focus will include all activities under the project preparation cycle from pre-feasibility to detailed design and financial closure. The AWF could enter the cycle at any stage with the ultimate aim of supporting the Recipient obtain the requisite project documents to reach financial closure and implementation.

The Facility will offer support to the structuring of public, private sector and PPP finance of water and sanitation infrastructure within the framework of AWF funded preparation projects. These include measures that enable governments or other enabling institutions to put in place instruments for structuring public expenditure, and the required protocols and transaction instruments for private sector and PPP finance, including mixed finance models, for both capital expenditures and for operation and maintenance. The Facility will support preparation of potential projects that leverage private finance and provide support to set-up and negotiate their financing. In addition the Facility will support technical assistance for the sound administration and supervision of the projects. The Facility will support appropriate instruments that mitigate financial risks, where these instruments enable governments, municipalities or other agencies to raise market capital from elsewhere at lower risk.

When implementation of the project starts, AWF's formal role in the project ends; however AWF will continue to play an advisory

role, coordinating with project sponsors/developers to assess the outcomes and impact of the project. This would serve the following two purposes, first, to identify any lessons that might be learned for future projects of a similar nature under the third strategic priority (Promote Water Knowledge); and second, to report back to the key AWF stakeholders on the impact the AWF-supported activities are having.

Window 2: Small Strategic Investments

The Facility will support small strategic innovative and catalytic investments, where such support presents clear opportunities

for up-scaling and replication. These small scale strategic investments should not be one-off investment in ‘isolated’ infrastructure assets. They should be financed on the basis of direct impact on the target group, be up-scalable, and have potential for leveraging investments and/or knowledge. The Facility will support small strategic investments, particularly in Fragile States or where the financing of such interventions represents a unique set of circumstances where the AWF has comparative advantage and added value, such as where rapid disbursements are required, and situations where other financiers cannot act. The Facility becomes a lender of last resort under these circumstances.





3.2.2 Strategic Priority 2: Enhance Water Governance

Overall Approach

To-date, the Facility has mostly supported efforts in preparing Integrated Water Resources Management plans. During 2012-2016, the Facility will take a focused process-oriented approach on the development of governance instruments and the establishment of suitable governance procedures for their application that promote investments. Building on what has already been set in place in the countries, and acknowledging that differences exist among Africa's 54 nations, the Facility will support the strengthening of those governance instruments that improve the environment for sustainable investments and outcomes, and that improve the 'pipeline' of tangible investments.

Each of these instruments is anticipated to better connect water to 'National Growth and Development Strategies' in response to the AMCOW priority, or Poverty Reduction Strategies. The emphasis is anticipated to be greater than before on policy engagement outside of the water sector, to build the enabling governance for water within the policy drivers of growth, development and poverty reduction in the overall economy, the productive sectors -for example, agriculture and energy- and social sectors. Where

appropriate, the Facility will also support particular national priorities that improve water governance within particular productive or social sectors - for example in support of the NEPAD initiative on agriculture – The Comprehensive Africa Agriculture Development Programme (CAADP) (NEPAD, 2003), or energy sector. In its support to the enabling governance through these instruments, the Facility promotes climate change adaptation and mitigation as an integral part of water governance.

Objective: Under this priority, the Facility will support the development of policies, strategies, plans and instruments at local, national, regional, and transboundary levels to facilitate sustainable investments. Good water governance ensures the creation of a conducive environment likely to attract investments, and can contribute to national growth and development. The Facility will aim at linking these instruments to investments in the long run.

Outcome 3

An investment conducive environment for the water sector is supported through enhancing water governance across Africa, sufficiently reflecting climate change, environment, gender equality and social equity.

Output 3: Processes potentially improving aspects of water governance:

- Local, national, regional and transboundary water policies, strategies as well as IWRM plans that lead to investment plans and resource mobilisation strategies
- Institutional and regulatory frameworks including for PPPs
- Innovative funding mechanisms
- Service delivery improvements.

Proportion of Fund: 15 percent of the budget will be allocated to strategic priority 2.

3.2.3 Strategic Priority 3: Promote Water Knowledge

Overall Approach

Information management, monitoring and evaluation are important aspects for ensuring the availability of vital data and information for planning, designing and management of sustainable water sector programmes. Consequently, there is an urgent need in Africa to support their establishment where they do not exist, and otherwise enhance and strengthen them where they have been established. The Facility will support various types of cross-cutting water information and knowledge activities to increase the availability of reliable information and to improve the monitoring of achievements in meeting targets.

The availability of timely and regular monitoring and evaluation results will serve as a tool for managing results in the water sector. These results will also be used to measure achievements towards the MDG targets, and provide input for the development of plans for future water sector interventions and investments. This strategic priority will take the Water Sector Monitoring Framework developed by the AWF at the request of AMCOW to the next level, where countries, sub-regions, RBOs and AMCOW will be supported to implement the provisions of the M&E Framework.

The range of support and products under this priority pillar include the following:

- Support to national, regional and transboundary water information systems
- Support towards establishing monitoring and evaluation systems at national, sub-regional and continental levels
- Strategic foresight analysis of the state of water and development trends
- Studies on institutional arrangements, financing mechanisms, technologies, etc., that enhance the development of sustainable water infrastructure.

Objective: Under this priority, the AWF will support projects aiming at establishing and enhancing water resources and infrastructure information management and M&E systems and capabilities at local, national, regional, and transboundary levels to improve the availability and the accessibility of information to AMCOW, decision makers, water managers; etc. In addition, the Facility will invest in the production of trend and sector analyses, as well as in the uptake of lessons and best practices from the portfolio, and from other sources for a continuing improvement of the effectiveness of the sector, the Facility and of its clients.

Outcome 4

Informed decision making is ensured at all levels of water development planning and implementation is supported through making vital data and information available and accessible.

Output 4.1: Knowledge and information is available to inform project preparation and governance and guide water sector development planning and implementation: AWF-supported processes potentially improving aspects of water governance.

Output 4.2: Knowledge products (e.g. guidelines, strategic & trend analyses, lessons and best practices, etc.) to inform project preparation and governance projects and overall sector development.

Proportion of Fund: 15 percent of the budget will be allocated to strategic priority 3.



4 Implementation Arrangements



In order to achieve the intended results of the Strategic Plan 2012-2016, the AWF has prepared an Implementation Plan comprising Action Plans required to deliver on the Strategic Priorities. The Action Plans include requirements to achieve the desired development effectiveness and institutional efficiency, with details of the necessary capacity to undertake operations. Highlights of the Implementation Plan are provided in this section.

4.1 Results Measurement Framework

The AWF proposes a more streamlined results monitoring and reporting mechanism designed to give information about its performance towards programmed results and create

opportunities for timely corrective action. These are outlined in the Logic Model and the Logical Framework Analysis table which are the main tools to monitor progress toward the priority goals described in the AWF Strategic Plan 2012-2016.

The Results Measurement Framework (RMF) will assist the AWF in carrying out a number of functions: reviewing progress in improving the quality, performance, and effectiveness of projects at entry, during implementation and at completion; analysing trends in performance; exploring the relationship between enhanced organisational effectiveness and improved development effectiveness; and identifying areas that appear to underperform.

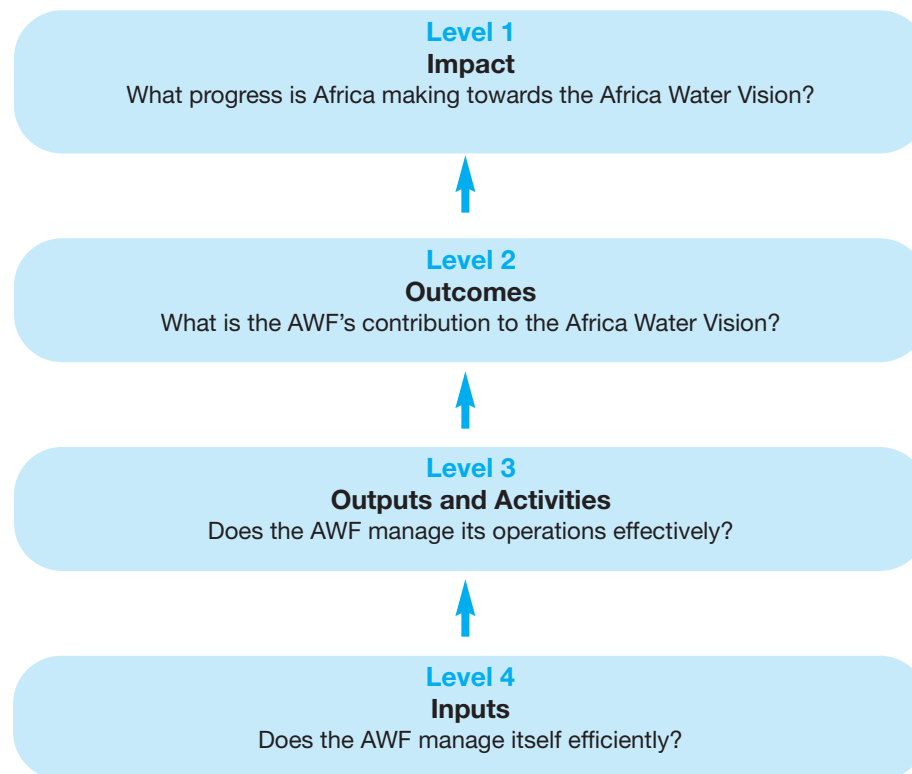
The RMF is organised into four levels that capture all the stages through which AWF inputs are transformed into results (Figure 4).

- Level 1 comprises impacts with indicators that represent development impacts to which the AWF is seeking to contribute in the region. These impacts result from achieving the Africa Water Vision and cannot be attributed to the AWF alone; they result from the collective action of countries and all development partners. In addition, meaningful targets cannot be attributed to the AWF within the planning horizon of five years. However, tracking these impacts is important because they indicate the development goals to which AWF operations aim to contribute.
- Level 2 comprises outcomes with indicators measuring the AWF key results. They represent the AWF's tangible

contribution to the development impacts identified through its strategic priorities.

- Level 3 contains indicators for monitoring the AWF operational effectiveness - activities and outputs - short-term results. These concern the key support functions required to deliver strategic priorities such as quality at entry dimensions, portfolio enhancements, communications and knowledge uptake. Improvements at this level can lead to better delivery and higher quality of outputs, enabling the Facility to enhance its contribution to development outcomes for all the strategic priorities.
- Level 4 is for measuring efficiency of AWF activities and inputs. These concern the key support functions required to deliver strategic priorities such as human resources.

Figure 4 AWF Results Measurement Framework



4.2 Enhancing Operational Effectiveness

Emphasis will be given to enhancing the quality of the growing project portfolio throughout all stages of the project cycle to ensure quality at entry and during implementation, improving implementation support and disbursements, and mainstreaming gender, environment and climate change. The AWF will take steps to enhance its portfolio management activities such as refining operation processes, improving internal knowledge management and focusing on performance monitoring and reporting. The AWF's ambition to optimize its ability to achieve planned results is in itself part of the Results Measurement Framework as depicted in outcome 5 and the respective outputs part of the logical framework.

4.2.1 Project Identification

The AWF will issue general "Call for Proposals" (CFP) to promote the establishment of a pipeline of relevant projects directly responding to the AWF strategic priorities. Since this approach to building the pipeline will be relatively new to the Facility, it is intended to start with one general call per year with the view to refining the process over the next two years. There shall be targeted calls for proposal from time to time for areas clearly lacking progress such as responding to results of 'gaps analyses' conducted as part of the knowledge management activities. This method has the potential to improve the numbers and quality of projects admitted into the pipeline by comparing a larger number of proposals of the same area of intervention. This method will run concurrently with the open ended submission of proposals.



4.2.2 Enhancing Project Quality

The AWF will continue to emphasise quality at entry in all new projects, and enhanced implementation of new and ongoing projects. Critical to the success of this will be the effective dissemination of AWF's new Strategic Plan 2012-2016 to raise awareness among applicants to encourage relevant applications directly responding to these new strategic priorities. At the identification and screening level, the Facility will strengthen its capacity to regularly interact with governments and regional entities and improve the screening processes against the eligibility criteria defined in its revised procedures and new strategic priorities to secure a relevant and high quality project portfolio. During the preparation phase, the Facility will ensure that best practices and

lessons learned are incorporated in the design of the projects and that cross-cutting issues such as gender and social equity, environment and climate change are properly addressed. During the implementation stage, the Facility will place greater emphasis on revising work plans, enhancing processes for review of project design, reporting, fiduciary control and project performance monitoring.

4.2.3 Improving Project Implementation and Disbursement

The AWF will take appropriate actions to improve implementation and increase disbursement levels, systematically addressing the various constraints impacting on project disbursements. Concrete





actions include reducing the delays for preparation and fulfillment of grant effectiveness and conditions for first disbursement, step up supervision, monitoring and evaluation of the individual projects, and provide greater support to project implementation agencies to respond promptly to proposed changes in the project design and budget allocations. To the extent permitted by AWF/AfDB procedures, the Facility will also encourage greater use of national procurement procedures and post procurement reviews.

4.2.4 Mainstreaming Gender, Social Equity, Environment and Climate Change in AWF Operations

The Facility will ensure that cross-cutting issues, such as gender and social equity, based on the recently prepared AWF Gender and Social Equity Strategy, environment and climate change are properly addressed at every stage of the project cycle. The Facility will assist applicants in including gender, social equity, environment and climate change concerns in their proposals. In addition, Task Managers will also be equipped with adequate tools to guide them in screening project proposals from these perspectives, preparing sensitive appraisal reports, and integrating these issues in Project Completion Reports.

4.2.5 Refining Operational Processes

The Facility will work to address operational and procedural constraints at different stages of the Project Cycle in line with the Operational Effectiveness Assessment carried out in 2010. The Facility's Operational Procedures and Operations Manual have therefore been harmonised with evolving AfDB procedures and processes to better accommodate changes in project design during implementation and better exploit opportunities for improving fast-tracking Facility operations.

4.2.6 Knowledge Management

The Facility will invest in reinforcing the management of knowledge to capture best practices and lessons learned to improve support to clients, increase effectiveness, and to help advance knowledge in the sector. The Facility will, in particular, seek promising concepts that have good potential for replication, scaling-up and leveraging of funds. The Facility will more systematically consolidate



experiences and evidence from completion reports and evaluations of individual projects, and aggregate results in areas of common intervention across the portfolio.

The Facility will introduce a more structured and systematic management of knowledge by concentrating on the consolidation of existing knowledge during 2012-2013 to ensure that knowledge is harnessed for preparation of viable projects and informed governance. Recognising the wide base of African knowledge institutions, the Facility will also engage in strategic partnerships with the principal institutions responsible for knowledge generation and dissemination.

4.2.7 Measuring Operational Effectiveness

The Facility will re-orient its reporting system toward a results-based approach in order to keep stakeholders, donors and prospective financiers informed of achievements and performance. The reporting will be based on the logical framework presented in the Annex 1. The Results Measurement Framework will be used

to track and assess operational effectiveness of the Facility through five categories of indicators: project quality, portfolio performance, knowledge management, and mainstreaming gender, social equity, environment and climate change into AWF operations. In addition, the Facility will carry out long term impact assessment studies.

4.3 Improving AWF Institutional Efficiency

4.3.1 Fostering Partnerships

The AWF will build and sustain long-standing partnerships with other financing instruments, including other Funds and Facilities with prospects for co-financing projects. The Facility will also build and sustain strategic partnerships with knowledge-generating and sharing institutions. This will strengthen Facility's own knowledge management function. To improve its regional presence, the Facility will pursue closer relation with AfDB decentralised staff in its field offices, and will respond later, as appropriate, to the longer term shift by AfDB towards 'Regional Hubs'.

With regard to co-financing and collaborative project development, the Facility will pursue opportunities with other existing project preparation facilities within, and hosted by the Bank including NEPAD IPPF, Congo Basin Forest Fund (CBFF), and Fragile States Fund (FSF) and the proposed climate funds.

4.3.2 Coordination with AMCOW

Constant coordination with AMCOW is essential to keep the Facility aligned with the AMCOW vision. To that effect, the Facility will look into ways for strengthening its relation with AMCOW to effectively contribute to its seven priority themes as outlined in the AMCOW Workplan 2011-2013, and to better synchronise efforts and strategies to meet the targets under the Africa Water Vision 2025 and the various high level commitments and declarations.

4.3.3 Enhancing Communication and Outreach

The Facility will upgrade its communications to enhance its visibility, transparency and improve its outreach, in line with its 2010 Communication Action Plan and in conjunction with AfDB Communications Department and AMCOW. The communications activities will revolve around the delivery of messages and compelling stories that communicate and showcase the Facility's work and impact, including activities designed to inform by providing accurate data, updates on project status, as well as general progress and achievements. It will also be the focal point for the promotion and dissemination of the Facility's knowledge products and other materials through appropriate channels and networks, and for the day-to-day coordination of community, donor, media and partner relationships.





4.3.4 Human Resources Management

The Facility will enhance the quality of its projects by mobilising more human resources and ensuring a better skill mix to respond to changing priorities. The Facility, in accordance with the recommendations of the institutional assessment, will fill all current vacancies. Particular attention will be paid to the gaps in core support functions across the portfolio. The Facility will also back-up its Tunis capacity with long-term and short-term consultants, as required, to support operational work to meet the demand, or where specific skills are required. The Facility will continue to receive operational support from AfDB in specialist areas including procurement, legal, financial control and translation, and as needed to support Facility operations. The Facility will also implement an

internal capacity building and staff development plan meant to strengthen the technical and managerial skills of the staff.

4.4 Financing Strategy

4.4.1 Expected Demand

The major departure from the Facility's original strategy is the reorientation of the AWF fund allocation toward "preparation of investment projects", a new priority that will represent 70 percent of the project commitments in the next five years. The other strategic priorities will be implemented with a budget allocation of 15 percent each, notably "enhancing water governance", and "promoting water knowledge". Indicatively, the Facility will modestly

increase its volume of project commitments annually from the current average of €14 million up to €40 million by 2016.

4.4.2 Resource Mobilisation

Successful implementation of the Facility's 2012-2016 Strategic Plan will depend on its ability to mobilise sufficient resources. The total resource requirement for the five-year period is €130 million. The Facility has devised a robust resource mobilisation strategy to attract, secure and sustain the resources needed to implement the Strategic Plan. It includes the identification of various sources of funding and partnerships, including private foundations, and a revised resource mobilisation action plan to establish the Facility's reputation as a credible and effective water sector financing mechanism.

This resource mobilisation plan aims at strategically positioning the Facility by clearly demonstrating its achievements and promoting the specific links with AMCOW. The resource mobilisation plan attempts to strengthen donors' understanding of the Facility through developing more responsive portfolio monitoring mechanisms, and clearly reporting the portfolio results in progress reports and knowledge products. This resource mobilisation plan leans on specific communication tools.

The Facility will actively seek the political support of AMCOW, as catalyser, in the resource mobilisation process.





5 Annex 1

Results Measurement Tools

5.1 Logic Model 2012-2016

ACTIVITIES	OUTPUTS	OUTCOMES	IMPACT	
Prepare bankable local, regional, transboundary and national projects / programmes	Bankable project documents from all water sub-sectors developed in line with overarching principles and ready to be funded through a mix of financing sources and modalities	Financial base strengthened	Goal Leverage Investments Mobilise and apply financial and human resources to ensure water security in Africa contributing to meeting the targets and goals established by the Africa Water Vision and the Millennium Development Goals	Impact Enhanced equitable and sustainable development and management of African water resources for poverty alleviation, socio-economic development, regional cooperation, the environment and resilience to water-related disasters and climate change
Undertake small strategic investments. Support small-strategic water and sanitation infrastructure projects in difficult situations	Small strategic (innovative and catalytic) investment projects implemented to stimulate up-scaling supported by AWF	Water needs met		
Enhance water governance. Support development of water governance processes and strengthen institutional and human resources capacities at regional, transboundary, national and local levels	AWF supported processes potentially improving aspects of water governance	Enhanced water governance		
Promote water knowledge. Support the enhancement of knowledge and the establishment of information management and M&E systems and capabilities at national and regional levels	AWF supported processes, products and knowledge products potentially improving availability or accessibility of water information	Promoted water knowledge		

5.2 Results-Based Logical Framework

GOAL		Mobilise and apply financial and human resources to ensure water security in Africa contributing to meeting the targets and goals established by the Africa Water Vision and the Millennium Development Goals				
RESULTS CHAIN		PERFORMANCE INDICATORS			MEANS OF VERIFICATION	RISKS/MITIGATION MEASURES
		OBJECTIVELY VERIFIABLE INDICATORS	BASELINE	TARGETS 2016		
IMPACT	Enhanced equitable and sustainable development and management of African water resources for poverty alleviation, socio-economic development, regional cooperation, the environment and resilience to water-related disasters and climate change	Number of countries which have mainstreamed gender equality, environment and climate change into their water policies	n.a.	54	- Rappports sur le développement dans le monde - Rappports de suivi des politiques sur le changement climatique mondial - Rappports de la CCNUCC	> Lack of political will to mainstream gender equality and / or climate change in national water policies >> Awareness raising through regional and sub-regional dialogue by AWF / AMCOW
		Percentage of renewable water resources sustainably developed for all uses at national level	5% of potential	10% of potential	- World Development Reports	> Lack of financiers for major infrastructure investments >> High-level dialogue of AU / AMCOW, countries with financing institutions and private sector
		Number of countries with a safe drinking water coverage of less than 50%	2008:16 (incl. those w.o. data)	0	- National statistics and reports on MDGs - UN JMP reports - Country Status Overviews (CSOs)	> Lack of political will to mainstream improved water supply and sanitation into national strategies >> Awareness raising through regional and sub-regional dialogue by AWF / AMCOW
		Number of countries with a sanitation coverage of less than 50%	2008:40 (incl. those w.o. data)	20	- National statistics and reports on MDGs - UN JMP reports - Country Status Overviews (CSOs)	
OUTCOME 1	Financial Base Strengthened Strengthened financial base for water related investments in Africa, which are increasingly funded through a mix of types of finance, thus securing a leverage effect of grant money	Share of bankable projects prepared with AWF support being actually implemented	21% (7/33)	75% of projects implemented	- Supervisory missions - AWF Project Completion Reports (PCRs) - Baseline survey - Impact assessments - AWF reports on actually signed project financing contracts	> Projects not funded despite finalised project preparation >> Develop MoUs and pre-contracts with financiers already before or during project preparation
		Investments attributable to AWF interventions (leverage effect - absolute figures, % of AWF costs)	€ 420 million 2006-2011 (€ 70 million p.a.)	€ 2.5 billion commitment (Objective 2020)		

RESULTS CHAIN		PERFORMANCE INDICATORS			MEANS OF VERIFICATION	RISKS/MITIGATION MEASURES
		OBJECTIVELY VERIFIABLE INDICATORS	BASELINE	TARGETS 2016		
OUTCOME 2	Water Needs Met Progress is made in meeting basic water needs especially of women, disabled and vulnerable people through direct project investments with a focus on the potential for catalytic effects and innovative solutions in difficult situations	Number of people provided access to improved sanitation through AWF investment projects	93 000	160 000	AWF Project Completion Reports Impact Assessments	> Project design not suitable to actually reach targeted groups >> Suitable checks during project evaluation
		Number of people provided access to improved drinking water sources through AWF investment projects	130 000	85 000	AWF Project Completion Reports Impact Assessments	
		Percentage of interventions which have been scaled up or replicated (by AWF or others)	n.a.	60%	Impact Assessments	> AWF interventions are taken up by others >> Include respective strategies already in project design
		Percentage of interventions targeted at especially vulnerable groups	47%	50%	Project documents	
		Percentage of interventions set up in situations categorised as especially difficult (e.g. post-conflict).	16%	25%	Project documents	
		Number of people with access to multiple use services reached through direct project investments	83 000	200 000	AWF Project Completion Reports Impact Assessments	
OUTCOME 3	Enhanced Water Governance Enhanced investment-conducive water governance environment across Africa, improving the pipeline of tangible investments and sufficiently reflecting climate change aspects, gender equality and social equity	Number of countries, regions and basins which implemented an effective IWRM environment (institutions, policies, strategies, plans) supported by an AWF project	11 countries 7 regions/basins	Additional 19 members of any group	AWF Project Completion Reports Impact Assessment	> AWF projects do not lead to actual changes >> Supported projects are carefully selected according to real need & demand and prepared to ensure quality at entry
		Number of governance instruments (policies, strategies, plans etc.) strengthened and operational with a special focus on integrating climate change aspects and/or GSE	33	Additional 19	AWF Project Completion Reports	> Lack of capacities in governments to implement revised structures, tools and procedures >> Identify bottlenecks and organise respective support through AWF or others beforehand
		Number of operational shared water agreements and cooperation mechanisms sufficiently reflecting climate aspects developed or improved with support from AWF	2 cooperation mechanisms	5 cooperation mechanisms, operative within 2 years after AWF project completion	2 Impact Assessments	> Political reality does not allow finalisation of a sufficient number of agreements >> Awareness raising and facilitation through RECs and AMCOW

RESULTS CHAIN		PERFORMANCE INDICATORS			MEANS OF VERIFICATION	RISKS/MITIGATION MEASURES
		OBJECTIVELY VERIFIABLE INDICATORS	BASELINE	TARGETS 2016		
OUTCOME 3		Number of countries introducing policies/regulations explicitly strengthening the formal role of women in water (community, local government, national).	n.a.	15	AWF Project Completion Reports Impact Assessment	
OUTCOME 4	Promoted Water Knowledge Enhanced evidence-based decision making is supported through making vital data and information available and accessible to inform project preparation and governance at all levels of water development planning and implementation	Number of countries, regions and basins with improved water information availability on a sustainable, standardised and internationally accepted basis (M&E systems, MIS, MDG reporting etc.)	37	41 additional	AWF Project Completion Reports	> AWF projects do not lead to actual changes >> Supported projects are carefully selected according to real need & demand and prepared to ensure quality at entry
OUTCOME 5	AWF's Operational Effectiveness Enhanced AWF operational effectiveness through adequate portfolio management and a monitoring system to manage for results	Percentage of output targets for outcome 1-4 fully achieved	n.a.	80%	AWF Annual Reports	> Targets set too high to be achieved with available resources >> Care for realistic target setting > Targets not reflecting actual demand >> Continuous monitoring eventually leading to adaptation of targets
		Number of outputs for outcome 1-4 with less than 75% of target achieved	n.a.	0		
OUTPUT 1.1	Bankable project documents from all water sub-sectors developed in line with overarching principles and ongoing activities, and ready to be funded through a mix of financing sources and modalities	Amount of water sector investments potentially resulting from AWF-supported project preparations	n.a.	€ 4 billion	Annual Portfolio Review	> Total investment volume in projects not big enough >> Support to extend / aggregate possible interventions to reach critical mass > Project preparations cannot be finalized >> Agree on criteria for successful project completion before project start
		Number of finalised preparations of bankable projects (ready to be signed by financiers and to be funded)	33	54		
OUTPUT 1.2	Small strategic (innovative and catalytic) investment projects implemented to stimulate up-scaling supported by AWF	Number of finalised projects supported by AWF	25	14 additional	Annual Portfolio Review	> AWF capacities not adequate to meet demand >> Optimize human resource management (staff, secondments, etc.) >> Optimize procedures where possible
OUTPUT 3	AWF-supported processes potentially improving aspects of water governance	Number of finalised national and transboundary water sector governance improvement processes supported by AWF	24	19 additional	Annual Portfolio Review	>> Implement the resource mobilisation strategy
OUTPUT 4.1	AWF-supported processes and products potentially improving availability or accessibility of water information	Number of finalised AWF-supported water information processes and products	55	60 additional	Annual Portfolio Review	

RESULTS CHAIN		PERFORMANCE INDICATORS			MEANS OF VERIFICATION	RISKS/MITIGATION MEASURES
		OBJECTIVELY VERIFIABLE INDICATORS	BASELINE	TARGETS 2016		
OUTPUT 4.2	Knowledge products (e.g, guidelines, strategic & trend analyses, lessons and best practices) inform project preparation and governance projects and sector development	Number of finalised knowledge products	1	5	Annual Portfolio Review	
OUTPUT 5.1	Quality at entry High quality project proposals accepted for the AWF's project pipeline which allow for an efficient appraisal procedure and quick project start up in line with annual workplans	Percentage of projects with design and readiness ratings of "good" or "very good"	n.a.	80%	AWF Annual Reports	> Project applications do not have sufficient quality >> Formulation and dissemination of clear quality criteria >> Support during project formulation >> Pre-screening before entering the appraisal process
		Percentage of projects accepted for the project pipeline actually appraised	90%	100%		
		Start-up delays: Percentage of projects with 1st disbursement within 6 months after approval	10%	80%		
		Percentage of projects aiming at improved gender and social equity	25%	50%		
		Percentage of projects with climate change adaptation or mitigation impact	50%	80%		
OUTPUT 5.2	Portfolio performance Good performance of AWF funded projects is secured through effective project cycle management both by the Facility and the recipients	Disbursement rate: disbursements in year vs. planned disbursements of ongoing projects	37%	50%	AWF Annual Reports AWF Project Completion Reports	> Reality in projects does not allow process as planned >> Sound project preparation >> Project monitoring including counter measures for deviations
		Procurement by PIA: % projects under execution at year end which are experiencing delays in procurement	90%	25%		
		Cancellation: % ongoing projects at year end which are eligible for cancellation	10%	5%		

RESULTS CHAIN		INDICATEURS DE PERFORMANCE			MEANS OF VERIFICATION	RISKS/MITIGATION MEASURES
		OBJECTIVELY VERIFIABLE INDICATORS	BASELINE	OBJECTIFS 2016		
OUTPUT 5.3	Knowledge management Project completion reports and various knowledge products prepared to inform AWF and sector development	PCR on time: % AWF PCR reports available upon completion	50%	80%	AWF Annual Reports AWF Project Completion Reports	> Inadequate AWF institutional capacity >> Increase number of permanent professional staff >> Undertake adequate staff training (gender, climate change, project finance, etc.) to build staff capacity >> Reaching out for secondments >> Enhance relationship with AfDB operations departments >> Use consultants to meet short term needs
		Knowledge products: Number of knowledge products prepared and fully integrating gender, equity and other cross-cutting issues	6	25 knowledge products developed through AWF managed activities		
		Percentage of projects directly contribution to knowledge products	n.a.	50%		

COMPONENTS		INPUTS
KEY ACTIVITIES	Prepare Bankable Local, Regional, Transboundary and National Projects/Programmes Prepare project documents from all water sub-sectors in line with overarching principles and harmonized with other activities, and ready to be funded through a mix of financing sources and modalities, including repayable components	60% of Project Budget
	Undertake Small Strategic Investments Support small-strategic innovative and catalytic water and sanitation infrastructure projects in difficult situations (investments in the water sector and pro-poor urban and peri-urban sanitation) with focus on upscaling and replication	10% of Project Budget
	Enhance Water Governance Support development of water governance processes (national, regional and transboundary water policies, strategies and IWRM plans, institutional and regulatory frameworks, including for PPPs, funding mechanisms, and service delivery improvement projects) and strengthen institutional and human resources capacities at regional transboundary, national and local levels	15% of Project Budget
	Promote Water Knowledge Support the enhancement of knowledge (state of water and trends analysis at country, sub-regional and regional levels, strategic foresight analyses, studies on institutional arrangements, financing mechanisms, technologies, etc.), the establishment of information management (national, transboundary and regional water information systems), and M&E systems, and capacities at national and regional levels	15% of Project Budget

Strategic Plan 2012-2016
Towards Water for All



Strategic Plan 2012-2016
by 2025

Strategic Plan
Towards

Editorial Team

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