

# **AFRICAN WATER FACILITY**

**Minutes of the Second African Water Facility Governing Council  
Meeting  
Tunis, Tunisia  
31 October 2005**

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- 1 The Governing Council of the African Water Facility held its second meeting at the Sheraton Hotel in Tunis, Tunisia, on 31 October 2005 under the chairmanship of Dr. Abu ZEID Minister of Water Resources and Irrigation in Egypt, Honorary Chairman of the Founding Committee of the World Water Council (WWC). The meeting was convened to consider the 2005-2009 Operational Program, Disclosure of information and the Communications Strategy outline, and to review the 2006 Program and Budget. The list of the Governing Council members and other participants present is attached

### **Opening of the Meeting**

- 2 In his opening remarks, the chairman welcomed participants to the meeting and expressed gratitude to the African Development Bank (ADB) and the Government of Tunisia for the excellent reception as well as facilities provided to ensure a successful meeting. He also thanked the European Commission, Canada, France, Norway, Austria, Sweden and Denmark for pledging a total contribution of EUR 59.65 Million to the Facility of which EUR 35.18 Million is expected to be paid up by -----.
- 3 He appealed to the international community to make additional efforts to meet challenges posed by potable water scarcity on the continent. In this regard, he noted that access to safe water and adequate sanitation facilities was as low as 40% and that only 3% to 5% of available water resources had so far been exploited.
- 4 He then recalled the main objectives of the Facility and outlined its achievements since it became effective in December 2004. These include amongst others: (i) establishment by the ADB of the office of the Facility and appointment of the Director and two professional staff; (ii) establishment of the Governing Council, which held its first meeting on 8 July 2005; (iii) consideration by the Governing Council of the Operations Procedure document and its subsequent approval by the ADB Board of Directors in October 2005; and (iv) undertaking of resource mobilization efforts at various regional and international forums.
- 5 In his view, the main challenge facing the Facility was resource mobilization; hence the need to develop a strategy clearly defining roles of the ADB, the African Ministers Council on Water (AMCOW) and the Governing Council..
- 6 The chairman, however, observed that given the limited resources available to the Facility, priority areas of intervention should be selected to address key sector issues including the creation of an enabling environment for sustainable water

resource management and the establishment of partnerships with organizations active in the water sub-sector of Africa.

- 7 He stressed that regional member countries were anxious to see work on the ground but noted that investment programs do not feature early enough in the Operational Plan. The Facility should, therefore, come up with suggestions to accelerate the investment process and encourage donors to contribute as early as possible. Efforts should be made for accelerating the preparation and approval process of AWF-financed projects and programs as well as the approval of the Disclosure of Information and Communication Strategy outline. .

### **Adoption of the Agenda (Agenda Item 1)**

- 8 The Council members adopted the Agenda after adding an item on the status of operationalization of the Facility, with particular reference to donor contributions, staffing and coordination with other Initiatives in the field of water. The adopted agenda is attached

### **Status of Operationalization of the Facility (Agenda Item 2)**

- 9 The Director of the AWF reported on the implementation progress. The Council noted that the ADB had provided the Facility with a Director and two (2) professional staff on a full-time basis. Participating donors would provide, at an initial stage, six (6) technical assistants in the areas of water resources management, water supply and sanitation, monitoring and evaluation, the environment, gender and socio-economy and finance. To date, the Facility has concluded negotiations with Austria and Norway, and the two experts from these countries will assume office in November 2005 and January 2006 respectively. A French technical assistant would be on board towards the end of January 2006 and negotiations between the Facility and Sweden and UK are at an advanced stage. It is, therefore, expected that the full team for the first phase of the Facility's operations would be in office by March/April 2006.
- 10 The AWF Management Team explained that besides contacts in connection with the Facility's meetings held so far, formal relations had been established with other organizations including WSP (Africa) and AFD (Agence française de développement)..
- 11 The Council members noted that the Bank's Board of Directors approved the Facility's Operational Procedures on 19 October 2005 and subsequently adopted measures aimed at fast-tracking the approval process of AWF-financed projects and programs. In this regard, the Director of the AWF Department can approve operations in amounts not exceeding EUR 500,000, the ADB President in amounts ranging from EUR 500,000 to EUR 2 Million. The ADB Board of Directors would approve on a basis time-lapse, all project/program amounts exceeding EUR 2 million. Besides, ADB Country and Field Offices would be equipped to ensure effective coordination between the Facility and their respective national governments. ADB members at the Governing Council also explained that the

Bank would soon embark on institutional reforms, which will effect the efficiency of AWF activities

- 12 The Council members commended the AWF Management Team for achievements made and expressed satisfaction at measures the ADB intends to take to promote activities of the Facility, whilst cooperating with other Initiatives and institutions active in the water sub-sector. The Council members requested the Director to prepare a strategy on resource mobilization for consideration at its next meeting. They also requested the AWF Management team and the Bank to expedite procedures to get AWF staff on board as quick as possible.

### **Review of the Operational Program for 2005-2009 (Agenda Item 3)**

- 13 The Council members observed that the document was an improvement on the text submitted at the 8 July 2005 meeting. They also noted that the program would be updated in October 2006 taking into account progress made. However, Council members were of the view that the proposed 5-year program had not adequately addressed the urgency with which certain actions producing immediate effects should be initiated under the Facility. They pointed out that no investment activity would be completed before the end of 2006. In this context, priority should be given to small-scale operations capable of producing a significant impact and implemented within a short time-frame, and the project preparation, ensuring the resource mobilization and the added value.
- 14 Other issues to be developed in the documents include sanitation, coordination and synergy between the Water Facility Initiative and other Initiatives active in the water sector in Africa. The document should also explicitly articulate the guiding principles of the AWF particularly those of poverty reduction, demand-based, gender equality and environmental sustainability. Furthermore, the document should reinforce an integrated approach to policy and legislative development that could subsequently harmonize and coordinate efforts among stakeholders.
- 15 Emphasis should be placed on capacity building at country and regional levels so as to enable beneficiary countries to identify and articulate their needs for transmission to the Facility. Other issues to be emphasized in the text are the ways and means of attracting the private sector and the clarification of the concept of “value added” with reference to the AWF so as to attract resources.
- 16 The Council also requested AWF Management Team to accelerate the identification of projects/programs for financing. The Facility could base its operations on the pipelines of the ADB, EU, World Bank, the bilateral agencies, etc. The choice of projects/programs should be demand-driven and hence the need for extensive consultations with potential beneficiaries and other stakeholders.

### **Conclusions**

- 17 The Chairman in summary, observed that AWF Management Team should review the 2005-2009 Operation Program, taking into account comments and observations of Council members. The revised program should be sent for

comments to the Governing Council members and the Chairman of the Governing Council would approve the final document taking account the GC members concerns.

#### **2006 Program and Budget (Agenda Item 4)**

- 18 The Council noted that the 2006 Program Budget would be reviewed in the light of discussions on the Five-Year Operational Program. Council members reiterated their emphasis on giving priority to (i) preparation of small-scale projects with strong impact that could be implemented within a short time frame; and (ii) creating an environment conducive to resource mobilization.
- 19 With regard to the administrative budget, the Committee observed that: (i) contributions in kind have not been quantified; (ii) provisions for consultancy services were on the high side; (iii) expenses relating to the Governing Council have not been placed on capital investments.
- 20 With reference to budgetary allocations, Council members advised that for 2006 the proposed allocation of EUR 700,000 per REC could be better utilized in providing sustained support to the RBOs, which are more sector-focused and constantly in touch with targeted populations. Also priority should be given to RBOs regarding the provision for institutional building under the budget. They requested staff to establish a link between the 2006 Work Program and the revised 2005-2009 Operational Program.

21

#### **Conclusion**

- 22 The Governing Council noted that AWF Management Team would review the Indicative 2006 Program and Budget in the light of comments and observations of Council members, before its submission to the ADB Board of Directors.

#### **Disclosure of Information and Communications Strategy outline (Agenda Item 5)**

- 23 With reference to the Disclosure of information, the Council noted that while considering AWF's Operational Guidelines, the ADB Board had decided that all the Facility's documents would be subject to the Bank Group Information Disclosure Policy.
- 24 Council members observed that the document was well written and therefore approved it, subject to the incorporation of the list in section 3 of the Paper which was not exhaustive and that documents could be added as and when necessary. In this regard, reference was made to Regional and National Diagnostic Work and Assessments, completed Regional and some National Diagnostic and Assessment Reports, Assessment Reports regarding Water Information Management Monitoring and Policy Environments and water related data. All these pieces of information should be available on the Facility's website, and be updated on a regular basis.

- 25 Finally, the Council noted that the website would be ready and functional within six months. In addition to posting them on the website, all available basic documents and reports would be transmitted to Ministers of water resources and donors for information, accompanied by an explanatory letter from the Chairman of the Council giving details of the Facility's achievements and on-going activities and outstanding programs to be accomplished.
- 26 With reference to the Communications Strategy Orientation, the Council recommended that:
- (i) The title should read "Communications Strategy Outline;
  - (ii) The document should elaborate the objectives of the Facility, spell out its innovative approach for resource mobilization and accelerate project/program preparation and implementation. This would convince the general public and donors about the Facility's determination to operate differently and with enhanced efficiency. Furthermore, the document should emphasize the fast decision-making process to be put in place. Emphasis should also be put on the Facility's comparative advantage and added value in the water sub-sector in Africa. Finally, the Strategy should indicate that the Facility is in the process of building partnerships with other stakeholders including other multilateral development banks and donors; and
  - (iii) AMCOW is one of the key actors and should therefore be involved in the management and dissemination of information. It should be assisted to work with the African Union, NEPAD and beneficiaries. To reach beneficiaries, a more appropriate channel of communication should be sought outside the Facility's website, including press conferences, information booths and side events during water-related programs or events.
  - (iv) The Communication Strategy will be prepared in the following months and submitted to the Governing Council at its next meeting, together with the proposals for logo of the AWF.

### **Date and Venue of Next Meeting (Agenda Item 9)**

The Governing Council members appreciated the offer from the Chairm to host the next meeting in Cairo. They agreed to hold the next meeting in Cairo, Egypt, on June 2006, to consider the Resource Mobilization Strategy as well as the Communications Strategy and to meet with officials of the Arab Fund. It also requested AWF Management Team , among other things, to ensure that working documents are transmitted to participants two (2) weeks before the meeting;

### **Matters Arising (Agenda Item 10)**

- 29 Briefing the Council members on preparations for the Mexico Water Forum scheduled for March 2006, they noted that at the AMCOW Executive Ministers'

meeting held in June 2005 in Addis Ababa, Ethiopia, it was decided to set up a Technical Group to help AMCOW prepare for Africa's participation in the Forum.

- 30 A Ministerial Committee chaired by Namibia as well as a Technical Group co-chaired by Burkina Faso and the ADB were therefore established to put together the relevant background documentation. The Working Group held its first meeting on 28 and 29 of September 2005 in Tunis to review the continent's participation and to review the outline of the Regional Report.
- 31 Finally, the Council noted the need for a wide circulation of the "Instrument for the Establishment of the African Water Facility Special Fund" and encouraged its members to promote the AWF during their missions..

### **Closing of the Meeting**

- 32 In his closing remarks, the Chairman thanked his colleagues for their valuable contribution to successful discussions and wished them a safe trip to their respective destinations. He was also grateful to the ADB for the effective preparations of the meeting.