



# Water Development and Sanitation Department

## Financing waste management Improvement - African Development Bank's Engagements in Waste Management -

# Outline

## 1. Background

## 2. AfDB's Responses

**Policies & Strategies**

**New Development and Business Delivery Model**

**Engagement in SWM**

## 3. Financing opportunities



# 1. Background

## 1.1 Status

Municipal solid waste management constitutes one of the most crucial health and environmental problems facing governments of African cities:

- 20 - 80 % of the waste generated in the urban settings is collected
- 40 – 90 % of the SW is organic = threat to Environment & Human Health
- SW collected are poorly disposed and treated : very few Africa cities have sanitary landfills
- 20-50 percent of their budget in solid waste management



**Human & Environment Health are negatively impacted and subsequently the Regional economic Growth**



# 1.2 Main Constraining Factors

## 1. Rapid Urban growth :

- Urban pop. growth is the highest in the world – 3.3 % per year

## 2. Inadequate Governance

- Inadequate Policies & Strategies
- Low Urban Development Planning
- Institutional weakness
- Fragmentation of responsibilities

## 3. Low Investment

- ✓ Lack of ready investment projects
- ✓ Lack of adequate financing
- ✓ Low level of cost recovery

## 4. Poor approaches

- ✓ Financing mechanism (cost recovery)
- ✓ Private sector involvement
- ✓ Technology
- ✓ Inequity / the urban poor excluded



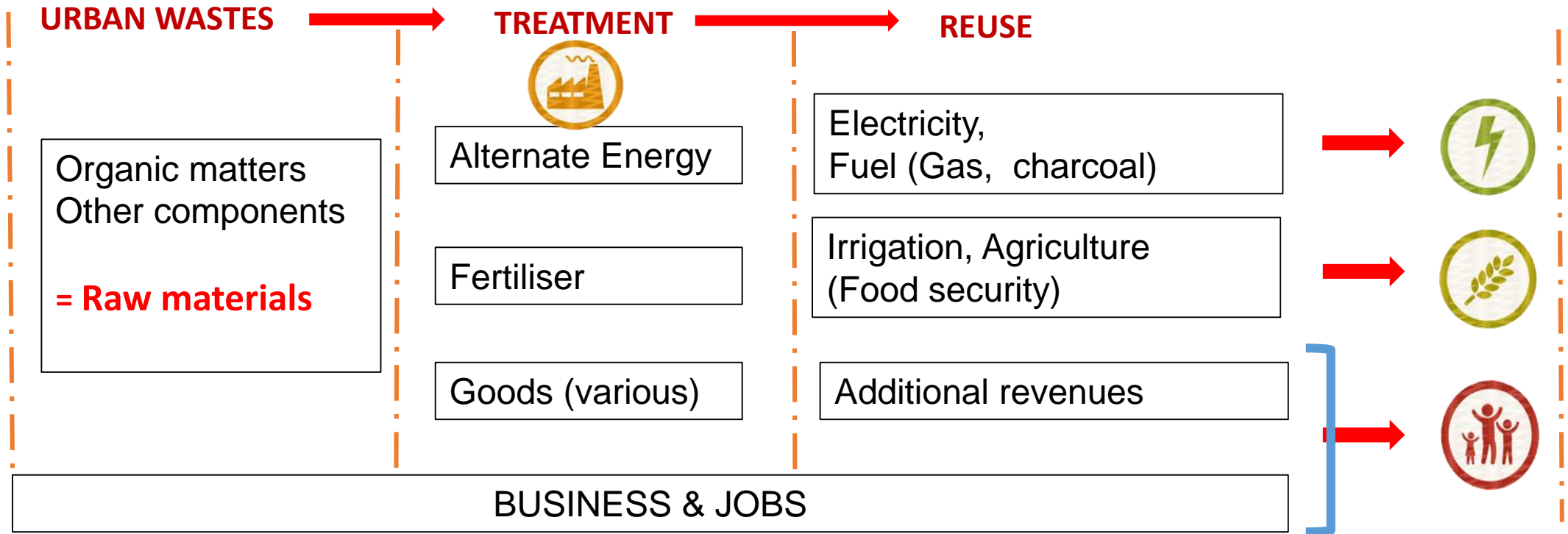
# 2 AfDB'S Response

## 2.1 Policies and Strategies

- **Urban development Strategy** (2011 ) with the objective to transform Africa's cities and towns into Engines of economic growth and social development.
- **Policy for Integrated Water Resources Management** (2012 )
- **Long Term Strategy 2013 – 2022** (2012 ) with the objectives to achieve growth that is more inclusive and to ensure that inclusive growth is sustainable.
- **Five Goals – “High 5’s”-**, (2015 ) to scale up and accelerate the delivery and developmental impacts of the **Bank's Ten Year Strategy**

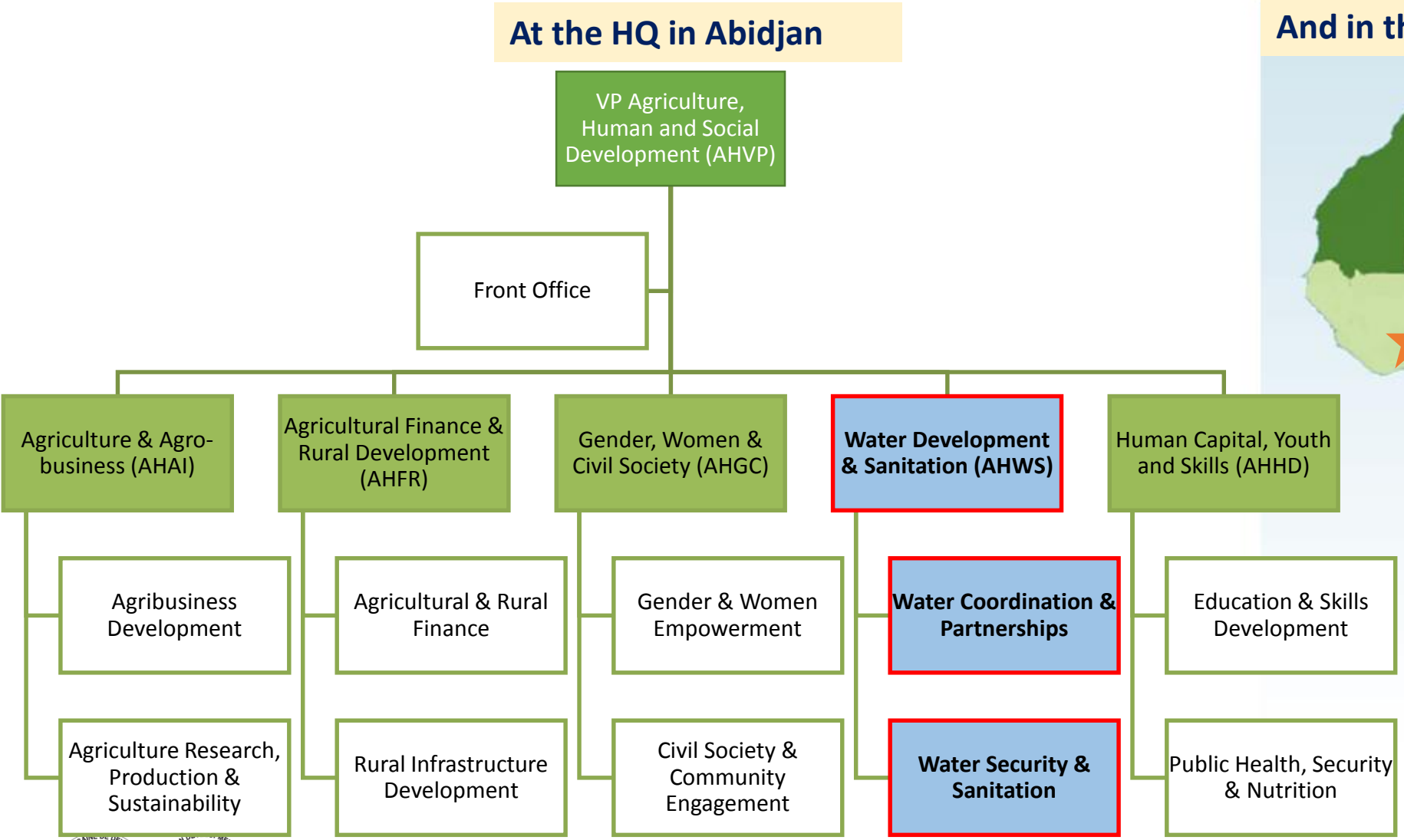


## 2.2 The High 5 : an opportunity to promote Sanitation & Environment Health in African Cities



**More than hygiene and human dignity factors, SWM a potential contributor to 4 out of the 5 AfDB priorities to accelerate the development of Africa**

# 2.3 The New Delivery and Business Development Model



# AfDB's Engagement in Water & Sanitation Sector

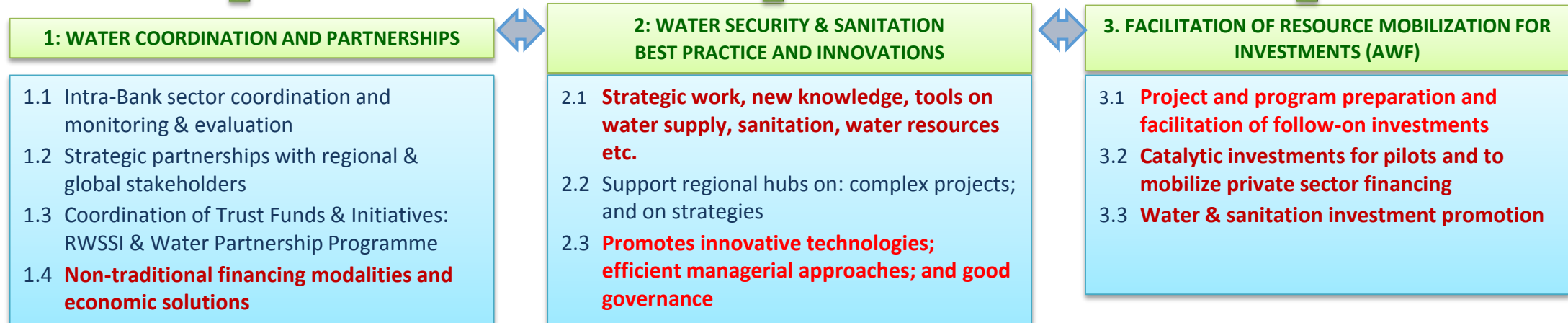
## *The Water Development & Sanitation Department (AHWS)*

AHWS leads Bank's work on **promotion of sustainable and integrated solutions across the water and sanitation value chain** to support Africa's economic transformation

### Role

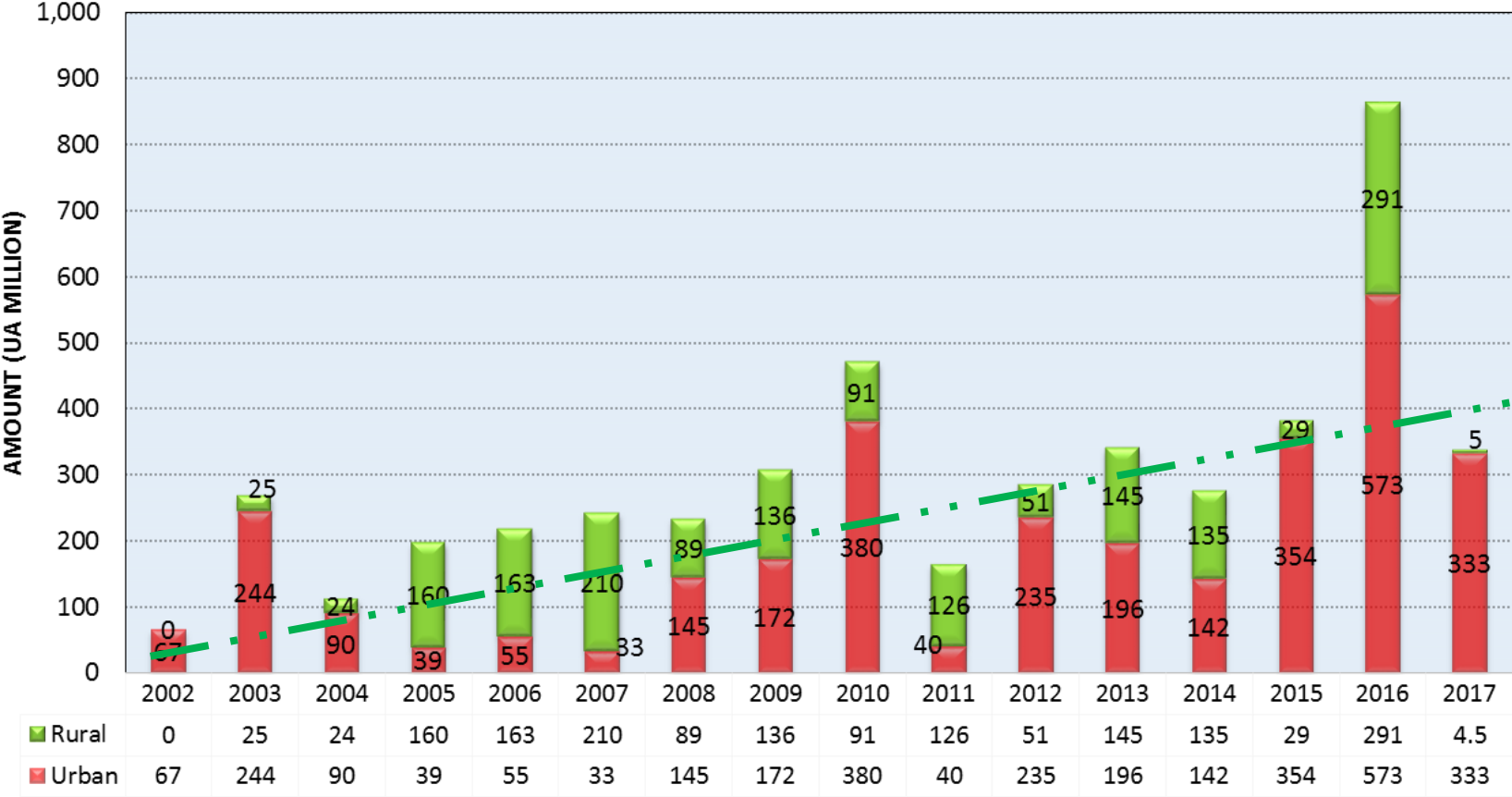
**Coordinates** Bank's water development and sanitation-related activities to **enhance synergies and support achievement of the High 5** on Improving the Quality of Life of the People of Africa; and contributes to the other High 5s towards sustainable development of Africa's water resources

### Areas of Intervention





# 2.4 Increasing Financing trends



**Significant Sanitation Focus:**  
 In 2017, over 60% of the financing was for sanitation including SWM component



# 2.5 Few W&S operations with SWM component

## Ouagadougou Project : Improving Sanitation in the Periurban Ouagadougou

**Category:** Project Preparation + Investment promotion (Phase I : => 2013)  
Downstream Investment [Phase II: 2014 to date]

**Scope** Integrated urban sanitation project = Drainage, SWM, FSM, WWM

**Phase I** (a) Studies :Feasability, Detail design, Tender Documents + (b) Donor round table

**Phase II** Investment/ AfDB contribution = **38 M USD out of which 10 M USD for SWM**

- (i) Upgrading (28 TS) and construction (15 TS) and equipment (Containeur)
- (ii) Expansion of the sanitary lanfill with 22 new cells :
- (iii) Expansion of the capacity of recycling
- (iv) 1300 new permanent Jobs

**GRANT:** 12 M USD for the SWM component



## Mozambic : Chimoio and Inhambane (African Water Facility - AWF)

**Category:** Project preparation

**Investment promotion :** Donor roundtable

**Scope** Development Plan and Feasibility Study for Urban Sanitation, Drainage and **Solid Waste Management**

**Budget :** 1,2 M € (**GRANT**)

## Kenya: Waste-to-Energy in Kibera and the suburb of Nairobi (Sustainable Energy Fund for Africa – SEFA)

**Category:** Project preparation

**Objective** Feasibility Study - Detailed engineering designs - Financial/transaction advisory services

**Budget:** 1 Million USD (**GRANT**)



# Rwanda: Sustainable Water Supply and Sanitation Program (SW component)

**Owner:** Go Rwanda

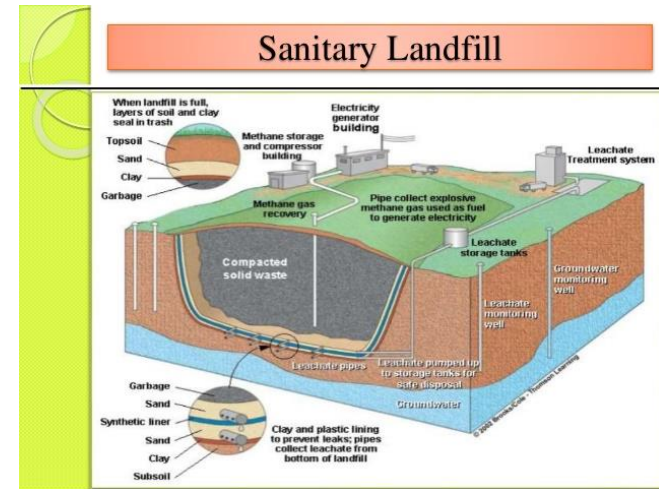
**Finance Vehicle** ADB / Public Sector Operation/ Loan [Non concessional credit]

**Category:** Investment Project

**Sub component** 4 Sanitary Landfills + 4 Fecal sludge treatment plants in Rusizi, Karongi, Musanze et Rubavu

**Budget :** 4 M USD

Source	Amount (Million)
<b>ADB</b>	<b>USD 121.137</b>
AGTF	USD 50.000
EIB	EUR 45.000
GoR	USD 40.687
<b>Total Cost</b>	<b>USD 262.318</b>



# Madagascar : Development of the Sanitation Master Plan for 8 main secondary Towns

**Beneficiary** Go. Madagascar

**P. Imp. Unit** MEAH

**Financing vehicle:** MDTF / Grant [AWF]

**Category:** Project Preparation  
Investment promotion

**Scope** Provide 8 cities with an Integrated sanitation Investment Programme including Solid Waste, Fecal Sludge, Wastewater, Drainage

**Budget :** 1,6 M EUR



# Abidjan : The SW component of the Gourou Basin Project



**Project Owner** Go CI

**Financing vehicle:** FAD / Grant

**Category:** Investment Project

**Sub components:**

**Works** Access roads to SW transit stations (5 km)  
Cleaning of existing SW dumpsites (25 tons)  
Construction/upgrading Transit stations (357#)  
SW Reuse plant

**Equipment** 59 Containers (14 – 20 m3)  
6 Tractors  
75 Motorised Tricycles  
8500 Bins



**Budget** 1,6 M USD (Grant)



A  
D  
F

# Abidjan : Solid Waste Management through Public Delegation Service (PPP) (under preparation)

## Beneficiary

Private sector

## Fin. Instrument

ADB/Non Sovereign Operation [Non concessional credit]

## Category

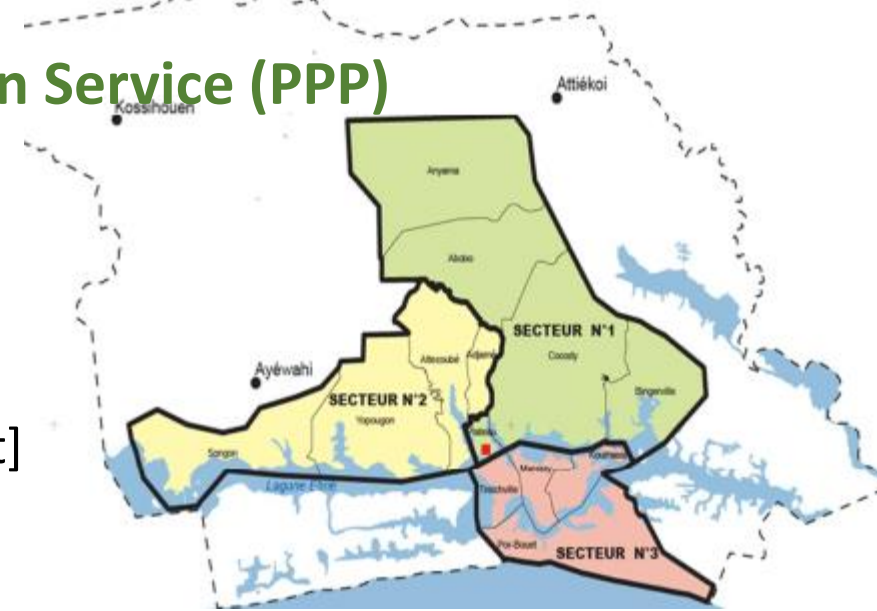
Investment Project through PPPs

## Scope

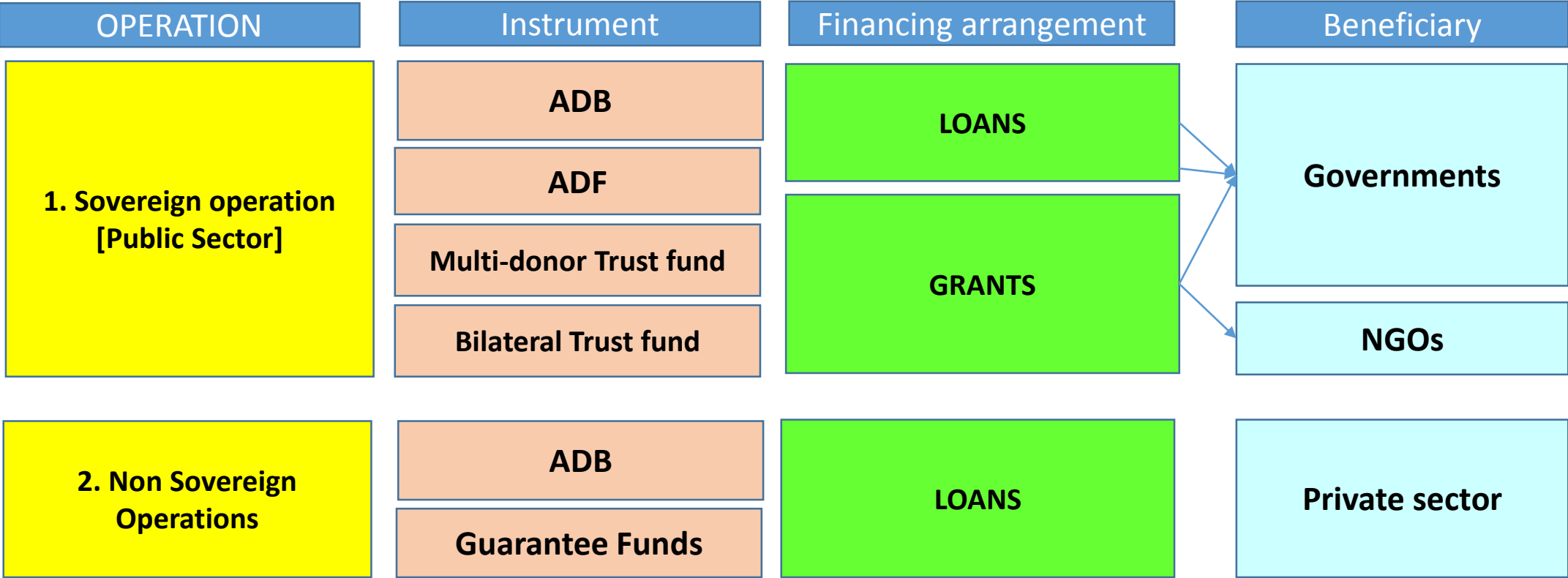
The Solid Waste Management Project is framed in a public delegation service from the Ivorian Government to PS, for managing the cleaning services AND for BO a sanitary Landfill (2 separate contracts)

## Structuring & Leveraging

Partner	Ratio	Cleaning Sect 1 (M€)	Landfill (M€)	Total (M€)
Equity	25%	7,9	17,8	<b>25,7</b>
ADB	33%	10,4	21,3	<b>31,7</b>
Other Com Bank	42%	13,2	25,3	<b>38,5</b>
<b>Total</b>		<b>31,5</b>	<b>64,4</b>	<b>95,9</b>



# 3 Financing opportunities in the AfDB



Operations should be in line with

- Country Strategy Paper (CSP)
- Trust Fund's policy/strategy



The Water and Sanitation Department has a window for non sovereign operation that could finance SWM



# Thank You

