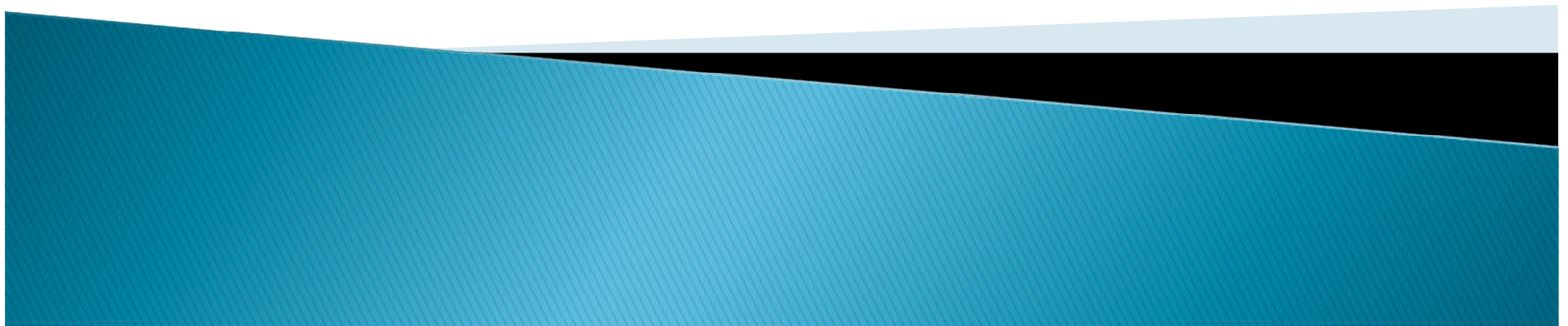


# Group on National Financing

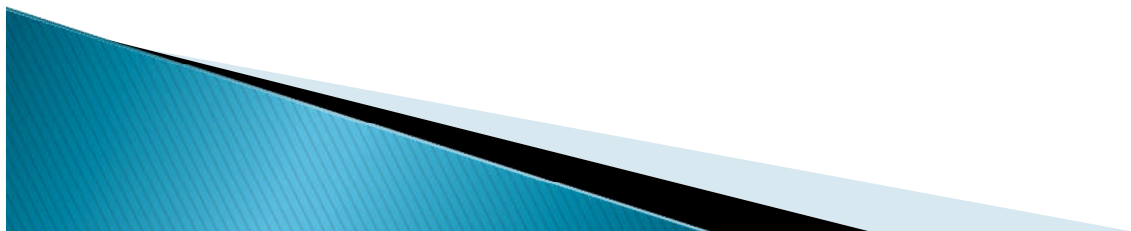
Countries

1. Egypt – Chairman
2. Uganda – Rapportuer
3. Malawi
4. Rwanda
5. Swaziland
6. Liberia
7. Gambia



# Outline of the presentation

- ▶ Challenges and constraints
- ▶ Lessons and experiences
- ▶ Recommendations and action plans for new mechanisms



# Challenges and Constraints

- ▶ The borrowing power of the African countries is low
- ▶ The issue at hand may not be a national priority
- ▶ Countries may not have enough money to make big projects
- ▶ The enabling environment like the legal framework may not be conducive for investors, so resources are not provided.



# Challenges contd

- ▶ In some countries, supply of water is taken as a social service, so getting returns on investment is not easy ; it can take a long time, say 10 to 20 years to realise returns.
- ▶ Countries are forced to take on projects which are not its priorities simply because donors may be interested in them.
- ▶ Some countries take all the money generated by the water sector into the consolidated fund and no guarantee of getting money back to re-invest in the sector.



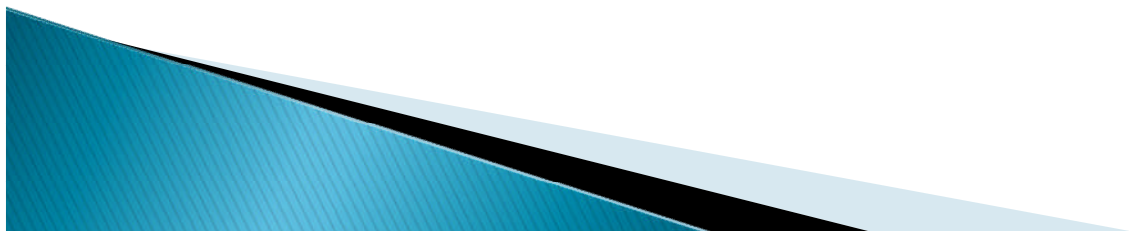
# Challenges contd

- ▶ Funds obtained from some donors take a long time to be realised; delays were mentioned, too much guidelines and a tedious bureaucratic system. Just getting a no objection could take a month or two.
- ▶ Insufficient funds from the donor country and most especially when prefeasibility studies are to be undertaken.
- ▶ Issue of feasibility studies are becoming expensive. After their completion, funds are not available for implementation. When funds are got later after some time, the earlier studies may not be referred to and new feasibility studies in most cases are recommended. It is normally assumed that factors then could have changed.
- ▶ Bureaucracy of the procurement process brings about delays.



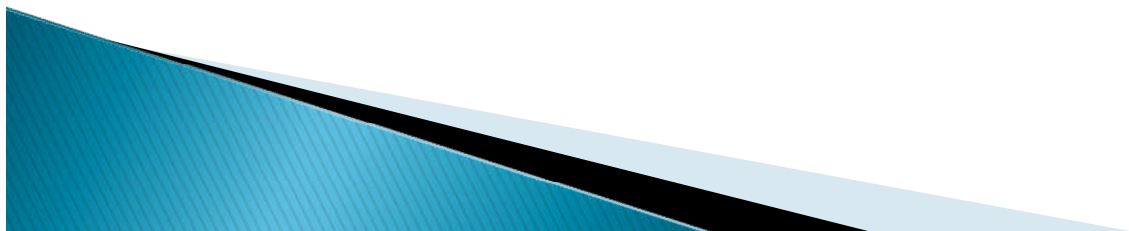
# LESSONS AND EXPERIENCES LEARNT

- ▶ Counterpart funding from Govt, delay project implementation. It would be good for Govts to provide assets like offices, personnel etc. But if its counterpart funding is given/taken as conditionality, then this delays implementation. At times they may be grants.
- ▶ Some countries(like Liberia in energy sector) they go ahead and implement some projects irrespective of donors bringing in promised money or not. Normally in the long run, funds are brought in by donors when implementation has already started.



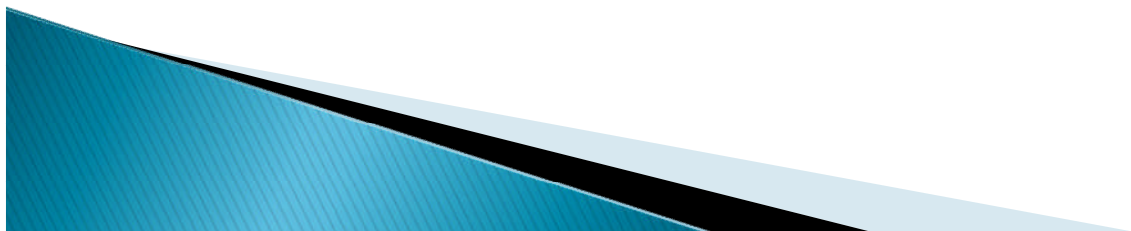
# LESSONS LEARNT Contd

- ▶ When the community is involved in operation and maintenance systems, there is ownership of the project by the community and in the long run the operation becomes cheap. (Egypt Water users associations experience, Gambia water users committee contributions etc)
- ▶ In Swaziland, the water utility is responsible for supplying water to the entire country. Some towns could have good returns whereas others do not. So those who break even pay for those who cannot.



# Recommendations and Action Plans

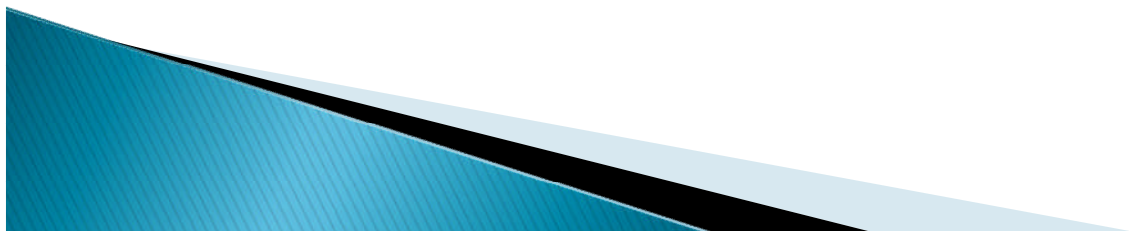
- ▶ Funds generated from the water sector should not be taken to the consolidated fund, but to a pool of the water sector funds so that it could be easily accessed when required.
- ▶ The other sectors that use water to generate money like hydropower, should provide some to the water sector responsible for water resources management. Some of this could be used for Water Resources Projects





# Recommendations Contd

- ▶ Training of the key implementors of the project is required before implementation. Training is normally in project management about donor procedures.
- ▶ Before actual funding of any project, it is recommended that procurements and other acquisition of tools and consultants are made before signing for the actual project implementation. This should be outside the effectiveness of the project time.
- ▶ A project management team may be set up by the donor to handle the implementation. It is the output eventually required.



# Recommendations Contd

- ▶ Countries need to take care about the capacity they have in fulfilling donor guidelines and procedures before taking up the grant; otherwise time wastage will be observed.
- ▶ Govts should be advised on new ways of funding water resources projects. It should be noted that Water Resources projects do not attract a lot of funding from investors. So Govt to find innovative ways for supporting Water Resources projects.



# Thank you

For listening

