

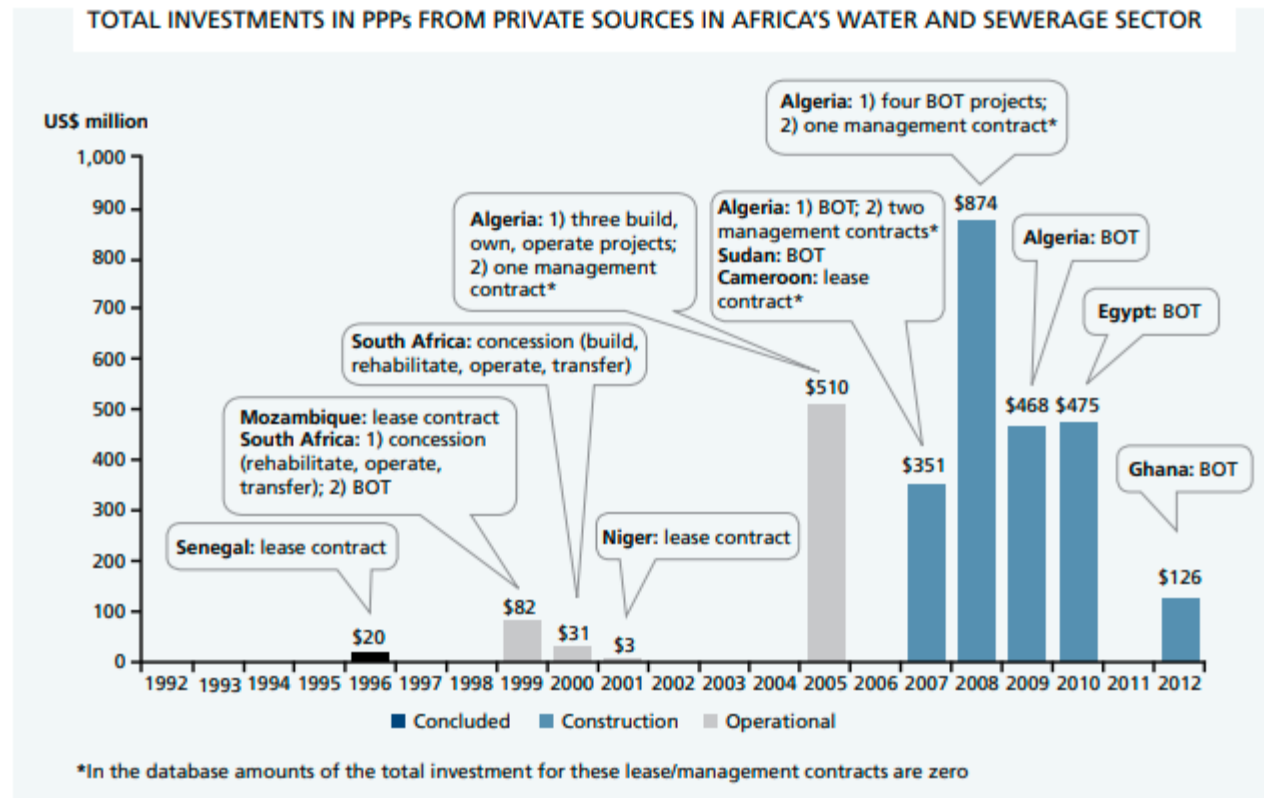
ACCELERATING PRIVATE SECTOR INVESTMENTS IN WATER INFRASTRUCTURE

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Regional Fund Manager
SADC Water Fund
DBSA

IS PRIVATE SECTOR INTERESTED IN INVESTING IN WATER INFRASTRUCTURE?

Africa Investments Overview

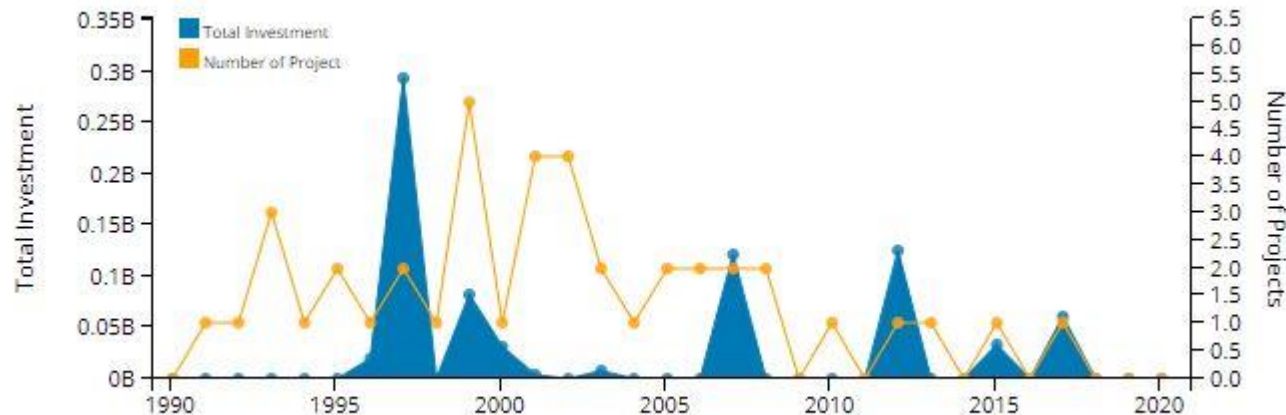
- Between 1992 to 2012 there were a total of 51 PPPs in the water and sewerage (including desalination) with estimated value of over US\$3 billion



IS PRIVATE SECTOR INTERESTED IN INVESTING IN WATER INFRASTRUCTURE?

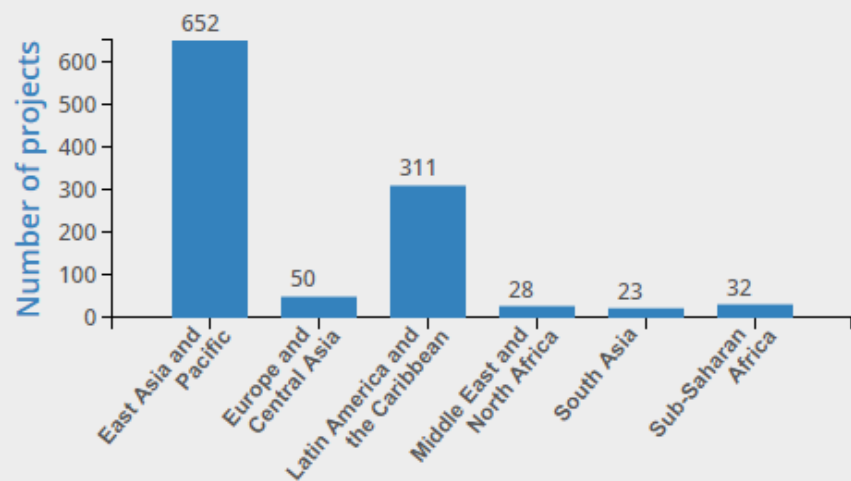
- Between 2013 and 2020

Country	Financial closure year	Project Name	Type of PPI	Subtype of PPI	Scope	Total Investment (US\$ million)
Congo, Rep.	2013	Societe Nationale de Distribution d'Eau (SNDE) Second Management	Management and lease contract	Management contract	Water utility with sewerage	Not Applicable
Rwanda	2017	Kigali Bulk Water Supply Plant	Greenfield project	Build, operate, and transfer	Potable water treatment plant	60
Senegal	2015	Notto Diosmone Palmarin and Gorom Lampsar Water Supply System	Management and lease contract	Lease contract	Water utility without sewerage	33

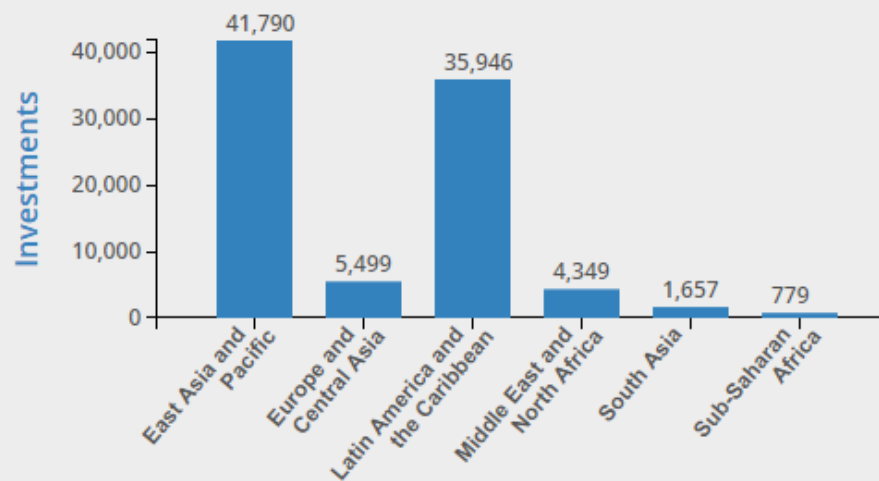


GLOBAL PERSPECTIVE – WATER AND SEWERAGE INVESTMENTS 1990 TO 2020

Projects reaching financial closure by region



Investment in projects by region (US\$ million)



Highlights (1990 - 2020)



Number of countries with private participation	65
Projects reaching financial closure	1,096 with total investment of \$ 90,020
Region with largest investment share	East Asia and Pacific(46.4234%)
Type of PPI with largest share in investment	Brownfield(58.3423%)
Type of PPI with largest share in projects	Brownfield(50.75%)
Projects cancelled or under distress	63 representing 17.63% of total investment

THE OPPORTUNITY FOR PRIVATE SECTOR INVESTMENT

Financing

- Innovative Instruments including local currency financing via attractive instruments to say pension funds/institutional investors
- Debt Finance
- Equity Finance

Innovation & Infrastructure across the Water Value Chain

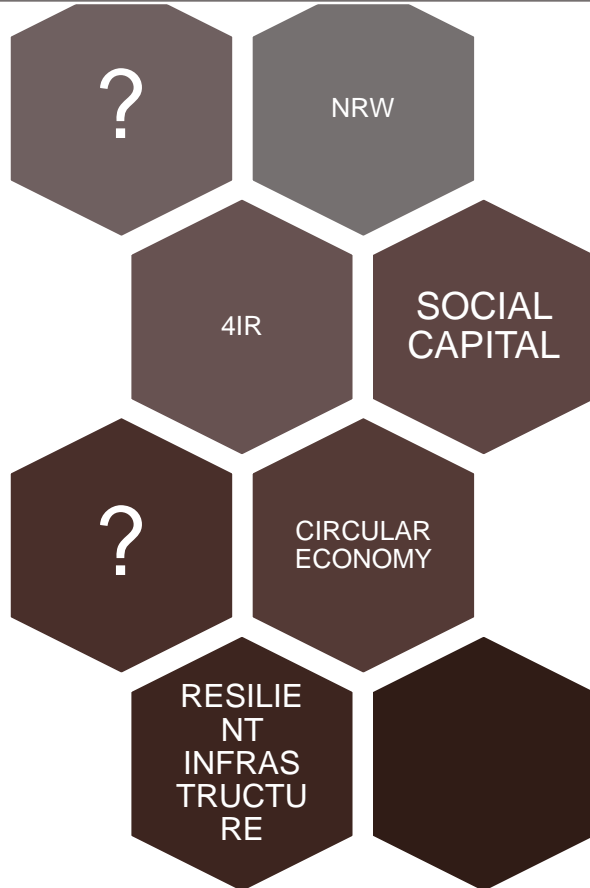
- Water Production Side
 - Abstraction
 - Transmission
 - Treatment
- Water Supply Side
 - Storage
 - Distribution
 - Use & Reuse
- Waste Water systems

Operation & Management

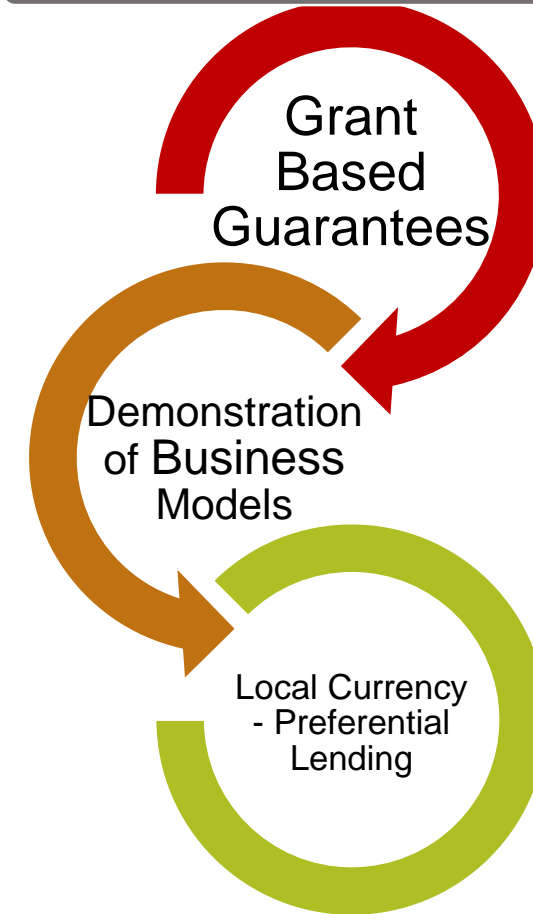
- Improving business processes
- Turn-around/profitability
- Application of technology in operations

CAN WE INCENTIVISE PRIVATE SECTOR PARTICIPATION?

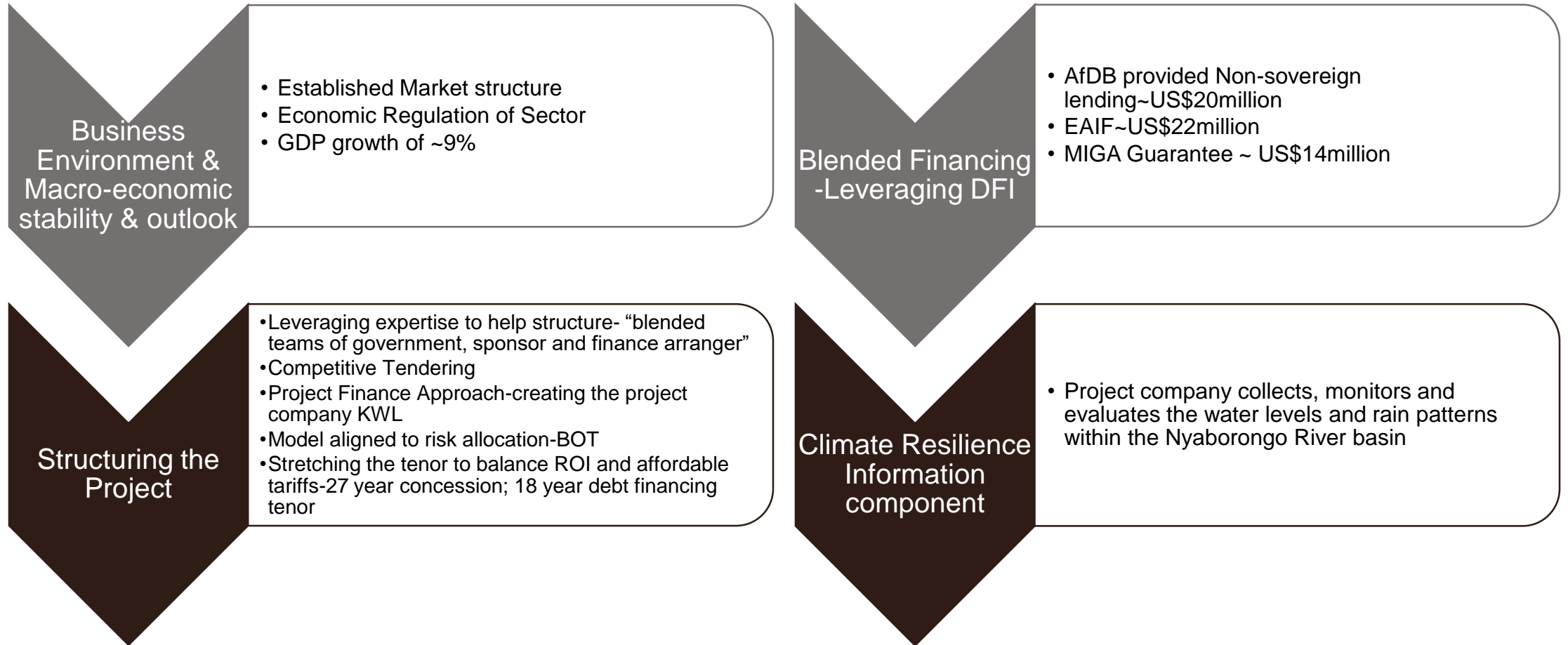
WHAT AREAS?



WHAT FINANCIAL TOOLS



LESSONS FROM KIGALI BULK WATER SUPPLY PROJECT



WHERE SHOULD WE FOCUS TO CROWD IN PRIVATE SECTOR



Leading the Investment Approach

- Creating a suitable market structure- including regional/cross border structures
- Allowing private sector service provision
- Protecting private sector asset ownership
- Predictable Tariff regimes
- Quality standards, including service level standards



Incentivizing Piloting of Innovative approaches and the leap frog of technology in the sector

- Investment Programs- encompassing & leverage DFI funding for preparation & project structuring
- Establishing Portfolio of Bankable Projects



- In situ ground water treatment
- NRW
- Decentralized systems

SADC REGIONAL FUND FOR WATER INFRASTRUCTURE AND BASIC SANITATION

SADC

WATER FUND



OUR WORK IN THE SADC REGION TO HELP PRIVATE SECTOR PARTICIPATION



Demonstrating that Cross Border Water Supply projects are viable

- Lomahasha –Namaacha Cross Border Water Supply Project
- Kazungula Border Town Water Supply Project



Regional Investment Program

- Portfolio of Regional Projects
- Structuring Facility – Leveraging our DFI position to help incentivize private sector participation



Water Index- Scorecard to help track performance and investments in the sector (DBSA collaborating with GWP, AUDA-NEPAD, AfDB for continental approach)



Creating the Platform for Engagement

- Supporting SADC in Operationalizing the Water Utilities and Regulators Association, as an avenue for Sector specific private sector engagement

THANK YOU

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