



ROUNDTABLE ON FINANCING WATER PROJECTS IN ARAB COUNTRIES

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ARAB FUND FOR ECONOMIC AND SOCIAL DEVELOPMENT



THE WORLD BANK



BADEA

Arab Bank
for Economic
Development
in Africa

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Session 2

MDB and DFI Perspectives on Financing Water Security

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BADEA – Arab–Africa bridge in water-scarce contexts

	BADEA's mandate in water-scarce and lower-income contexts
	Diverse water contexts across Sub-Saharan Africa
	Instruments – how BADEA supports water sector financing
	Why water financing in SSA remains dominated by public finance
	Desalination – limited scale-up in SSA

BADEA's mandate in water-scarce and lower-income contexts

- Mandate focused on **economic, financial, and technical cooperation** between Arab and African regions
- Core operational roles:
 - **Financing development projects**
 - **Mobilizing Arab capital** toward African development priorities
 - **Providing technical assistance**, especially **upstream**
- Strong focus on **lower-income, fragile, and water-stressed countries**
- Water sector positioned as a **development enabler** (health, food security, urban growth, climate resilience)
- BADEA's track record :
 - **~USD 18.5 billion** in cumulative approved financing (all sectors)
 - **130+ water projects** supported since inception
 - **~USD 2.15 billion** in BADEA concessional financing for water and sanitation sector
 - **~USD 6.4 billion** in total project investment mobilized
 - Geographic coverage: **33 Sub-Saharan African countries**

BADEA's mandate in water-scarce and lower-income contexts

Diverse water contexts across Sub-Saharan Africa

These interventions span very different contexts :

- **arid and water-scarce regions**, such as the Sahel and the Horn of Africa, the focus has often been on addressing acute scarcity and climate vulnerability.
- **Central Africa**, where water resources are abundant but access remains limited, the challenge is more about infrastructure, service delivery, and long-standing underinvestment.
- **Coastal and fast-growing urban areas**, particularly in West Africa, the issues tend to relate to rapid urbanization, flooding, and high levels of non-revenue water.
- **Southern Africa**, we increasingly see pressure from competing uses (domestic, agricultural, and industrial) combined with rising water stress.

Instruments – how BADEA supports water sector financing

- **Public sector window**
 - Concessional and ordinary sovereign loans
- **Private sector window**
 - Long-term senior loans
 - Syndications and co-financing
 - PPPs and large-scale infrastructure (incl. desalination)
- **Grants & technical assistance**
 - Feasibility studies (technical, financial, E&S)
 - Project structuring and preparation
 - Institutional capacity building and sector reforms
- **Engagement across the full project cycle**

BADEA's instruments allow the Bank to engage across the full project cycle, from early preparation and capacity building, through to sovereign financing and private sector participation

Why water financing in SSA remains dominated by public finance

- **90–95%** of water investments financed by public or concessional sources
- Public spending on water & sanitation: **<0.5% of GDP** in most SSA countries
- Estimated needs: **~1–1.5% of GDP**
- Private sector share: **<5%**
- **Structural constraints :**
 - Tariffs rarely cover CAPEX
 - NRW typically 35–45%
 - Uneven institutional and PPP readiness

Desalination: limited scale-up in SSA



- SSA represents **<2%** of global desalination capacity
- Cape Verde: main operational example
 - Capacity: ~50,000–70,000 m³/day
 - Integrated, publicly led approach
- Isolated PPP cases :
 - Accra water desalination plan : the 1st in west Africa (60.000 m³/day) in 2015
 - Dakar Water desalination plan : Under preparation with Private sector

BADEA can play a useful bridging role, drawing on the extensive experience of Arab countries in PPP - based desalination to support knowledge transfer, risk reduction, and project preparation where desalination becomes a viable option.



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Thank You