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.


- **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

At the HQ in Abidjan

- VP Agriculture, Human and Social Development (AHVP)

Front Office

- Agriculture & Agro-business (AHAI)
- Agricultural Finance & Rural Development (AHFR)
- Gender, Women & Civil Society (AHGC)
- Water Development & Sanitation (AHWS)
- Human Capital, Youth and Skills (AHHD)

And in the Regions

- Agribusiness Development
- Agricultural & Rural Finance
- Gender & Women Empowerment
- Water Coordination & Partnerships
- Water Security & Sanitation
- Education & Skills Development
- Public Health, Security & Nutrition

Regional hubs
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

1: WATER COORDINATION AND PARTNERSHIPS
   1.1 Intra-Bank sector coordination and monitoring & evaluation
   1.2 Strategic partnerships with regional & global stakeholders
   1.3 Coordination of Trust Funds & Initiatives: RWSSI & Water Partnership Programme
   1.4 Non-traditional financing modalities and economic solutions

2: WATER SECURITY & SANITATION
   2.1 Strategic work, new knowledge, tools on water supply, sanitation, water resources etc.
   2.2 Support regional hubs on: complex projects; and on strategies
   2.3 Promotes innovative technologies; efficient managerial approaches; and good governance

3: FACILITATION OF RESOURCE MOBILIZATION FOR INVESTMENTS (AWF)
   3.1 Project and program preparation and facilitation of follow-on investments
   3.2 Catalytic investments for pilots and to mobilize private sector financing
   3.3 Water & sanitation investment promotion
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)
Downsrteam 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 landfill 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

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount (Million)</th>
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<tbody>
<tr>
<td>ADB</td>
<td>USD 121.137</td>
</tr>
<tr>
<td>AGTF</td>
<td>USD 50.000</td>
</tr>
<tr>
<td>EIB</td>
<td>EUR 45.000</td>
</tr>
<tr>
<td>GoR</td>
<td>USD 40.687</td>
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<tr>
<td>Total Cost</td>
<td>USD 262.318</td>
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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)
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

<table>
<thead>
<tr>
<th>Partner</th>
<th>Ratio</th>
<th>Cleaning Sect 1 (M€)</th>
<th>Landfill (M€)</th>
<th>Total (M€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>25%</td>
<td>7,9</td>
<td>17,8</td>
<td>25,7</td>
</tr>
<tr>
<td>ADB</td>
<td>33%</td>
<td>10,4</td>
<td>21,3</td>
<td>31,7</td>
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<tr>
<td>Other Com Bank</td>
<td>42%</td>
<td>13,2</td>
<td>25,3</td>
<td>38,5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>31,5</strong></td>
<td><strong>64,4</strong></td>
<td><strong>95,9</strong></td>
<td></td>
</tr>
</tbody>
</table>
3 Financing opportunities in the AfDB

1. Sovereign operation [Public Sector]
   - Instrument: ADB, ADF, Multi-donor Trust fund, Bilateral Trust fund
   - Financing arrangement: LOANS
   - Beneficiary: Governments

2. Non Sovereign Operations
   - Instrument: ADB, Guarantee Funds
   - Financing arrangement: LOANS
   - Beneficiary: Private sector

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