AIP-PIDA Water Investment Scorecard

Accelerating water investments and enhancing mutual accountability in Africa
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On 6 February 2022, the Assembly of the African Union (AU) Heads of State and Government approved the AIP-PIDA Water Investment Scorecard during its 35th ordinary session of the AU Summit, as a framework for tracking progress in the mobilisation of Programme for Infrastructure Development in Africa (PIDA) water investments.

The Scorecard was developed through the Continental Africa Water Investment Programme (AIP), which was adopted by the Assembly of the AU Heads of State and Government as part of the Programme for Infrastructure Development in Africa – Priority Action Plan 2 (PIDA-PAP 2) during the 34th ordinary session of African Union Summit on 7 February 2021.

Delivery of water investments across Africa is below target to meet the continent’s growing needs. US$64 billion/year needs to be invested in water security to meet the Africa Water Vision 2025 and Sustainable Development Goal (SDG) targets, according to the African Development Bank (AfDB). In reality, only US$10-US$19 billion is invested each year.

The goal of the AIP is to transform the investment outlook for water security and sustainable sanitation for a prosperous, peaceful, and equitable Africa. The objective is to enhance job creation through gender sensitive investments in water security and climate resilient development.

The AIP aims to narrow the water investments gap of US$45-US$54 billion/year by mobilising US$30 billion/year by 2030 and create 5 million jobs towards the African Water Vision 2025 and 2030 SDG 6 targets.

The AIP-PIDA Water Investment Scorecard will enhance mutual accountability for results in the mobilisation of water investments by focusing on the use of the Scorecard accountability and peer review mechanisms at continental, regional, national, sub-national, and community levels. The AIP-PIDA Water Investment Scorecard will assist PIDA to sustain political and leadership commitment, and support countries to track progress, set benchmarks, identify bottlenecks, and take action to meet the investment needs for PIDA water projects and achievement of SDG 6 on water and sanitation.

The Scorecard will accompany the implementation of PIDA-PAP 2 water projects being implemented during 2021-2030 and become part of the modus operandi of the AUDA-NEPAD delivery model.

The development of the AIP-PIDA Water Investment Scorecard kicked-off in April 2021, at an event hosted by H.E. Dr. Jakaya Kikwete, Board Chair, GWPSA-Africa and former President of the United Republic of Tanzania, as well as H.E. Dr. Ibrahim Mayaki, former Prime Minister of Niger and CEO of the African Union Development Agency (AUDA-NEPAD). The event included leaders from African Ministers’ Council on Water (AMCOW), the World Bank, AfDB, Development Bank of Southern Africa (DBSA), and the Global Centre on Adaptation (GCA).
AIP-PIDA Water Investment Scorecard
Support to PIDA-PAP 2

PIDA PAP 2 acknowledges the critical role that water plays in contributing to:

- socio-economic development
- economic viability
- free movement of goods and people
- goals of Agenda 2063
- Africa’s intra-corridor approach
- facilitating rural connectivity
- implementation of the African Free Trade Area (AfCFTA)

During the implementation of the first Action Plan for PIDA (2012 – 2020) only 2% of projects were water-focused. Under the PIDA-PAP 2, these have increased to 17%. The AIP was one of the water programmes included in the PIDA-PAP 2 and is supporting a concerted effort to accelerate mobilisation of water investments for implementation. This is being done through mobilising partners to support the transformation of the investment outlook for water projects.

The PIDA-PAP 2 portfolio rests on an integrated corridor approach, which emphasizes projects that improve rural-urban connectivity, promote synergies across infrastructure sectors, maximize job creation, and enhance climate resilience. Implementation of investments for transboundary water projects is complex and necessitates coordination and collaboration across various stakeholder groups and countries. Water projects are often not attractive to the private sector and non-bankable due to insufficient revenue streams, inadequate resources to carry out detailed feasibility studies, inadequate harmonisation of regional policies, strategies and regulations, and insufficient core-financing. Furthermore, documentation required to prepare and package water investments is not always current or readily available due to delays.

AUDA-NEPAD has developed instruments across the entire value chain of project development that will contribute to the AIP-PIDA Water Investment Scorecard objectives. The Scorecard will complement existing PIDA instruments and initiatives aimed at unblocking bottlenecks in project preparation. These include:

- Early-Stage Project Preparation through the Service Delivery Mechanism (SDM), PIDA Quality Label and PIDA Job Creation Toolkit,
- De-risking investments, mitigation, and investment mobilization through the Continental Business Network (CBN), 5% Agenda, Africa Infrastructure Guarantee Mechanism (AIGM), and
- Political Steering: Presidential Infrastructure Champions Initiative (PICI).

The Scorecard will be linked to the PIDA information management and knowledge capitalization, Africa Infrastructure Database (AID) and virtual PIDA Information Centre (vPIC).

Effective utilisation of the AIP-PIDA Water Investment Scorecard will require efficient and innovative funding mechanisms, sustainable financing of early-stage project preparation, and partnerships to pool resources to support early-stage project preparation. The AIP-PIDA Water Investment Scorecard will be implemented in alignment with the existing PIDA governance frameworks while considering the roles of various stakeholders in the water sector.
Overview of the AIP-PIDA Water Investment Scorecard

The AIP-PIDA Water Investment Scorecard is aligned to the Pan-African Water and Sanitation Sector Monitoring and Reporting System (WASSMO), which was developed by AMCOW. The AIP-PIDA Water Investment Scorecard will:

a. Enhance accountability for results in mobilisation of water investments, mobilise political, and leadership commitment,
b. Support countries to track progress, identify bottlenecks, and take action to meet the investment needs for achievement of SDG 6 on water and sanitation,
c. Set benchmarks to track country progress and offer a cross-country learning on water investment climate readiness,
d. Serve as a tool to engage with public and private investors on financing water infrastructure that will contribute to development, and
e. Guide governments to identify the changes required to increase water investment and identify opportunities from cross-country learning.

AIP-PIDA Water Investment Scorecard development process

The AIP-PIDA Water Investment Scorecard development process is being led by AUDA-NEPAD with support from various institutions and partners. The coordination of the AIP-PIDA Water Investment Scorecard is led by a Steering Group, supported by a Core Group, a Technical Working Group, and a Research and Analysis team. Independent reviewers comprising of international and African experts were also engaged to support with quality assurance. The organisations represented in each of the coordinating structures are shown in Figure 1 below.

a. The AIP-PIDA Water Investment Scorecard Steering Group provides strategic support and guidance to the development of the AIP-PIDA Water Investment Scorecard.
b. The AIP-PIDA Water Investment Scorecard Core Group provides operational support and actions the decisions made by the AIP Steering Group to support the development of the AIP-PIDA Water Investment Scorecard.
c. The AIP-PIDA Water Investment Scorecard Technical Working Group provides the technical expertise, information, and data required in the development of the AIP-PIDA Water Investment Scorecard's thematic areas and indicators.
d. The AIP Technical Support Unit hosted by GWP African Coordination unit provide support and technical assistance in the development of the scorecard.
4.1 Process to develop AIP-PIDA Water Investment Scorecard

The development and implementation of the AIP-PIDA Water Investment Scorecard ran from November 2020 to December 2021 as shown in Figure 2 below.

The conceptualization of the AIP-PIDA Water Investment Scorecard, led by AUDA-NEPAD and AMCOW, took place in November 2020 at a High-level Brainstorming Session on the AIP. This was at the first Steering Committee meeting of AIP-PIDA Water Investment Scorecard.

A High-Level Event to kick-off the development of the first Pan-African Stakeholder Consultation for the AIP-PIDA Water Investment Scorecard was held in April 2021 and was by hosted H.E. Dr. Ibrahim Mayaki, CEO: AUDA-NEPAD, and H.E. Dr. Jakaya Kikwete, Former President of the United Republic of Tanzania and current Chair: GWPSA-ACU.

The AIP-PIDA Water Investment Scorecard principles led to the development of the draft Water Investment Scorecard framework ensuring alignment with AMCOW’s WASSMO. The Core Group which provided the operational oversight and support met bi-monthly and the Technical Work Group met once a month. Consultations, led by AUDA-NEPAD and AMCOW, with key technical and political stakeholders in Africa driving the continental monitoring process were held. Key stakeholder engagements organised during the process to develop the framework were:

a. Second Pan-African Stakeholder Consultation for the AIP Water Investment Scorecard with WASSMO focal points and broader stakeholders was held in September 2021;

b. Focused Group Discussion on the framework and the proposed indicators for the Scorecard were held in October and November 2021 engaging experts to gather inputs on relevance and practicability.

The Steering Committee met in October 2021 to review the Scorecard framework and make recommendations for the progress to be reported Heads of State and Government Orientation Committee (HSGOC) of the New Partnership for Africa’s Development (NEPAD).

Progress on developing the Scorecard framework was reported to the Thirty-Fifth Ordinary Session of the Assembly of the African Union held 5-6 February 2022. The Scorecard framework was approved as a reference for tracking the progress in mobilising investments in Africa.
AIP-PIDA Water Investment Scorecard Framework

**IMPACT**
Sustainable water investments spurring economic growth and development

**OUTCOME**
Sustainable and inclusive water investments increased

**INTERMEDIATE OUTCOMES**
Water governance and management improved

Enhanced enabling environment for water governance and investments through implementation of interventions to address bottlenecks, improving the investment climate, credible pipelines of bankable gender transformative and climate resilience inclusive water and sanitation investment projects and peer-peer knowledge exchange

**OUTPUTS**

1) Enabling environment for water investments (target by 2030)

**RESULT AREAS**

1.1) Water investment governance and planning
1.1.1 Water sector governance, cross-sectoral leadership, and institutional coordination
1.1.2 Implementation of integrated climate resilient national water, sanitation and hygiene investment plan and financing strategy (multiple sectors, rural and urban, climate-resilient, gender-sensitive, transboundary element)
1.1.3 Water and sanitation information and data management (including mutual accountability tracking systems)
1.1.4 Implementation of transboundary water investment plans and strategies including PIDA Water projects and priority regional projects, river and lake basin organisation projects
1.1.5 Integration of water in national development plans, national climate change and adaptation plans
1.1.6 Pipeline of bankable water security and sustainable sanitation projects
1.1.7 Capacity of institutions and human resources
1.1.8 Disaster management planning, early warning forecasting and response

1.2) Investment climate
1.2.1 Financial sector development
1.2.2 Sovereign risk
1.2.3 Government payment risk
1.2.4 Availability of matchmaking platforms to bring together the supply and demand for finance
1.2.5 Institutional regulation for water investments, create incentives, and penalties
1.2.6 Implementation of incentives and penalties for industry

1.3) Social and environmental inclusion
1.3.1 Gender equality and transformative water investments
1.3.2 Social inclusion (youth, gender, vulnerable and marginalised populations)
1.3.3 Inclusion of women in the decision making process
1.3.4 Environmental and strategic impact assessment and observing environmental standards

2.1) Government expenditure
2.1.1 Public budget commitment / allocation on (WASH, irrigation, energy, Nature and biodiversity protection) per capita
2.1.2 Public budget disbursement on (WASH, agriculture, energy, Nature and biodiversity protection) per capita
2.1.3 Public budget execution rate (WASH, agriculture, energy, Nature and biodiversity protection) per capita
2.1.4 Gender responsive budgeting system
2.1.5 Pollution Taxes: extractive and industry sectors
2.1.6 Mineral resources taxes: extractive sector

Figure 2: AIP-PIDA Water Investment Scorecard Framework
2.2) Official Development Assistance (ODA)
2.2.1 ODA commitment / allocation for water (WASH, agriculture, energy, Nature and biodiversity protection) per capita
2.2.2 ODA disbursement for water (WASH, agriculture, energy, Nature and biodiversity protection) per capita
2.2.3 Climate financing and investments (WASH, agriculture, energy, Nature and biodiversity protection)
2.2.4 Use of ODA in leveraging and attracting additional funding streams
2.2.5 Multilateral and Development Finance Institutions expenditure (WASH, irrigation, energy, nature and biodiversity protection) per capita (20%)

2.3) Private sector and philanthropic investments
2.3.1 Domestic private sector investment (WASH, agriculture, energy, Nature and biodiversity protection)
2.3.2 Public Private Institutional Partnerships on water (WASH, agriculture, energy, Nature and biodiversity protection)
2.3.3 Philanthropic finance to water sanitation and environment
2.3.4 Institutional Investment (DFIs, institutional investors)
2.3.5 National Banks, MFIs, Local Governments

3.1) Investment performance / efficiency
3.1.1 Structure of tariff mechanisms (including ring fencing)
3.1.2 Water and sanitation pricing efficiency
3.1.3 Operation and maintenance (O&M) asset management plan
3.1.4 Sector governance: efficiency gains & cost savings in existing assets (10%)
3.1.5 Sector governance: efficiency gains & cost savings in new assets (20%)
3.1.6 Financial and operational performance in service providers
3.1.7 Clarity of mandate and performance obligation in service providers
3.1.8 Existence of economic and performance regulation
3.1.9 Existence of asset management in the sector

3.2) Investment sustainability
3.2.1 Climate resilient water investments
3.2.2 Water allocation efficiency, conservation, and demand management
3.2.3 Economic, social and gender impact evaluation of water investments
3.2.4 Valuing water related risks by industries and companies (domestic and multinational)

2) Mobilising water investments and financing (target by 2030)

Water finance and investments mobilized, and bottlenecks addressed in accessing finance from public, private, and ODA

3) Enhancing investment performance and sustainability (target by 2030)

Efficiency and sustainability of water investments increased

Improved performance, efficiency and sustainability of water investments in water, sanitation, WASH, irrigation, energy, nature and biodiversity protection.

Public, private, and donor investments into the water sector increased

Increased access to WASH services, increase in irrigated area per country vs. irrigation potential, increase in proportion of potential hydropower capacity developed, increased investments in ecosystem services, improved water system efficiency, adoption of industry and nature-based solutions

(Job creation, poverty reduction, improved health, and gender equality and social inclusion)
Figure 3: AIP-PIDA Water Investment Scorecard—Phase 1 Roadmap
### 4.2 AIP-PIDA Water Investment Scorecard Guiding Principles

The development of the framework for the Scorecard was guided by a set of Guiding Principles, which were categorised into two groups:

**a. Overall AIP-PIDA Water Investment Scorecard Guiding Principles**

#### 1. Alignment
- The Scorecard will be aligned to the AUDA-NEPAD Institutional Architecture for Infrastructure Development in Africa (IAIDA) in the implementation of PIDA-PAP 2.
- The indicators will be aligned and complement the WASSMO theme on financing and investments as well as other global reporting systems on water and sanitation.

#### 2. Stakeholder Engagement
- Stakeholder engagement will be critical in driving the process to develop the Scorecard.

#### 3. Purpose and value addition
- The AIP Scorecard objectives should be guided by a framework with clear inputs, outputs and outcomes contributing to the desired impact. This should be the basis of selecting indicators (quantitative and qualitative) for tracking water investments and setting baselines.
- Indicators selected should take into consideration the target audience and be aimed at triggering action on water investments in Africa at the highest political level and identifying gaps that partners can respond to.

**b. Guiding Principles for selection of Thematic Areas and Indicators**

#### 4. Sustainability, reliability, and practicability
- The Scorecard will maintain a level of independence, making use of reliable data sources, to ensure that it remains a trusted tool for decision makers and investors to support the acceleration of water investments in Africa.
- Indicators should be practical and measurable, taking into consideration context and capacities of the Member States.
- Scorecard indicators will have a baseline which can be used to attribute causal inference over time.

#### 5. Inclusiveness
- The Scorecard needs to identify cross-cutting issues for all the thematic areas (e.g. climate resilience, gender, youth, rural development, etc.)
- Indicators should consider measuring investments in infrastructure, information and institutions.
- The indicators selected should reflect the interests of different water sector investors (e.g. donors, private, and public etc.).
The AIP-PIDA Water Investment Scorecard Framework outlines the key issues for consideration in tracking water investments. The Framework with key result areas to be considered at the input, output and outcome levels is shown in Figure 2, page 5. Indicators have been developed for each result area and these will be refined during 2022.

5.1 AIP PIDA Water Scorecard framework pillars

The framework has three key pillars that were identified as being critical for accelerating water investments. Under each pillar are key result areas that will serve in monitoring and tracking investments gaps. The three pillars are as follows:

a. Enabling Environment for Water Investments: An enabling environment with strong, forward looking, and inclusive governance systems is an essential driving force for investment in the water and sanitation sectors. In addition, a conducive investment climate is critical for long-term investments in the sectors. In terms of long-term social and environmental sustainability, the processes should be inclusive, transparent, and incorporate gender, environmental and climate change considerations.

b. Mobilising Water investments and financing: Existing national, private, and donor (ODA) investments in key sectors (particularly WASH, energy, and agriculture) are essential for crowding in further long-term investment in the sector. This pillar will capture existing efforts for investment mobilisation in order to ensure the viability of investments in the sector.

c. Enhancing Investment performance and sustainability: This pillar brings together key domains impacting water investment sustainability, performance, and efficiency.

Following the approval of the AIP-PIDA Water Investment Scorecard framework, focus has shifted to institutionalising the long-term application of the Scorecard’s tracking and reporting mechanism.

Supported by the Scorecard partners, AUDA-NEPAD, will develop capacity and ensure alignment at a pan-African, regional and country-level with the AMCOW WASSMO system.

There are three key processes that will be strengthened to support the implementation of the AIP-PIDA Water Investment Scorecard:

a. Capacity development and data collection: Led by AUDA-NEPAD and AMCOW, the capacity of the countries will be developed to support data collection aligned to WASSMO. The data collection for the Scorecard will be launched in March 2022 and will run until June 2022. Technical support during this process, country missions and validation workshops will be led by AMCOW.
AUDA-NEPAD, GWP Africa and Scorecard Partners, working closely with the country platforms set up to collect data.

b. Preparation and consolidation of Scorecard reports: The preparation of the initial AIP-PIDA Water Investment Scorecard national and regional reports will done for reporting back to the Assembly of the African Union Heads of State.

c. Response strategies and addressing the water investment gaps: To ensure follow up response strategies to address the bottlenecks and gaps identified, analysis will be developed. Scorecard partners, mostly institutions facilitating water programme and initiatives in Africa, will spearhead the implementation of the identified strategies. A review of the AIP-PIDA Water Investment Scorecard development process will be conducted to help ensure sustainability of the Scorecard.

Figure 4: AIP-PIDA Water Investment Scorecard– Phase 2 Roadmap

6.1 Implementation of the AIP-PIDA Water Investment Scorecard

The AIP-PIDA Water Investment Scorecard has identified indicators that will be tracked in order to highlight where the bottlenecks and gaps are under each of the framework pillars. Each country will monitor and track the indicators which will be displayed on a Scorecard highlighting areas where support is needed to address the gaps.

The Scorecard reports and the progress to address the gaps will be reported bi-annually to African Union Heads of States – as noted in the approval of the Scorecard Framework at the AU 35th Ordinary Session. The tracking of the Scorecard indicators is an important step to increase the understanding of the issues impeding water investments. However, responding to the gaps and addressing them will be a critical step and this will be done through development of response strategies. The implementation of the response strategies will be spearheaded by countries, supported by partners based on their area of expertise and interest. The partners include the Scorecard partners from the Core Group and Technical Working Group who have supported its development.
The organisations currently supporting the development and implementation of the AIP-PIDA Water Investment Scorecard

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The AIP and the AIP High-Level Panel on Water Investments for Africa acknowledges the financial contribution made by the Austrian Development Agency (ADA) as part of the AIP WACDEP-G program.
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