

The Initiative for Agricultural Water in Africa (AgWA)

Briefing Note

Strategy for Agricultural Water

1. Agricultural growth in sub-Saharan Africa is vital to poverty reduction and achievement of the MDGs, as emphasized in the World Development Report 2008: Agriculture for Development. Despite its importance, investments in agricultural water have seen a continuous decline since the late 1980's, with a timid recovery in recent years. As a response to the decline, five international organizations (World Bank, AfDB, FAO, IFAD and IWMI) came together and jointly prepared a collaborative agricultural water strategy: "Investment in agricultural water for poverty reduction and economic growth in sub-Saharan Africa" (June 2007, see attachment). The Strategy responds to NEPAD's desire to operationalize Pillar I (land and water management) of the Comprehensive Africa Agriculture Development Program (CAADP).

2. The strategy has been prepared on the basis of background studies and other sources, and analyzes the contribution to date of agricultural water management to poverty reduction and growth in the region, the reasons for its slow expansion and apparently poor track record, as well as the ways in which increased investment in agricultural water management could make a sustainable contribution to further poverty reduction and growth.

3. The strategy was first presented in a workshop that was held in March 2007 in Ouagadougou, Burkina Faso. The workshop was attended by over 130 experts and managers from 32 African countries and development partners with the aim to promote Agricultural Water Development (AWD) and to revitalize interest in AWD in Sub-Saharan Africa. The meeting recommended that

- The Governments of Sub-Saharan African countries and their development partners should promote national agricultural water development strategies that recognize (a) the potential contribution of agricultural water to poverty reduction and growth, (b) the imperatives of farm level profitability and economic viability, and, (c) the need for a conducive institutional environment.
- The Governments of Sub-Saharan African countries and their development partners should increase investment in agricultural water development and institutional reforms in accordance with the Maputo Declaration of the African Ministers of Agriculture, including reforms to macro-economic policies, legal frameworks and organizations for agricultural water.
- The Governments of Sub-Saharan African countries and their development partners should invest only in viable and sustainable projects and should design for maximum profitability, poverty reduction and growth by avoiding long-term and unsustainable subsidies, by providing agricultural water as part of a comprehensive development package that is linked to markets, by promoting effective inter-regional trade, by ensuring that the proposed management arrangements are sustainable, and by inclusively targeting the poor and women, whilst minimizing negative environmental and health impacts.

Initiative for Agricultural Water in Africa (AgWA)

4. In response to the important inter-linkages between access to water, agricultural productivity and poverty reduction in sub-Saharan Africa, it is proposed to launch an Initiative for Agricultural Water in Africa (AgWA). This note provides broad preliminary thoughts on the Initiative.

5. AgWA aims to bring African countries and development partners together in promoting the critical role of water to increase agricultural productivity, economic growth and poverty reduction in the continent. Specifically, AgWA aims to:

- (i) scale up investments and ensure a more reliable, broad based and sustained flow of funds for agricultural water;
- (ii) promote analytical work and support sectoral strategies in the field of agricultural water;
- (iii) promote knowledge sharing, dissemination and capacity strengthening, and initiate innovative business lines in support to scaling up investments in agricultural water.
- (iv) promote regional integration, coordination and partnerships, and empowerment of national and regional stakeholders.

AgWA will achieve these objectives by mobilizing technical expertise and fresh know-how, and by linking this to backstopping country and regional stocktaking/diagnosis, national policies and strategies, program design, M&E, etc...

6. AgWA provides a platform for delivering comprehensive support to agricultural water in sub-Saharan Africa and will promote renewed interest and re-engagement in agricultural water among policy decision makers. It will bring NEPAD, African Development Bank, World Bank, interested bi- and multilateral development partners, African countries and regional organizations such as the RECs and ARID/SARIA together in a comprehensive framework whereby distinct activities will be cross-leveraged.

7. AgWA draws together complementary financing instruments, including IFI loans and grants, other multilateral and bilateral funding, TF (including BNWPP), DGF, BB and FAO-CP. Use of Africa Water Facility (AWF) resources by countries in support of AgWA will be encouraged.

8. AgWA will concern the following four components:

- Component A: analytical and strategic work
- Component B: knowledge sharing and capacity strengthening
- Component C: business development
- Component D: investments.

Details are provided below.

9. AgWA proposes a flexible alignment of funding resources, activities and partner organizations that is based on complementarity and subsidiarity between resources, activities and partners, and that leverages their comparative advantages, while capturing synergies and economies of scale. As such, AgWA delivers on the Paris declaration in the field of agricultural water. AgWA will provide a results-based monitorable framework for measuring progress and adjusting actions based on the CAADP and relevant programs. The Initiative is fully aligned with the CAADP Pillar 1

framework and its implementation processes at the country level, i.e. through the CAADP roundtables to ensure that agricultural water is an integral component of the more comprehensive agriculture and rural development agenda.

10. AgWA will also take advantage of the partners' role as conveners on issues associated with IWRM (such as the Nile, Niger and Zambezi) to ensure leveraging the political dialogue and addressing international riparian issues. In addition, close collaboration will be established with other similar initiatives, including TerrAfrica (close working relationships have already been established through pillar I of CAADP), Alive and others. Similarly, the Initiative will take advantage of the convening power of partners in the field of environmental and social safeguard issues associated with agricultural water development, such as environmental, health and resettlement issues.

11. Governance of AgWA will deliberately be kept lean. Oversight and monitoring will be provided by a Steering Committee of Senior Specialists in Agriculture and Water Resources that will be established during the first year. Activities under AgWA will be implemented through existing institutions and will be mainstreamed into investment programs. As AgWA is an instrument for mobilizing political will for scaling up investments in agricultural water, it appears useful to have periodic conferences for Ministers responsible for agricultural water.

Next steps

12. A preliminary implementation plan has been prepared and is attached to this note. Immediate next steps include a launching workshop in during the Africa Water Week in Tunis, 26-28 March 2008, a partner consultation meeting in Tunis on March 29, dissemination of AgWA among stakeholders, establishment of an advisory committee, and the establishment of a results framework.

13. Africa Water Week: A joint NEPAD-AfDB-WB presentation will be organized on the Initiative for Agricultural Water in Africa during the Africa Water Week in Tunis, 26-28 March. The theme of the event is "Accelerating the Water Security for Socio-Economic Development of Africa". The three organizations also invite interested partner organizations to attend a one day donor consultation meeting on March 29. The objective of this meeting is to (a) share information and update each other on the current engagement and future plans of each of the participating partners in the sector; and (b) discuss possible areas of future cooperation in the sector.

14. AgWA will be widely disseminated within the Africa region. A number of dedicated and non-dedicated events will be targeted, including:

- CILSS has recently established a Coalition for Water in the Sahel as a response to important challenges related to agricultural water management, water supply and sanitation, and integrated and transboundary water resources management.
- The FAO will be organizing the 25th Regional Conference for Africa in Nairobi, Kenya, from March 31 – April 4, 2008.
- Regional organizations (including the RECs ECOWAS, COMESA, SADC, SARIA, and others) will be organizing a number of regional meetings
- Turkey will be hosting the Fifth World Water Forum in Istanbul from 15 to 22 March 2009. The theme of the Forum is "Bridging Divides for Water"

- The International Commission for Irrigation and Drainage (ICID) organizes regular events, including regional conferences and annual meetings.

Dissemination of AgWA will be done through presentations, organization of side-events and thematic sessions, debates, press releases, and other means.

15. A lean Steering Committee of experts will be established that will consist of renowned regional experts from academia, private sector, producers' organizations, development partners, African governments and civil society. The Steering Committee will meet once a year, provide strategic expert guidance on the implementation of the Initiative and evaluate progress against agreed targets.

16. Consultant's services will be recruited for the establishment of a results framework that is based on monitorable progress indicators of implementation progress based on existing M&E systems from national and international partners.

Component A: Analytical and strategic work

Introduction

1. The Agricultural Water Strategy recognizes the importance of a sound analytical and strategic foundation to scale up investments. The Strategy recommends that African nations need to prepare agricultural water strategies and action plans that show how investment in agricultural water can best contribute to agricultural productivity growth and poverty reduction. The Ouagadougou “Call for Action” recommends that Governments of Sub-Saharan African countries and their development partners promote national agricultural water development strategies that recognize (a) the potential contribution of agricultural water to poverty reduction and growth, (b) the imperatives of farm level profitability and economic viability, and, (c) the need for a conducive institutional environment.

Objective

2. The objective of this component is to assist targeted countries in the preparation or updating of strategic frameworks in support of scaling up investments for agricultural water.

Scope

3. During the initial three years of the initiative, a total of six countries will benefit from strategic and analytical support. The sector reviews will include an overview of current constraints and opportunities in the sector, an assessment of agricultural water sector performance and a summary of best practice and lessons learned. It will identify and clarify the roles of the public and private sector as well as farmers’ organizations in the agricultural water financing cycle. The review will identify investment opportunities in agricultural water on the basis of existing and emerging agricultural markets, and will identify how irrigated agriculture can provide goods to these markets. The sector reviews will provide an opportunity for national and development partners to agree on a comprehensive sector support program and will therefore be prepared in close consultation with these partners. Workshops will be held to endorse the recommendations by national stakeholders.

Implementation arrangements

4. The activities will be implemented in support of national efforts of responsible Ministries. Specifically, support will be provided to enhance inclusiveness and ensure quality. Strategies and policies will as much as possible be prepared in conjunction with and prior to strategic work at the national level, such as NEPAD’s roundtable compact and PRSPs, so that the results of the agricultural water strategies can be taken into account at a multi-sectoral level. The Initiative will finance national and international consultants, and national workshops.

Component B: knowledge sharing and capacity strengthening

Introduction

1. The Agricultural Water Strategy clearly recognizes the importance of capacity strengthening and knowledge sharing as accompanying measures of investment operations. Efforts will include regional and sub-regional capacity building, support to information sharing, support to national and regional organizations, national institutional development and capacity strengthening of both government staff and farmers and their representative organizations.

Objective

2. The objective of this component is to support capacity strengthening and empowerment of national stakeholders, and the strengthening of agricultural water curriculum of targeted training centers.

Scope

3. The activity will be implemented in close coordination with component A to avoid multiplication of events and duplication of efforts. Workshops will be organized as much as possible within the context of component A. The component will support the following activities:

- (i) capacity strengthening and empowerment of national stakeholders including agricultural water decision makers, parliamentarians and national private sector.
- (ii) agricultural water curriculum strengthening of lead agricultural water training institutes in the region.
- (iii) creation of an Internet site for the agricultural water initiative with thematic fora of discussion and exchanges of best practices.

B.1 Capacity strengthening and empowerment of national stakeholders will target national stakeholders in view of the often critical role they are playing in the national forums. The clients of this activity include (i) agricultural water decision makers and members of parliament, (ii) national and regional agricultural water and drainage associations, (iii) national private sector involved in agricultural water development, and (iv) international consultants.

4. *agricultural water decision makers and members of parliament* will be empowered through training in presentation techniques, strategic communication and negotiation skills. At the substantive level, they will benefit from jointly prepared Power Point presentations, tailor made for their respective countries. Timing of the support will be done in connection with preparation of important national documents such as the NEPAD compact or the PRSP.

5. *National and regional irrigation and drainage associations* will be trained and empowered to play a more leadership role in national and regional debates related to agricultural water. Issues that will be addressed include available databases and use of

these to extract country specific information, recent innovations in agricultural water development and implementation of operations, the nature of agricultural water as a multi-sectoral activity, and other issues that will be identified through a rapid assessment among stakeholder.

6. *National private sector* in agricultural water will be trained in issues related to preparation of bidding documents, business and resource management, and similar themes. Duplication with existing private sector training activities will be avoided.

7. Finally, this activity will support the establishment of a forum of *international consultants* involved in agricultural water in the Africa region to promote innovations in agricultural water development and in the way the business is organized so as to generate more commitment to outcomes, efficiency and quality. The forum will also champion knowledge transfer to local consultants.

B.2 agricultural water curriculum strengthening will be done in close collaboration with the World Bank Institute (WBI) and through the partnership institutions that it is working with. Training centers will be identified as early as possible. Centers will be selected because of their reputation in the field of agricultural water. The support will include the following activities:

- Survey of alumni, high school students and public and private sector employers on the kind of knowledge that needs to be made available to students;
- Review of current curriculum and identification of strengths and weaknesses;
- Design of improved curriculum that would better respond to client and sector demands;
- National workshop among stakeholders to discuss the recommendations for improved curriculum.

Implementation arrangements

8. Support will include international and national consultant costs, travel expenses and workshops, and Internet site development. Curriculum development will be developed and implemented through the national and regional partner institutes. Certification of education programs will be explored. The training institutes will be member of an ad-hoc steering committee for this component that will review contents and work plan of the programs of all participating institutions.

Component C: business development

Introduction

1. The Agricultural Water Strategy recognizes the importance of business development. Pre-investment activities are important in those countries where there has been limited dialogue and limited experience and knowledge of the sector. Pre-identification is necessary to prepare investments where donors are entering new sectors, and helps establish dialogue and partnerships with country governments and Ministries in charge of agricultural water and Ministries of Finance, and identifies possible business lines and investment operations.

Objectives

2. The objective of this component is to provide support to business development through (i) pre-identification and establishment of partnerships and dialogue with four targeted countries; and (ii) provision of high level technical assistance to prepare investment operations.

Scope

3. Pre-identification activities include brief visits to targeted countries to prepare a quick outline of key constraints and opportunities. The visits would also provide an opportunity to establish a dialogue with key partners at the national level, including Ministries responsible for Finance, water and/or agriculture, as well as development partners, private sector and civil society. Business development should be aligned with other strategic work, including PRSP updates and NEPAD/CAADP roundtables agenda. Outputs include brief country overviews, identification of key issues and constraints and opportunities for engagement. Good preparation and timing of the country visits are critical in order to ensure maximum outputs and impact.

4. Provision of high quality technical services in the preparation of investment operations is critical in view of the significant upscaling of agricultural water investments. Support is necessary to ensure high quality-at-entry of agricultural water operations. Technical expertise is required among others in the field of technical design and feasibility studies, identification and assessment of multi-purpose investment opportunities, public-private partnership arrangements, and knowledge and application of cutting-edge knowledge of technical innovations.

5. Work under this activity includes pre-identification work in countries that have little previous donor involvement, but have expressed a high level of interest in scaling up. It also includes provision of high quality technical assistance to the preparation of investment operations.

Implementation Arrangements

6. The Initiative would cover expenditures associated with international and national consultants' services. Priority countries and TORs will be agreed among partners, and outputs will be shared and can be used as starting point for jointly supported operations.

Consultants would be responsible for (i) preparation of sector briefs related to agricultural water as an input to a sector-wide debate among Government and development partners to identify investment opportunities, and (ii) provision of specialized high quality inputs for project preparation.

7. The component also includes coordination of the Initiative. It is proposed that program coordination will be done by a secondee housed by one of the partner organizations.

Component D: investments

Introduction

1. The Agricultural Water Strategy notes the decline in investments in agricultural water and recommends significant scaling up of investments in a more reliable access to water as a critical condition to agricultural intensification. However, the strategy also makes it clear that performance of investments needs to be improved. Specifically, the Strategy recommends that investments in agricultural water respond to markets, are prepared in a participatory way, take advantage of the full range of technology options (in particular the lower-cost ones), and address agricultural water in a comprehensive way.

Objectives

2. The objective of this component is to prepare and implement investment operations that improve the reliability of access to agricultural water in a comprehensive way.

Scope

3. This component concerns development and rehabilitation of agricultural water assets by taking advantage of the full menu of technology options. While provision of technology and improving and expanding access will be part of the investments, it is critical that operations are being designed to leverage support for capacity and institutional strengthening, governance of hydraulic assets, institutional and policy reforms and support for agriculture including input supply, value chains and markets. The Agricultural Water Strategy provides ample guidance on what constitutes best practice in terms of design and implementation, even though details will need to be identified on a per country basis.

4. Investment operations will be identified, prepared and implemented in a joint effort as a response to the Paris declaration. In the course of implementation, various efforts will be explored and adopted, including co-financing, basket funding and budget support. Private sector is expected to cover a substantial part of the investment agenda through PPP arrangements.

Implementation Arrangements

5. Investments will be implemented at the national level, even though preparation may sometimes involve regional authorities (NBI, NBA, etc). Existing donor mobilization platforms will be taken advantage of. At the level of the Initiative, priority countries will be identified, targets will be agreed and progress will be monitored in achieving agreed targets. It is acknowledged that investments will bring together different donors in different countries.

Preliminary Implementation Plan

	PY1				PY2				PY3				PY4				PY5			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Investments																				
Group 1																				
Group 2																				
Group3																				
Analytical and strategic work																				
Knowledge, M&E, Business Development																				
Partnerships and coordination																				

Table 2: Preliminary Implementation Plan