

How to further mobilize private capital to support sustainable transboundary water management?

The example of Blue Peace Financing Initiative

GLOBAL WORKSHOP ON FUNDING AND FINANCING TRANSBOUNDARY WATER COOPERATION AND BASIN DEVELOPMENT

Disclaimer

The material provided herein is for informational purposes only.



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Impact Capital
for Development

Blue Peace

Blue Peace Financing Program



VISION

A world where affordable and safe access to water-related services, from WASH to agriculture and energy, is provided to all, and where water is a vector for cooperation and peace, inclusive societies as well as economic and sustainable development, while water resources are managed in a sustainable, equitable and integrated way.



MISSION

Unlock public and private capital for better access to water-related services for all, while contributing to sustainable and integrated water resource management, water cooperation and peace.

Theory of Change

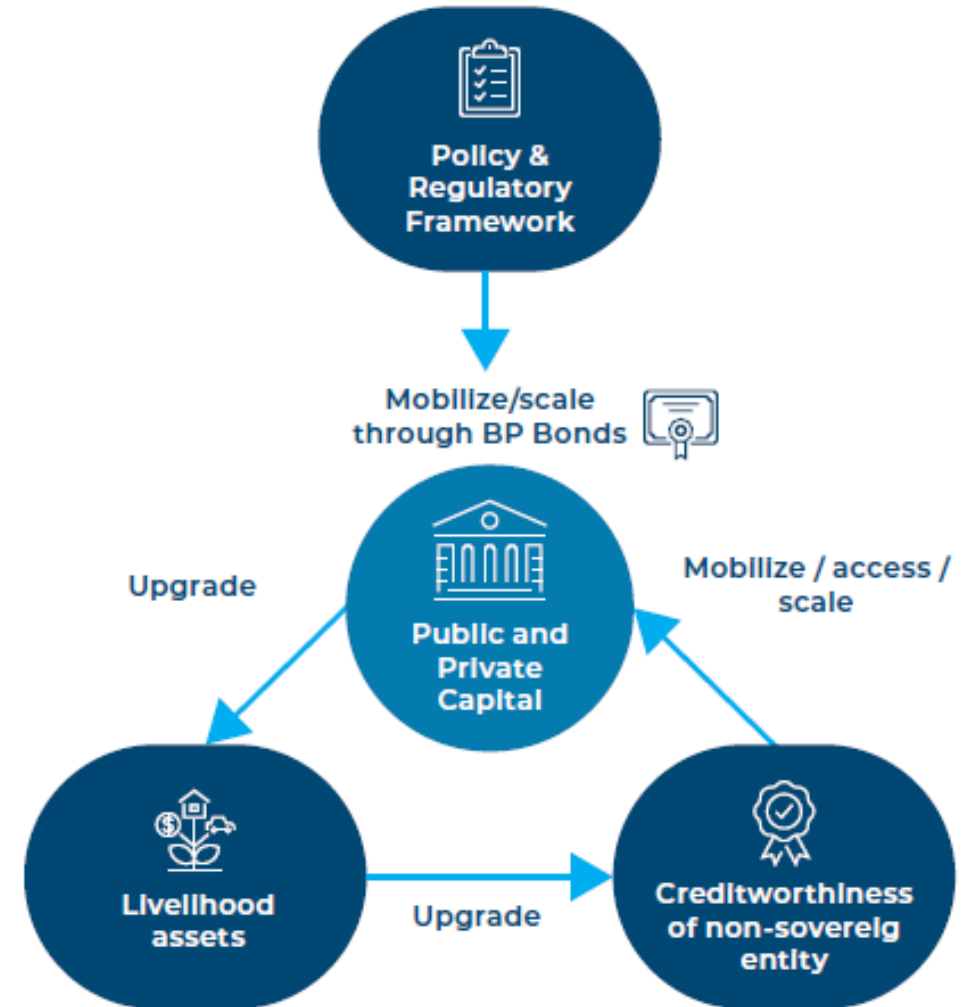
What:

Promote
access to capital for local
& regional non-sovereign entities.

HOW:

using water as entry point for **multi-stakeholder
cooperation frameworks**, transforming them
into **investment platforms**.

Catalytic capital transforms



The Gambia River Basin Development Organization (OMVG)

Organisation pour la mise en valeur du fleuve Gambie (OMVG)

Key OMVG Facts

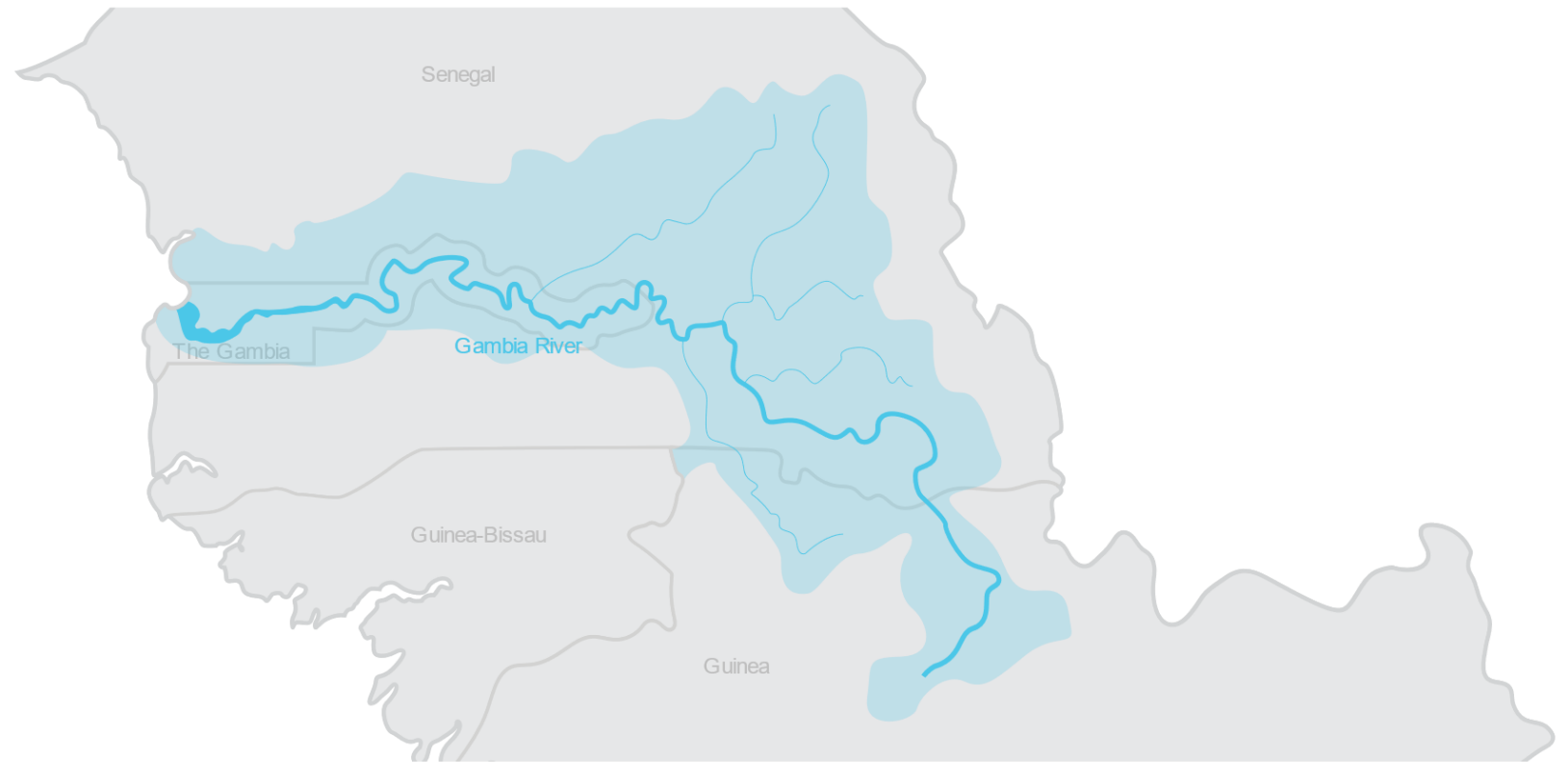
Creation: 1978

4 Member Countries:

Gambia, Guinea, Senegal,
Guinea-Bissau

3 Rivers:

Gambia (78'000 km²),
Kayanga/Geba (15'000 km²)
Koliba /Corubal (25'000 km²)



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Resolution of the OMVG Council of Ministers on the Development of Innovative Financing Mechanisms

- ❑ Resolution Nr.13/CM/45/B/G on the Collaborative Partnership between OMVG & UNCDF (signed on December 2019)

WHEREAS

the Swiss Agency for Cooperation and Development (SDC) and its partners, including the United Nations Capital Development Fund (UNCDF), invited the OMVG in October 2019 to participate in a regional workshop in Banjul to launch the process of developing the OMVG's Masterplan for the Integrated Development of its river basins, which will serve as the basis for the OMVG joint investment plan;

WHEREAS

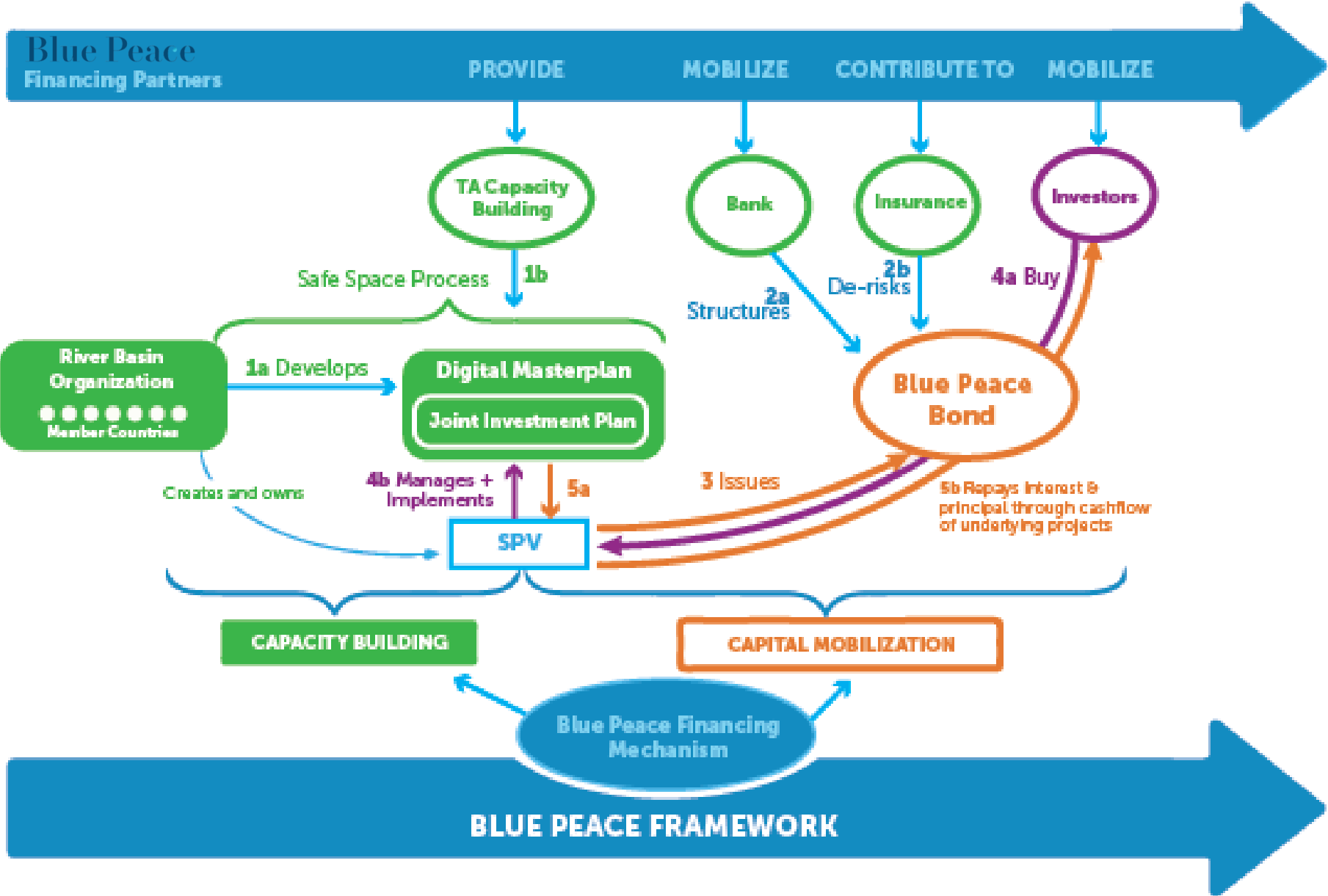
this partnership will help the OMVG to develop the Masterplan study and also equip the OMVG with the adequate tools to develop innovative financing mechanisms that will enable it to directly access the financial markets through the issuance of bonds;

WHEREAS

this initiative should make it possible to raise the necessary funds for the implementation of joint and multisectoral investment plans;

- ❑ MoU between OMVG and UNCDF (2020).

How does it work for River Basin Organizations (RBOs)?



OMVG-Blue Peace Capacity Building Activities



Lot 1: Development of PDDI

Objective: strategic planning framework for the sustainable development of the 3 OMVG river basins & coherent basin-wide development program for the integrated and concerted management of water resources and ecosystems.

Expected results: Elaboration of the final PDDI for the three OMVG's river basins, by refining the sectoral plans after the diagnostic study.

Current Stage: regional validation workshop / steering committee concluded Phase 2 report with the six sectoral plans. Activities for 3rd & final phase are ongoing.



Lot 2: Technical Assistance (TA) Program

Objective: support OMVG to bring its institutional capacity to the level that OMVG will be able to (a) respond to the requirements of the new Masterplan (PDDI); and (b) deliver its services to the member states in an efficient way.

Expected results: Development and implementation of a well-designed TA program, including specific TA plans for 6 thematic areas; (1) Strategic Planning & Engineering; (2) Finance Investment (3) Environmental Management; (4) Infra-structure Planning; (5) Project Design; (6) Supervision of Infrastructure Delivery

Current Stage: Work has been kick-started



Lot 3: Legal & Institutional Review

Objective: improve the functioning of the OMVG organization and its ability to implement its PDDI and Joint Investment Plan together with the Blue Peace Financing Structure.

Expected results: review of OMVG's institutional & legal frameworks based on (1) analysis of the existing framework; (2) analysis of the regulatory and legislative environment relevant to OMVG in member countries; (3) recommendations on how to improve OMVG's legal & institutional framework (4) final report, including implementation plan for recommendations.

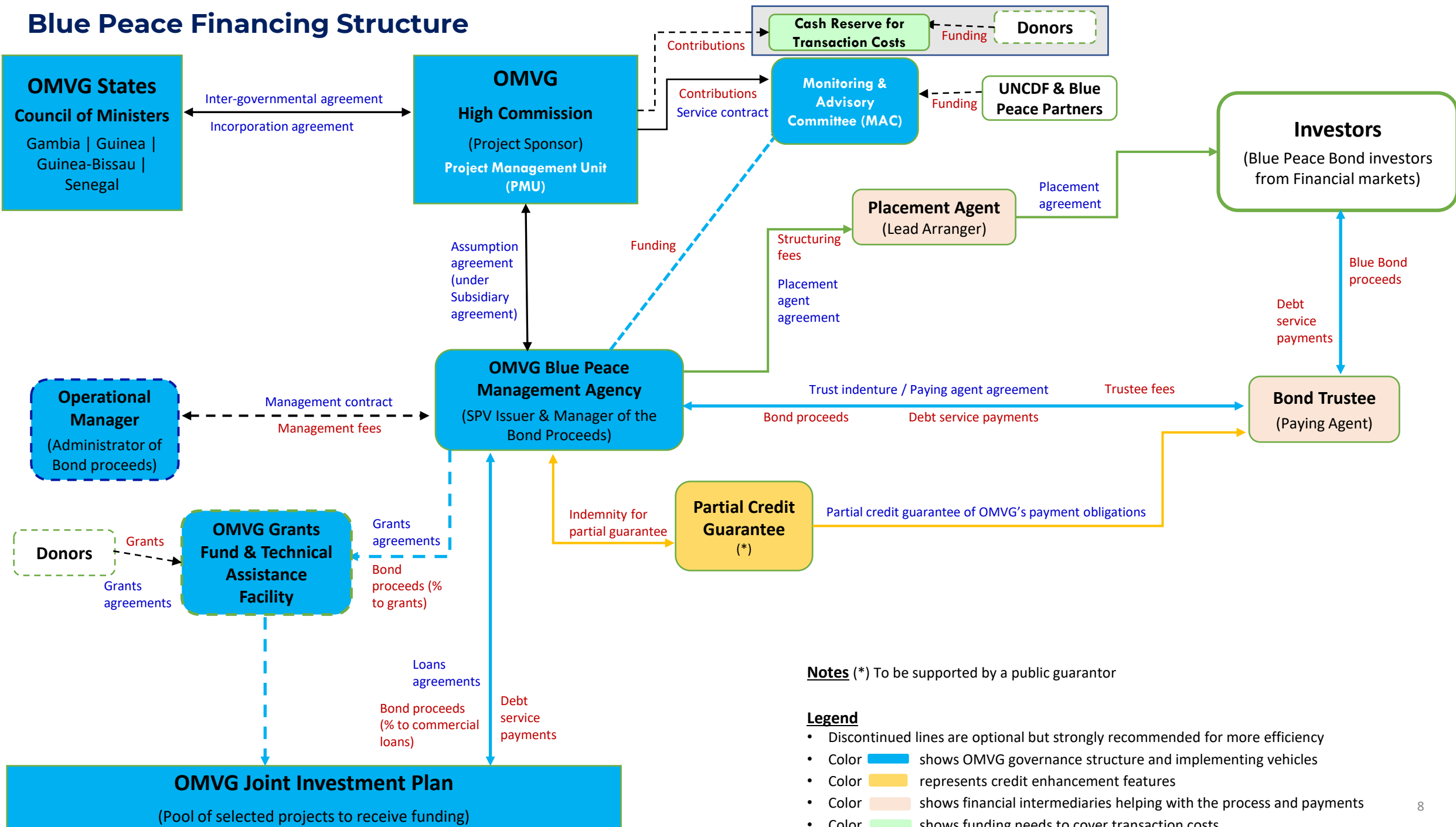
Current Stage: Work has been kick-started

Localizing
BP

Blue Peace / OMVG
Joint Investment Plan

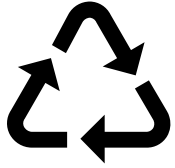
OMVG institutional
capacity building & Blue
Peace Financing
Structure

Blue Peace Financing Structure



Example of a Joint Investment Plan - Indicative Pipeline of Projects

Energy / Hydro Power



Opportunity

- Electricity access rate is still low: between 12% -65% (WB, 2012-2016) and average power costs are expensive.
- Project sites closer to the OMVG interconnected network.

Projects Pipeline: Digan, Kourawel, Fello-Sounga, Saltinho, etc.

Drinking Water



Opportunity

- Lack of reliable and sufficient water system / reservoirs / wells specially in rural / dry areas.

Projects Pipeline: hydro dam surroundings, municipalities.

Forestry / Ecotourism



Opportunity

- Rich wildlife and biodiversity sites which are protected.
- Mismanagement/poor protection against nature degradation.

Projects Pipeline: Natural parks in the respective countries.

KEY PORTFOLIO FEATURES:

- Pipeline: 20 to 30 deals
- Projects capex: \$1-2 billion
- Income generating activities
- Strong environmental & social impact
- Well diversified
- Contributes to sustainable management of natural resources, environmental protection and rehabilitation

Agriculture / Irrigated Land

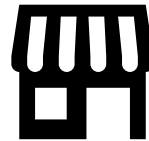


Opportunity

Agriculture remains a key factor for accelerating inclusive economic growth and diversification. Agriculture accounts for more than 60% of the workforce in the OMVF region, most of them, poor rural farmers.

Projects Pipeline: Integrated irrigation with hydro dams.

Market / Storage Facility / Terminal Station



Opportunity

- Cross-border cities & markets are strategically situated.
- Consumer staples markets where essential goods are traded constantly.

Projects Pipeline: Quebo, Farafenni, Koundara, Dioabè, etc.

Transport / River Navigation System

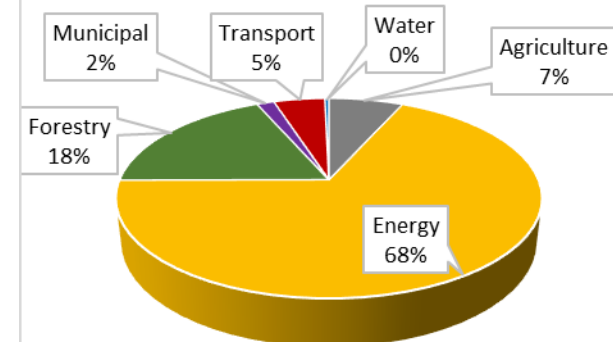


Opportunity

- Navigable river inland with a huge potential for ecotourism.
- High demand & production of products from silviculture agriculture and fishery resources.

Projects Pipeline: The Gambia River Navigation System.

Pipeline breaktown by industry



Thank you for your Attention!

www.uncdf.org

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