



Valuing Water as an Economic Asset and Accelerating Financing Water Infrastructure in Africa

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The Scale of the Challenge

WATER INFRASTRUCTURE FINANCING GAP

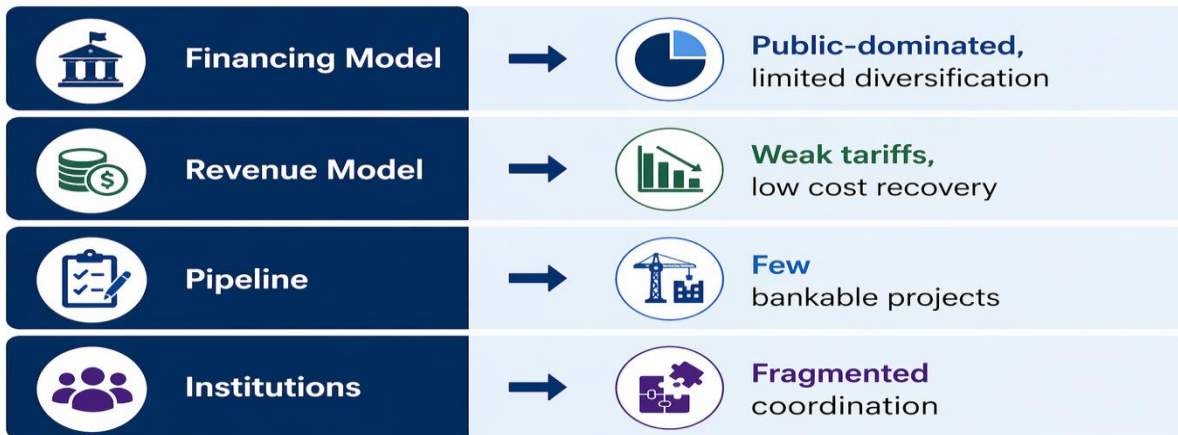
Annual investment needs vs. current financing in Africa



Africa faces a significant and persistent water infrastructure financing gap of ~USD 10–20+ billion annually between needs and current financing.

STRUCTURAL CONSTRAINTS

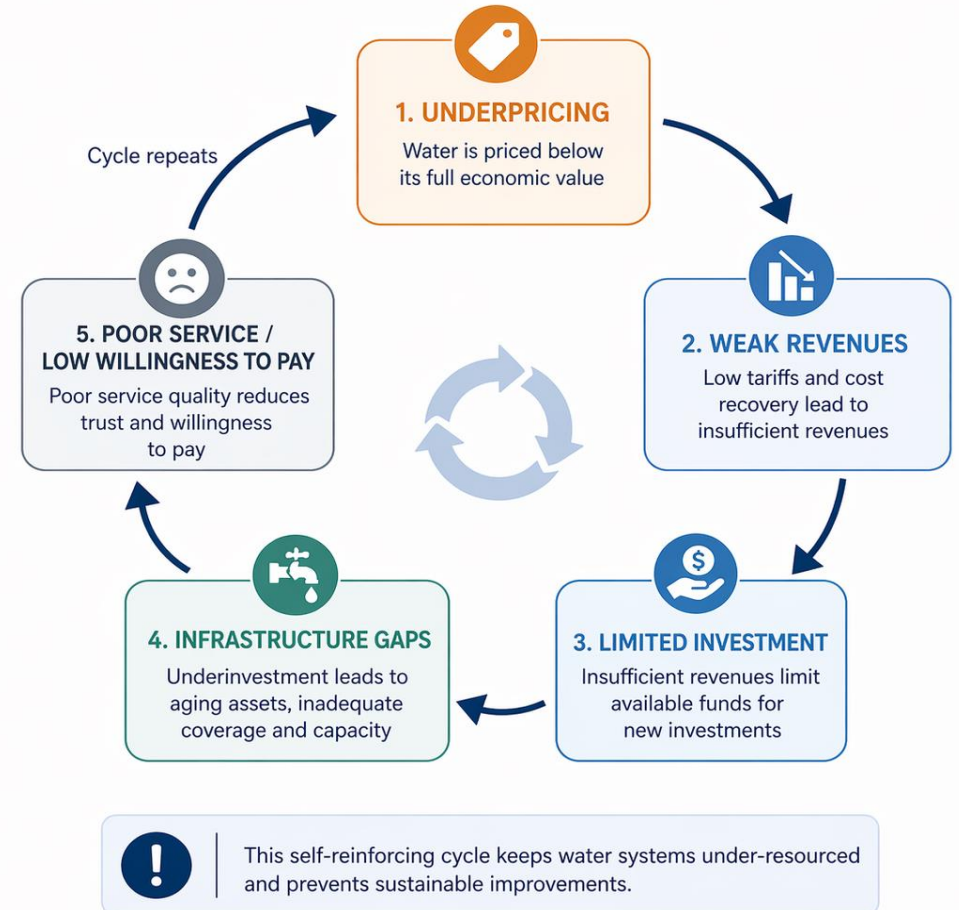
Key barriers limiting water infrastructure financing in Africa



These constraints reinforce each other, resulting in inefficient investment, weak service delivery, and persistent financing gaps.

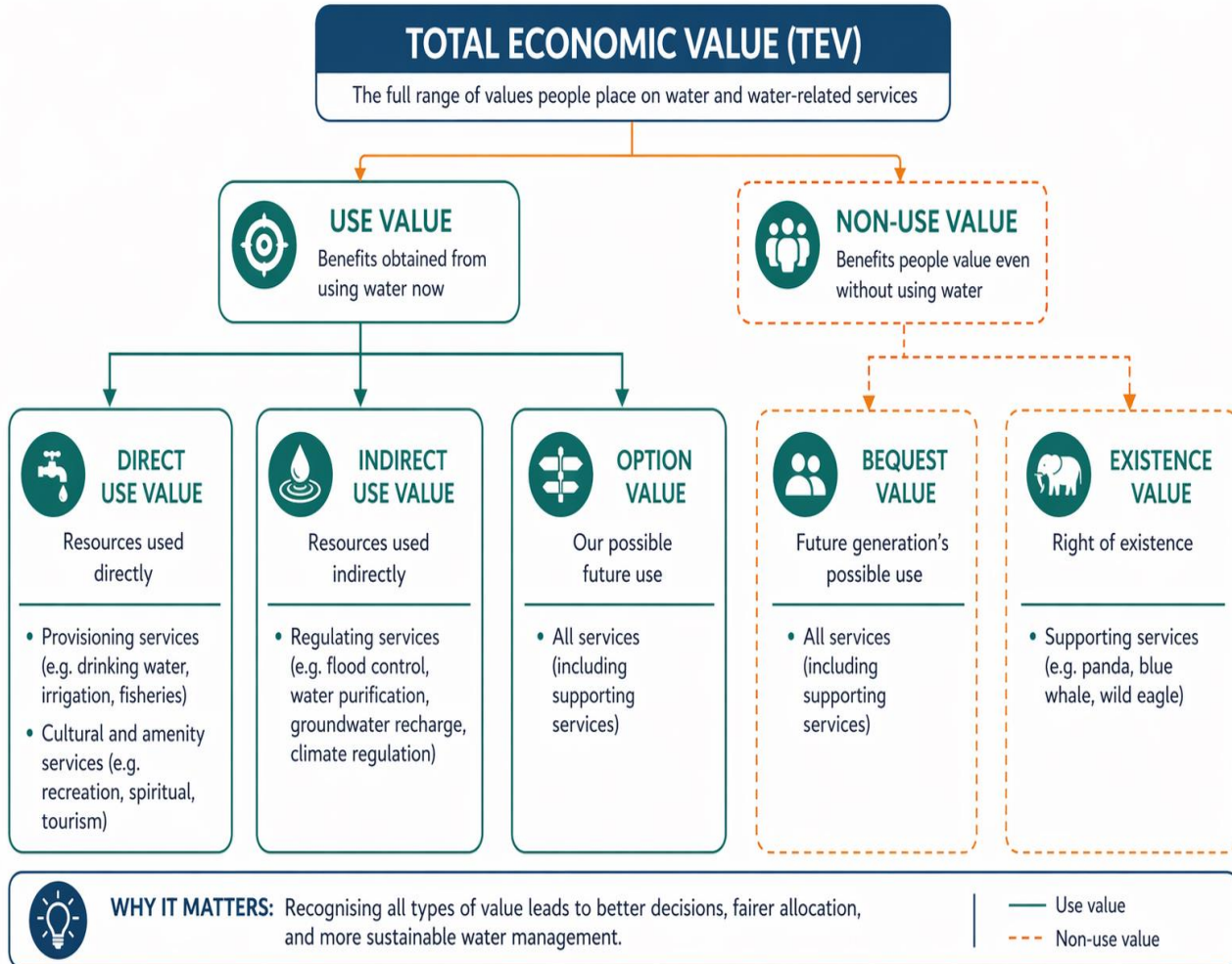
THE SELF-REINFORCING CYCLE

Why the financing gap persists



The Core Problem: Water is Foundational—but Economically Invisible

Valuation makes water's value measurable—enabling allocation, pricing, and ultimately financing



. Why Valuation Matters

- Makes trade-offs explicit
- Supports pricing and allocation
- Enables investment decisions

2. How We Measure Value

- **Production (value in output)**
 - Marginal productivity
 - Residual value
- **Users (value to demand)**
 - Willingness to pay
 - Demand analysis
- **System (scarcity & trade-offs)**
 - Opportunity cost
 - Shadow pricing

Improving Water Financing in Africa: what must change

MAKE FINANCING POSSIBLE

1. Strengthen Revenues

- Tariff reform + lifeline protection
- Reduce non-revenue water (NRW)
 - → Stable revenues underpin financing

2. Build Bankable Pipelines

- Project Preparation Facilities (PPFs)
- Standardized & scalable project design
 - → Financing follows credible projects

3. De-risk Investments

- Blended finance structures
- Guarantees (PRG/PCG)
- FX risk mitigation tools
 - → Lower risk → more investment

4. Fix Institutions & Utilities

- Governance & performance
- Regulatory clarity
 - → Stronger operators attract finance

5. Align with Economic Priorities

- Integration into budgets & climate plans
 - → Water as an investment, not a service

BANKABILITY

- RISK REDUCTION
- INVESTOR CONFIDENCE
- SCALE

MOBILISE FINANCING AT SCALE

Capital Markets

- Water / Blue Bonds (sovereign, municipal)
- Green, Social & Sustainability Bonds
- Sustainability-linked bonds

Blended & Development Finance

- MDBs (World Bank, AfDB) & DFIs
- Climate Funds (GCF, Adaptation Fund, CIF)
- Concessional finance windows

Risk Mitigation Instruments

- Guarantees (partial risk / credit)
- Political risk insurance (MIGA)
- FX hedging & local currency facilities

Innovative Financing

- Debt-for-water / climate swaps
- Payments for Ecosystem Services (PES)
- Land value capture
- Extended Producer Responsibility (EPR)

Domestic Mobilisation

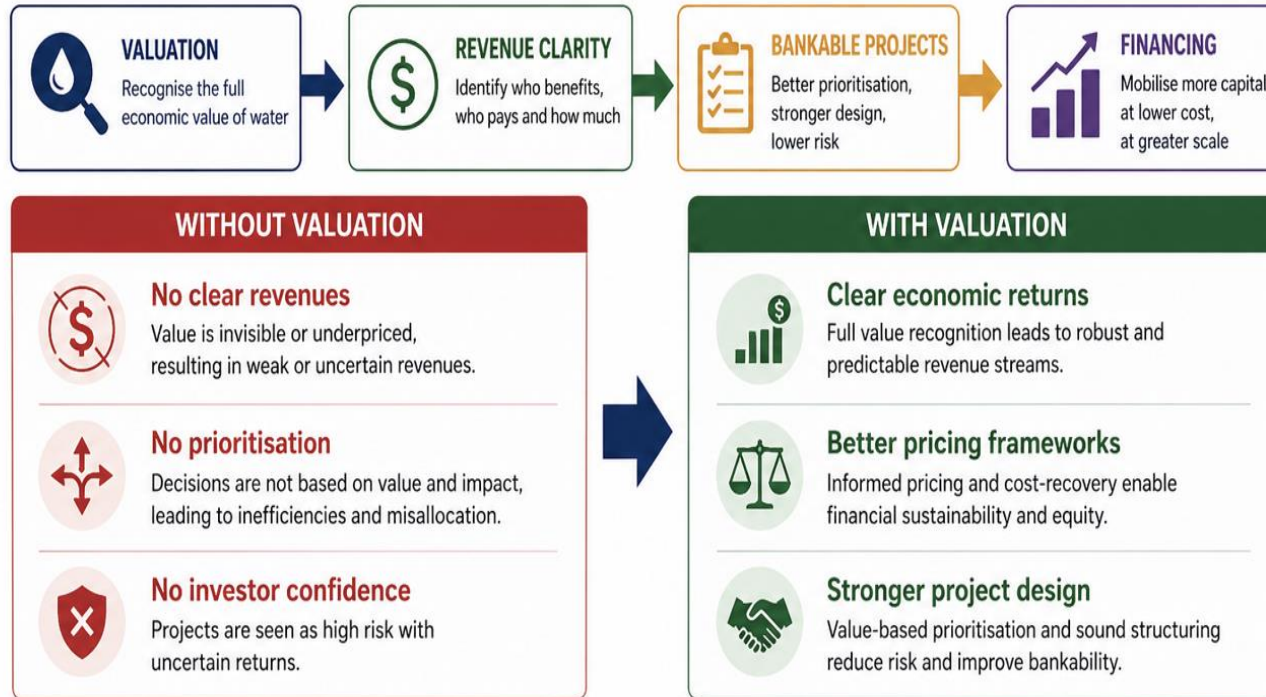
- Public-Private Partnerships (PPPs)
- National Development Banks (NDBs)
- Pension funds & institutional investors
- Domestic capital markets

Selective Private Participation

- Utility concessions
- Performance-based contracts

CONCLUSION

Valuation is what translates the true value of water into financial flows and investment at scale.



Financing follows bankable projects — and bankability depends on valuation.

The result: more investment,
better services, greater impact



Expanded access
and inclusion



Resilient and
sustainable water
systems



Economic growth
and job creation



Improved health
and well-being



Environmental
protection

Policy Architecture

Pillar 1 — Value Water Properly

- Integrate economic, social, environmental value

Pillar 2 — Strengthen Financing Systems

- Optimise 3Ts
- Scale blended finance

Pillar 3 — Build Bankable Pipelines

- Project preparation
- Standardisation

Pillar 4 — Strengthen Institutions

- Governance
- Coordination

Thank You