

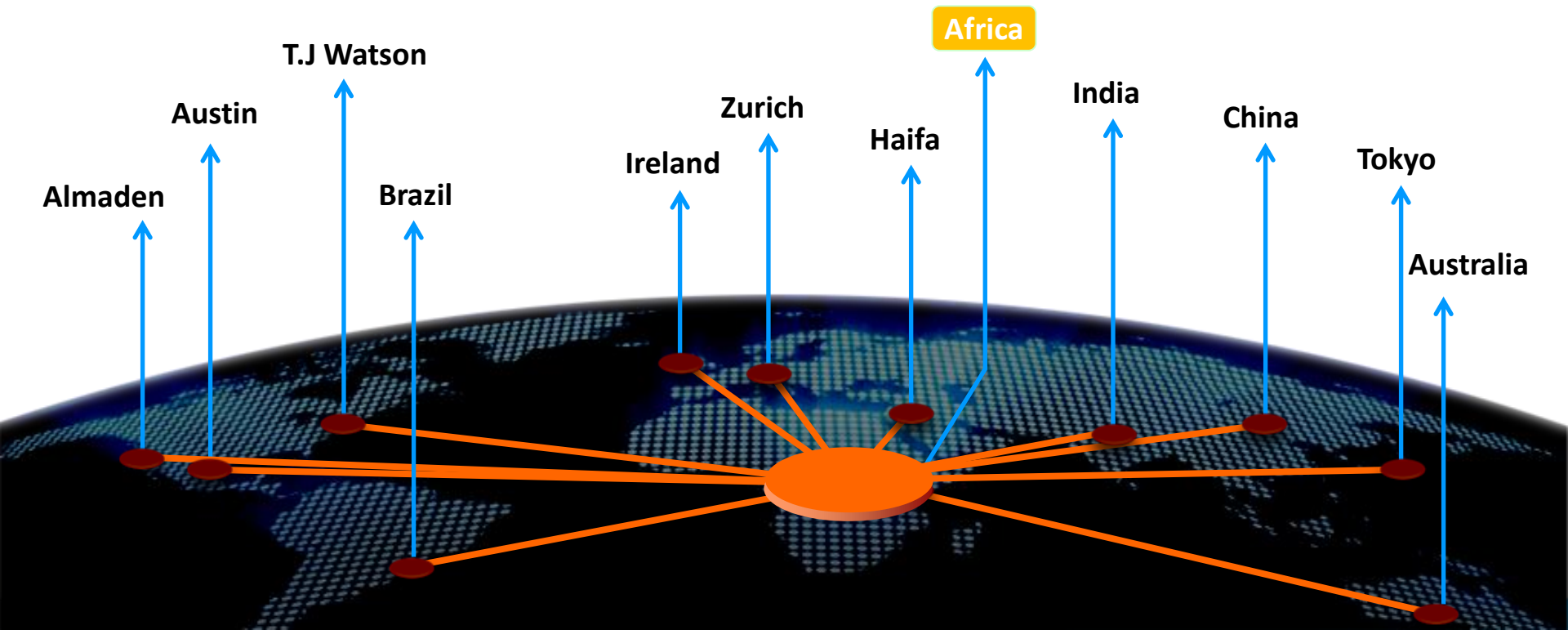


# Influencing Pathways of Investments for the Nexus

## Synthesis Paper #3

Dr. Kala Fleming, IBM Research - Africa

# IBM Research – the world is our lab



# Our focus on Africa's Grand Challenges



Cities



Food



Water



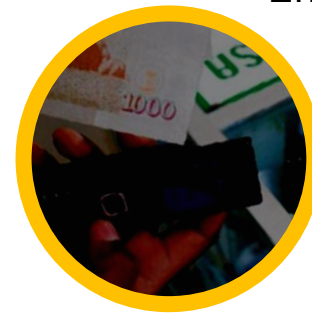
Energy



eGovernment



Healthcare



Financial Inclusion

# Introduction

- Influencing investment pathways for the Nexus
  1. Review findings from previous Nexus meetings
  2. Review examples of “nexus-styled” investments
  3. Focus on evolving a broader strategy for influencing private sector investments
- Assumptions
  - Private sector actors feature prominently in most Nexus discussions
  - Nexus projects seek sustainability...sustainability implies commercial viability
  - Nexus projects can be small-scale - not about large dam and irrigation projects

# Agenda



1

Findings from  
previous Nexus  
meetings on  
investments



2

What needs to be  
funded? By Whom?  
Setting matters...



3

Channeling investment  
flows from the private  
sector ...Business  
models for the connected  
ecosystem

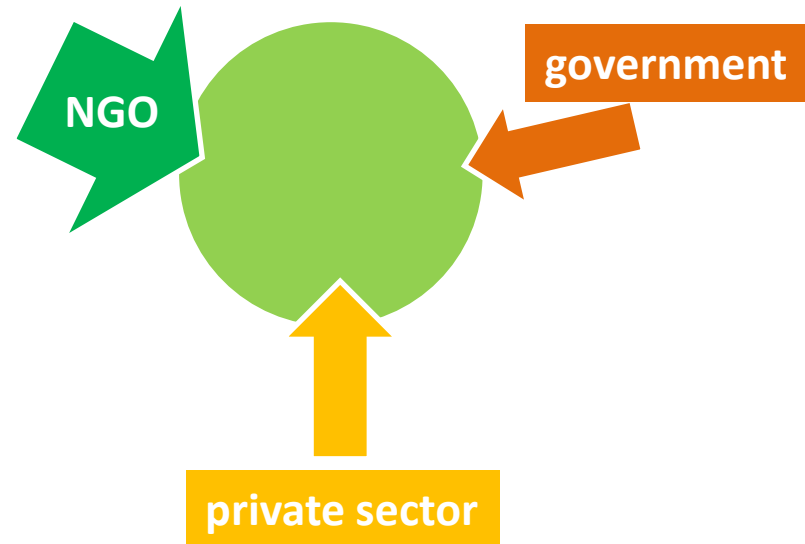
# What did we conclude about investments from the Nexus dialogues?

1. Investments (or lack thereof) did not appear to be the most important obstacle in evolving Nexus projects.
2. More time spent discussing the siloed, sector-specific approach to implementing large-scale built infrastructure projects for hydropower, irrigation and water treatment.
3. When investments were mentioned:
  - Inefficiency, conflict, bureaucracy prevents investment [Africa];
  - Vision for future regarding investments [Asia]:
    - A **practical benefit sharing approach** for each infrastructure development is established
    - **Pricing of the negative impacts of infrastructure development on natural resources is in place** (subsidies, staggered approach to the Payment for Ecosystem Services, a proper valuation of resources)
    - **Improved incentives** are in place to maximize water and energy efficiencies (such as water treatment)

# Brazil Nexus Project – The Water Fund

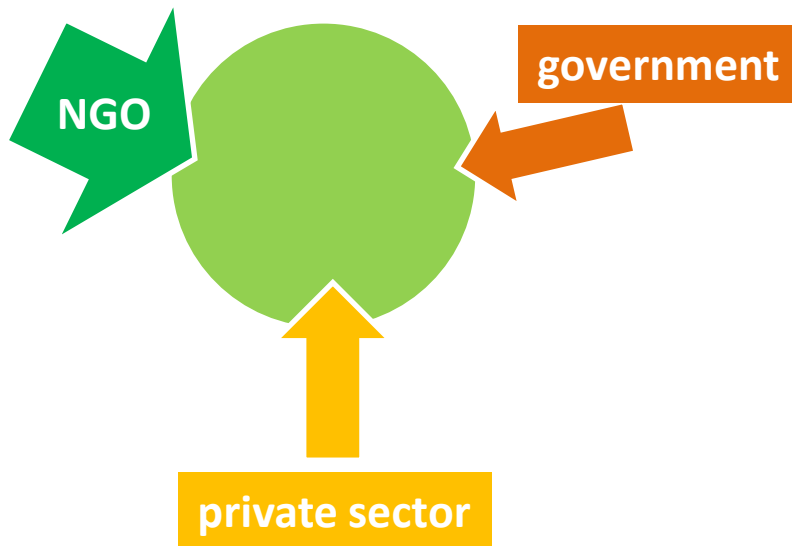
**Nature Conservancy +  
downstream water users +  
upstream farmers**

Pool investments from water users and direct the funding toward conservation of key lands upstream that filter and regulate water supply

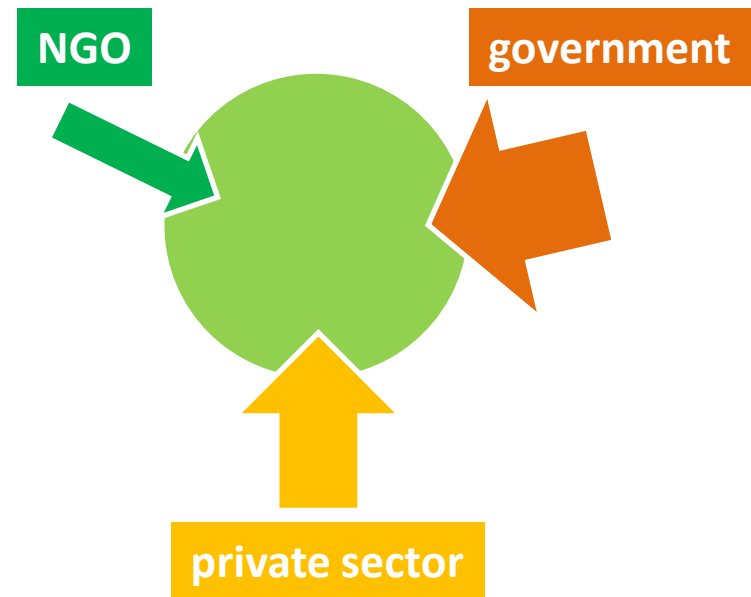


# Who should fund Nexus Projects?

## In Kenya?

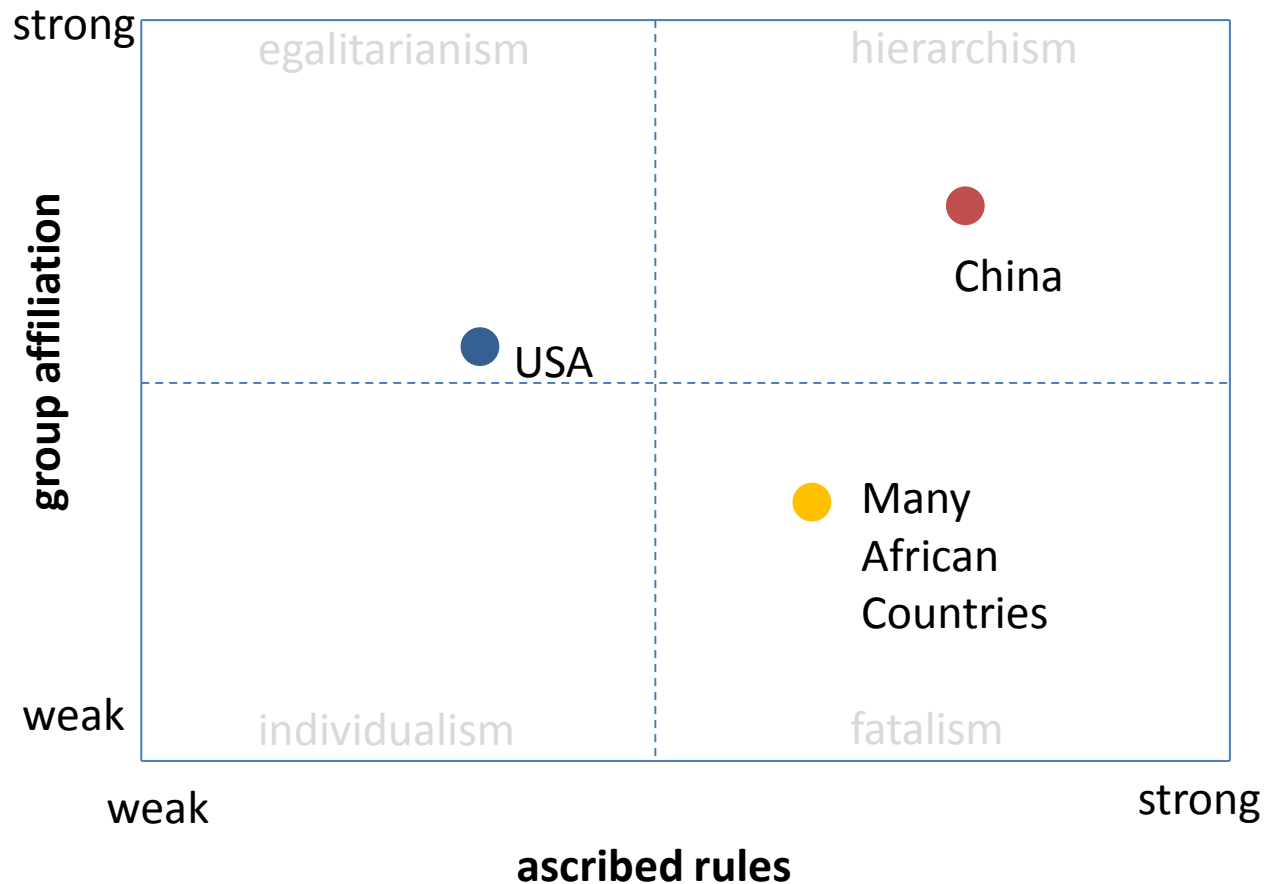


## In China?





# How is nexus thinking grounded by everyday reality of stakeholders



# Connected Water Ecosystem

**urban water supply subsystem**  
Key resource: WATER

**resource consumers**  
{home owners, schools, apartment dwellers, office buildings}

**value enhancers**  
{beverage companies, water utilities, hotels, hospitals, farmers, mines, oil/gas producers}

**Resource Beneficiaries**

How do I get reliable water supply?  
Am I at risk for having a shortage?  
How does my water use compare to my neighbors?  
What are operational risks to my water point?  
Low water levels, poor water quality, etc? Who can help me with maintenance?

How do I offer additional services to ensure supply reliability?

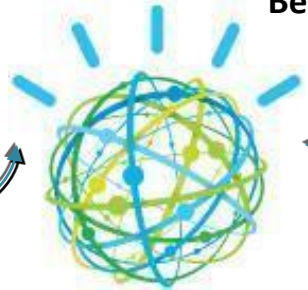
**water IOT device vendors**  
{tank sensor & weather station vendors, installers}

**app developers** {API, online platforms, mobile apps}

**water service providers**  
{asset maintenance, water delivery, design services}

**water producer**  
{landowners, farmers}

**Private Sector/  
Service Providers/  
Entrepreneurs**



What cognitive experiences make sense for each actor?

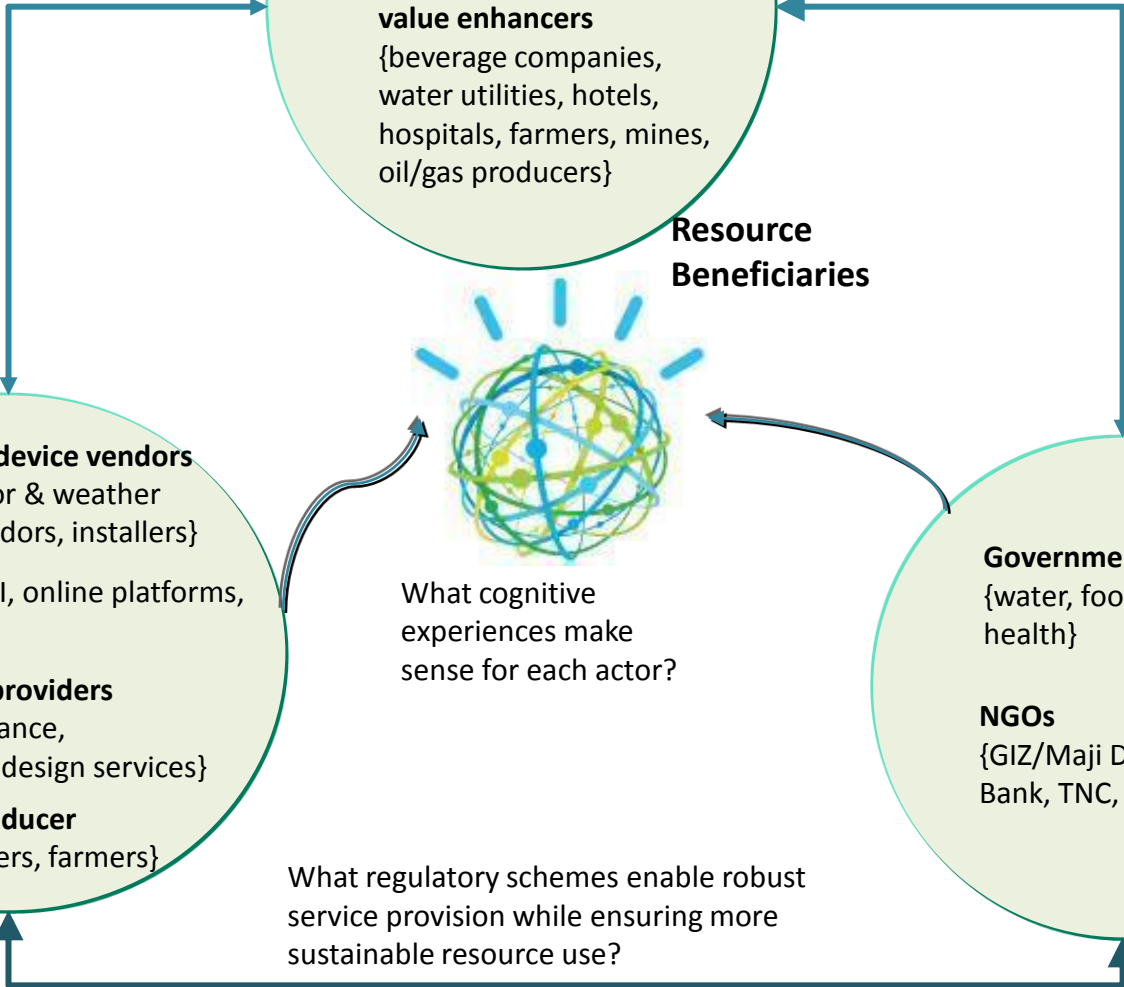
What regulatory schemes enable robust service provision while ensuring more sustainable resource use?

**Government Actors**  
{water, food, energy, health}

**NGOs**  
{GIZ/Maji Data, World Bank, TNC, IWA}

**Water Stewards**

**Politicians**



# Recommendations

- Need more concrete articulation of the nexus:
  - Establish a baseline on what is NOT a nexus project to understand what really is
  - How many “nexus-styled” projects must there be in any one geography for noticeable impact?
- How do we influence investment flows to the Nexus?
  - Shift emphasis to the needs of water, energy, food consumers and service providers
  - Make the case for private sector investments.
  - Develop collaborative data platforms that facilitate transparency, discovery, and interconnectivity, and cater to the service needs and desired information needs of the water ecosystem.