


# Governance & Financing for the Mediterranean Water Sector

Project labelled under the Union for the Mediterranean

## Overview, Progress & Current Status of the initiative

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GWP-Med

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Session 2 – 30 August 2016: Strengthening Water Governance through Integrity & Sustainable Financing



## Snapshot of the project



- Regional geographical scope
- Timeline: 2013 - 2017
- Labelled under the UfM framework
- Designed & implemented by GWP-Med & OECD
- 2 components: national & regional
- Pilot Countries: Albania, Egypt, Jordan, Lebanon, Palestine, Morocco & Tunisia
- Budget: approx. 2.5 million Euros
- Financially supported by Sida, EIB and GEF MedPartnership

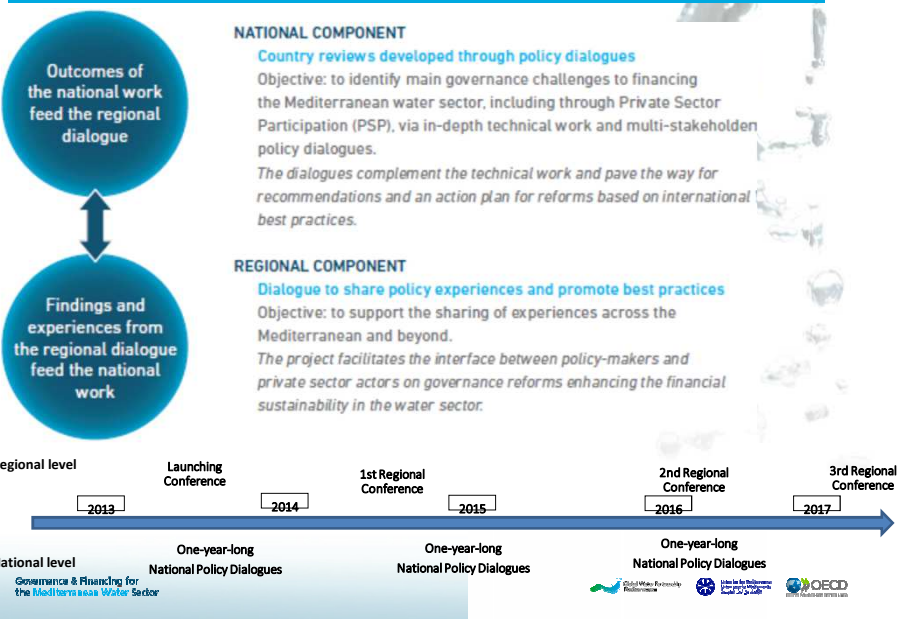
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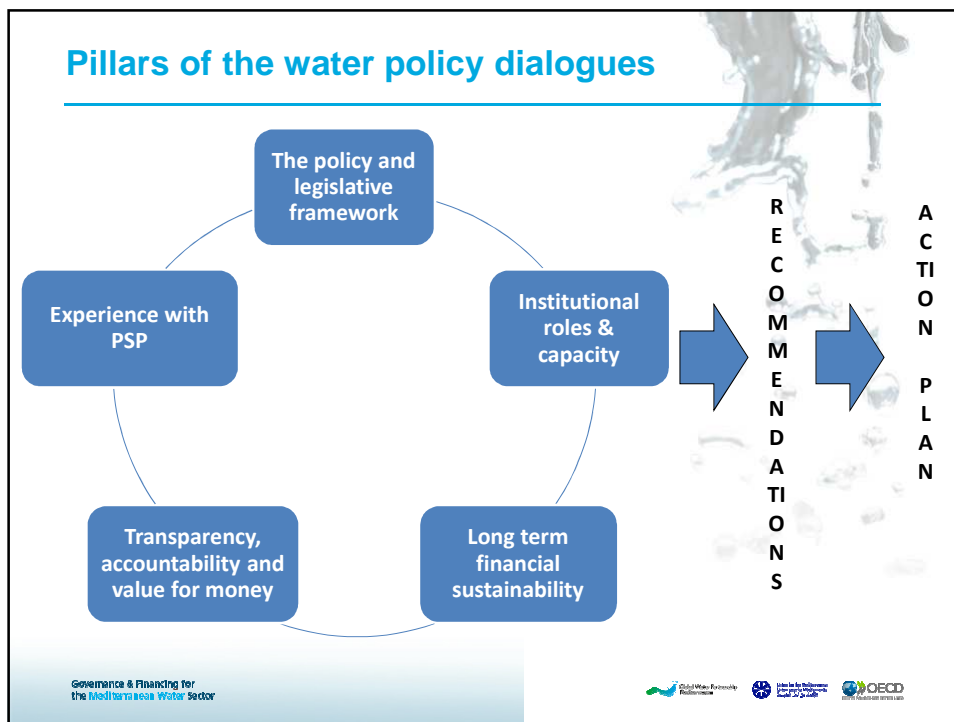


## Objective

**Identify and provide realistic and implementable solutions (in the form of a set of operational guidance and a compendium of good/bad cases and best practices) to the governance challenges for the mobilisation of financing for the Mediterranean water sector**

## Components & Outputs





## How to do it - Methodology

- Builds on **well received earlier work** by GWP-Med/OECD in Egypt and Lebanon
- Long tradition of **providing neutral platforms for building consensus & sharing good practices** among wide range of stakeholders through evidence-based policy dialogues
- Based on **tested methodologies and tools** to help countries **strengthen institutional capacity to attract financial resources** & manage water resources and service delivery more efficiently
- Allows direct interface between citizens, users, governments and the private sector, thus **enhancing ownership and securing active participation**

## How to do it - Synergies

Based on ongoing work and linkages that the project partners have established in the Mediterranean region, operational linkages with EU and UN initiatives, processes and programmes have and can be secured, including, but not limited to, the:

- European Investment Bank (EIB)
- EU Water Initiative (EUWI) and particularly the Mediterranean Component (MED EUWI) and the Joint Process MED EUWI/WFD
- GEF Strategic Partnership for the Mediterranean
- EC-funded Sustainable Water Integrated Management (SWIM) Support Mechanism and Demo projects
- Horizon 2020 Initiative to de-pollute the Mediterranean
- UN Barcelona Convention & Protocols, MSSD, UNEP MAP, UNDP WGP-AS, UN ESCWA, etc
- UNECE International PPPs Centre on Water and Sanitation
- Marseille Centre for Mediterranean Integration (SustainableMed)



## Launching Conference

- More than 100 stakeholders
- From 22 countries
- Representing governments, public authorities, civil society, donor community, private sector, regional and international organisations



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## Water Policy Dialogue in Jordan



- At the request of by **H.E. Hazim El-Naser**, Minister of Water and Irrigation
- Developed through an interplay of technical work and consultation workshops
- Involved 157 individuals (31% women) representing 57 different institutions/organisations



First Consultation – 23 Oct 2013  
 Second Consultation – 5 Feb 2014  
 Third Consultation – 4 June 2014

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## Water Policy Dialogue in Tunisia



First Consultation – 1 Oct 2013  
 Second Consultation – 5 Mar 2014  
 Third Consultation – 9 June 2014



- Requested by **H.E. Mohamed Ben Salem**, Minister of Agriculture
- Developed through an interplay of technical work and consultation workshops
- Involved 162 individuals (41% women) representing 65 different institutions/organisations

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## 1st Regional Conference 28-30 October 2014, Athens, Greece



- Brought together 112 stakeholders, representing governments, public authorities, civil society, donor community, private sector, regional and international organisations
- Disseminated the findings from Jordan & Tunisia
- Shared experiences from water sector reform process from other South Med countries & explored the replication of the work/methodology
- Facilitated the Regional Dialogue Platform on governance & financing

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## Water Policy Dialogue in Palestine



First Consultation – 13 Nov 2014  
 Second Consultation – 6 May 2015  
 Third Consultation – 16 June 2015  
 Fourth Consultation - 2 Dec 2015



- Requested by **H.E. Shaddad Attili**, former Minister & reconfirmed by **H.E. Mazen Gnaim**, Minister, PWA
- Developed through an interplay of technical work and consultation workshops
- Involved 189 individuals (27% women) representing 39 different institutions/organisations

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## Communication & Visibility

- Active involvement in a series of regional & global meetings & processes
- Dedicated website – kindly hosted by GWPO
- Communication Strategy
- Production of communication material
  - Project Brief in 3 languages
  - Newsletter
  - Dialogue Policy Briefs



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## Key diagnostic points

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## Contrasted experience with PSP

### Tunisia

- Limited use & knowledge of PSP in the water sector
- Shift in government approach towards PSP => water sector should be ready to impact decision making when the political conditions are in place

### Jordan

- Varied experience with both small and large scale private sector participation (PSP) projects
- The country is on the verge of concluding mega project and risks failing reaping the benefits if right conditions are not in place

### Palestine

- Some experience with PSP projects and management contracts, also outside the water sector; replicable examples exist
- Severe water scarcity challenges and lingering political situation

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## Different institutional setting

### Tunisia

- Centralised setting
- Competent administration but limited PSP capacity

### Jordan

- Responsibilities for water and PPPs are scattered across institutions – some overlaps and unclear allocation
- Responsibilities are in flux
- Corporatisation under way

### Palestine

- 2014 Water Law has consolidated responsibility and clarified roles across entities with PSP clearly identified as tool
- Enforcement in progress; undefined period of transition as structure and responsibilities are being shifted

## Common challenges

- Uncertainty & gaps in the legislative & regulatory framework for water and PPPs undermines legal clarity, opportunity and stability of water PSP
- Limited financial sustainability of water operators, important subsidies & fiscal constraints put pressure on the WWS sector and call for reforms
- Need for greater accountability mechanisms, territorial development & stakeholders' engagement

## Areas of Recommendation

1. Developing the regulatory framework
2. Improving the budget processes
3. Promoting & ensuring stakeholder engagement

## Tunisia: what PSP for which objectives

- Forms of PSP need to be considered based on an evaluation of past experience, taking into account the appetite of the PS and sustainability / value for money
- Small scale PS should be considered in rural areas where SONEDE is not present
- Piloting BOT for water & wastewater treatment
- Consider forms of PSP that support greater technical & commercial efficiency, as well as quality services => ONAS is developing « Concession d'exploitation » and needs to embed the appropriate incentive mechanisms
- Difficult to consider more complex forms of PSP

## Jordan: supporting the set up of a regulator

- Embed more systematically **the instruments of good regulatory policy** in the water sector to improve the efficiency and accountability of the regulatory framework for water
- Improve clarity on the **PMU's roles and functions**, align its resources with its core work and establish appropriate accountability mechanisms to enhance the credibility of the regulatory framework
- Continue the **corporatisation efforts** and strengthen the autonomy of water providers as they constitute the key pillars upon which the regulatory framework rests

## Palestine: support the 2014 Water Law enforcement

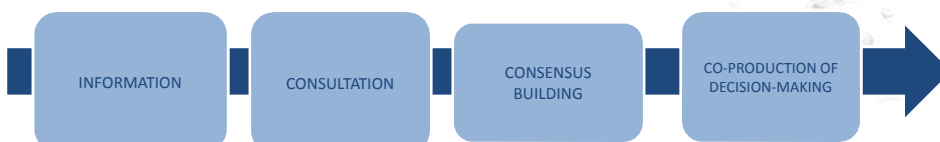
- Build strong and dedicated PPP capacities and establish PPP units (one inside the PWA), ensuring that training/capacity building is provided for men and women alike
- Address intra-sector relationships according to the legal framework including the 2014 Water Law (e.g. through MoUs, protocols between parties) - improve clarity on and encourage the amalgamation of service providers and enhance their autonomy
- Three-tier communication approach for sensitisation and awareness & build on/expand existing mechanisms for stakeholder engagement

## Fiscally sustainable PSP in the three countries

- Build **PPP capacity throughout the administration**. Develop basic value for money methodology and standard PPP contracts
- Set up a strong **dedicated PPP unit** and develop related methodologies
- Develop a **strategic financial strategy** for the water sector to stimulate policy debate on the feasibility of various policy choices
- Generate and publish a **contingent liability report** as part of the budget documentation to create transparency

## Stakeholder engagement

1. Strengthen the **information base and access** to raise awareness on issues of cost and dispel myths on PSP
2. Reinforce **existing mechanisms & platforms** for their effective contribution to decision-making and to better reflect “unheard voices”
3. Clarify **objectives and expected outcomes** of stakeholder engagement to better define who can do what



## Next steps 2016-2017

- Water Policy Dialogue in Lebanon
  - At the request of the Ministry of Energy and Water
- Water Policy Dialogue in Morocco
  - At the request of the Ministry of Mines, Water and the Environment
- Water Policy Dialogue in another country or deepening in one of the existing Dialogues
- 2<sup>nd</sup> Regional Conference, last week of October 2015, Tunis, Tunisia
- 3<sup>rd</sup>/Closing Regional Conference, Nov 2017, Athens or Barcelona

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مع خالص شكري  
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*Merci pour  
votre attention*

*Thank you  
for your kind attention*

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