

# 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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Head of MENA  
GWP-Med

***Session on: Water Governance & Integrity under change in the MENA: how to boost up implementation efforts?***

**Arab Water Week**  
**19-21 March 2017, Dead Sea, Jordan**



# Snapshot of the project

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- Regional geographical scope
- Timeline: 2013 - 2017
- Designed & implemented by GWP-Med & OECD
- Labelled under the UfM framework
- 2 components: national & regional
- Focus Countries: Jordan, Lebanon, Palestine & Tunisia, support letters provided by more countries
- Financially supported by Sida, EIB and GEF MedPartnership

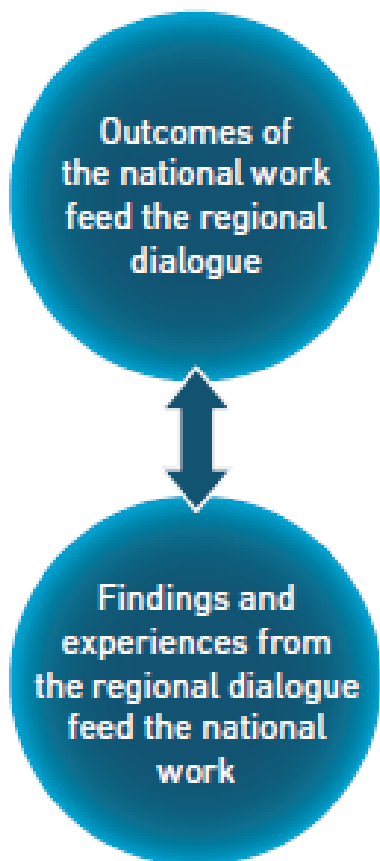


# Objective

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**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



## NATIONAL COMPONENT

### Country reviews developed through policy dialogues

Objective: to identify main governance challenges to financing the Mediterranean water sector, including through Private Sector Participation (PSP), via in-depth technical work and multi-stakeholder policy dialogues.

*The dialogues complement the technical work and pave the way for recommendations and an action plan for reforms based on international best practices.*

## REGIONAL COMPONENT

### Dialogue to share policy experiences and promote best practices

Objective: to support the sharing of experiences across the Mediterranean and beyond.

*The project facilitates the interface between policy-makers and private sector actors on governance reforms enhancing the financial sustainability in the water sector.*

Regional level

Launching Conference

1st Regional Conference

2nd Regional Conference

3rd Regional Conference

2013

2014

2015

2016

2017

National level

One-year-long National Policy Dialogues

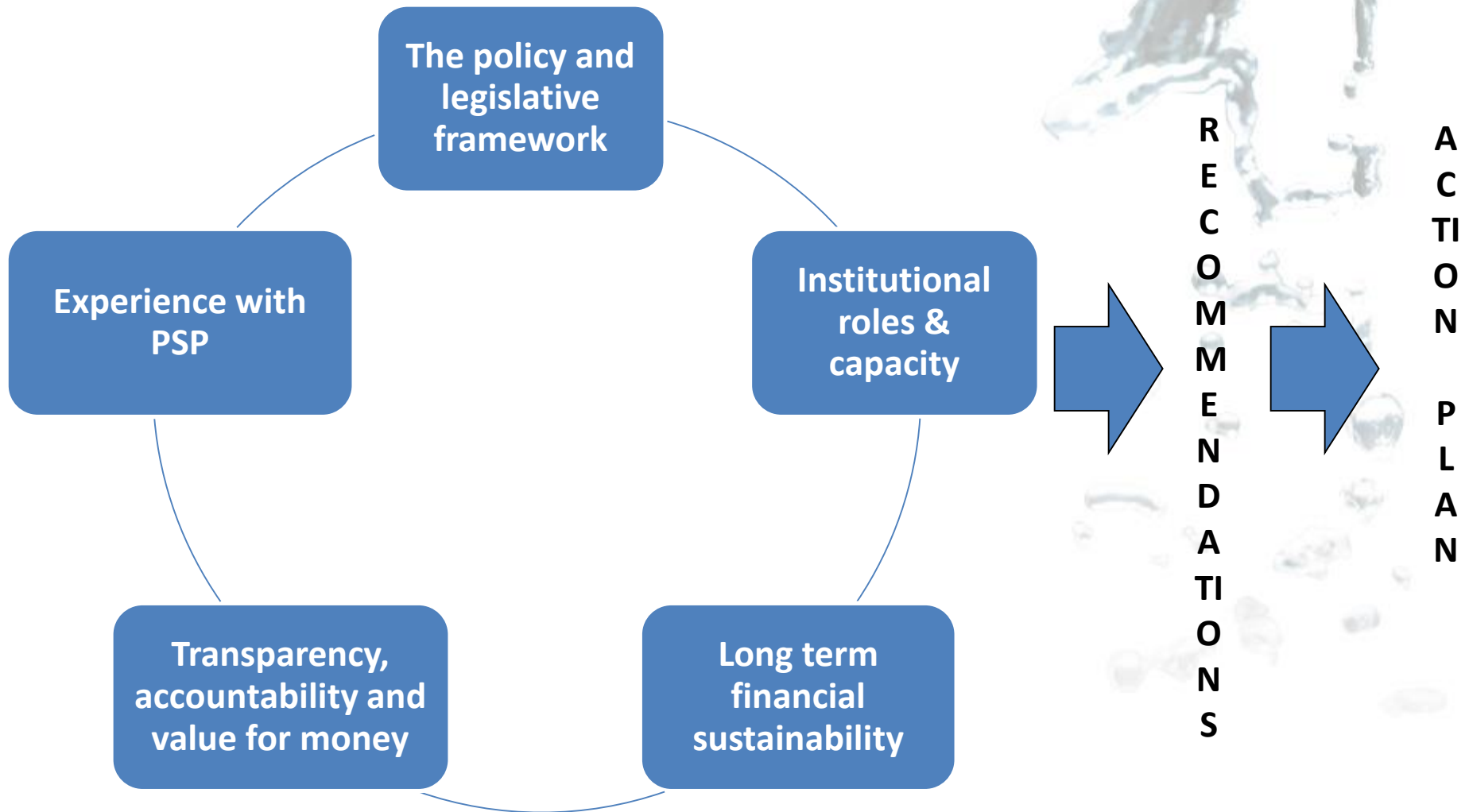
One-year-long National Policy Dialogues

One-year-long National Policy Dialogues

Governance & Financing for the Mediterranean Water Sector



# Pillars of the water policy dialogues



# Regional Component

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## Regular Regional Meetings to:

- **exchange good practices and the sharing of experiences** in the region and with other countries (EU, overseas, OECD)
- **identity common denominators, as well as replicable experiences and practices** using the compiled report of country case studies
- **develop of a set of guidelines tailored to the region** based on the experiences detailed in country case studies

**Facilitate a broad network of experts dedicated to water governance dialogue**, in line with OECD's Global Water Governance Initiative and the Med Process of the World Water Fora

**Facilitate a regional informal interface/dialogue among public, private and civil society actors**

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# Progress & Activities (2013-2016)

# Regional Component

## Official Launching of the Project High level Regional Conference

28-29 May 2013

Palau de Pedralbes, Barcelona, Spain



## First Regional Conference

28-30 October 2014

Athens, Greece

## Second Regional Conference

5-6 December 2016

Tunis, Tunisia





# 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

# 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

# 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 Gnam**, Minister, PWA
- Developed through an interplay of technical work and consultation workshops
- Involved 189 individuals (27% women) representing 39 different institutions/organisations

# Communication & Visibility

- ❑ Dedicated website – kindly hosted by GWPO  
<http://www.gwp.org/governanceandfinancing>
- ❑ Active involvement in a series of regional & global meetings & processes
- ❑ Communication Strategy
- ❑ Communication material
  - ❑ Project Brief in 3 languages
  - ❑ Newsletter
- ❑ Policy Briefs
- ❑ Thematic Briefs
  - ❑ Gender
  - ❑ CSR



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# Key diagnostic points

# Contrasted experience with PSP

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## 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

# Different institutional setting

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## 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

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- 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



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# Areas of Recommendation

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

# Tunisia: what PSP for which objectives

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- 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

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- 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

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- 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

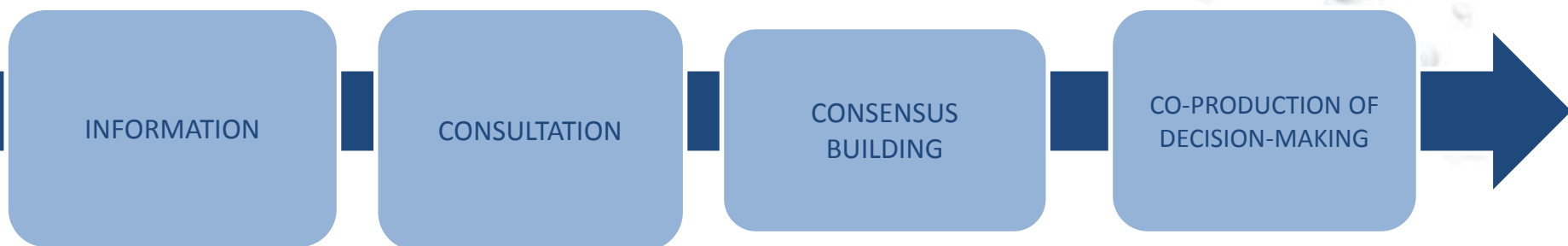
# Fiscally sustainable PSP in the three countries

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- 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



# Activities during 2017

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## National Component

- Water Policy Dialogue in Lebanon, with emphasis on the role of the banking sector
- Phase II of Water Policy Dialogue in Palestine, supporting the consultation on the elaboration of priority water policies

## Regional Component

- Knowledge management: Regional Report with key findings and lessons learnt
- 3<sup>rd</sup>/Closing Regional Conference, Nov 2017, Athens or Barcelona
- Synergies with other programmes & initiatives for sustainability of results

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*Merci pour  
votre attention*

*Thank you  
for your kind attention*

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