

# ***Governance & Financing for the Mediterranean Water Sector***

## **Launching Conference**

**28-29 May 2013**

**Barcelona, Spain**

**Session I: Unfolding the project**

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# Snapshot of the project

Regional geographical scope

Duration: mid 2013 - mid 2016

Budget: 2.5 million Euros

Countries of focus: Albania,  
Egypt, Jordan, Lebanon,  
Palestine, Morocco, Tunisia

Designed & implemented by: GWP-Med & OECD

Labelled under the UfM framework on 9 July 2012

Consists of 2 components: national & regional

Regional Component funded by Sida



# Implementers

The **Global Water Partnership – Mediterranean (GWP-Med)** (regional partnership of GWP that was established in 1996 by World Bank, UNDP and Swedish SIDA) is a multi-stakeholder platform bringing together more than 80 networks, institutions and organisations working on water issues in the Mediterranean region. The aim is to exchange knowledge and promote action on Integrated Water Resource Management (IWRM) for the sustainable use of the region's water resources, through facilitated policy dialogue, targeted demonstration activities, experience and knowledge sharing and capacity-building.

The **Organisation for Economic Co-operation and Development (OECD)** is an intergovernmental organisation promoting policies that will improve the economic and social well-being of people around the world. The OECD provides a forum in which governments can work together to share experiences and seek solutions to common problems, based on evidence-based economic analysis.

# Background

At the core of water crisis, **governance deficit, mismanagement and under-financing play a major role**

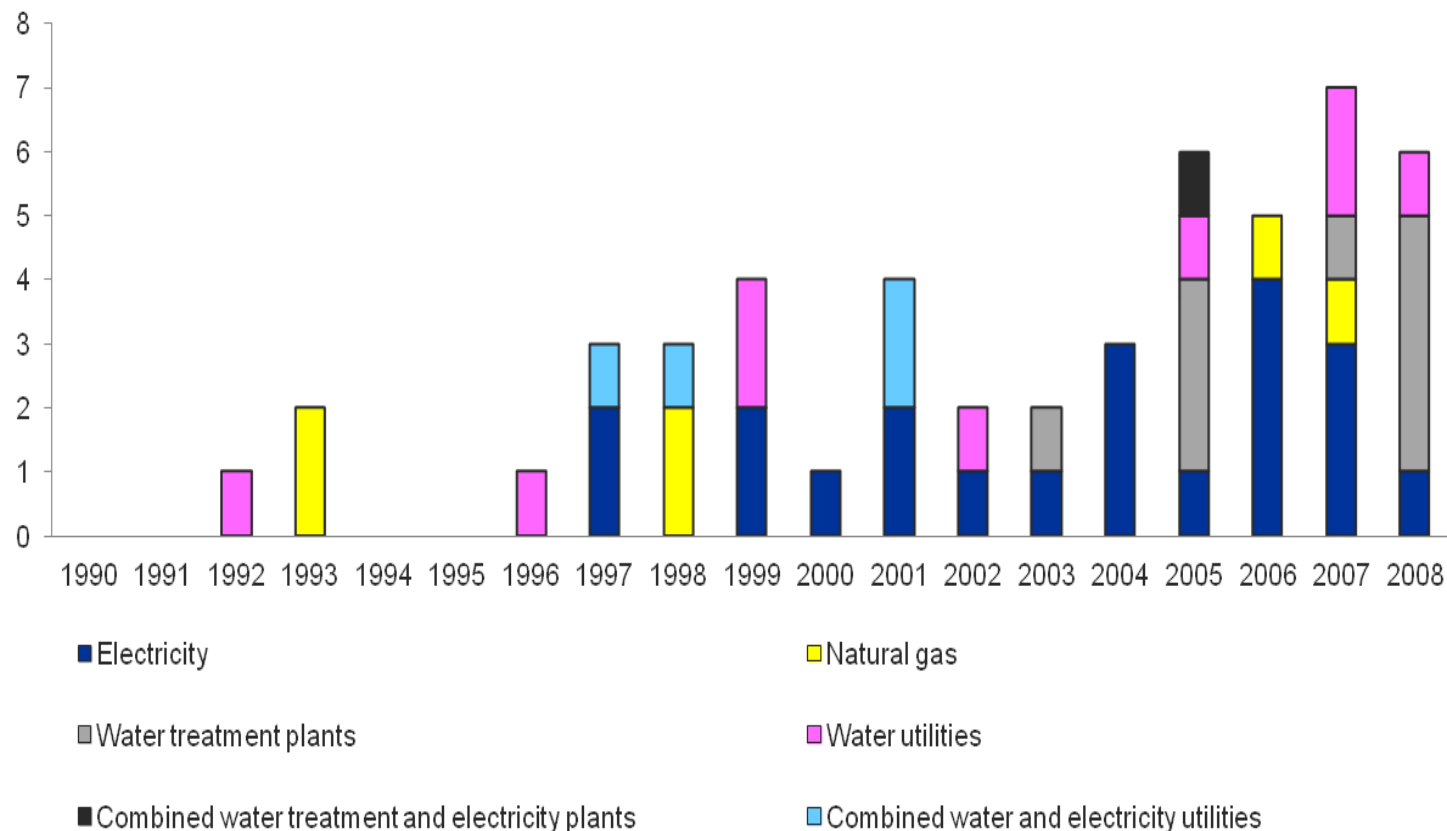
Despite flow of funding, **countries struggle - and usually fail - to meet the financial requirements** that water-related strategies and plans entail

**Lack of basic elements of a sound governance framework impedes efficient use of available funding and mobilisation of much needed additional sources of finance, particularly from the private sector**



# Background

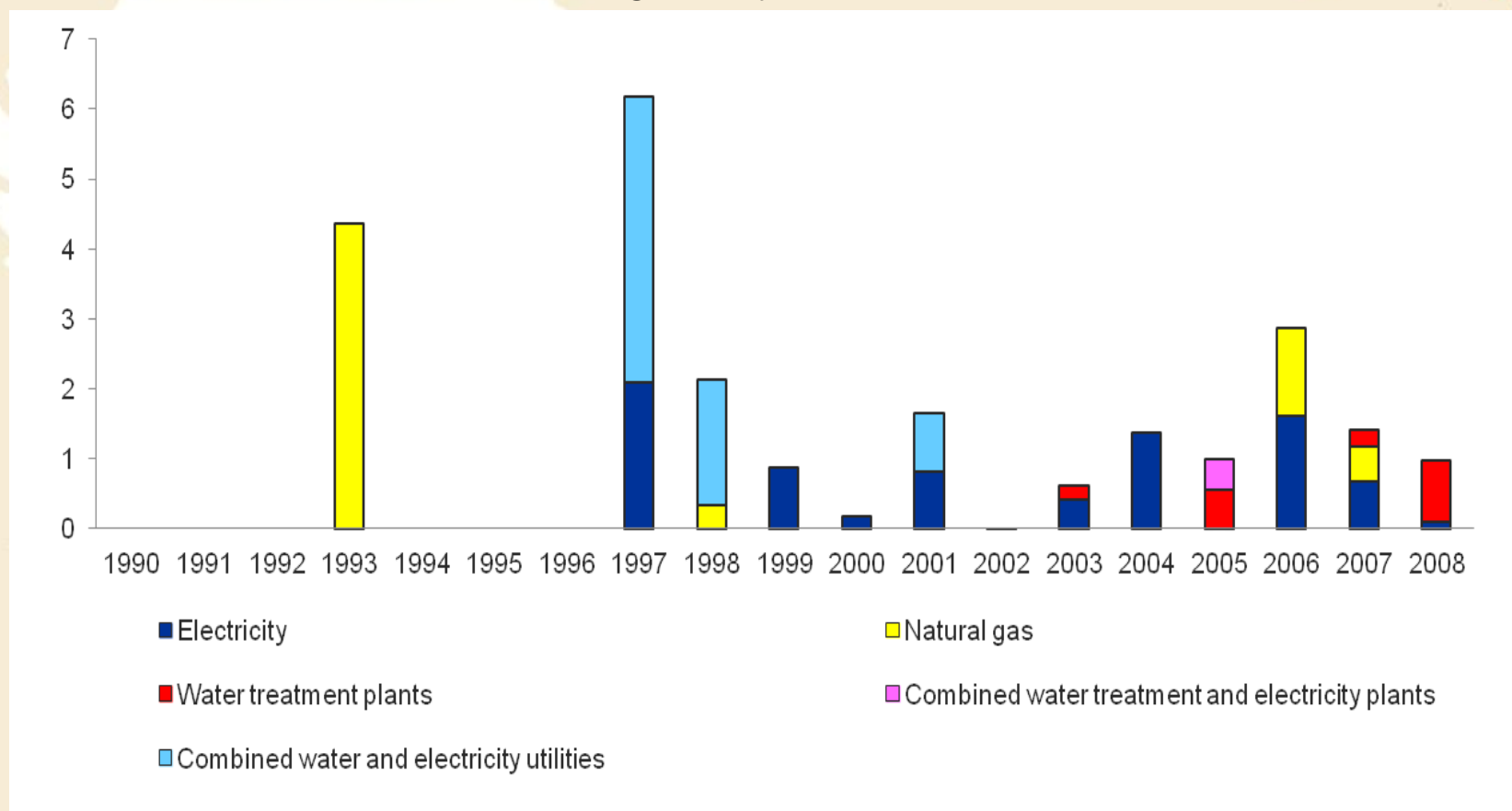
New energy and water projects with private participation in the MENA region, by sub-sector, 1990-2008



Source: World Bank and PPIAF, PPI Project Database

# Background

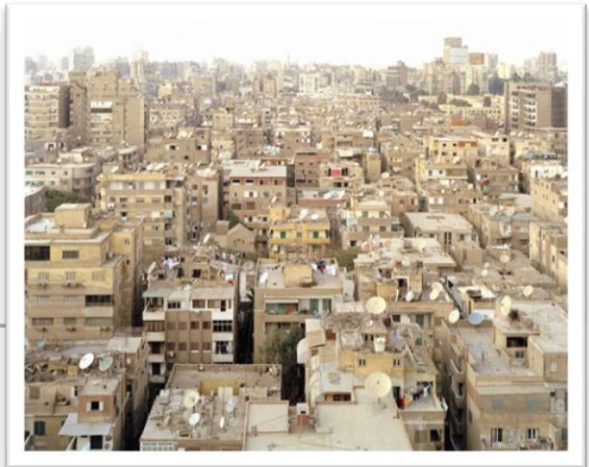
Investment commitments to energy and water projects with private participation in the MENA region, by sub-sector, 1990-2008



Source: World Bank and PPIAF, PPI Project Database

# Further challenges ahead

- The population has doubled in 40 years (450 mil today)
- 90% of the total region's GNP is in 5 countries in the North
- Economic crisis has hit hard many of the EU Med countries
- Unemployment is rising
- Cities are growing fast; Coasts are under pressure



# Objective

The overall objective of the Project is to 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



# Specific objectives

The work will focus on two interlinked areas:

- ✓ Assess the opportunities and institutional and regulatory challenges arising from public-private partnerships in water infrastructure, as a tool in the hand of policy makers to advance the government objectives of managing water resources and financing services in an effective, sustainable and affordable manner.
- ✓ Stemming from the assessment, provide a diagnosis of the key governance and capacity building bottlenecks that impede the efficient use and mobilisation of much needed financing and of the mechanisms to overcome them. The work will seek to identify the main policy responses for managing cooperation across different governance levels, catalysing in-house government expertise and strengthening the institutional set-up that can underpin increased investment flows.

# Components & outputs

A set of country reviews, developed through national consultations

- At country level, a questionnaire will be developed and used to identify the institutional and regulatory factors inhibiting the flows of financial resources and PPPs. The in-depth research based on the questionnaire will be complemented by multi-stakeholder policy dialogues and will pave the way for recommendations and an action plan for reforms, based on international best practices.

Regional dialogues to share experiences and promote the diffusion and replication of successful practices

- At regional level, the Project will support the exchange of policy experiences through regular meetings among Mediterranean and OECD countries and facilitate the interface between policy-makers and private sector actors on governance reforms that will help achieve financial sustainability in the water sector. The potential for setting up a regional platform for such interface will be explored.

# National Component

Involves in-country policy dialogues of approximately 9-12 months, whose specific focus will be defined with each country

**National assessments and a regional Report** compiled to highlight:

- Institutional and regulatory factors inhibiting the flows of much needed financial resources** and beneficial public private partnerships (PPP) along with policy recommendations to overcome them;
- Existing governance and capacity building gaps** in managing complex interdependencies across public actors and the mechanisms used by different countries to bridge them.

# National Component - outcomes

The assessments and accompanying multi-stakeholder policy dialogues will lead to:

- ❑ **In-depth consideration of mechanisms to overcome key bottlenecks, such as:**
  - (i) **strengthening of authorities that underpin an effective regulatory framework and of capacity building mechanisms to catalyse expertise in the public sector,**
  - (ii) **institutional cooperation mechanisms, such as river basin organisations, performance indicators, contracts across levels of government, dispute resolution mechanisms, etc.,**
  - (iii) **mechanisms to incentivise effective users' participation.**
- ❑ **Endorsement/application of mechanisms considered most suitable to the country context, through country policy dialogues, and using participatory approaches to ensure ownership.**



9-12 Months	1	2	3	4	5	6	7	8	9	10	11
<b>Steps</b>											
<b>STEP I:</b> collect of information from Med countries (3 months): the country authorities provide the partners (GWP-Med and OECD) will relevant <b>background documents</b> , files, data, figures, technical analyses on the challenges to mobilize commercial sources of funding in the water sector; relevant conclusions from any dialogue and roundtable already carried out in this topic. At the same time mapping of stakeholders involved in the topic will be conducted.	█										
<b>STEP II:</b> the partners prepare and circulate <b>questionnaires</b> (1 month) to a wide range of key stakeholders to assemble the information needed to process and integrate the outputs on the subjects covered by the review. These questionnaires are based on OECD tools.			█								
<b>STEP III:</b> based on the answers, the partners prepare preliminary assessments (1 month) and conduct <b>fact-finding missions</b> (1 week) to discuss issues of governance and financing and fill information gaps.			█								
<b>STEP IV: <u>First National Policy Workshop</u></b> with key national stakeholders and project partners to discuss the scoping paper highlighting the diagnosis and identifying areas / bottlenecks on which the reports will focus. Planned dates are during the 3 <sup>rd</sup> or 4 <sup>th</sup> week of June and will be conducted consecutively in the two countries.				●							
<b>STEP V:</b> the results of the questionnaires, fact-finding missions and workshop recommendations are compiled into <b>draft country reports</b> (3-4 months – about 6-9 months after launching the work), which include a diagnosis section and preliminary recommendations.					█						
<b>STEP VI: <u>Second National Policy Workshop</u></b> with a wide range of water stakeholders and peer reviewers to discuss the draft assessments and preliminary recommendations. This is planned for the last week of October or first week of November and will be conducted consecutively in the two countries.								●			
<b>STEP VII: <u>Finalisation of the country report</u></b> (2-3 months) including suggestions on next steps and needed actions. Final draft report to be circulated within OECD relevant Committees and networks; country stakeholders and project partners for final input.										█	
<b>STEP VIII: <u>Final National Policy Workshop</u></b> to present and approve the Final Report along with the suggestions on next steps/needed actions by the key stakeholders in a wide dissemination event and discussion on potential follow up activities with the countries (the Workshop needs to precede the Annual Regional Conference and will take as early as possible in Q1 of 2014).											●
<b>STEP IX:</b> In parallel, <b><u>the country work feeds into the regional component</u></b> (including input and substantial contribution in the Annual Regional Conferences)	█										

# Regional Component

## □ Annual 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

□ **Explore the potential set up of a regional interface among public and private actors**

# Methodology

Builds on **well received earlier work** by GWP-Med/OECD in Egypt, Lebanon and Tunisia (in progress)

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**

# Synergies

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

- EU Water Initiative (EUWI) and particularly the Mediterranean Component (MED EUWI) and the Joint Process MED EUWI/WFD
- GEF Strategic Partnership for the Mediterranean
- 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
- Marseille Centre for Mediterranean Integration (SustainableMed)

Strategic partnerships with the EIB (secured) and others (in progress) will ensure an adequate diagnosis of the governance bottlenecks, support the project financially and bolster the work's impact



# Beneficiaries

## Different levels of government and public authorities

- by strengthening their capacity for preparing, regulating, and monitoring PPP projects

## Private partners and utilities

- by clarifying respective responsibilities and better supporting the management of expectations

## Water users

- by helping them make their preferences and concerns better heard

# Impact & added value

- ❑ Assist Public Sector in identifying & implementing best practices for Water Governance and Finance – timely as many countries are amidst water sector reform processes
- ❑ Help Public and Private Sectors to engage in a transparent and accountable way
- ❑ Address perception of misuse or abuse of public assets through clear regional models and guidelines and monitoring for public spending and for granting contracts
- ❑ Secured sharing of experiences through the regional conferences to be held annually
- ❑ Technical work on the regional component and linkages with on-going regional and global processes

Key strengths:  
Convening power  
Shared diagnosis  
Pier review and advice  
Credibility and Neutrality

Combination of solid technical work with informed consultation processes, engaging a plethora of actors

*Thank you  
for your kind attention*

مع خالص شكري  
وامتناني

*Merci pour  
votre attention*