

Concept note:

Conference on Water Governance in MENA and wider Mediterranean region Strengthening integrity and financing for water security and sustainable development

12-14 December 2017 Barcelona, Spain

Organised **under the auspices of the Union for the Mediterranean**, by:

Governance & Financing for the Mediterranean Water Sector project,
implemented by GWP-Med & the OECD, and

Regional Water Integrity Capacity Building Programme in MENA, implemented by
SIWI UNDP Water Governance Facility, GWP-Med and IUCN-ROWA

Introduction

Water is fundamental for sustainable development, having a crucial role in human well-being, socio-economic growth and the health of the environment and ecosystems alike. The Middle East & North Africa (MENA) and wider Mediterranean region faces serious water challenges that pose obstacles to its development trajectory. Further to water scarcity, translating into acute water stress in some cases, explosive demographic changes, unemployment, poverty, changing consumption patterns including rising water and food demands, urbanisation, growing energy needs, environmental degradation, climate change, gender disparities are among the conditions exacerbating further the already complex and difficult situation. Moreover, part of the region currently faces an enduring economic crisis, socio-political instability, conflicts and large-scale migratory movements often under dramatic conditions. The vast majority of these conditions have a direct impact on the availability and quality of water resources for people and nature in the Mediterranean, with high and rising associated costs in human lives and livelihoods in general and in monetary terms. Whilst acknowledging the pressing need for action and cooperation at all levels, there is also widespread recognition that governance lies at the heart of the water

predicament and is key to overcoming the related challenges and achieving water security¹. These challenges require important investments on water and the related sectors. Public financing is limited and mobilisation of financing with active involvement of the banking sector may be crucial. This mobilisation requires use of common language for proper understanding and facilitation of the implementation of planned projects. Better alignment between water governance and the requirements of sustainable financing is necessary.

Most MENA, and countries of the wider Mediterranean have developed comprehensive water laws and policies that bear commonalities in terms of features and goals e.g. decentralisation, increased role for the private sector, basin-wide management planning, better coordination of horizontal and vertical decision-making, and multi-stakeholder participation. While most policies and related frameworks seem sound on paper, their effective implementation continues to lag behind and to face serious strains and impediments.

With due respect to the human right to water and sanitation², the provisions of the Sustainable Development Goals (SDGs)³ and the Paris Agreement⁴, the general vision of good water governance is to achieve equitable and sustained access to water, with appropriate tools to limit corruption, greed, dishonesty and wilful malpractice (WGF, 2009). To achieve more effective water governance, it is necessary to create an enabling environment, which facilitates private and public-sector initiatives that fit within the social, economic and cultural setting of the society (Jacobson et al., 2013). Water governance is perceived as competent when it is open and transparent, inclusive and communicative, coherent and integrative, equitable and ethical, accountable, efficient, responsive, and sustainable⁵. Good governance means honouring the social contract between leaders and citizens, managing the water resources and providing the water services at the lowest cost in an equitable manner, setting the environment that enables the development and the sustainable financing of the water sector.

In the MENA and Mediterranean region, despite the significant allocation of public funds and the flow of aid, countries struggle to meet the financial requirements that water-related strategies and plans entail. The lack of a sound governance framework undermines the quality and financial sustainability of the water and sanitation sector. Mismanagement, low financing and lack of absorption capacity at both national and local levels impede the efficient mobilisation of additional managerial and financial resources, particularly from the private sector.

At the same time, political unrest in the Mediterranean region has amplified the need for socio-political reforms. There is a clear demand for more efficient water service provision; wider participation of

¹ http://www.gwp.org/globalassets/global/toolbox/publications/background-papers/gwp_tec20_web.pdf

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http://www.un.org/es/comun/docs/index.asp?symbol=A/RES/64/292&referer=http://www.un.org/waterforlifedecade/human_right_to_water.shtml&Lang=E

³ <https://sustainabledevelopment.un.org/sdgs>

⁴ http://unfccc.int/files/essential_background/convention/application/pdf/english_paris_agreement.pdf

⁵ <http://www.gwp.org/globalassets/global/toolbox/publications/background-papers/07-effective-water-governance-2003-english.pdf>

stakeholders; more decentralised planning and implementation processes; and more transparent and accountable decision making.

In order to tangibly contribute towards overcoming challenges relating to Water Governance & Financing as well as Water Integrity in the MENA region, two relevant regional projects supported by the Swedish International Development and Cooperation Agency (Sida) and labelled by the Union for the Mediterranean (UfM) have been implemented in recent years and are drawing their current phase of work to a close at the end of 2017:

- ❖ the “*Governance & Financing for the Mediterranean Water Sector*” implemented by GWP-Med and the OECD, and
- ❖ the “*Regional Water Integrity capacity-building programme for the MENA*” implemented by the SIWI UNDP Water Governance Facility.

Furthermore, the EU-funded regional project “*Sustainable Water Integrated Management and Horizon 2020 Support Mechanism (SWIM-H2020 SM)*” which runs till 2019, is the continuation and merging of two previous successful EU-funded projects, Horizon 2020 Capacity Building/Mediterranean Environment Programme (H2020 CB/MEP) (2009-2014) and the Sustainable Water Integrated Management Support Mechanism (SWIM SM) (2010-2015). Under all these projects, a series of activities were and are devoted to environmental governance with wide participation, including water governance and finance issues, as well as exploring ways of further encouraging the active involvement of the banking sector in the funding of water projects of various scales.

Aiming to capitalise on conducted work, results and findings, the Regional Conference will be organised by the above-mentioned programmes (details on the programmes are available in the Annex). There is significant added value in this joint endeavour of addressing Governance & Financing together with Water Integrity and with water governance being the common denominator. Significant challenges still exist in the Region regarding governance and financing of projects in the water sector, while promoting water integrity and fighting corruption. All projects have contributed in committing institutions and stakeholders to the governance principles of transparency, accountability and participation, at the same time creating a fertile ground for investments.

Rationale of the Conference

Further to the above, the rationale for holding this Conference stems from the fact that Regional Policy Dialogues and the sharing of experiences among the various Mediterranean and MENA countries is fundamental to creating synergies between countries’ initiatives and projects, as well as providing support to cross-cutting themes in the water governance and financing nexus. Although each country responds to water challenges through different approaches at national level to meet the increasing demand with decreasing resources, cooperation at basin, sub-regional, regional, and global levels adds greater effectiveness to national policies and contributes to more coordinated approaches, enhancing also the linkages with other sectors. Accordingly, the Conference touches upon key issues and linkages through

the sharing of concrete and operational business cases, best practices and existing successful (and not so successful) learning experiences.

The different topics covered in the Conference's sessions, reflect the different angles from which Mediterranean and MENA stakeholders, from within and outside the water and water-related sectors, can enhance the enforcement of their mandate and contribute towards the region's water security and sustainable development. The different topics will provide the participants with tools for more effective use of existing financial resources and explore innovative and emerging financing mechanisms, including through a fuller and more effective engagement of the banking and wider private sector. Creating a more conducive environment for investment and development cooperation for enhancing the return on water investments and gaining confidence of water financiers and citizens alike, requires investing in transparent and accountable water governance and enhancing the integrity levels. Essentially, it requires that each stakeholder (whether from the public, private, civil society or other realm) plays, in a responsible way, its role within a comprehensive, collective action framework promoting lasting and sustainable positive change.

Targeted participants

The Regional Conference is relevant to representatives of:

- Government authorities combining the expert (water and water-related issues) as well as the financing/planning tracks;
- Water supply and wastewater utilities;
- Water resources management organisations and authorities;
- Private sector with an interest in water PPPs;
- Financing sector interested to invest in green activities;
- Regional and National Stakeholder Organisations including Civil Society Organisations, Academia and Media;
- International and Regional Institutions and Organisations; and
- Donor and financing institutions active in water issues in the MENA and Mediterranean Region.

Purposes

The programmes will bring together, for 3 days, targeted Mediterranean stakeholders from water-related sectors, including public authorities, civil society and the private sector, with the overall purpose of:

- sharing and further disseminating good governance and financing experiences, insights, tools, lessons-learned and best practices,
- contributing to the development of the UfM Water Agenda, in particular to the governance component,
- advocating among political leadership to continue and enhance support to good governance practices' enforcement, and
- providing key elements for proper understanding, definition and implementation of green financing and bankability

The specific purposes of the Conference regarding the “Governance & Financing for the Mediterranean Water Sector” project are to:

- Present and disseminate the outcomes from the Water Policy Dialogues conducted and completed in Jordan, Tunisia, Palestine and Lebanon.
- Share experiences and insights on sustainable financing mechanisms for water infrastructure and identify ways for promoting action at both policy and implementation levels, including through a regional platform among public, private and civil society actors.
- Explore synergies (existing and upcoming) with related initiatives and projects, as well as the role of cross-cutting themes (e.g. gender, integrity, rights, etc.) in the water governance and financing line of work.

The specific purposes of the Conference regarding the “Water Integrity Capacity Building Programme for the MENA” are to:

- Share knowledge about tools, processes, strategies and the lessons learned, as well as challenges and opportunities when implementing water integrity action plans;
- Assess policy gaps so as to develop a way forward for integrity policies that improves on water governance.
- Gain support for water integrity in the regional political arena.

The specific purposes of the Conference regarding the “SWIM-Horizon2020 Support Mechanism” are to:

- Showcase the results of capacity building activities and strategic synergies achieved with the other two projects in preparing knowledge products and conducting national and regional Dialogues on Governance and Financing of water projects, private sector participation and the role of banks in relevant investments.
- Enhance partner countries’ capacity to promote sustainable investment opportunities in the water sector.

Overall, this Regional Conference aims to contribute in further developing and enforcing good governance policies and strategies in the region, including in particular roadmaps to water investments strategies, and water integrity management plans.

Outcomes

In order to achieve the results as described above, the Conference will pursue the following outcomes:

1. Presentation and dissemination of the results of the Water Policy Dialogues conducted and completed in Jordan, Tunisia, Palestine and Lebanon.
2. Sharing of knowledge and experiences among participants, institution- and country-representatives in the design and implementation of water financing strategies and water integrity strengthening plans.
3. Taking stock of the successes, challenges and bottlenecks in financing water investments and in water governance developments.

4. Recognition among policy-makers of the need to further strengthen integrity in water governance in the MENA region
5. Overview of options for financing investments in the water sector, and of the role of the private sector (with emphasis on banks).

Outputs

The Conference is expected to produce the following outputs:

1. Conference statement: As a political leverage, a statement to be forwarded to national governments and regional political processes including the Union for the Mediterranean and the League of Arab States. The statement should recognise the need of good governance and integrity policy-making to improve water governance in the MENA region, both at regional and country level; and provide policy recommendations for regional and national decision-making.
The statement should also recognize the need of capacity development to enhance the water governance in the region, particularly the capacity to unlock financial bottlenecks.
2. Proceedings of presented experiences and reflections: This is a Report of the Conference that includes the knowledge products for the participants and that reports on the discussions that took place during the different sessions.
3. Reported Strategic orientations for sustainable financing of the water agenda in the MENA/Mediterranean region: as a base for the development of follow-up actions at country and regional levels and aligning with the UfM Water Agenda and its related Financial Strategy.
4. Reported Strategic orientations for a Water Integrity Development in the MENA region to follow-up on the conference: As a base for the development of follow-up plans, the conference should identify specific water integrity policy goals, opportunities and strategic objectives.
5. Reported strategic orientations for further strengthening, finetuning the relevant planned and eventually new activities under the SWIM-H2020 SM project, enhance synergies and ensure a comprehensive follow-up.



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ANNEX – the Conference partners

The Governance & Financing for the Mediterranean Water Sector regional project,

implemented by GWP-Med and the OECD

The four-year (2013 –2017) regional project implemented jointly by GWP-Med and the OECD aims to diagnose key governance bottlenecks to mobilising financing through PPPs for the Mediterranean water sector and to support the development of consensual action plans based on international good practices. The official labelling of the Project by the Union for the Mediterranean (UfM) in 2012 through its endorsement by its 43 members, demonstrated wide political support and a clear acknowledgment of the Project’s potential to deliver concrete benefits for the citizens and the environment of the Mediterranean and contribute to the regional stability.

At national level, Water Policy Dialogues have been completed in Jordan (2013-2014), Tunisia (2013-2014), Palestine (2014-2015) and Lebanon (2017). Tangible outcome of these multi-stakeholder Policy Dialogues is the elaboration of country-tailored National Reports on Governance Challenges to Private Sector Participation in Water. These Reports include a diagnostic analysis of the key governance bottlenecks to private sector participation (PSP) in water supply and sanitation services as well as concrete policy recommendations and a consensus-based action plan for overcoming them. The Policy Dialogues developed through an interplay of solid technical work and multi-stakeholder consultation workshops that fed into and guided the elaboration of the analytical work.

At regional level, regular cross-Mediterranean events constituted a platform for experience and knowledge sharing while showcasing the results of the analytical work conducted at national level. The 1st Regional Conference (Athens, 28-30 October 2014) gathered more than 110 Mediterranean representatives and peer-reviewed the findings of the work in Jordan and Tunisia. The 2nd Regional Conference reinforced the informal regional platform among policy makers, private sector actors and civil society representatives and also contributed to the compilation of a compendium of replicable good practices, relevant to the MENA context.

All information and accompanying documents relating to both the national and the regional components of the Project are available on the dedicated website at <http://www.gwp.org/governanceandfinancing>

Regional Water Integrity capacity building programme for MENA region

Implemented by SIWI UNDP Water Governance Facility, GWP-Med, IUCN ROWA

Beginning in 2014, the Capacity Building Programme on Water Integrity in the Middle East and North Africa (WI MENA) is implemented by the UNDP Water Governance Facility at SIWI (WGF) in collaboration with regional and local partners. The overall objective of the programme is to enhance capacity within multiple stakeholder groups at different governance levels to improve transparency and accountability practices in water resources management in the MENA region. The programme is implemented in Jordan, Lebanon, Morocco, Palestine and Tunisia. It has the specific objectives to:

- **Increase dialogue and advocacy at the regional level** on how integrity, transparency, accountability and corruption can be addressed in water resource management through the engagement of 100 alumni and by drawing on experiences at the basin-level, country-level and local level to test new and refine appropriate approaches.
- **Raise awareness and foster high-level political dialogue** on water integrity at the inter-governmental level –with the participation of 60 high level officials.
- **Advance knowledge of 100 water officials at the national level** on tools to improve the information flow and communication channels between decision-makers at different governance levels.
- **Improve capacity among 200 mid-level water managers and other professionals** at the operational level to ensure integrity within their organizations, by promoting good practice and contributing to monitoring mechanisms.
- **To improve capacity of 200 leaders and civil society actors** at the local level such as farmers' organizations and other water users to demand transparency, participation and accountability in the management of water resources and services through various means, including information access, analysis and advocacy.

The programme pursues a regional cooperation approach to water governance and integrity among the project countries and targets high-level decision-makers, mid-level water managers, as well as civil society actors. It considers regional specificities and resource constraints. In doing so, it builds the institutional capacity needed to increase trust in water governance structures that remain fragile and under transformation.

Additional information and documentation can be found here:

<http://watergovernance.org/programmes/water-integrity/water-integrity-capacity-building-programme-in-mena/>

Sustainable Water Integrated Management and Horizon 2020 Support Mechanism (SWIM-H2020 SM)

An EU-funded regional project

The environmental problems of the Mediterranean are many, complex and interlinked. Uncontrolled coastal development, population growth, increasing tourism, loss of biodiversity and environmental pollution stemming from the above and from poor management of municipal waste, urban wastewater and industrial emissions, including their respective pressures to the quantitative and qualitative characteristics of surface and groundwater resources ending up in the Mediterranean, constitute major pressures on its marine and coastal environment. Their impact is particularly reflected in the land-sea interface, the coastal zone. In addition, economic and social crises, high refugee flows, in combination with climate variability and change have made it more difficult to deal with the accumulated problems. Renewed efforts to address the challenges are made within the SWIM-H2020 SM Project (Sustainable Water Integrated Management and Horizon 2020 Support Mechanism 2016-2019) jointly by the Mediterranean countries and the European Union.

The SWIM-H2020 SM Project, funded by the European Union, aims to contribute to reduced marine pollution and a sustainable use of scarce water resources in the Mediterranean Region with emphasis on the countries of North Africa and the Middle East (Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine, [Syria] and Tunisia). The Project is the continuation and merging of two successful previous EU-funded service contracts, Horizon 2020 Capacity Building/Mediterranean Environment Programme (H2020 CB/MEP) (2009-2014) and the Sustainable Water Integrated Management Support Mechanism (SWIM SM) (2010-2015).

It aims to:

Provide tailored and targeted technical assistance at national level based on partners' requests through an Expert Facility; Organize regional (or sub-regional) peer-to-peer seminars and webinars; Conduct on-site training courses and study tours; Capitalize on the lessons learnt, good practices and success stories; Support the Horizon 2020 Initiative's governance mechanism and the work of the Union for the Mediterranean's Water Experts Group.

In order to achieve:

- Positive changes in the design and implementation of the relevant national institutional, policy and regulatory frameworks;
- Enhancement of partner countries' capacity to promote investment and business opportunities for properly managing municipal waste, industrial emissions and waste water;
- Facilitation of access to finance for selected sustainable investment projects;
- Strengthening of regional coherence and cooperation in approaches to marine pollution prevention and control, and sustainable water management;
- Identification, testing and sharing of best practices and success stories;
- Use of research results in policy making – enhancement of more sustainable practices.

Additional information and documentation can be found here:

www.swim-h2020.eu

Implementing Consortium:

LDK Consultants Engineers and Planners S.A. Greece (the lead company), Arab Countries Utilities Association (ACWUA). Jordan, Arab Network for Environment and Development (RAED). Egypt, Association of Cities & Regions for Recycling and Sustainable Resource Management (ACR+). Belgium, Catalan Waste Agency (hosting institution of Regional Activity Centre for Sustainable Consumption and Production (SCP/RAC)). Spain, EEIG UT-SEMIDE. France, GLOBE ONE LTD. Greece, Haskoning DHV Nederland B.V. Netherlands, LDK Consultants Europe S.A. Belgium, Mediterranean Information Office for Environment, Culture and Sustainable Development (MIO-ECSD). Greece, Milieu Ltd. Belgium, National and Kapodistrian University of Athens. Greece, Umweltbundesamt GmbH. Austria, WS Atkins International Ltd. United Kingdom