



**Sustainable Water
Integrated Management (SWIM) -
Support Mechanism**



Project funded by
the European Union

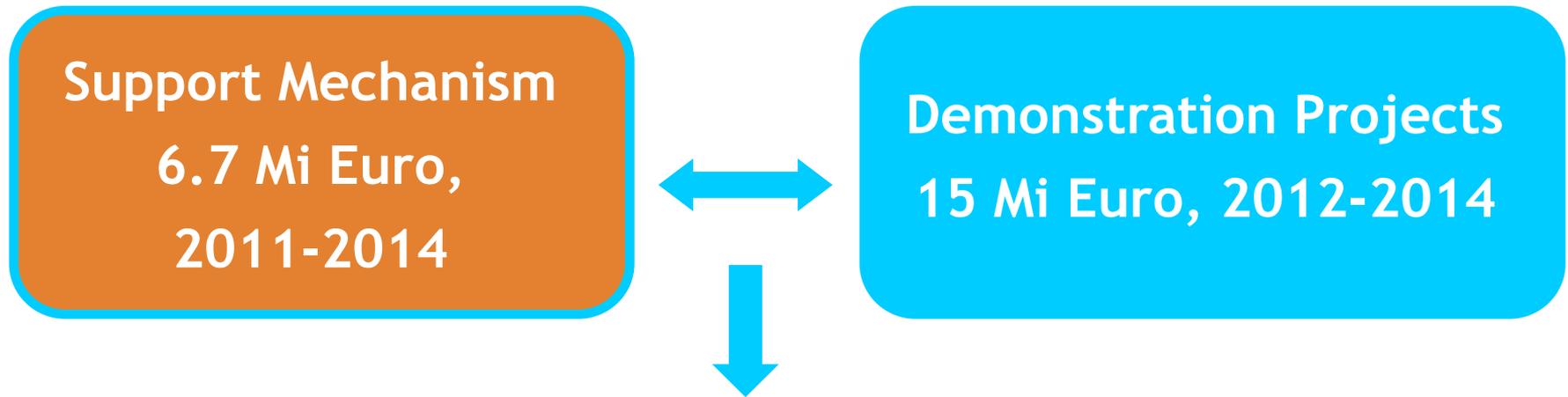
Water is too precious to waste

The EU funded SWIM-SM: developing capacity for financing water infrastructure in the Southern and Eastern Mediterranean

REGIONAL CONFERENCE IN PARTNERHSIP WITH THE GOVERNANCE AND FINANCING PROJECT

Presented by: Charbel Rizk Environment Expert SWIM-SM

The EC-Funded Sustainable Water Integrated Management (SWIM) Project



Overall objective:

To promote actively the extensive *dissemination of sustainable water management policies and practices* in the region given the context of increasing water scarcity, combined pressure on water resources from a wide range of users and desertification processes, in connection with climate change.

The Four Pillars

1. **Non Conventional Water Resources**
2. ***Economic Valuation of Water Resources
Degradation and Financing***
3. **No Regret Actions for the Adaptation of the
Water Sector to Climate Change**
4. **Water Governance at the Local Level:
Sharing Experiences from Water Users'
Associations**

The Approach

- Demand-driven
- Iterative, adaptable and flexible
- To respond to emerging /challenges and priorities: Funding

The work on financing

- **Driven by demand from the countries**
- **Priority in the Draft Strategy for Water in the Mediterranean**
- **Identified as a need by the SWIM-SM Regional Review of Water Plans and/or Strategies report and projects such as MeHSIP and Governance and Financing**

Financing IWRM

- **Implementation of Integrated Water Resources Management (IWRM) requires financing.**
- **The MeHSIP project estimated, in its final report, that for just wastewater treatment there is a need for approximately 2.2 billion euro in investments in the region**
- **Along with IOs, the local private sector is getting interested in financing IWRM**

Approach

- **Building the capacity of the public sector (water, financing) and the local private sector: (banks, insurance companies, operators, consultants) and NGOs**
- **Engaging a dialogue between the different stakeholders including IOs**

Capacity building tools.

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- **Trainings and workshops**
 - **Study Tours**
 - **Conferences**
 - **Studies and assessment**
 - **Collection and dissemination of “Solutions” (best practices)**

SWIM and PPP

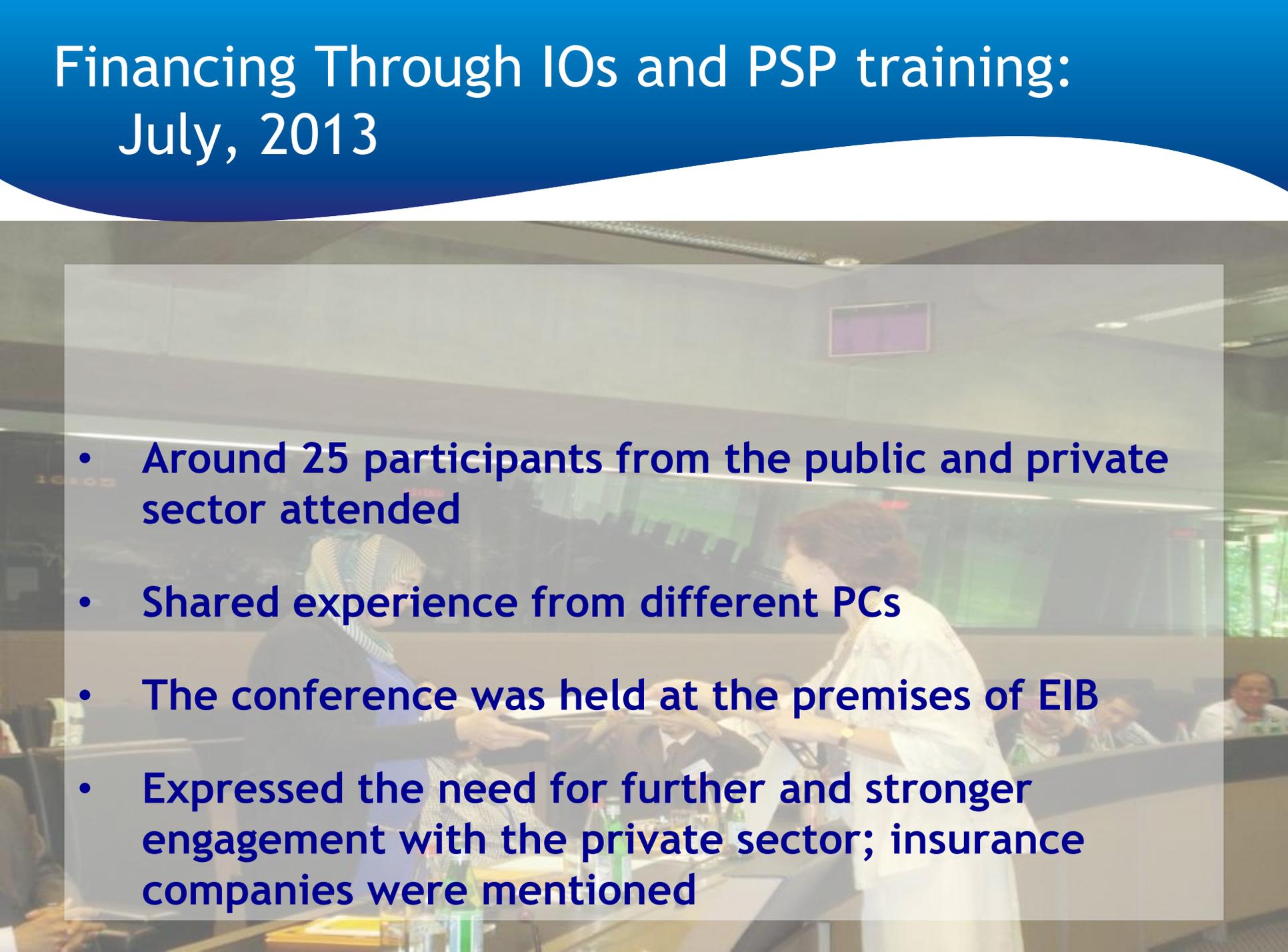
PPP: is a TOOL NOT a PANACEA



Financing Through IOs and PSP training: July, 2013

- **Build the capacity of the private and public sector in mobilizing financing through IFIs and the PS for water infrastructure**
- **Engage in dialogue with the private sector**
- **Exchange experiences and build partnerships**
- **In partnership with the EIB, H2020 MeHSIP, OECD and UfM Governance and Finance**

Financing Through IOs and PSP training: July, 2013

- Around 25 participants from the public and private sector attended
 - Shared experience from different PCs
 - The conference was held at the premises of EIB
 - Expressed the need for further and stronger engagement with the private sector; insurance companies were mentioned
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Study Tour to Well Managed and Operated WWTPs. September 2013

- 10 participants from the SWIM PCs
 - Visited Murcia, Seville and Amsterdam
 - Focused on conventional and natural treatments systems
 - *Included management models*
- 
- A group of people, including men and women, are gathered on a concrete walkway overlooking a large wastewater treatment plant. In the background, there are several large, circular, concrete tanks filled with water. The sky is clear and blue, and there are power lines and towers visible in the distance. The people are dressed in casual attire, and some are looking towards the tanks, while others are talking to each other. The overall scene is a typical industrial site visit.

Study Tour to Well Managed and Operated WWTPs. September 2013



Spanish Model: privately operated in tri-partite mode for checks and balances. 0.15 euro/m³ cost

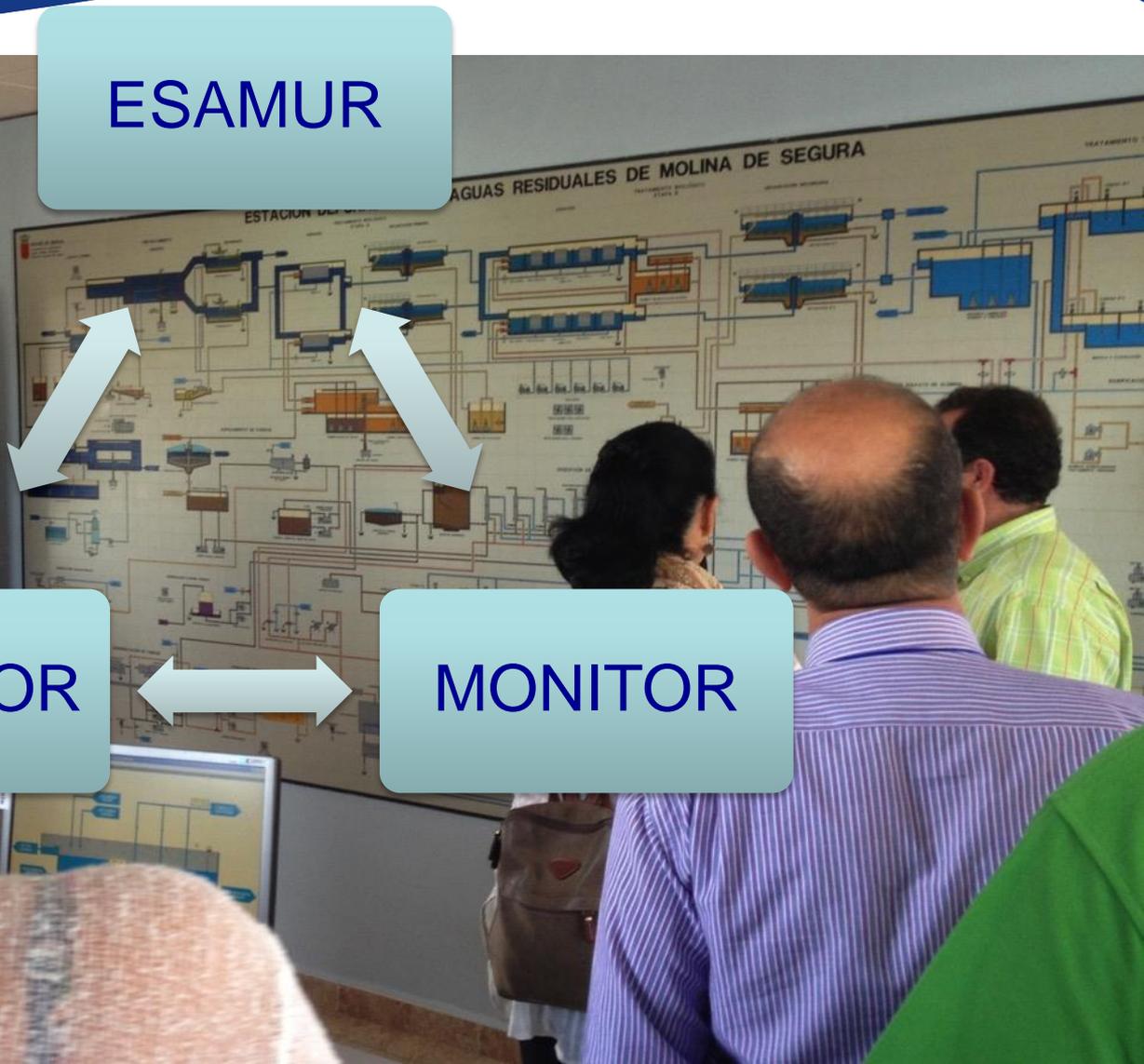
300 mm rainfall and 750 m³/cap exports 30% of Spanish agriculture

The Spanish Model

ESAMUR

OPERATOR

MONITOR



Study Tour to Well Managed and Operated WWTPs. September 2013



- DELTA**
- ## Water Management in the Netherlands
- Drinking water companies (10): supply of clean and reliable drinking water
 - Municipalities (408): sewage system
 - Water Boards (25): regional water control and waste water treatment
 - Provinces (12): supervision of ground water
 - Central Government, Rijkswaterstaat: supervision of larger surface waters (sea – rivers)

Dutch model: 17% reduction in cost by private operator compared to operation by public entity

The Dutch Calculation

PUBLIC ENTITY COST = X

BIDDER REQUIRED COST = X - 10.5%

WINNING BID = X - 13.4%

CURRENTLY OPERATING = X - 17%

<http://delfluent.nl/en/delfluent-2/public-private-partnership/>

Study on the Role of the Local Private Sector in Financing Water Infrastructure

Developing a better understanding of the potential of private sector participation (PSP) in Water Services Delivery at the Local Level (i.e. municipal, governorate, provincial or district, rural areas) with special focus on sustainability.

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 REVIEW AND ANALYSIS OF PRIVATE SECTOR PARTICIPATION
 MODALITIES IN WATER SERVICE DELIVERY, WITH EMPHASIS ON
 THE SOUTHERN MEDITERRANEAN REGION
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 September 2013

Version	Document Title	Author	Review and Clearance
V4	STRENGTHEN IMPLEMENTATION CAPACITY OF NATIONAL WATER PLANS AT LOCAL LEVEL WITH EMPHASIS ON FINANCIAL SUSTAINABILITY	Ayman Rabi	Suzan Faha, Hosny Khordagui, Vangelis Constantianos

Study on the Role of the Local Private Sector in Financing Water Infrastructure

- Necessary steps
- Improving the enabling environment
 - Legislative
 - Institutional
 - Capacity
- Financial sustainability

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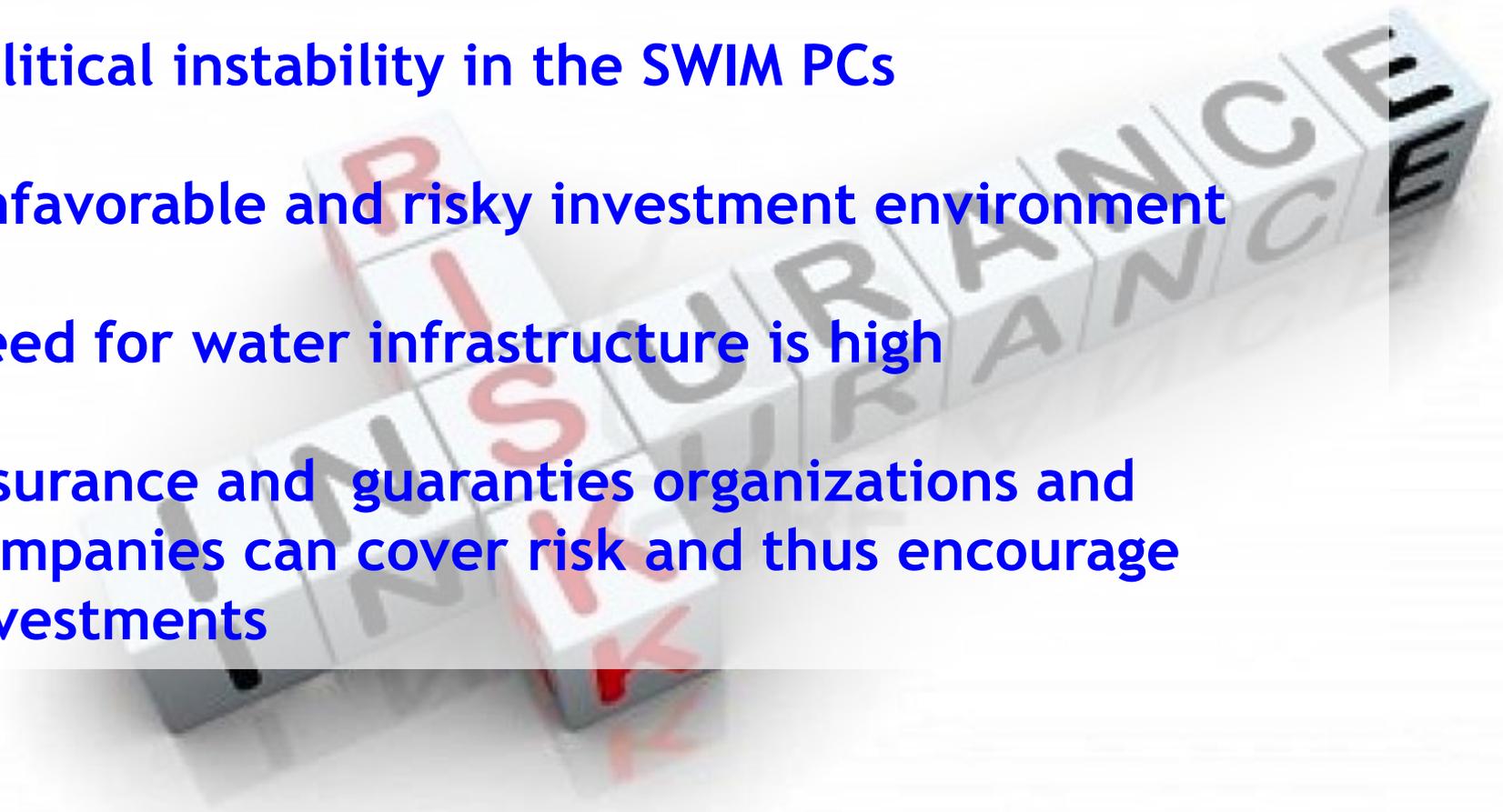
Regional Conference in Partnership with the UfM Governance and Finance Project

- Stronger engagement of all the stakeholders for financing water infrastructure
- Identification of capacity development needs
- Follow-up on the platform for regional dialogue
- Input from the experience of the MeHSIP project



Training on Risk and Insurance in PPP for Water Infrastructure

- PPP contracts carry risks
- Political instability in the SWIM PCs
- Unfavorable and risky investment environment
- Need for water infrastructure is high
- Insurance and guaranties organizations and companies can cover risk and thus encourage investments



Training on Risk and Insurance in PPP for Water Infrastructure

- Develop the capacity of the public, private sector and NGOs in risk and insurance in PPPs
- Engage the local private insurance sector
- Further identify training needs



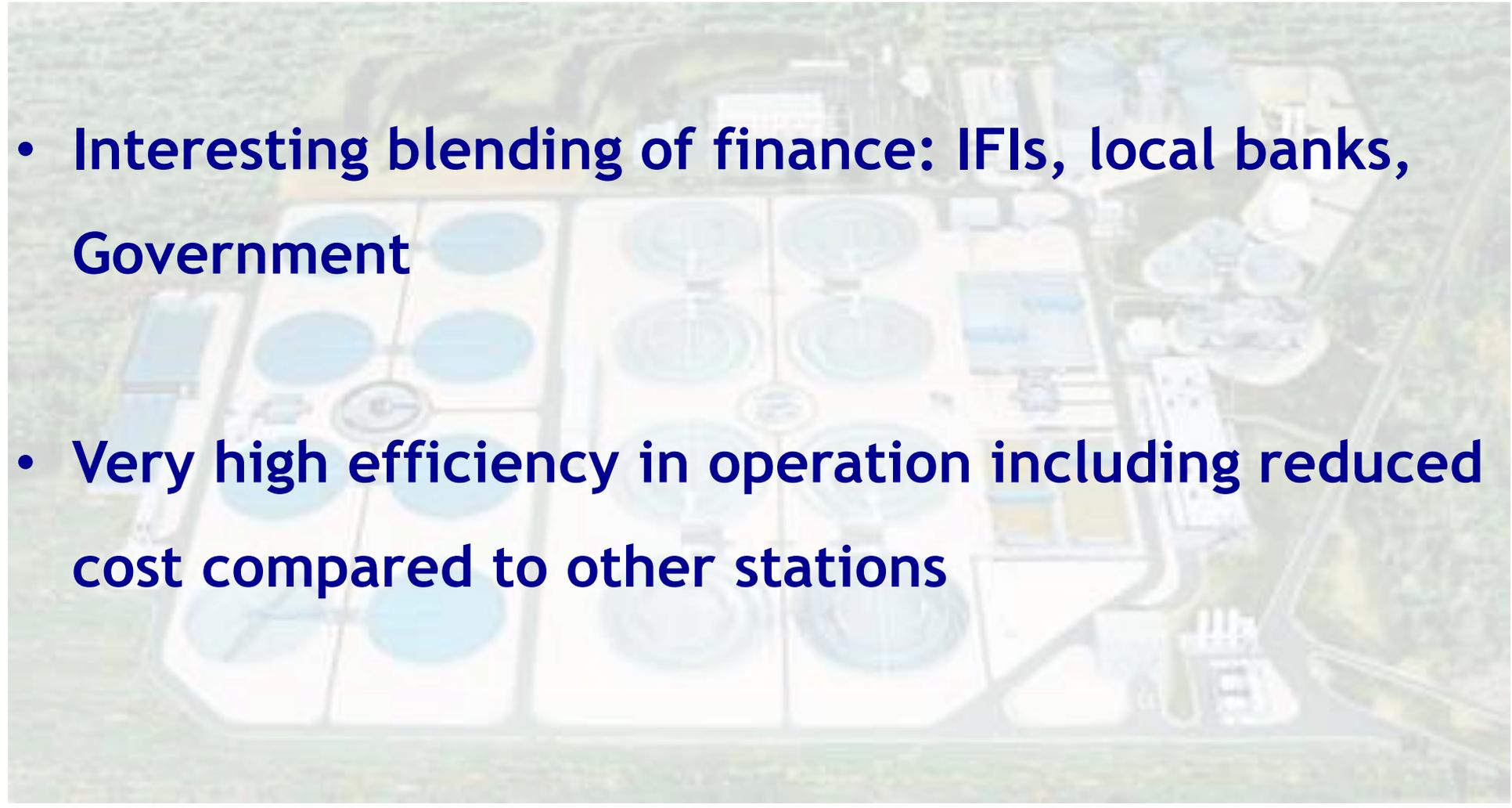
Solutions for Financing Water Infrastructure

As Samra WWTP

Solution on financing wastewater treatment through the blending of government financing, donor funding and local private sector participation



Solutions for Financing Water Infrastructure

- **Interesting blending of finance: IFIs, local banks, Government**
 - **Very high efficiency in operation including reduced cost compared to other stations**
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- An aerial photograph of a large water treatment facility. The image shows several large, circular clarifiers or aeration tanks arranged in rows, connected by a network of pipes and walkways. There are also several industrial buildings and structures scattered throughout the site. The overall layout is organized and functional, typical of a modern water treatment plant.

Central Banks Planned

Central banks are

- Key player in lending policies
- Facilitators of loan acquisition
- Very successful experience of Central Bank in Lebanon in facilitating financing of EE and RE

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Central Banks Planned

- **Background paper on the role central banks can play in incentivizing water investments**
- **Training on the role of Central Banks in financing water infrastructure**
- **Support in developing guidelines for financing sustainable water small and large scale projects**
- **Engaging commercial and investment banks**

Conclusions

- **The SWIM-SM project has identified financing as a strong need to expand water infrastructure in the SWIM PCs**
- **Partnering with and passing the funding flame to the proposed regional platform after SWIM-SM.**
- **Capacity development in financing is still a strong need in the region**

مع خالص شكري
وامتناني

Thank you
for your attention

Merci pour
votre attention



For additional information please contact:

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