Governance & Financing for the Mediterranean Water Sector: A snapshot

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Why Governance & Financing are important

- Despite public and donors funding, water financing presents a huge gap in the MENA countries of the Mediterranean.
- Demographic increase and change with population shifting from rural to urban, change in the consumption patterns along on-going transformation of political economies, migration pressures, etc. result in strong demand for more infrastructure and better services.
- For example, the needed water investment in Lebanon for the next 10 years is around 7.7 billion USD with only 1.6 billion USD secured.
- Governance deficits as well as limitations in planning, mobilization and efficient absorption of financial resources, are commonly faced.
- Private sector participation remains limited due to a number of reasons e.g. uncertainty due to socio-political unrest, vague legal framework, limited regulatory experience on the public side.
The Governance & Financing for the Mediterranean Water Sector Programme

- Regional geographical scope
- 2 components: National & Regional
- Previous phase (under EUWI): 2006-2012
- Current phase timeline: 2013 - 2017
- Designed & implemented by GWP-Med & OECD
- Current Programme labelled under the UfM framework
- Pilot Countries: Albania, Egypt, Jordan, Lebanon, Palestine, Morocco & Tunisia (countries underlined already had activities)
- Financially supported by Sida, EIB, EC, Greece, and GEF MedPartnership
- Follow up for 2018-2020 under exploration, based on countries’ demands
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
A national component for identifying gaps and what needs to be done through structured dialogue

- The policy and legislative framework
- Institutional roles & capacity
- Experience with PSP
- Transparency, accountability and value for money
- Long term financial sustainability

Recommendations
Action Plan
A Regional Component for sharing experiences

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 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
Common challenges identified in most MENA countries on Gov & Fin, including PSP

- Uncertainty & gaps in the legislative & regulatory framework for water and PPPs undermines legal clarity, opportunity and stability of water PSP. **Need to develop the regulatory framework**

- Limited financial sustainability of water operators, important subsidies & fiscal constraints put pressure on the WSS sector and call for reforms. **Need to improve the budgetary process**

- Need for greater accountability mechanisms, territorial development & stakeholders’ engagement. **Need to improve stakeholder engagement**
An example: Needs for developing fiscally sustainable PSP

- 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.
- 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.
- 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.
Next steps: Dec 2016 – Dec 2017

- 2nd Regional Conference, 5-6 December 2016, Tunis, Tunisia

- Water Policy Dialogue in Lebanon
  - At the request of the Ministry of Energy and Water

- Phase II of Water Policy Dialogue in Palestine
  - At the request of the Palestinian Water Authority

- 3rd/Closing Regional Conference of the current phase, Nov 2017, Athens or Barcelona
Thank you for your kind attention

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Merci pour votre attention

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