

Governance & Financing for the Mediterranean Water Sector

Labelled in July 2012 by the Union for the Mediterranean (UfM), the project on *Overcoming Governance Challenges to Financing the Mediterranean Water Sector* is a joint undertaking of the Global Water Partnership-Mediterranean (GWP-Med) and the Organisation for Economic Cooperation and Development (OECD). The core objective is to diagnose key governance bottlenecks to mobilizing financing through public private partnerships (PPP) for the Mediterranean water sector and to support the development of consensual action plans based on international good practices. It involves work at national and regional level over three years (2013-2015), and draws on established OECD methodology and previous work undertaken by GWP-Med and the OECD in Egypt and Lebanon.

Rationale

In the Mediterranean region, despite the significant allocation of public funds and the flow of aid, countries struggle and usually fail to meet the financial requirements that water-related strategies and plans entail. Governance deficits, mismanagement, and low financing undermine the quality and sustainability of the water and sanitation sector. In particular, the lack of a sound governance framework, including absorption capacity at both national and local levels, impedes the efficient use of available funding and the mobilisation of additional sources of financial and managerial resources, particularly from the private sector.

At the same time, political unrest in the Mediterranean region has put the spotlight on the governance deficit, and amplified the need for socio-political reforms. Although the full implications of these changes are yet to be seen, there is a clear demand for more efficient water service provision, wider participation of stakeholders, more decentralised planning and implementation processes and more transparent and accountable decision making. The regional unrest has also strongly highlighted the urgent need to re-establish trust in government institutions.

Planned Activities and Outputs

The Project is designed around two distinct but closely interlinked components:

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.

Methodology

The methodology builds on the OECD and GWP-Med's long-standing practice of providing neutral platforms for building consensus and sharing good practices among a wide range of stakeholders. The process involves evidence-based policy dialogues at national and regional levels, fact-finding missions, analytical reports, bilateral and multilateral interviews, questionnaires, case studies and peer-reviews. The project builds on GWP-Med and OECD's previous work in Egypt and Lebanon. In addition, the work makes use of the numerous networks, committees and partnerships facilitated by both GWP-Med and OECD, and capitalises on the co-ownership of the UfM Secretariat in support of its labelled projects.

Beneficiaries

The Project aims to build consensus and PPP capacity across responsible authorities of Mediterranean countries and support consultation with private partners and users. As such, it is expected to benefit:



Support for the project

There is strong country demand for this work. Albania, Jordan, Lebanon, Morocco, Palestine and Tunisia have submitted official support letters (signed at the Minister's or Secretary General's level) and others are expected to follow.

Strategic partnerships with the Swedish International Development Agency (SIDA), the European Investment Bank (EIB), the GEF/ MAP UNEP Med Partnership programme and the Mediterranean Component of the EU Water Initiative (MED EUWI) have been instrumental in setting the project in motion.

Timeline

The project will be formally launched with a Regional Conference to take place on 28-29 May 2013 in Barcelona, Spain, under the auspices of the Union for the Mediterranean. It will develop over 3 years (2013-2015) through an interplay of technical work at national level and annual regional conferences.

