



EU-UFM Water Governance & Business Forum 20-21 October 2019

Concept Note

The UFM with the EU Delegation in Egypt and in collaboration with the League of Arab States is intending to organize the EGYPT, EU, UFM water Governance and Business Forum on 20-21 October 2019 during the 2nd Cairo Water Week which is scheduled between 20-24 of October 2019. The proposed event will be a high level/high viability event to discuss EU and Mediterranean & Egyptian water issues including UFM vision and plan to achieve sustainable development and sustainable finance in water infrastructure, and mainly focusing on EIP, EFSD as well as in line of the Egyptian leading role on the Task force of WASH. Also, this will be an opportunity to trigger possible cooperation between EU and AFIs, as well as with IFI working in the region. The event shall serve as a technical follow up /spinoff event to the UFM Ministerial Conference on Water and its financial strategy as well as an intermediary step toward setting up the UFM water investment forum.

In the first version of EU-UFM business and governance forum, the event will serve as a platform for discussion and dialogue between governments, development partners, private sector companies, utilities, research centres and think tanks in addition to community-based organizations. The main themes of discussion will be:

- *Setting the stage for the EU and UFM water governance and business forum*
- *Ensuring Water Security and Climate resilience for all*
- *Strengthening adaptive capacity building and institutional frameworks*
- *Sustainable Financing for the Mediterranean Water Sector: Role and Requirements of Public Private Partnerships*
- *Development Partners coordination and Harmonization for optimal Water Resources Management*

Topics were selected to address current shortcomings/issues facing infrastructure projects in the water sector in Egypt. It worth mentioning that currently the EU and European FI are engaged in several infrastructure/investment blending operation of a total budget of nearly 2 Billion EUR, while adding other projects financed by IFI (e.g., WB, AFDB, IsDB, etc.) the figure could amount up to 4 Billion EUR. Moreover, and in line with the UFM Ministerial deceleration on Water, a consensus on the importance of the sustainable access to, provision and use of water, and related sanitation arrangements, are key challenges toward sound socio-economic development and environmental protection in the Mediterranean. Therefore, diagnosing the key governance and capacity building bottlenecks leading to a consensual regional water policy framework that offers a means for substantial and measurable positive impacts towards achieving sustainable livelihood, and to support the development of consensual action plans based on international good practices, is an absolute must. In particular, a need for urgent attention from all stakeholders to address the need to mainstream efforts towards meeting the Sustainable Development Goals and Targets, in particular SDG 6 on Water. To what extent are Governments -overwhelmed by new realities? What are their most challenging technical/ regulatory issues? How can inter-country collaboration at the national level be improved to deal with such multidisciplinary issues towards achieving water related SDGs?



Based on the UFM Ministerial declaration on Water, an agreement to engage in new operational and innovative partnerships, including with the private sector, in order to promote the implementation of UFM Water Agenda, is achieved. Issues related to "insufficient local contractor's/consultants' capacities to operate such level of investments", and "lack of interest from international/European contractors" to engage in these investments worth looking at, and addressing. This is why (the topic of joint ventures, and PPP themes are foreseen). Also, the water sector in Egypt is undergoing a transitional phase with several structural reforms and interest for Private sector participation, yet very little PPP (or other similar schemes) are successful in Egypt. This requires a strategic and direct discussion with the private sector, investors, and international financing institutions to discuss the required means to cover the financial gap, key challenges in financial, legal, and institutional terms, means to support Public-Private Partnership in the water sector, and the required actions to create an enabling environment to foster local and international partnerships.

Finally, as the sector is undergoing a transitional stage, in many countries within the region, moving gradually to "demand oriented" and "cost recovering" while languishing from extravagant water scarcity; which requires a policy dialogue platform with development partners to discuss key strategic issues in the water sector and how to best tackle them (Cost recovery, integrated investment planning, decentralization, localization of industries), while showcasing (whenever possible) best EU /Regional showcases and lessons learnt.

Expected output: for each theme, a summary report on the discussions and key recommendations shall be outlined. At the end of the forum, key recommendations shall be announced, and actions shall be explained. Under each theme, a task force shall be formed by forum participants, identifying active key players who are willing to make the change and draw a road map for regional program on financing and investment in the water sector and present it to EUD and UFM Secretariat in line with WASH and other priority topics outlined in the UFM water agenda and its associated financing strategy.