

## Progress Report #1 – 2006

### Background

At the beginning of 2006 the FWG Secretariat drafted a strategic Medium Term Work Programme covering the period, 2006-08 which draws upon the previous Phase III work programme and outlines five (5) areas of continued activity. A detailed work plan was presented both the Finance Working Group members and the EUWI Steering Group; this work plan was agreed and endorsed by the both groups respectively. *(Reports and TORs mentioned below are available on the EUWI.net > internal FWG pages)*

The aims for the EUWI FWG for the period, 2006-08 will be to:

- consult widely with stakeholders to ensure that FWG is making real contribution;
- provide support in the financing sector to Country Dialogue Groups and governments on demand led basis;
- develop tools to enable decision makers to compare investment options quickly and efficiently and to disseminate the availability of these tools; and
- liaise closely with the various EU organizations and facilities providing finance to the WSS sector to help maximize benefits and the achievement of the MDGs.

### Activities 2006

1. Operation of the FWG
2. Provision of financing expertise at country level in response to requests  
– *Africa region*
3. Provision of financing expertise at country level in response to requests  
– *Eastern Europe, Caucasus and Central Asia region*
4. Help maximise opportunities for accessing EU resources available for support to countries in the WSS sector
5. Make available the Water Finance Guide to help interested parties identify potential funding sources in the WSS Sector

### Progress 1 QTR 2006

#### Operation of the FWG:

- The Finance Working Group met in February 2006.
- A representative from AMCOW (FWG delegate) attended as did a representative from Ethiopia Country Dialogue.
- Presentations on work streams from Phase III were given and discussed.
- The Group approved the activities tabled in the draft work plan 2006 - 2008 and were invited to provide comments and suggestions on the detailed outputs.
- The Group approved the proposal to establish and manage the FWG Secretariat at the Global Water Partnership Organisation offices in Stockholm and agreed the new Chair Johan Holmberg, who will take over the chairmanship from July 2006.
- The final draft work plan has now been published on the FWG euwi.net pages.
- The FWG Secretariat attended the Joint meeting of the Environment Action Programme Task Force's (EAP TF) Group of Senior Officials on Reforms of the WSS Sector, Environmental Finance Network and EUWI EECCA WG meeting in Almaty April 2006. Details (agenda, background documents and presentations) are available from their web-site:

([http://www.oecd.org/document/45/0,2340,en\\_2649\\_34291\\_36452909\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/45/0,2340,en_2649_34291_36452909_1_1_1_1,00.html)).

The FWG Secretariat will explore, particularly with the Finance Network, potential areas of mutual interest for discussion. (See progress below on current work with EECCA region)

The work detailed below was financed in response to requests and with a view to gathering experiences that will later be discussed at regional seminars foreseen and budgeted in the work plan.

Provision of financing expertise at country level in response to requests – Africa region:

- In collaboration with the Water and Sanitation Programme Africa, and with the endorsement of the Africa WG, the FWG is funding “*Development of a National Water Sector Financing Strategy Mozambique*”. The project will build on previous work of WSPAf in Kenya by adapting SWIFT (Sector Wide Financing and Investment Tool) and approach to the Mozambican context and collecting the necessary data/information for its use in policy analysis. The work has commenced and WSPAf will report to FWG during the project as outlined in the terms of reference.
- In collaboration with the Ministry of Water Resources Ethiopia and lead EUWI Member State – Italy and support from UK (DFID) the FWG funded a “*Financial consultant for EUWI country dialogue in Ethiopia*”. The outputs from this work were 1) A short review report on the policy/regulation and planning building blocks of the Ethiopian framework for the water and sanitation sector and 2) TOR for updating of the sanitation and water investment plans and financing strategy.

Provision of financing expertise at country level in response to requests – Eastern Europe, Caucasus and Central Asia region:

- In collaboration with the EAP TF (for which the OECD serves as Secretariat) and with the endorsement of the EECCA WG, the FWG is funding “*Developing and Implementing a National Financing Strategy for Water Supply and Sanitation Infrastructure in Moldova*”. The project will build on previous work of the EAP TF, in Georgia and Armenia, in developing the FEASIBLE tool (including a new rural water component), the methodology and inputs into policy discussions and analysis. Bids for the project have been received and are under review; the Task Force should announce the preferred bidder by the end of May.

Help maximise opportunities for accessing EU resources available for support to countries in the WSS sector:

- The FWG has provided French translations of the Key Sheets on finding co-financing for applicants to the ACP-EU Water Facility 2<sup>nd</sup> Call for Proposals, launched in March 2006. The provision of these Key Sheets were an out put of Phase III work programme.
- The FWG Secretariat has met with new Executive Secretary of the Project Preparation Committee (PPC), co-located with the European Bank for Reconstruction and Development (EBRD) and will continue to liaise with the PPC on potential areas of collaboration.
- The FWG Secretariat has met with the Programme Manager and Team Leader of Water Investment Support Facility (WISF). The WISF provides TA support to IFI's which support the EUWI objectives in CIS 7 countries.

Make available the Water Finance Guide to help interested parties identify potential funding sources in the WSS Sector:

- The 1<sup>st</sup> Edition of the Water Finance Guide is available on-line (<http://financeguide.euwi.net>) as an interactive search facility. The FWG will now look for continued funding for the development of the content and translation of work into other media e.g. cd-rom, paper versions of content. See the Home page of Water Finance Guide for more information on the potential development of this work.
- Available on the site is a feedback facility for users to comment and make suggestions for development of the Water Finance Guide.