

Progress Report #3 – 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 Sep – Dec 2006

Operation of the FWG:

- The Finance Working Group Secretariat meet in London 20 November 2006; this followed a meeting with DFID to discuss the EU Water Facility (see below “*Help maximise opportunities for accessing EU resources available for support to countries in the WSS sector*”).
- Niraj Shah will continue to provide support to the Secretariat: two days per month January – June 2007.
- EUWI FWG received funding from SIDA for Chairmanship.

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

Ethiopia

- At the EUWI Ethiopia CD multi-stake holder meeting in Addis Abba the draft financing strategy (funded by the EUWI FWG and contracted to Palmer Development Group) was presented.
- The report has been sent to the Ethiopian Ministry of Finance & Economic Development for comments.
- Contact for this work is Martha Solomon, MoWR, Ethiopia (natsolm@yahoo.co.uk)

Mozambique

- The first draft of the SWIFT baseline analysis was prepared in August 2006.
- WSP are currently drafting an updated financial assessment. WSP expect to disseminate a draft financial strategy which will include additional technical and financial data and share with donors in country in March 2007.

- Contact for this work is Kameel Virjee WSP (kvirjee@worldbank.org)

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

- “Developing and Implementing a National Financing Strategy for Water Supply and Sanitation Infrastructure in Moldova”. The consultants Jacobs Gibb were awarded the contract and currently working on the draft report on the baseline scenario which should be ready in March 2007.
- The project team reported there could be a greater engagement by donors and IFIs in the coordination meetings.
- Contact for this work is Alexandre Martoussevitch OECD (Alexandre.MARTOUSSEVITCH@oecd.org).

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

- The FWG commissioned an options paper for the extension of the ACP-EU Water Facility under EDF 10. The work was compiled by James Winpenny (principal consultant/author) with the assistance of a small Steering Committee which included representatives from Women for Water Partnership, Programme Solidarit Eau (pS-Eau) and WaterAid and Niraj Shah (EUWI FWG). The paper was presented at the EUWI Steering Group meeting on 7 February.

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

- The 1st Edition of the Water Finance Guide was made available on-line (<http://financeguide.euwi.net>) as an interactive search facility.
- The FWG commissioned IRC to draft a business plan for the operation of the Water Finance Guide and in December 2006 the World Water Council provisionally agreed to take over the hosting of the site.

Activities 2007

Activities that are planned or ongoing include:

1. development of a harmonised approach to financing strategies that are being used in partner countries (e.g. SWIFT and FEASIBLE) and define best practice
 - a. technical meeting to discuss methodology scheduled for April 2007;
 - b. partner institutions: OECD and WSP;
2. capacity building related to water sector finance:
 - a. regional workshops and country level activities planned for 2007 in Africa and EECCA regions;
 - b. partner institution: GWP;
3. Support to the Water Facility (on-going);
 - a. partner institutions: Women for Water Partnership; pS-Eau, WaterAid; EC DG Dev and ACP-EU Water Facility;
4. Development of an interactive website for water finance (on-going).
 - a. partner institution: WWC and IRC

To take forward the work of the Finance Working Group in 2007 the Secretariat is agreeing frameworks for collaboration with OECD, Global Water Partnership and the Water & Sanitation Programme.