

Regional Water Sector Seminar Jordan 21-24 March 2011

Final Summary Report



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Preface

This brief report summarises, within 5 pages, the findings and discussions of the regional water sector seminar in Jordan. More detail is available on the Capacity4Dev website. The seminar was held in Amman from 21 to 24 March, 2011. In total, 30 people participated from EC Delegations (Syria, Lebanon, Israel, Algeria, Morocco, Georgia, Turkey, Egypt, Iraq, Afghanistan, Palestine, Jordan), DEVCO the Ministry of Water and Irrigation, Jordan, GIZ, European Investment Bank, , Friends of the Earth- Middle East, The collaboration between DEVCO, the European Union delegations, and the European Investment Bank that was started at the seminar in Brussels in July 2010 and built on in Kenya in October 2010 was continued. Country based case studies were presented for Jordan (Reforms); Egypt, Morocco, Algeria (SBS and sector policy support); Georgia, Turkey, Israel (IWRM); Iraq, Lebanon, Occupied Palestinian Territories, Afghanistan (post conflict countries) and Syria (finance).

The 4 day seminar was structured as follows:

Day 1 – Sector reforms and support sector policy

Day 2 – Field trip (Bulk and tertiary water delivery, environment and water resources management)

Day 3 – Water resources and experience in supporting the water sector in post conflict countries

Day 4 – Post conflict countries (continued) and experience in financing the water sector.

In addition, a special session on the Capacity4Dev and the role of DEVCO in supporting delegations was held. This session was in continuation of similar discussions at a regional water seminar in Kenya in October 2010. As well as raising awareness of Capacity4Dev, the discussion was aimed at improving the relevance and effectiveness of DEVCO support.

Of particular note for this regional seminar was the high quality case study presentations by delegations – all the 10 participating delegations presented case studies, most of which were reviewed in advance.

Acronyms

DEVCO	Development Cooperation, EC
EC	European Commission
ENPI	European Neighbourhood and Partnership Instrument
EIB	European Investment Bank
EU	European Union
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
IWRM	Integrated Water Resources Management
M&E	Monitoring and Evaluation
SBS	Sector Budget Support
TA	Technical Assistance

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1 Introduction

This seminar was the first regional seminar on water sector held in the Middle East since 2006. The objective of the seminar was “To exchange experience between colleagues dealing with the water and sanitation programmes and projects on how to face the challenges of the sector”. The intention was to reach this objective by bringing together different delegations involved in the water sector to share experience of providing support. This was complemented by sessions that presented country led efforts at sector reform by government and civil society agencies from Jordan. The post seminar evaluation shows that the objectives and aims were broadly met during the 4 day seminar.

2 Sector reforms – the process in Jordan

The Ministry of Water and Irrigation presented the radical reforms ongoing in the water sector. Jordan is one of the most water scarce countries of the world and dependent on transboundary water in a region with long running conflicts – official cooperation between Israel, Palestine, Jordan and Syria on water issues has not been possible for decades (although there has been cooperation between Jordan, Israel and Palestine through the water related working group). Jordan’s sector reforms aim at supporting the national strategy of reducing water losses, changing water use practices, developing new water sources and taking economic and land use measures to reduce dependence on water. One of the core thrusts of the reform is to improve participation of water users through processes such as the Highland Water Forum. Another main aim is to commercialise the sector and make it a responsive service industry. The participants noted that:

- The key principles of separating policy, regulation, implementation and introducing commercialization of operations together with private/public partnership were very sound and relevant to many countries in the region
- The ambition level is necessarily high given the urgency of the water crisis
- Sector coordination was a key to improving sector performance - information plays a key role in improving coordination
- Governance is key to sustaining and accelerating the reforms – vested interests have created the problems and only good governance can combat these interests.

3 Experience from implementing sector budget support

Experience came from three countries: Egypt, Morocco and Algeria. A working group synthesized the lessons learnt in relation to SBS as follows:

- Government led coordination – both donor (external) and domestic (internal) is key
- A comprehensive sector programme, action plan or platform is essential
- Continuity of reforms – reforms take a long time and need a consistent and persistent effort
- Considerable synergies with other development sectors such as human rights and social protection are possible with a sector approach
- Where a country is ready, SBS is preferable but where the country is not ready, the project approach is better.
- There is less EU visibility with SBS

Specific points – Egypt

- Benchmarks and baselines are needed for effective SBS
- Twinning with OFFWAT of UK has given good results
- Tariff reforms are still needed but are not being pursued as a first goal (perhaps too politically difficult)
- There are gains to clearly separating political and technical aspects and where possible making progress on technical matters, even if the political circumstances are not ideal.

Specific points – Algeria

- The incentives for reform need to be considered
- SBS has been effective in dealing with problems that lie outside of the sector (e.g. improving budgeting process which can leverage large sector efficiencies)
- A single sector body makes SBS much easier (in transport SBS was rejected in part due to 3 institutions being involved)

Specific points – Morocco

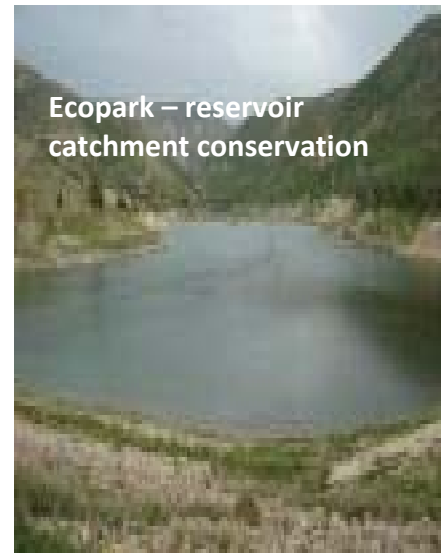
- A 10 year perspective is necessary
- SBS helped implement rather than initiate reforms
- Multiple modalities have proved effective (project and SBS)
- Selection of indicators and benchmarks is crucial
- EU support has catalysed cooperation between ministries in the sanitation sector

4 Jordan river basin – the field trip

The Jordan Valley Authority and Friends of the Earth, Middle East organised a field trip to the Jordan valley visiting water management installations for bulk water delivery, water user associations for tertiary water delivery, irrigated farms and an environmental initiative at improving catchment management and awareness raising.

Observations made by the participants included:

- Irrigation water use seems to be heavily subsidised. Farmers pay around 7 € cents per cubic meter whilst the cost of supply is 13 to 15 € cents per cubic meter. In effect it could mean that the government of Jordan is subsidising the export of vegetables
- Local water user associations have been set up with support of donor projects (GIZ). This is a good first start for involving water users in water management activities
- A precautionary approach is used with many water users having two or three potential sources of water (the canal, groundwater, river flows)
- Use of sophisticated water saving technology was evident for high value crops (e.g. Strawberries)
- The Eco-park was very valuable in raising awareness and visualising the constraints and imbalance of supply and demand in the Jordan valley.



5 Regional Programmes

A thorough presentation of the environmental aspects of the European Neighborhood policy was made. A working group synthesized some of the key points:

- It is not a competition between regional and bilateral it is: bilateral & regional working together
- Ownership of regional programmes at delegation and country level authority level is needed
- The communication chain of head office – delegation – consultants, needs fixing and maintenance
- A systematic problem is that delegation focal points don't attend the regional programme meetings at the end of the fact finding missions:
- Action
 - Involve the focal point in regional meetings ; use video conferences,
 - Either nominate regional focal points or distribute tasks to sector task manager
 - Update regional programme information on the ENPI website

6 IWRM

A number of presentations were made on IWRM with a transboundary focus. The main points emerging from the experience presented and plenary discussions and a working group were:

- Even where there are political obstacles there is still scope for technical cooperation but ultimately political will is needed
- Using bilateral cooperation where multi-lateral is not possible has proven useful
- The EXACT forum is an example where parties otherwise unable to cooperate are brought together in a technical dialogue on water
- Highlighting the role of information in reducing distrust (share data collection and management)
- Joint data collection missions of multinational basin stakeholders proved to be successful in building trust and international conflict prevention (Georgia experience).
- Dialogue needs a structure to be successful, especially in the water sector which is fragmented
- IWRM needs to be linked to social and economic planning – it is not independent

- Government involved in negotiations on trans-boundary waters would benefit from technical input providing a range of technical options to develop more constructive dialog.
- Access to EIB financing for the trans-boundary basins works normally through entities with national legal identities and financial independence, however it is facilitated through basin coordination/management committees in which the concerned countries are represented.

Turkey (multiple Basins)

- The main focus was on the accession process particularly within environment and water
- River basin management plans are delayed – it takes longer than planned
- Detailed studies on the costs of approximation were made together with a proposed source of financing – this is a very worthwhile exercise as it is a reality check
- Focus on river basin management plans (using the water framework directive on all the 25 basins) and monitoring to get data was combined with action on actual infrastructure projects
- Using twinning approach for a few basins e.g. Yeslirmak (Dablas task force)
- Data is often the main problem e.g. Buyuk Menderes basin
- Data helps in prioritisation of projects (data helped to focus on nutrient removal on just 3 cities in the Yeslirmak basin instead of all the towns)
- The 3 essential actions are: Monitoring (gets data) – Planning (uses the data) - Infrastructure implementation

Georgia - Aras (Georgia, Armenia, Azerbaijan) and Kuras rivers

- Minimum role for government: “we don’t have a policy, we don’t have a strategy” – there are ministers but not ministries.
- EU and other donors instrumental in saving the environmental function from extinction
- Hybrid organisation used - inter governmental but also involving water user stakeholders
- Action plans and road maps were used to transform technical cooperation to political cooperation
- Basin management plans (EU directives served as a useful methodology)
- Monitoring and standardisation of sampling (again EU standards helped)
- Public awareness and capacity (also into mother tongue languages)
- Independent verification of water quality samples
- Potential conflict on water quality of water passing international boundaries reduced by joint monitoring
- Similar problem that Armenai and Azerbaijan are not allowed to cooperate formally

Israel

- Like Turkey, Israel is not in the development area
- Very High reuse of water: 75% documented and rising to over 80%
- A Water Authority was established in 2007 to bring many organisations together and reduce fragmentation
- The Authority is responsible for the whole water chain including setting water tariffs
- Agricultural lobby is strong so irrigation tariffs are low – although this has changed.
- There is an increasingly vocal civil society – it proposes a reversal of the government’s strategy of prioritising desalination
- There is extensive cooperation with the EU on research especially on water treatment and climate change under the research and development framework program
- FOEME is a tri-national NGO that functions well
- Participation is better when stakeholders are narrowly defined and active
- National authorities involvement is important for credibility and sustainability and replicability – need to respect the relation of civil society and government roles (NGOs should not do government role)
- Connection between projects funded and the actual policy – it is not always clear or easy to communicate

7 Post conflict

Key points that emerged from the presentations and discussions include:

Lebanon

- There is a huge difference between theory and practice with key institutions experiencing vacancy rates of 70% or more and cost recovery rates of less than 10%
- Coordination in the sector can evolve from donor led coordination to coordination by the government (with a good example of this taking place in Lebanon in the water sector)
- Short financial time frames give major problems for the sustainability of projects. Many water treatment projects are likely to fail because not enough time was given to institutional and technical feasibility

Afghanistan

- Participation is very important but technical considerations should not be over ruled

- Agreed principles on development of water resources should be consulted very widely
- The time frame for institutional reforms needs to be realistic and cannot always be predicted (an example is the water law which took a long time but is now proving to be very useful)
- Not everything can be done at once. Good progress has been made but monitoring still needs to be put in place as do the instruments for trans-boundary cooperation which is not yet addressed

Palestine

- Security problems are expensive – e.g. the North Gaza digester cost more than €1 million extra due to security constraints (the digester needed to be built below ground)
- Attitudes towards water re-use are very cultural - in Palestine there is a reluctance to re-use
- Donor coordination is crucial for a country like Palestine where there are many donors
- The water law is not implemented and the latest institutional assessments don't advise to head for a new law which would not be recognised because of the political problems
- High political commitment can lead to rushed projects i.e. over commitment compared to capacity to manage and as a consequence poor sustainability of the projects
- High political volatility demands greater flexibility
- Regionally financed waste water projects often failed because they were not maintained. There has been better experience where projects involved both waste water collection and treatment and not just treatment and where there is municipal co-financing

Iraq

- A weak governance structure and capacities, outdated legal and policy frameworks together with neglected, damaged or inexistent infrastructure are the main obstacles to raise the quality of water and sanitation services. The Water supply situation follows the regional trend of declining availability although from a high level (only Turkey has more water available)
- Iraq can finance its recovery with the expected oil/gas export revenues. Cooperation is focusing on capacity building and not infrastructure. Programming has to take into account other EU/non EU ongoing or planned support for the sector (i.e. policy support). Hence the future program will focus on groundwater management, water supply monitoring and public awareness
- Post conflict is a fast moving environment. It is challenging for the EU strategy development, programming and implementation cycle to adjust to it (i.e. planned objectives/activities are taken on board by others). Security costs for the projects have to be considered (up to 50 % of project budget). There is also the need for regular donor driven coordination.

8 Finance

Key points that emerged from the EIB presentation included:

- The EIB has a long maturity period that is well suited to the water sector
- The interest rates are attractive compared to commercial loans
- EIB involvement often provides credibility to the project (due diligence on project feasibility)
- There is a flexible range of instruments for co-funding and interaction with private sector finance
- The Eligibility of Water projects are guided by 6 policy areas (IWRM, climate change, reforms, efficiency, new water supplies, wastewater and sanitation services).
- A sector and programmatic approach can ensure that the highest priority projects are chosen for financing – how this is linked to EU country strategy papers is not clear
 - The 3 common gaps are: Finance - Grants limited by budget, tariff by politics, loans by risk/ Project quality- Poorly prepared projects / - Weak regulation and institutions
- Cooperation with EC in the provision of TA and co-financing loans with grants can accelerate projects and improve the quality

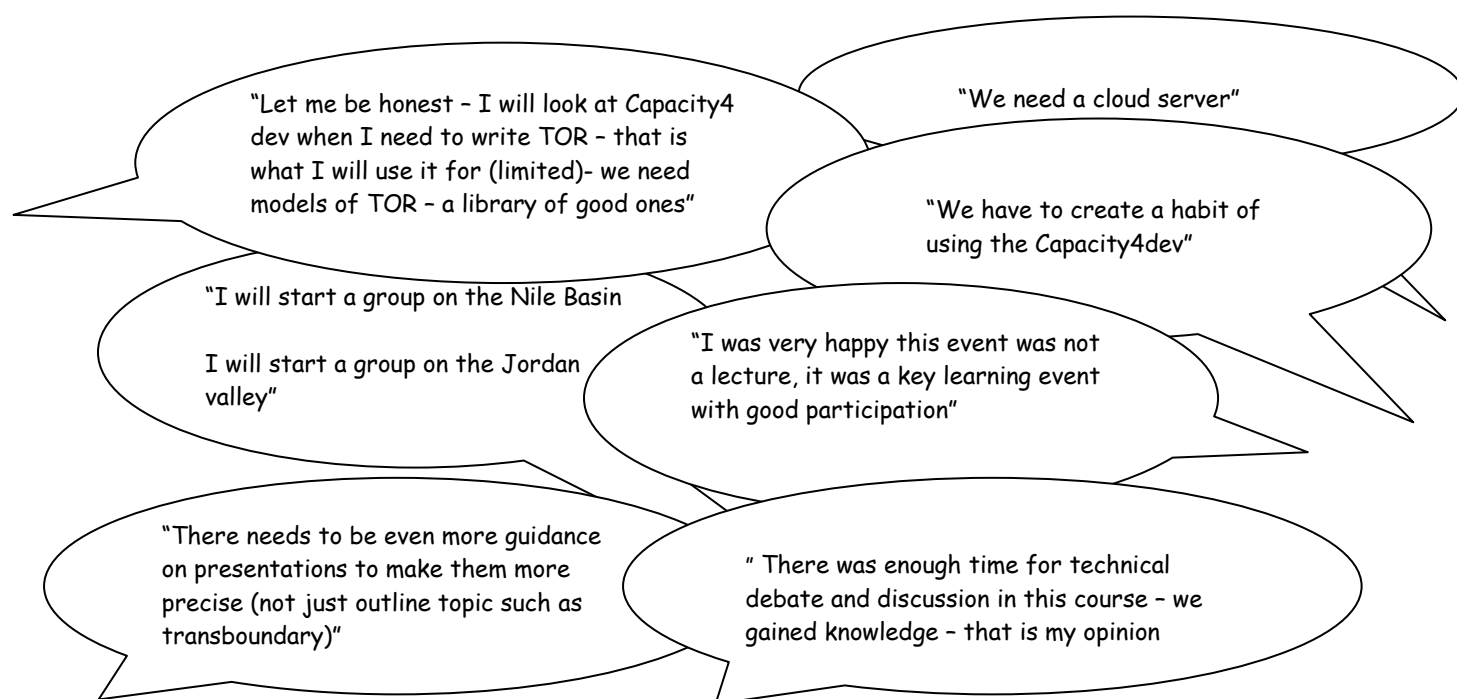
Comments that arose included:

- EIB does not have a country presence unlike other banks
- EIB speed of approval has sometimes caused project delays (example given in Georgia)

- EIB not strict enough on environmental impact assessment conditions (example given from Georgia) – tariffs are also a contentious issue
- EU support focuses on waste prevention and minimisation and EIB on the infrastructure
- In some countries the level of debt is too large and more loans can lead to a cycle of debt (the ability of the borrower to pay back is analysed. In some cases e.g. Jamaica International Monetary Fund, conditions on limiting debt have stopped projects)
- Sometimes EU grants funds are used for interest shielding and sometimes for technical assistance. In some cases the technical assistance is to help with processing the loans

9 Discussions on collaboration between delegations and DEVCO

A brief session was held where the new Capacity4Dev website was demonstrated followed by an open discussion between DEVCO and delegation staff on how to further improve the collaboration between the headquarters and delegations. Some of the key messages are shown in comment bubbles. In summary, the key points that emerged are: i) A Brussels seminar once a year is useful because events cannot be held in each region each year; ii) Regional events should be held every 2 years, if the content justifies it, then an event can be held more often; iii) Combining the water sector with other sectors in a seminar has not always proven successful in the past; iv) One of the main problems is the limited budget and time for training.



10 Reflections on the outcomes

Through discussion at the seminar and evaluation forms the participants reflected over the outcomes of the seminar:

Balance of theory and field trip on the second day - A field trip on the second day to the Jordan valley helped to prepare for the sessions on IWRM– it gave a pivot point for many later discussions and reflections.

Participatory approach – at least half the time, if not more, should be given to group work and plenary discussion. The involvement of not just delegations but other parties is valuable but there also needs to be space for purely internal discussion.

Preparation in advance - the highly active involvement of delegations (all giving presentations) was very valuable. It happened because of preparation in advance and close follow up. Although the presentations were good they could be even more tailored and precise if the instructions are more exact.