

## DOCUMENT:

### **Second UfM Annual Conference on Water Investment and Financing – Draft Concept Note and Framework Agenda**

## BACKGROUND:

In 2019, as part of its programme to support UfM member countries to achieve the objectives of the UfM Financial Strategy for Water, the UfM Secretariat launched the Annual Conference on Water Investment and Financing. The First UfM Annual Conference on Water Investment and Financing took place in Rome (Italy) on 5<sup>th</sup> December 2019. A Conference Report has been made available to WEG members by the UfM Secretariat.

This document presents a Draft Concept Note and Framework Agenda for the Second Annual Conference on Water Investment and Financing. The document will be discussed at the on-line consultation (informal meeting of the WEG) on “The UfM Water Agenda and Financial Strategy in view of SDG-6 and the Green Deal: Policy Actions, Economic Responses, and Ways Forward in the post-COVID 19 context” that will take place on 9th and 10th June 2020.

The UfM Secretariat intends to finalise the Draft Concept Note and Framework Agenda by the end of June in order to proceed with organisation arrangements.

## ACTION REQUIRED:

WEG members are kindly requested to provide their written comments on the Draft Concept Note and Framework Agenda by 25<sup>th</sup> June 2020.

## CONTACT PERSONS:

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## Second UfM Annual Conference on Water Investment and Financing

### The financial sustainability of the Mediterranean water sector in a post COVID-19 world

#### DRAFT CONCEPT NOTE AND FRAMEWORK AGENDA

#### BACKGROUND

The UfM Annual Conference on Water Investment and Financing is one of the activities organised by the UfM Secretariat to support UfM Member States to achieve the objectives of the UfM Financial Strategy for Water. The development of the UfM Financial Strategy for Water was mandated by the UfM Ministers at their 2017 meeting in Malta. It was developed by a task force of UfM Member States developed throughout 2018 and approved by the UfM Senior Officials' Meeting in December 2018. Other activities carried out in 2019 by the UfM Secretariat to support the implementation of the UfM Financial Strategy for Water include the organisation of national workshops on water financing (such as those carried out in Jordan in March 2019 and in Albania in October 2019), the organisation of regional trainings on water financing topics (such as the climate finance training organised in Brussels in June 2019), and the organisation of special sessions on water financing topics at international events (such as the EU-UfM Water Governance and Business Forum that took place in Cairo in October 2019).

#### First Annual Conference on Water Investment and Financing

The First UfM Annual Conference on Water Investment and Financing took place in Rome (Italy) on 5<sup>th</sup> December 2019. It was organised by the UfM Secretariat in partnership with ISPI and GWP-Med and with the financial support from Sweden. The Conference took place within the framework of the Mediterranean Dialogues. A Draft Conference Report has been made available to WEG members.

The First Conference touched upon a range of water financing topics, with a special focus on public private partnerships. The Conference included a roundtable session to inform peers about priority objectives, recent progress and future efforts; a panel discussion on how and why to engage private financiers, and a High Level Session on the regional dimension of water cooperation. The special focus was reflected in two sessions: a session on sharing country experiences with public-private partnerships, and a panel discussion on the role of private operators in contributing to the financial sustainability of the water sector.

**The discussions at the First Conference provided guidance for the design of the Second Conference.**

- The three pillars of the UfM Financial Strategy for water are equally relevant. For pillar 1 (strategic approach) most countries identified the water sector reforms as the top priority. For pillar 2 (making the best use of existing resources) most countries identified reducing inefficiencies as the top priority. For pillar 3 (mobilising additional resources) the two top priorities were increasing internally generated revenues, and accessing climate finance.
- There is a role for the UfM process and partners to enhance the contribution of private financiers to the financial sustainability of the water sector. Options identified included, inter alia, the creation of networking opportunities (bringing more financiers to water meetings, setting up a permanent platform) and collecting and sharing good experiences and lessons learned.
- Further dialogue is necessary to promote the financial sustainability of water management, as many people don't understand water financing. Further work needs to look for failure and successes, and engage private financiers.

## Water investment and financing in a new world

**Since the First Conference, the world has changed and the COVID-19 crisis will affect the financial sustainability of the Mediterranean water sector in multiple ways.** The total cost of providing water services will likely increase due to demand for enhanced service provision (for example in schools and markets) and increased unit costs (for example to ensure safe working conditions). The availability of financial resources from the 3Ts will likely decrease: public budgets will be under increased strain from reduced tax income as the economy slows; families' ability to pay for water services may also be reduced due to reduced household income; and donations from development partners may be reduced as they face domestic pressures on their public budgets. But the crisis may spur technological and organisational innovations that reduce costs (such as adoption of electronic bill collection payment systems or teleworking practices). And the economic recovery packages put in place by governments, may provide an opportunity to fund water investments if the Mediterranean water sector is ready to jump on this opportunity.

## OBJECTIVES

**The UfM Annual Conference on Water Investment and Financing has three objectives:**

- to raise the profile of water investment and financing issues on the regional political agenda and within the finance community;

- to push the boundaries of traditional thinking about water investments and financing by dissemination and discussing evidence-based knowledge on opportunities to facilitate investments and enhance the financial sustainability of the sector; and
- to promote water investments as well as policy reforms to enhance the financial sustainability of the water sector.

**In support of those general objectives, the Second Annual Conference will have the additional specific objectives:**

- to promote peer learning among UfM member states on approaches to deal with the impacts of the COVID-19 crisis on the financial sustainability of the Mediterranean water sector,
- to establish a regular platform to engage all types of financiers in discussing how to increase financing for water investments, and
- to share good experiences and lessons learned in working towards selected objectives of the UfM identified as priorities in the First Conference.

## DATES AND VENUE

The Second Annual Conference on Water Investment and Financing will take place over two days. Contingent on the evolution of travel restrictions due to the COVID-19 crisis, the targeted time window for the organisation of the Conference is end of October or beginning of November.

The UfM Secretariat has already started the process of identifying a host country. Options being currently explored include Egypt, France and Morocco, but no decision has been made yet and the UfM Secretariat will welcome interest from other UfM member states to host the Second Conference.

Options for hosting online the Conference are also being considered, in the event that a physical meeting is not possible.

A Save-the-Date note will be sent as soon as the date and venue have been confirmed, not later than six weeks ahead of the Second Conference.

## PARTICIPATION

Participation at the Conference will be by invitation only.

The First Conference attracted about 40 participants from UfM governments and parliaments, international organisations (GIZ, EIB, OECD, World Bank), water operators (EurEau, AquaFed),

water regulators (ARERA), private financiers (Association of Banks in Jordan, Climate Fund Managers), and civil society organisations (CEDARE, Eco-Peace Middle East, GWP-Med, Med-Cities, MENBO, WIMA).

For the Second Conference, the organisers are targeting a slightly larger number and spread of participants. Additional efforts will be made to attract a larger number of representatives from the finance community.

As it was the case for the First Conference, the Second Conference will feature a High Level Session with the participation of Ministers and other High Level Officials.

## CONFERENCE LOGISTICS

A Logistical Note will be distributed in due time.

The UfM will fund the participation of two officials per eligible UfM Member State, as was the case for the First Conference.

## CONFERENCE STRUCTURE

**The Conference will be organised around the following sessions:**

- *Opening session* -- welcoming remarks by WEG co-chairs, conference partners and host country.
- *Regional Peer Learning Forum* -- session to inform peers about priority objectives, recent progress and future efforts to enhance the financial sustainability of the water sector in the context of the COVID-19 crisis.
- *UfM Roundtable on Finance and Water* – building on the work carried out at the First Conference, this session will represent the launching of a regular platform shared by the finance and water communities to discuss how to increase finance for water investments.
- *Three topical sessions* -- to share and discuss the benefits and lessons learned of recent country efforts to tackle selected priority actions identified in the First Conference:
  - Approaching water financing in a strategic way: Reforming the water sector to enhance its financial sustainability.
  - Making the best of use of existing financial resources: Increasing water use efficiency and improving asset management.
  - Attracting additional financial resources: (either Mobilising Climate Finance for Water or Increasing Internally Generated Revenues)



- *High Level Session* – addressing the topic of “The Mediterranean Water Sector in a post COVID-19 World”
- *Closing session* -- chaired by the UfM Secretary General and featuring interventions by WEG co-chairs, conference partners and host country.

## CONFERENCE SPEAKERS

Every effort will be made to ensure a high-quality and country and gender-balanced slate of speakers.

UfM member states are kindly requested to identify the sessions in which they could make a formal presentation and inform the UfM Secretariat at their earliest.

Representatives of financing institutions, development partners and other stakeholders interested in contributing “setting the scene” presentations or panellists are welcome to approach the UfM Secretariat to discuss the different options.

All participants will be invited to speak during the Regional Peer Learning Forum, and are welcome to take the floor during the discussion slots.

## CONFERENCE OUTPUT

The results of the Conference will be recorded in a Conference Report and published in a leaflet/briefing. The production of additional communication outputs, such as a twitter feed and a video, will be considered as well.

## CONFERENCE PARTNERS

The Second Annual Conference on Water Investments and Financing is organised under the leadership of Jordan and the European Commission (Co-Chairs of the UfM Water Expert Group) by the UfM Secretariat with the technical support of GWP-Mediterranean and the financial support of Sweden.

The Conference Partners will welcome the contribution of additional partners to ensure the relevance and success of the Conference.

**DRAFT FRAMEWORK AGENDA**

<b>DAY 1</b>	
9:00-9:30	Registration of participants
9:30-9:45	<p><b>Session 1. Opening of the Second Annual Conference</b></p> <p><b>Welcoming remarks</b></p> <ul style="list-style-type: none"> <li>WEG Co-Chairs and representatives from conference partners and host country.</li> </ul> <p><b>Conference objectives and agenda</b></p> <ul style="list-style-type: none"> <li>UfM Secretariat</li> </ul>
9:45-11:15	<p><b>Session 2. Regional Peer Learning Forum</b>                      The COVID-19 Crisis: Challenges and Responses</p> <p><b>Setting the stage presentations (30 min):</b></p> <ul style="list-style-type: none"> <li>UfM Secretariat</li> <li>Representative of UfM member state</li> <li>Representative of partners</li> </ul> <p><b>Interventions by UfM member states (60 min):</b></p> <p>Questions to be addressed:</p> <ul style="list-style-type: none"> <li>How has the COVID-19 crisis impacted the financial sustainability of the water sector in your country? How do you expect it to impact it in 2021 and beyond?</li> <li>How is your country responding to the new situation? What actions has your country implemented in 2020 to enhance the financial sustainability of the water sector?</li> <li>What have you learned from those efforts?</li> <li>What type of expertise and support would you welcome from other UfM member states and the UfM Secretariat?</li> <li>What type of support would you welcome from partners to address the new (and old) financial sustainability challenges?</li> </ul>
11:15-11:45	Coffee break



<p><b>11:45-13:00</b></p>	<p><i>(Session 2 continues)</i></p> <p><b>Interventions by partners (30 min)</b></p> <p>Questions to be addressed:</p> <ul style="list-style-type: none"> <li>• How have you supported UfM member states in the recent past? What have you learned from those activities?</li> <li>• What do you see as the three key challenges that the UfM member states face in enhancing the financial sustainability of the water sector?</li> <li>• What is the role of your organisation in enhancing the financial sustainability of the Mediterranean water sector? How could you support UfM member states in 2021 and beyond?</li> </ul> <p><b>Discussion (40 min)</b></p> <p><b>Session conclusions (5 min)</b></p>
<p>13:00-14:30</p>	<p>Lunch break</p>
<p>14:30-15:45</p>	<p><b>Session 3. UfM Roundtable on Finance and Water</b></p> <p><b>Setting the stage presentations (2x15 min):</b></p> <ul style="list-style-type: none"> <li>• Finance and Water: roles of the different types of financiers and the evolution of financing for water in 2020</li> <li>• Finance and Water: views from the demand side</li> </ul> <p><b>Panel (40 min):</b></p> <ul style="list-style-type: none"> <li>• Representatives from private banks, domestic development banks, international development banks, other financing institutions, water utilities.</li> </ul> <p>Questions for panellists:</p> <ul style="list-style-type: none"> <li>• What are the new opportunities for the different types of financiers to finance water investments in a post COVID-19 world?</li> <li>• What are the main barriers faced by the different types of financiers to finance water investments in a post COVID-19 world?</li> <li>• What are some good examples of water financing in the Mediterranean and around the world?</li> <li>• What are financiers asking from UfM governments in order to increase their engagement in the water sector?</li> </ul>



	Coffee break: 30 min
15:45-16:15	Coffee break
16:15-17:15	<i>(Session 3 continues)</i> <b>Roundtable discussion</b> (55 min) <b>Session conclusions</b> (5 min)
17:15-17:30	<b>Session 4. Closing of day 1</b> <ul style="list-style-type: none"> <li>• Recap of day 1</li> <li>• Overview of day 2</li> <li>• Housekeeping</li> </ul>

DAY 2	
9:00-10:45	<p><b>Session 5. Approaching water financing in a strategic way:</b>                      Reforming the water sector to enhance its financial sustainability</p> <p><b>Setting the stage presentation</b> (10 min):</p> <p><b>Experiences of UfM member states:</b></p> <ul style="list-style-type: none"> <li>• Presentations: benefits from implementing water reforms and lessons learned (3x10 min)</li> <li>• Q&amp;A (15 min)</li> </ul> <p><b>Discussion</b> (45 min)</p> <ul style="list-style-type: none"> <li>• What are the water sector reforms that would contribute most to enhance the financial sustainability of the water sector?</li> <li>• What capacities do UfM member states need to develop to identify and adopt such reforms?</li> <li>• How can partners support UfM member states to identify and adopt those reforms?</li> </ul> <p><b>Conclusions</b> (5 min)</p>
10:45-11:15	Coffee break
11:15-13:00	<p><b>Session 6. Making the best of use of existing financial resources:</b>                      Increasing water use efficiency and improving asset management</p>

	<p><b>Setting the stage presentation (10 min):</b></p> <p><b>Experiences of UfM member states:</b></p> <ul style="list-style-type: none"> <li>• Presentations: financial benefits and lessons learned from efforts to increase water use efficiency and improve asset management (3x10 min)</li> <li>• Q&amp;A (15 min)</li> </ul> <p><b>Discussion (45 min)</b></p> <ul style="list-style-type: none"> <li>• What policy reforms do UfM member countries need to implement to support water use efficiency and adequate asset management?</li> <li>• What capacities do UfM member states need to develop to increase water use efficiency and improve asset management?</li> <li>• How can partners support UfM member states to increase water efficiency and improving asset management?</li> <li>• What other topics related to making the best use of financial resources could be discussed at the Third Conference?</li> </ul> <p><b>Conclusions (5 min)</b></p>
<p>13:00-14:00</p>	<p>Lunch break</p>
<p>14:00-15:45</p>	<p><b>Session 7: Attracting additional financial resources:</b>              Mobilising Climate Finance for Water              (Alternative topic: Increasing Internally Generated Revenues)</p> <p><b>Setting the stage presentation (10 min):</b></p> <ul style="list-style-type: none"> <li>• Opportunities and challenges for accessing climate finance</li> </ul> <p><b>Experiences of UfM member states:</b></p> <ul style="list-style-type: none"> <li>• Presentations: successes and failures in accessing climate finance (3x10 min)</li> <li>• Q&amp;A (15 min)</li> </ul> <p><b>Discussion (45 min)</b></p> <ul style="list-style-type: none"> <li>• What policy reforms do UfM member states need to implement to increase access to climate finance?</li> <li>• What capacities do UfM member states need to develop to increase access to climate finance?</li> <li>• How can partners support UfM member states to increase access to climate finance?</li> </ul>

	<ul style="list-style-type: none"><li>• What other topics related to attracting financial resources could be discussed at the Third Conference?</li></ul> <p><b>Session conclusions</b> (5 min)</p>
15:45-16:15	Coffee break
16:15-17:15	<p><b>Session 8. High Level Panel:</b> The Mediterranean Water Sector in a post COVID-19 World</p> <ul style="list-style-type: none"><li>• UfM Secretary General</li><li>• Ministers from UfM Countries</li><li>• High level officials from partners</li></ul>
17:15-17:30	<p><b>Session 9. Closing of the Second Conference</b></p> <ul style="list-style-type: none"><li>• Representatives from UfM Co-Chairs, host country, conference partners, UfM Secretariat</li></ul>