



Local
actions
for a
global
challenge

SESSION REPORT

TITLE OF THE SESSION

FT2.17 Public Private Partnership towards IWRM in the MENA Region

SESSION CONVENERS

Ministry of Water Resources and Irrigation (MWRI) and Arab Water Council (AWC)

KEYNOTE SPEAKERS

H.E. Dr. Abu Zeid, Minister of water Resources and Irrigation, Egypt

H.E. Dr. A. Zahoud, State Secretary in Charge of Water, Morocco

Mr. V. Welt, Dutch Expert, APP

Prof. Asit Biswas, President & Academician of the Third World Centre for Water Management

Mr. H.L. Tiesinga, Union of Water Boards, The Netherlands

CONVENERS GENERAL REMARKS ABOUT THE SESSION

Awareness on the need for PPP in the water management sector, institutional development and political processes capacity-building for PPP, social learning, technology and knowledge targeting for PPP, monitoring and evaluation of PPP initiatives and projects.

SYNOPSIS

(1) Introduction of PPP initiatives in the MENA region to the international society with experiences from Egypt, Morocco and Yemen. (2) Obtaining participants' reactions and feedbacks to the introduced local actions, that may be contemplated

to fine-tune these actions.(3) Building up links between professionals and experts in PPP.(4) Motivation of development partners and donors to play a part in the ongoing local actions or those actions to be mobilized.

LOCAL ACTIONS PRESENTED DURING THE SESSION

Inclusive Vision on PPP in the MENA Region: experience of the World Bank in the region with highlights on concept, potential and lessons learned thus far.

PPP for Integrated Water Resources Management; Egypt's Experience: Inclusive Vision on PPP in Egypt's Water Sector. This includes the introduction of existing PPP Models in integrated water resources management improvement projects and mega developmental projects.

Experience of Public Private Partnerships for water Supply and sanitation in the MENA Region: introduction of PPP initiatives for supporting and sustaining water supply and sanitation sectors in the MENA Countries with examples from Morocco (experience of Suez Environment; a French Consulting Firm implementing PPP projects in the region).

Egyptian – Dutch Partnership for Integrated Water Resources Management: Egyptian-Dutch Advisory Panel Project on Water Management (APP) presented its unique model of 30 years of bilateral cooperation. This partnership has contributed to many viable solutions to the myriad water problems that Egypt has faced over the last three decades. Such a model may be considered for replication by other countries. Under the umbrella of APP, the Egyptian Water partnership (EWP) was launched. The local action of EWP to improve the existing conditions of water resources in some selected rural areas through water pollution prevention and abatement was also presented as an case in point of the Egyptian-Dutch bilateral cooperation.

LESSONS LEARNED

- Governments in a successful PPP model should keep a regulatory role and contribute to resources allocation, including funds.
- Public sector can also be a "service provider", depending on the nature of the service (strategic or normal service) and the level of provision (preferably national level over local level).

- Egypt has been developing historical PPP within the context of its irrigated agricultural system for the tertiary (on-farm) level (formal and informal water user associations working shoulder to shoulder with governmental organizations).
- PPP does not have a blueprint model even in the same field of service. Proper PPP models differ from region to region within the same country.
- Public sector is always accused of mal-performance, unreliability, overspending, and the rest. Experience showed that the most efficient water distribution company all over the world is a public sector company in Singapore. Mal-performance of private sector is not always the typical reason for developing PPP. Development of PPP is subject to the need for improving the service as well as the existing opportunities (able private sector).
- The water supply and sanitation discipline is envisaged as one of the most opportune disciplines for PPP where governments are assumed a regulatory role at national level and private sector acts as "service provider". The Moroccan model in Casablanca contributed to water saving by about 10% and further service coverage by about 50%.

KEY MESSAGES

- Sometimes threats concerning private sector coming to business coerces public sector to improve its service to steer clear of competition. Governments should always encourage such competition.
- Development of effective PPP involves long-term negotiations between public and private parties to establish trust and settle on the proper PPP framework. Opportunities for PPP are always many and potential partners should never give up or be fed up with negotiations
- The promotion tools of PPP in the water sector that contribute to an enabling environment are long-term commitments (land lease and water rights), sustainable finance mechanism, adequate stakeholders' involvement, development of integrated projects, and trouble-free access to information.

ORIENTATIONS FOR ACTIONS

- Governments have to introduce incentives to encourage private sector to establish effective partnership with the public sector in a win-win game.

- All the forthcoming initiatives and actions in the water management sector must have room for a PPP dimension.
- Services provided by both public and private sectors are to be balanced at national scale to avoid monopoly and improve quality.
- PPP has a meaning different from privatization. Yet, many professionals can not make a distinction between both. Awareness is therefore needed for all parties providing services to the community.
- PPP local actions need political willingness to change attitudes and unlimited national support (enabling environment, awareness, institutional framework, and sustainable resources).
- Effective and sustainable PPP will need a third parity to regulate and resolve conflicts.
- The Government of Egypt is to consider more involvement and delegation to Water User Groups in modernization projects, while increase the regulatory and normative role of governmental and public organizations. It is suggested to offer incentives to large investors to “Build- Operate- Transfer”, “Design- Build- Lease”, etc such as information, national infrastructures, financial exemptions, and the like. The government has to keep implementing mega projects to create more opportunities for PPP, and privatize some public facilities and machines such as drainage pipelines factories, maintenance and construction equipments, and large pump stations. It is also worthwhile to enable large investors to pilot modern and low cost technologies that are to be franchised to smaller investors and landholders.
- It is recommended to establish a network for experience transfer among the MENA countries in the fields of water supply and sanitation as well as complementary fields.
- The Egyptian-Dutch Advisory Panel on Water Management (APP) has to continue coordinate and assist projects and donors, stimulate cross fertilization between projects, set priorities for the water sector and related projects, address policy constraints, and identify new areas for bilateral cooperation. In so doing, it has to remain a demand-driven panel, particularly for low cost technologies in the rural communities, as the case of implementing a pilot waste water management under the Egyptian Water Partnership. It should maintain mutual understanding and various lines of communication, transparency, and monitoring and evaluation of pilot initiatives.