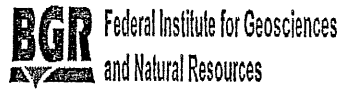




ECONOMIC AND SOCIAL COMMISSION FOR  
WESTERN ASIA – ESCWA

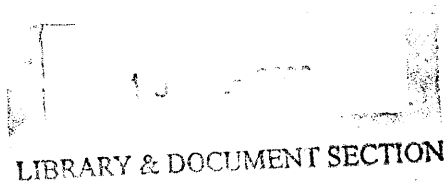
Distr.  
LIMITED  
E/ESCWA/SDPD/2005/WG.5/11  
12 November 2005  
ORIGINAL: ENGLISH



Seminar on Water Governance: Role of Stakeholders  
Beirut, 14 - 15 November 2005

## New GTZ-ESCWA Project Phase Focusing on Water Utilities

UN ECONOMIC AND SOCIAL COMMISSION  
FOR WESTERN ASIA



Note: This document has been reproduced in the form which it was received, without formal editing. The opinions expressed are those of the author and do not necessarily reflect the views of ESCWA.

## Seminar on Water Governance: Role of Stakeholders

UN-ESCWA, Beirut – Lebanon  
14-15 November 2005

### Emerging Role of Water Utilities in the ESCWA Region

By Digby Davies - GTZ Principal Adviser, Water Sector Management,  
German Technical Cooperation (GTZ)

### Emerging Role of Water Utilities in the ESCWA Region

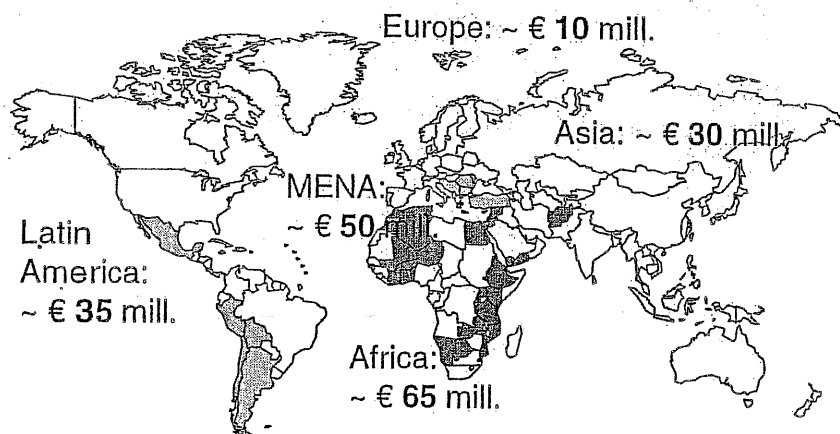
#### Presentations

1. New GTZ-ESCWA project phase focusing on water utilities - *Digby Davies (GTZ - Germany)*
2. Strategic water governance issues faced by water utilities in the ESCWA region - *Faraj El-Awar (Consultant - Lebanon)*
3. Process for Developing the Milestones Concept for Water Utilities in Syria - *M. Kayyal (KfW – Syria)*
3. Benchmarking in the ESCWA region – Introducing the Options - *David Milnes (WRC - UK)*

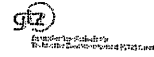
## GTZ in the Water Sector

- GTZ is the technical cooperation (TC) arm of official German development cooperation (DC) – all sectors
- German bilateral DC in the water sector - Euro 350 million p.a.
- TC in the water sector - Euro 60 million p.a.
- GTZ commission value in the water sector: Euro 190 million (2004)

## Water and Waste Management: GTZ funds for ongoing projects (2004)

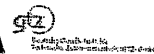


## GTZ in the water sector



- Water policy:
  - Water sector reform
  - Regulation and public supervision
- Water supply and sanitation:
  - Urban and rural water supply and sanitation
  - Ecosan – low-cost technologies
- Water resources management:
  - Transboundary water management
  - Watershed management
  - Water for food

## GTZ in the water sector in ESCWA countries

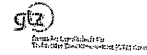


German DC and GTZ TC is active in

- Egypt
- Jordan
- Palestinian Territories
- Syria
- Yemen
- Lebanon

GTZ International Services also has water sector work in other ESCWA countries – Saudi Arabia, UAE etc.

## GTZ in the water sector at country level



- At country level GTZ often works in parallel with German financial cooperation (FC) through KfW (German Development Bank)
- Typically, GTZ supports a KfW investment programme in water infrastructure with TC measures e.g. technical advice, capacity building
- Cooperation with other German agencies – BGR, InWent, DED etc.
- GTZ country partners – national, government, local, private, user-associations, NGOs etc.

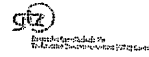
## Example of GTZ supported project in ESCWA member country



GTZ Water Sector Support Project, Jordan – main components

1. Development of a digital water master plan in cooperation with the Ministry of Water and Irrigation
2. Development and implementation of information and management systems
3. Ensuring sustainable use by training MWI staff

## New Project Phase GTZ-ESCWA



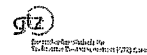
- German Federal Government Funding
- Started October 2005 – new 3 year phase
- GTZ will work in parallel with BGR
- Objective (shared by GTZ and BGR) – Improved regional co-operation in the water sector between ESCWA countries
- GTZ focus is on sector policies, management and utilities
- BGR – IWRM, trans-boundary issues

## Why focus on water utilities?



- **Growth in urban population** – 57% overall in ESCWA region in 2005 (ESCWA 2003)
- **Industrialization** – industrial water demand in ESCWA was 5% in 2000, but contributed 29% of GDP. Irrigation consumption was approx. 87%, but contributed only 15% of GDP (ESCWA 2003)
- **Asset management need** – Current global level US\$ 60 billion p.a. (World Bank est.). Additional global investment needed of US\$ 10 billion p.a. up to 2015 to meet MDGs. (WHO et al.2004)

## KfW water sector commitments in the ESCWA region (end Sept. 2005)



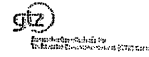
Country	Projects	Amount (million EURO)
Egypt	13	159
Jordan	24	309
Pal. Territories	24	157
Lebanon	1	16
Syria	3	100
Yemen	22	197
<i>Total:</i>	87	938

## GTZ-ESCWA Regional Project



- Clusters of (linked) issues for water utilities
- **Poverty (MDGs)** – coverage, service levels, tariffs, cost-recovery, affordability
  - **Efficiency** – reducing UfW, operating costs, management, technology
  - **Private sector** – PSP (PPP), market discipline, regulation, investment, out-sourcing
  - **Wastewater** – financing wastewater infrastructure, re-use, environmental issues

## GTZ-ESCWA Regional Project

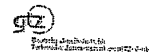


### Regional Cooperation

- Poverty – poverty-oriented water policies
- Efficiency – water utilities associations, benchmarking
- Private sector – exchange of experience, regional lessons
- Wastewater – regional guidelines on standards, re-use etc.

Conflict reduction.....

## Water Projects – Five Deadly Sins and how they relate to governance



- 1. Finance donor pipe dreams
- 2. Proceed without political will for reform
- 3. Set targets (e.g., cost recovery goals) with no means (e.g., tariff regulation and metering) to achieve them
- 4. Disregard consumer preferences
- 5. Overestimate demand to justify the project

Message – Donors often bring their own governance failures along with the 'aid'. Stakeholders beware!



Thank you very much!

UNESCWA LIBRARY



20047202