

EIB's role in facilitating the implementation of water-related innovative solutions in MED partner countries: MeHSIP II

EIP Water Conference 2014

Water Challenges in the Maghreb and Opportunities for European Innovative Solutions – Portuguese Water Partnership Side Event

Barcelona, 6 November 2014

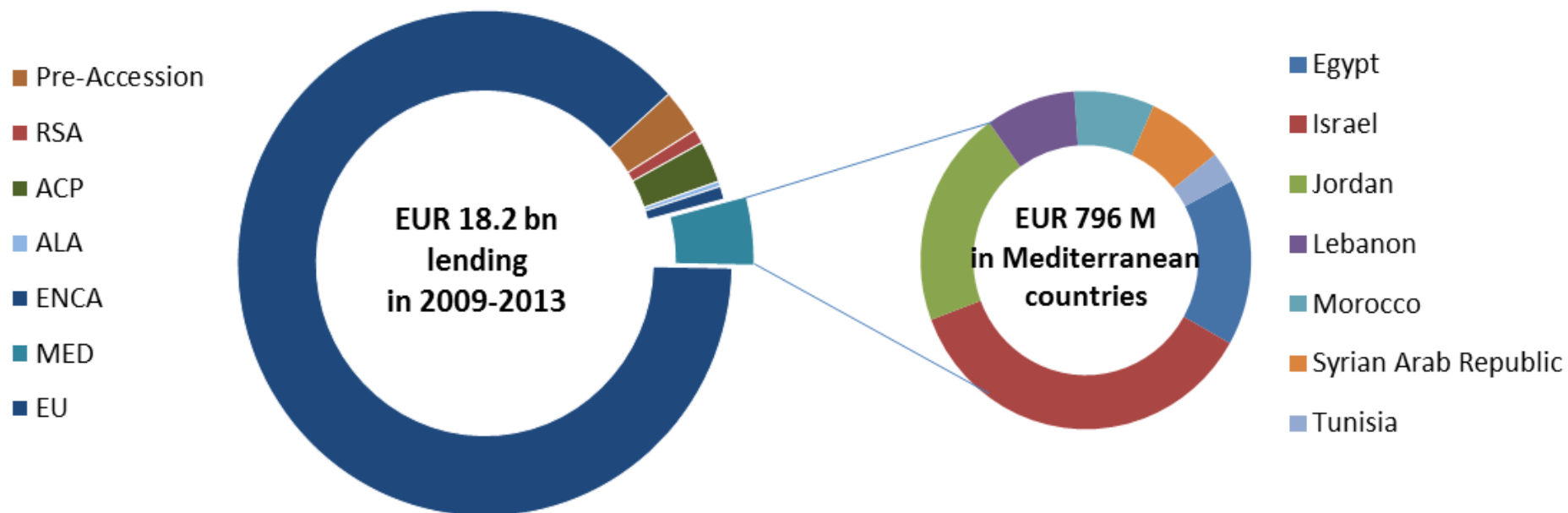
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EIB : The EU “Water Bank”

- Largest source of loan financing to the sector → over EUR 18bn loans signed in 2009-13
- Annual average lending EUR 3.6 bn, (EUR 3.3 bn in EU) up from EUR 2.5 bn in 2004-08
- About 90% of lending goes to projects in the EU, (outside the EU, excluding BRIICS, in line with other FIs)
- On avg. EIB loans cover 30% of investment cost of water projects → high leverage effect, blending
- Flexibility:
 - Lends to national/local authorities, public or private companies, through intermediaries or directly (incl. PF)
 - EIB group offers broad spectrum of instruments beyond loans

EIB Activities in the water sector in the MED region

EIB Lending to the W&WW sector



EIB: The EU Bank



Managing critical resources for sustainable growth

International Consensus

Water-Food-Energy Nexus

WATER



FOOD

WATER



ENERGY

WATER



INDUSTRY

DRINKING W.

RE-USE, RECOVER

Life & economic support for human settlements



RE-CYCLE, RECOVER

Development Agenda Post-2015

EU Policy Drivers

→ EU 2020 “A Resource Efficient Europe”

Resources & Environment



SEWAGE

WASTE

→ Blueprint for Europe's Waters

→ CC Adaptation Strategy

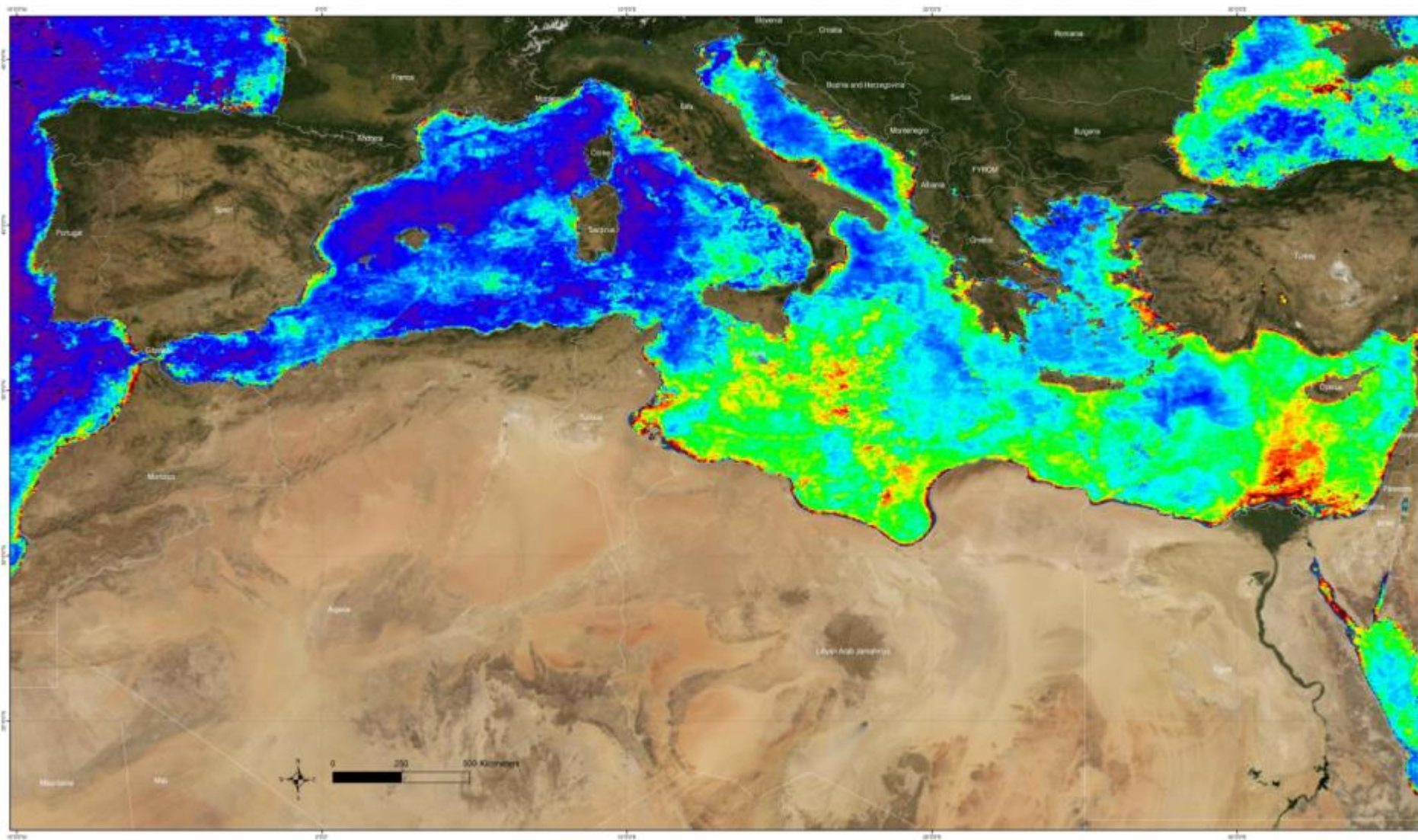
→ COM on Circular Economy

EIB's framework for supporting the water sector in MED

HORIZON 2020: DE-POLLUTING THE MEDITERRANEAN

1

Mediterranean Hot Spot Investment Programme - Project Preparation and Implementation Facility



Satellite composition depicting colored dissolved organic matter (CDOM) in the Mediterranean as recorded by the MODIS Aqua satellite sensor during March 2010. Along with natural processes, human activities affect CDOM levels in the water; therefore higher values of the CDOM index (yellow to dark red) may indicate pollution hot spots.

Chromophoric Dissolved Organic Matter Index



Map composition processed by the Remote Sensing Team of the National Observatory of Athens (NOA-ISARS).
Satellite data © NASA, <http://oceancolor.gsfc.nasa.gov>

Horizon2020



European
Investment
Bank

The History:

The Mediterranean Hotspot Investment Programme (MeHSIP) 2008-13

- Geographic coverage: Mediterranean partner countries (Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Occupied Palestine Territory, Syria, Tunisia)
- Components of MeHSIP-Project Preparation and Investment Facility (PPIF):
 1. Governance & Support to Horizon2020 Initiative
 2. Sectoral Support
 3. Management of Hotspots & Project Pipeline (EIB-managed component)
 4. Knowledge Management & Capacity Building

The History:

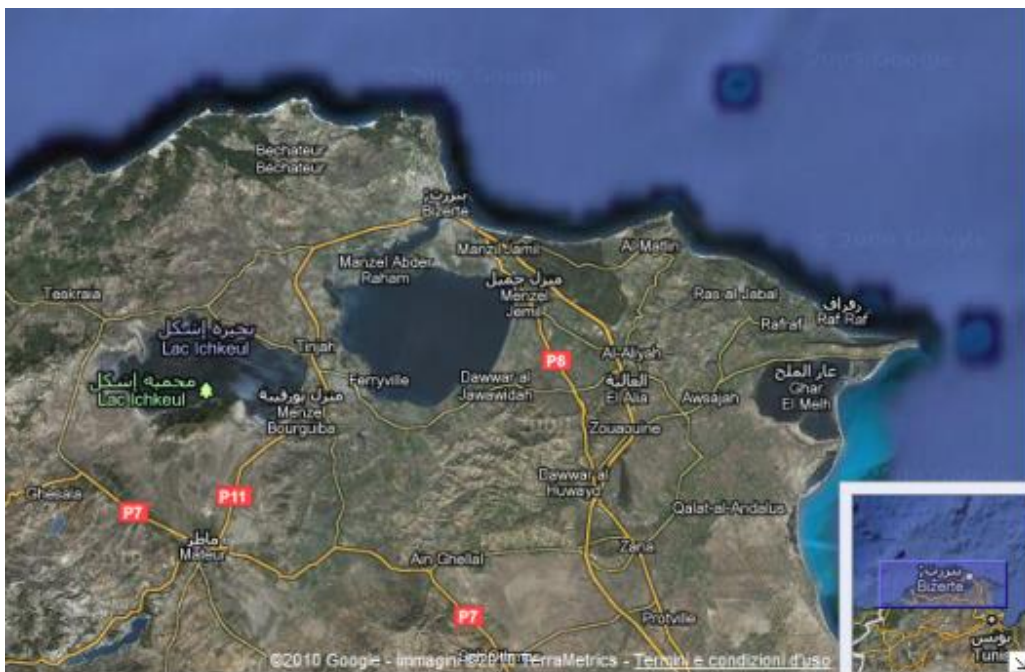
MeHSIP-PPIF assignment 3

- Two phases: 1) Project pipeline building, 2) Preparation of four priority projects in Lebanon, Jordan, Egypt, Tunisia,
- Scope: wastewater, waste and industrial pollution affecting the Mediterranean
- One consultant contract for programme/pipeline management and project preparation – extensive EIB expert involvement
- Overall positive assessment by independent evaluator: relevance for country strategies, national/local support to and willingness/ability to seek financing from EIB. Sustainability may suffer due to local context and capacity

The History: Innovation under MeHSIP-PPIF

TUNISIA: Dépollution Intégrée Bizerte

1. Rehabilitation/upgrading of sewerage networks & extension of treatment (**Wastewater**)
2. Sustainable management of Solid waste in rural areas (**Solid Waste**)
3. Environmental upgrading of El Fouladh industrial plant (**Industrial Emissions**)
4. Improvement and monitoring of the Lake ecosystem (**Nature Conservation**)



Innovative elements:

1. Participatory project preparation process
2. Integrated approach covering all pollution sources AND regional planning
3. Implementation support and participatory (basin) governance structure
4. Multi-stakeholder financial sustainability dialogue

The Future:

MeHSIP II - Objectives and scope

- **Programme objectives:**
 - a) Promote sound water, wastewater/solid waste/industrial emissions management in the Southern Mediterranean region;
 - b) Support bankable projects in priority sectors (target 10-20)
- **Programme Scope – extended vs MeHSIP I:**
 - a) H2020 pollution reduction from wastewater, waste, industries
 - b) Pollution reduction in areas that do not drain into the Mediterranean
 - c) Water resources management, drinking water supply and waste management activities aimed at resource efficiency, climate action, and support for sustainable growth and job creation
- **Priority countries:** MED partner countries

The Future: MeHSIP II - Setup

- **Programme management and co-ordination:**
 - a) MeHSIP II programme management (FEMIP-funded):
 - 2 sector experts and 1 co-ordinator at EIB HQ)
 - 4 sector experts consultants in EIB Med regional offices
 - b) “Bridging” consultancy assignment (EIB-funded)
- **Project preparation:** consultant teams (separately procured) with funding from NIF, MENA, CAMENA,
- **Bridging period co-ordination** by existing EIB staff managing a bridging consultancy:

The Future:

MeHSIP II – Current status /next steps

- FEMIP approval May 2014, EIB MC approval 27 July, EIB Board of Directors' approval 3 October
- Bridging assignment: September 2014 until recruitment of experts/consultants
- EIB launching recruitment of HQ and local experts
- Identification of preparation consultancy funding sources, and start preparation of application forms/fiches
- Initial project pipeline prepared: 11 projects, 4 sectors, 3 countries - EUR 1.5bn in total

MeHSIP II – Initial project pipeline

Country	Project Title	Location	Sector	Budget (m EUR)	Promoter
Egypt	Wastewater programme	Al Beheira	WW	727	HCWW
Egypt	Integrated Water and Wastewater project	Marsa Matruh	WS & WW	87	HCWW
Egypt	Integrated Pollution Reduction Programme for Lake Burullus	Lake Burullus / Kafr El Sheikh	INT	150	EEAA
Morocco	Integrated Solid Waste Management Project	Tangier	SW	30	CUdT
Morocco	Sewer networks and STEPs extention in 3 regions: Tanger Tetouan, Taza al Hoceima Taounate, Oriental		WW	40	ONEE
Tunisia	DEPOLMED - Rehabilitation programme and extension of WWTP, pumping stations and networks on coastal cities and river basins discharging into the Mediterranean Sea	Charguia, Msaken and 13 more locations	WW	175	ONAS
Tunisia	Rehabilitation of the Coastal Zone of Thyna	Thyna Sfax	IE	45	MOE
Tunisia	5th Sanitation Project for low income neighbourhoods and rural agglomerations	Clean up about 200 quarters	WW	30	ONAS
Tunisia	Sanitation in cities of less than 10,000 inhabitants	Sanitation of 80 municipalities with fewer than 10,000 inhabitants	WW	50	ONAS
Tunisia	Programme of improving the capacity of Wastewater Treatment in Northern area of Grand Tunis	North of Grand Tunis Tunisia	WW	40	ONAS
Tunisia	Optimise WW systems in various governorates	Various Governorates	WW	75	ONAS
				1,449	

Scope for and examples of innovation in EIB's lending-blending-advising in MED

- **Support sector strengthening** through project preparation and advising on strategy definition, project selection, investment phasing and cost recovery options – innovative multi-stakeholder dialogues on financial sustainability;
- **Work in partnership** with the EU, multilateral and bilateral financing institutions, donors etc.; actively involve civil society and other local stakeholders – innovative participatory processes;
- **Strengthen capacities** for project preparation, implementation and operation, integrating environmental and social standards into project designs and operations – Innovative technologies, business models, governance structures, project management, monitoring...;

Scope for and examples of innovation in EIB's lending-blending-advising in MED

- **Promote affordable and cost-effective solutions** to achieve universal access to services and environmental sustainability with—innovation in developing affordable solutions, new tariff structures...;
- **Promote innovative financing models** as appropriate, including sub-sovereign and local currency lending, guarantees and effective grant-delivery solutions. This includes considering PPPs as an option, not an inevitability, and working with the local private sector;
- **Support climate resilience** of projects & mainstream climate action into water sector strategies – innovative planning, new DSS, governance mechanisms...;

Thank you!

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