

Jordan-Portugal: Sharing experiences on water

18 October 2015



European Bank
for Reconstruction and Development

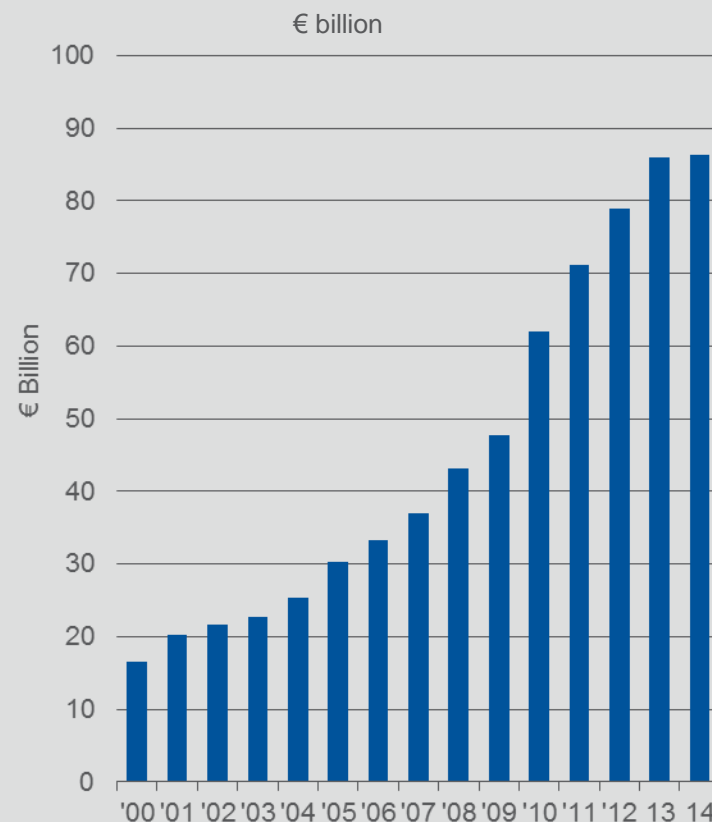
What is the EBRD?



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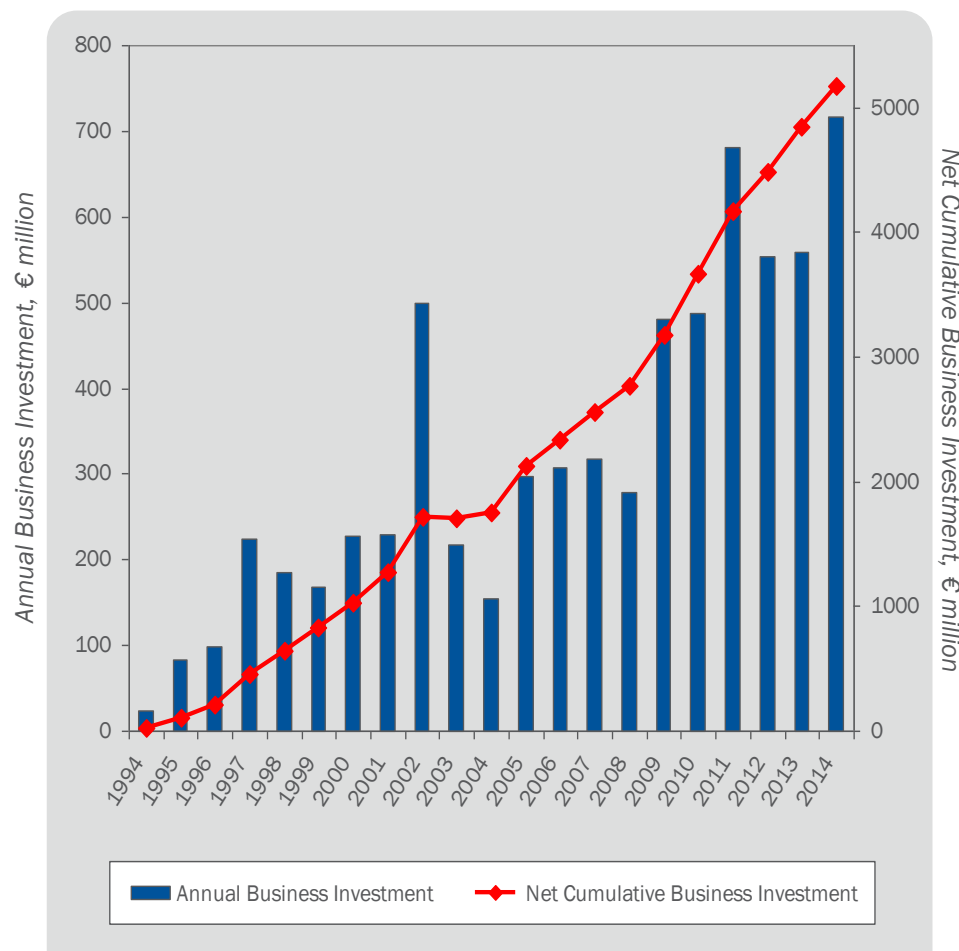
- Multilateral development bank created in 1991
- HQ in London, strong local presence, ~ 2300 employees
- Operates in 36 countries, including 4 in SEMED
- AAA rated, owned by 65 countries and two inter-governmental institutions
- Majority of capital owned by EU countries and institutions (58,7%)
- Capital base of €30 billion
- Invested over €90 billion in more than 4000 projects since 1991
- Annual new commitments of ~ €9 billion/year

Cumulative business volume of €90bn



EBRD and the Municipal sector

- Over 320 projects signed and almost €5.2billion invested in the municipal sector
- €700 million invested in 2014
- **Projects with the public sector** - municipalities or State, public utilities (80% of the activity, loans)
- **Projects with private clients/PPPs** (20% of the activity, loans and equity)
- A dedicated team of 70 people based in London and in the field.



Water & Wastewater – improved quality of service and environmental compliance

Urban Transport and Street Lighting – improved public transport services (buses, LRT, metro, ferries, street lighting, etc.) and more efficient and safe network design

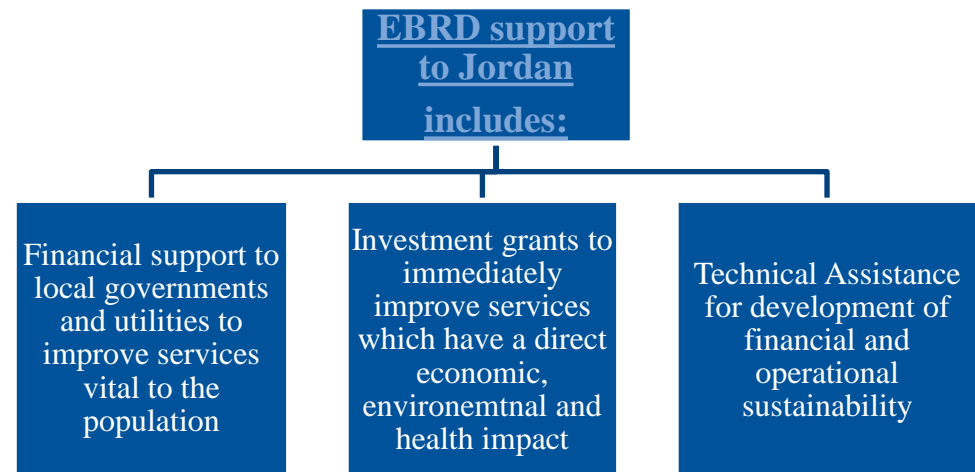
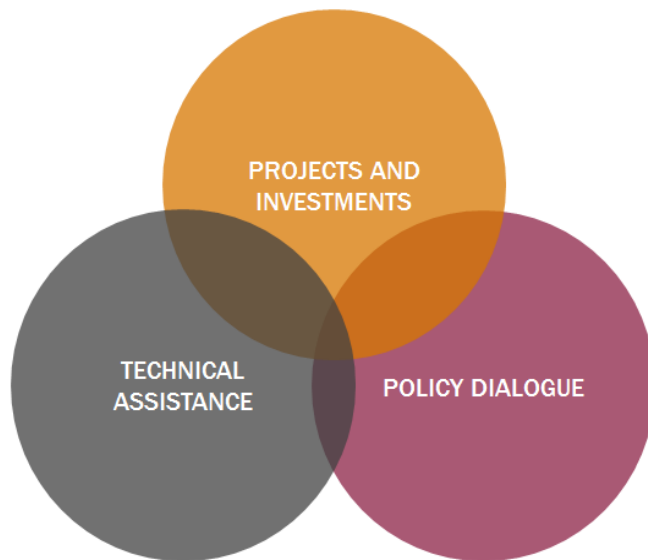
Solid Waste Management – improved efficiency and frequency of collection; adequate disposal; prevention of groundwater contamination

District Heating and District Cooling – renewal of obsolete heating/cooling and distribution systems and significant efficiency gains



Delivering Investment through Project Preparation and Implementation

The widely supported goal of accelerated infrastructure investment in Jordan can only be supported and sustained over the medium to long term when EBRD and its partners support municipal infrastructure with the delivery of policy dialogue with a view to ensuring replicable structures and consistent regulatory practices.



➤ Water and Wastewater:



- a phased approach to diversify the conventional sovereign financing through promoting sub-sovereign structures financing and PSPs/PPPs
- financial and operational improvement programmes (FOPIP) at each utility level
- cost recovery measures, including reduction of leakages/non-revenue water
- improvement of collections
- introduction of renewable energy (PV/solar) for water and wastewater facilities to reduce electricity bills and dependence on the scarce conventional energy resources.

- Value of joint **Portuguese-EBRD** investment: **€1.67 billion** as of January 2015:
 - **€1.13 billion** from EBRD
 - **€0.54 million** from Portugal
- Major beneficiary regions: **Romania and Hungary.**
- Dominant investment sectors:
 - **Financial Institutions:** €0.69 billion
 - **Infrastructure:** €0.46 billion
 - **Energy:** €0.43 billion
 - **Industry, Commerce and Agribusiness:** €0.08 billion

Portugal: Consultancy Services, Procurement and Small Business Support

Consultancy Services

- In 2014, there were five consultancy contracts totalling €281,456 awarded to Portuguese consultants by EBRD including one contract for €195,000 for the Small Business Support team for provision of management advice. The remaining four contracts were for provision of specialist industry and procurement advice.

Procurement

- As of December 2014 a total of 168 public sector loan funded and EBRD administered grant contracts were awarded for a total contract value of €1.3 billion. 68 Nuclear Safety Grant funded Contracts worth €105.5 million were also signed in 2014.
- From 2010 to December 2014, entities from Portugal participated in 17 tenders, and won 1 contract worth €1.4 million under our public sector projects, and did not participate in any contracts in 2014, under the Nuclear Safety Funds.

Small Business Support

- Since 2006, Portugal has provided €520,000, supporting 75 projects helping small and medium-sized enterprises access business advice through local consultants and international industry experts in Albania, Bosnia and Herzegovina, Bulgaria, Croatia, FYR Macedonia and Kosovo.
- Portugal's latest contribution of €180,000 in 2009 in Bulgaria helped SBS phase out of the country, ensuring sustainability targeting energy efficiency, renewable energy and energy audits. It involved support to local SMEs in implementing energy efficiency measures, obtaining certifications and conducting energy audits with help of local consultants. It also included two workshops for local consultants on energy efficiency and renewable energy.

Case Study examples

EDPR Solar (Romania)

2014



Client

EDP Renováveis (EDPR). EDPR is a global leader in the renewable energy sector.

EBRD / other Finance

EBRD - EUR 20 million loan

BTSB - parallel facility of EUR 10 million

Use of funds

The finance was used for the construction and operation of six solar photovoltaic (PV) parks totalling 50 MW in southern Romania.

EBRD added value / impact

The investment is supporting Romania to increase its renewable energy capacity and to meet the EU's renewable energy targets.

EBRD in Water Sector of Jordan Case Study

Case Study – Wala and Lib Pumping Stations

- Water sector is highly energy-intensive and is the largest energy consumer in the country.
- Financing energy efficiency investments in the water and wastewater sectors is a priority both for the EBRD and the Jordanian government.
- EBRD provided financing for the modernisation, rehabilitation and operation of the Wala and Lib pumping stations (BOT) under a 5 year contract.
- Financing to be used for capital expenditure, 6 months of operational expenses and training.
- The borrower, an ESCO, is owned by Engicon O&M, which in turn is a subsidiary of Engicon, a Jordanian private consulting engineering firm.
- Jordan's first ESCO contract, signed mid-2014.

