

Establishment of a Water Fund at EBRD

**UN/WHO Meeting Geneva
Ad Hoc Project Facilitation
Mechanism
1 July 2009**

**Engin Göksu,
Senior Manager, EBRD**



Water situation and related development instruments in wider Europe region

- Still 140 million people in wider European region are not connected to drinking water supply or have adequate sanitation
- UN Millennium Goal No 7 sets target to reduce by 2015 by half the proportion of the population without sustainable access to safe drinking water and basic sanitation
- UNECE / WHO Protocol on Water and Health is the underlying international agreement outlining the structure of support and coordination in this sector



UNECE/WHO Protocol on Water and Health – link to new Water Fund at EBRD

- Protocol is the first legally binding international agreement linking national water management and health issues.
- Protocol is a unique, comprehensive and modern response to water and related health problems
- EBRD Water Fund would be an important tool to support national water objectives in EBRD's ODA countries of operations with its wealth of experience in financing municipal water projects



Four Pillars of Protocol

- Establishment of “road maps/action programs” to set national targets with appropriate measurable indicators of progress, led by Switzerland
- Mechanism to measure and report on progress achieved, compliance control, led by Italy
- Enhance mutual assistance and international support to achieve targets, led currently by Norway (direct link to EBRD Water Fund)
- National target setting exercise recognizes EU Water Directive as overriding standard



Advantages for Donors in supporting EBRD Water Fund

- The Water Fund offers a possibility to align international commitments by providing funding for investments into the water sector to work towards MDG
- Exchange of information and experiences between various stakeholders on a regular basis - increased donor co-ordination
- Direct link to EBRD investments provides increased accountability and oversight how donor funds are spent
- EBRD has proven itself as an efficient implementation agency for donor supported projects including in ODA countries.



Main criteria of EBRD Water Fund

- ▶ Eligible Countries: ODA countries (i.e. no EU members and Russian Federation)
- ▶ Governance: Streamlined governance mechanism and yearly International Water Forum event with other stakeholders, either at EBRD or in contributing donor countries
- ▶ Fund shall allow for TC and investment grants
- ▶ Water Fund would be complementary with other funds



Next Steps..

- EBRD is in discussions with numerous donors
- Fund design is under discussions
- Anticipated launch in second half of 2009



Thank you for your attention.

