



ACP-EU Water Facility: Access to Water, Access to Health 9th February 2010 Brussels

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ACP-EU WATER FACILITY Pooling Mechanism

**EuropeAid, European Commission, Water and
Energy Facility, Severina Markova**

ACP-EU Water Facility Pooling Mechanism

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- Types of Operations and Contractual Tools
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- Financing Modalities (indicative)
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Pooling Mechanism: Background

- Available grant financing is not sufficient to meet the needs of investments in water supply and sanitation services in ACP countries. It is necessary to attract private investments and other financing instruments
 - Blending of loans with grants can provide valuable support to the provision of water and sanitation services to the poor with low affordability
 - First Water Facility results reveal that the Call for Proposals is not an adequate instrument to select large scale infrastructure bankable projects
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Pooling Mechanism: Objectives

- To propose a flexible financing tool for medium-size investment projects for access to water and sanitation services in ACP rural and peri-urban areas
 - To encourage private sector participation in water and sanitation services in ACP rural and peri-urban areas (e.g. PPPs)
 - To better coordinate at EU level available resources and expertises
 - To maximise the impact of the Water Facility grants through blending its grants with loans
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Pooling Mechanism: Characteristics

- Amount foreseen from the Water Facility: €40 million
- Geographical scope: rural and peri-urban areas of ACP States (including secondary towns)

Actions financed:

1. Infrastructure projects leading to increased access to water and sanitation services (within the range of approximately €10-50 million)
2. Governance, capacity building actions and advanced project preparatory studies

Eligible applicants:

- EIB, Member States, their official Development Cooperation Agencies and Development Financing Institutions
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Pooling Mechanism: General Characteristics of Supported Actions

- Comply with the principal objectives of the Water Facility
 - Be relevant to national strategies and programmes related to water resource management and safe drinking water supply and sanitation services
 - Promote sustainable socio-economic development and contribute to poverty reduction
 - Enhance ownership and sustainability of the results
 - Promote donor coordination and complementarity of investments
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Pooling Mechanism: Types of Operations and Contractual Tools

Types of Operations:

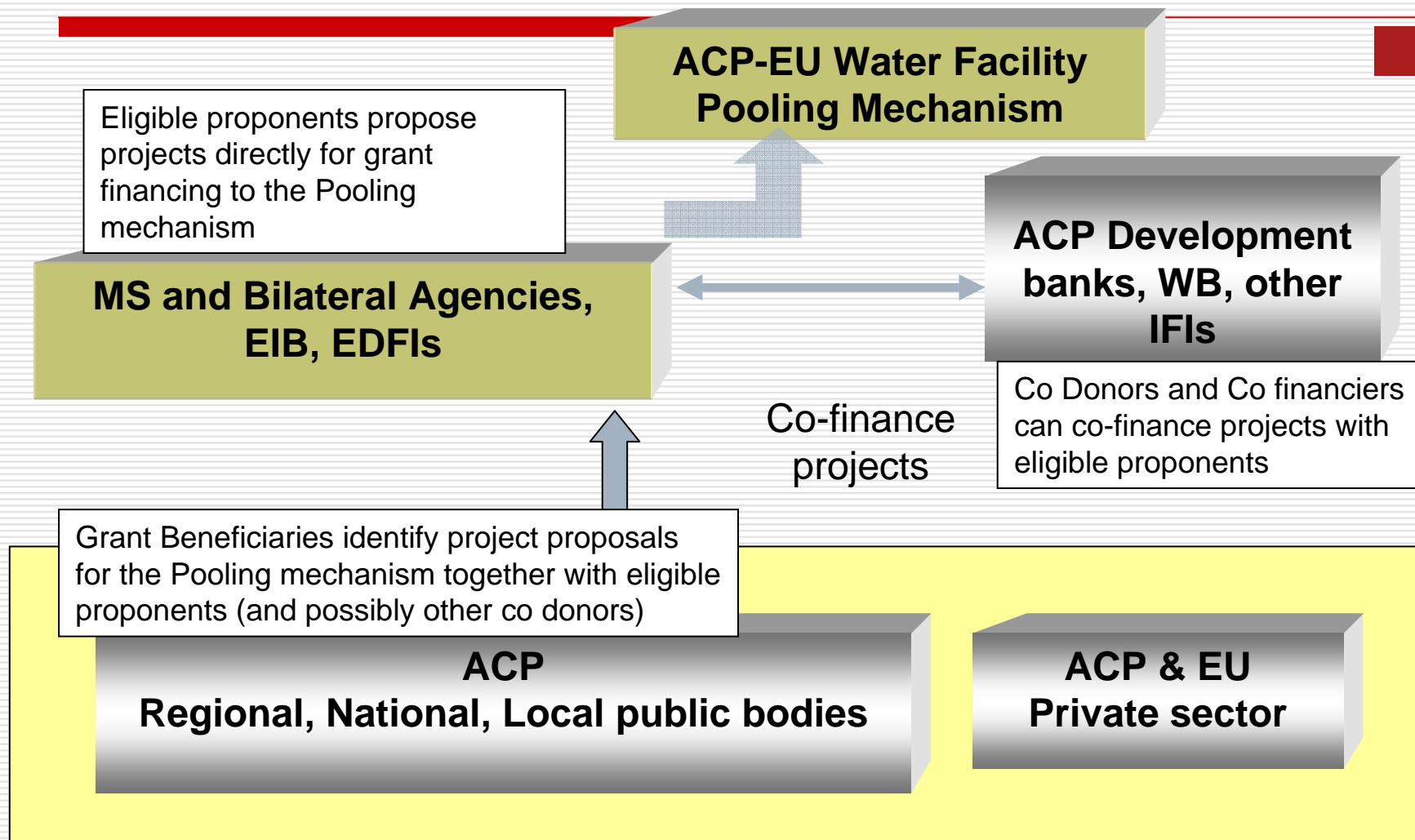
- Grants for direct investment (for projects initial investment costs)
- Interest rate subsidies (to enable the lenders to make long-term loan finance available at reduced interest rates)
- Technical assistance to finance advanced project preparatory studies as well as governance and capacity building activities when linked to a foreseen investment

Contractual Tools:

- To facilitate management, a range of flexible contractual instruments will be used to delegate the management of EC funds to the extent possible to the entity best placed for that
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Pooling Mechanism: Submission of project proposals

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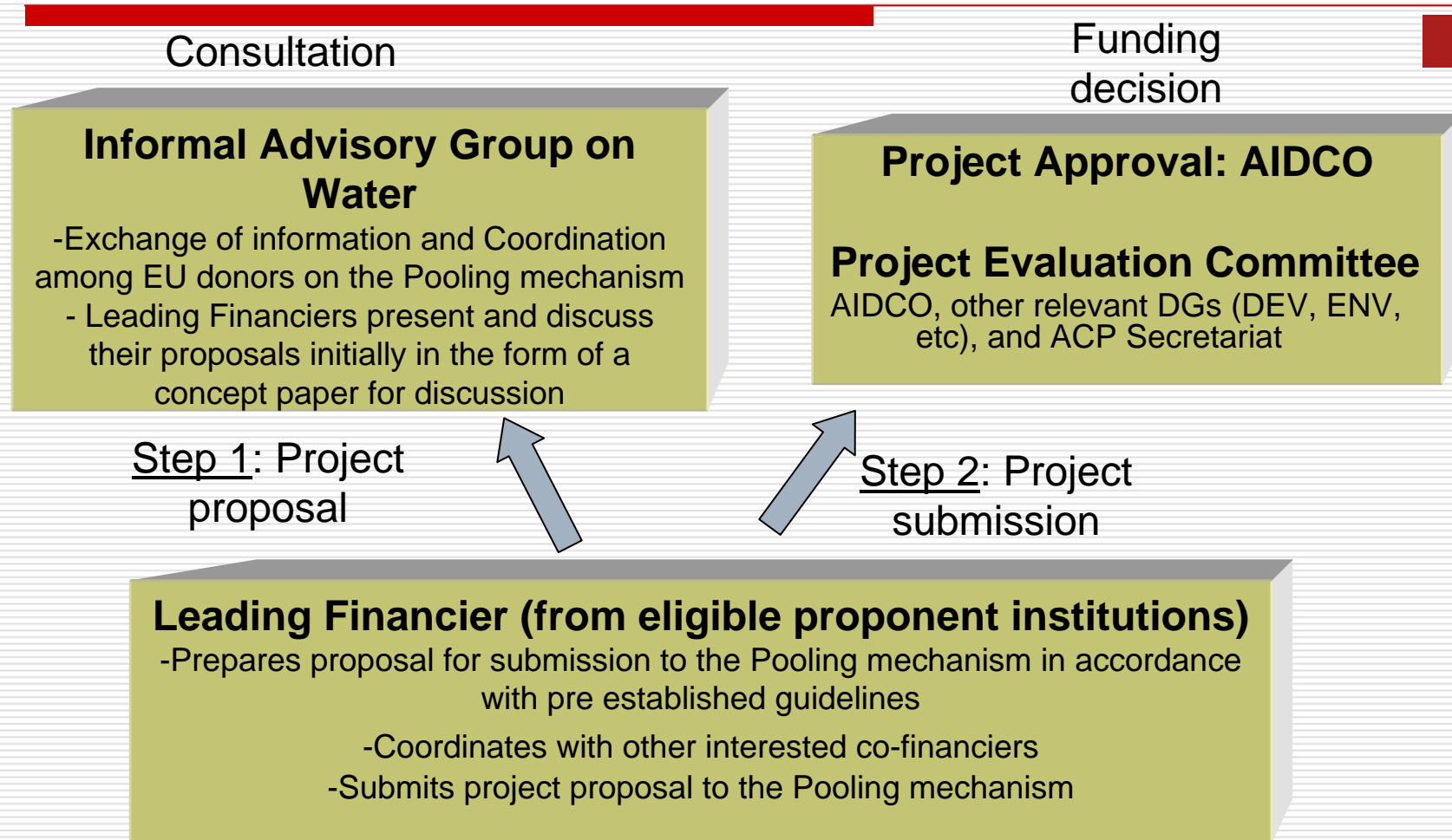


Pooling Mechanism: Financing Modalities (indicative)

Action Type	EC Grant		
	Minimum	Maximum	%
1. Investments projects for access to water and sanitation services (including related capacity building)	€1 million	€5 million	Average 10-15% with a maximum of 25%
2. Advanced preparatory studies	-	€1 million	-

Pooling Mechanism: Operating Modalities

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Thank you for your attention!

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For more information please contact:

Water Facility:

<http://ec.europa.eu/europeaid/where/acp/regional-cooperation/water>

Contact:

Europeaid-water-facility-helpdesk@ec.europa.eu