

# AFD AND WATER IN THE MEDITERRANEAN

Supporting the  
sustainable management of  
an endangered resource





Water = Life © N. Devernois

The Mediterranean area covers three continents and is home to a whole host of different identities. AFD has defined a specific development strategy for this area in line with the European Neighbourhood Policy. Water is a core element of this strategy, as an emblematic topic for sustainable and equitable development in the region.

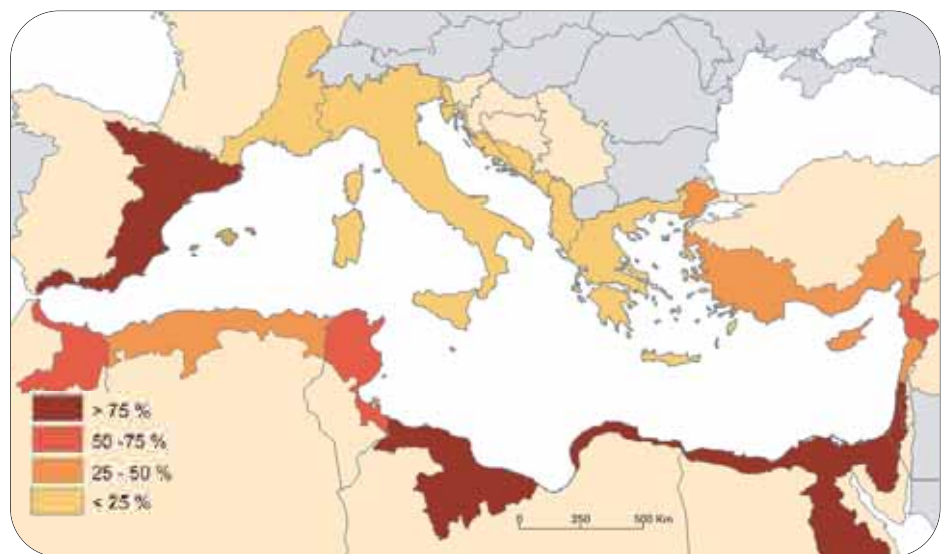
AFD has been financing projects in the Maghreb (Morocco, Algeria and Tunisia) since 1992 and has been gradually extending its operations to Egypt, Jordan, the Palestinian Autonomous Territories, Lebanon and Turkey and is soon to operate in Syria. AFD's operations aim to strengthen growth in the South Mediterranean economies and help forge links with North economies. They also aim to foster social cohesion, reduce factors of conflict and promote the sustainable development of the Mediterranean Basin which is a global public good.

AFD Group commitments in the Mediterranean-Middle East region have been growing sharply (1.13 billion euros in 2007) and account for some 40% of AFD's annual commitments in foreign countries. Operations are mainly conducted via loans, except for the case of crisis and post-crisis countries (Palestinian Territories which benefit from grants and €375M of budget support to Lebanon in 2007) and short-term support for specific sectors. The water sector (including sanitation and agricultural water) is one of the main beneficiaries of this financing.

### AN ABUNDANCE OF POLITICAL INITIATIVES ON WATER IN THE MEDITERRANEAN

The abundance of water policies for the Mediterranean since 1970 underscores how important water is for geopolitics in the region. These initiatives have grown within the framework of four international institutions: the United Nations that initiated the Mediterranean Action Plan (MAP) in 1975 and the Convention for the Protection of the Mediterranean Sea Against Pollution (Barcelona Convention) in 1976; the European Union with the European Water Charter in 1990, the Euromed Partnership in 1995 which became an integral part of the European Neighbourhood Policy in 2007 and, more recently, the Union for the Mediterranean; the African Union via the African Ministers' Council on Water and NEPAD; the Arab League with the creation of the Arab Water Council in 2004.

### EXPLOITATION INDEX PER BASIN – 2025



Renewable water resource exploitation is reaching its limit

### EGYPT – AN INNOVATIVE AND MODEL MULTI-DONOR HARMONIZED APPROACH

AFD works closely with the donor community and all institutional actors. The Improved Water and Wastewater Service Program (IWSP) which aims to improve water and sanitation services in the Nile Delta is an example of the new operating methods for European cofinancing: multi-donor approach (total harmonization of procedures, programmatic approach) in the form of an integrated financial package, mobilization of a new European partnership instrument: the Neighbourhood Investment Facility.



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AFD projects range from primary water supply networks to the implementation of standpipes

### TUNISIA – NATIONAL SANITATION PROGRAM FOR POPULAR NEIGHBOURHOODS

AFD has committed 174 million euros to sanitation in Tunisia since 1998. ONAS, Tunisia's national sanitation authority, has benefited from financing that allowed it to connect 155 000 homes to 1 900 km of sewer pipes, i.e. 11% of ONAS' connections and 14% of its pipeline network. In around 20% of cases public authorities implemented housing renovation operations prior to these works.

### ACCESS TO WATER AND SANITATION FOR ALL, ON THE WAY TO SUCCESS

Thanks to the huge amount of investments made since 1990, Mediterranean area countries, except for the Palestinian Autonomous Territories, are on track to meet the Millennium Development Goals for access to water and sanitation. In 2006 92% of North Africa's population had better access to drinking water and 76% to basic sanitation.

Improving access to these services does however remain a political issue due to rural/urban imbalance and the appearance of urban poverty pockets. City populations are expected to rise by 50% by 2025 on the south and east banks of the Mediterranean. Guaranteeing access to water and sanitation in spontaneous peri-urban neighbourhoods and small and medium-sized towns is a major issue for social cohesion in these regions.

AFD has been supporting the definition and implementation of policies to develop drinking water services in rural areas in Morocco and Tunisia since 1995. It is now focusing its investments on sanitation in rural centers and peri-urban neighbourhoods

### NATIONAL SECTORAL POLICIES AND LOCAL OPERATORS NEED TO BE STRENGTHENED

It is imperative for institutional environments to be reliable and stable in order to allow operators to efficiently and sustainably manage infrastructure. Southern and eastern Mediterranean countries have generally made huge strides in terms of regulations. They have adopted legislation to promote integrated water resource management, phase in polluter-payer principles, involve local stakeholders in service management and introduce management principles. These measures now have to be implemented.

AFD supports the implementation of national sectoral policies (institutions, regulatory frameworks, pricing etc) and at the local level supports local water and sanitation operators by promoting best practices: client management, water loss control, asset management, financial management.

### PALESTINIAN AUTONOMOUS TERRITORIES – SUPPORT FOR FLEDGLING INSTITUTIONS

The drinking water sector is a priority for the Palestinian Authority. An institutional reform of the water sector has been underway for several years and aims to separate commercial services from programming and regulatory services. AFD provides support to the Palestinian Water Authority, a regulatory agency set up in 1997. Alongside other European donors and the World Bank, it supports the gradual transfer of water and sanitation management services to autonomous local structures and the creation of a drinking water production and supply company.

## MOROCCO – AN INTEGRATED APPROACH IN THE SEBOU HYDROGRAPHIC BASIN

The Sebou Basin concentrates 20% of Morocco's population and holds a third of the country's water resources. AFD has been developing a series of operations since 1992 in partnership with other donors. The Basin is a real "water tower" for Morocco and the aim is to sustainably mobilize its resources by financing access to drinking water for rural populations and the Basin's medium-sized towns, protecting the Ifrane forests upstream of the watershed, purifying and treating urban wastewater downstream in Meknes and Fes and developing the irrigated areas in Moyen Sebou and Inaouen Aval.



© J.-N. Roulleau

Irrigated agriculture, high potential for water saving

## EFFECTIVE WATER MANAGEMENT, A PRIORITY ISSUE FOR SHORTAGE AND CRISIS PREVENTION

The Mediterranean is one of the regions where the environment and human activities are likely to suffer deeply from climate change. It is estimated that "water poor" populations in the Mediterranean, i.e. with an annual allocation of renewable water resources below 1 000 m<sup>3</sup> per capita, could rise from 180 to 250 million people by 2025.

Water demand has doubled since 1950. Agriculture is the biggest water consumer and accounts for 82% of water withdrawals from the Mediterranean's southern and eastern banks. To meet these needs national strategies often give priority to increasing water supply by creating mega water infrastructure, exploiting non-renewable aquifers or using unconventional resources (reusing treated wastewater, seawater desalination). These policies have reached their physical limits (equipment of favourable sites, dam silting, runoff reduction, resources of certain fossil fuels exhausted), their economic limits (cost of desalination) and environmental limits (seawater infiltration into coastal aquifers, degradation in aquatic systems and decline of wetlands).

This issue has become a priority. AFD's response is based on three cornerstones:

- **To improve efficiency in agricultural and urban water use.** According to the Plan Bleu, a quarter of water used could be saved (agriculture accounts for 65% of total potential savings) by implementing urban network rehabilitation programs and agricultural support actions: introduction of water-saving irrigation techniques (localized irrigation), user participation in area management.

- **To promote integrated resource management** based on knowledge sharing on water resources and a concerted water allocation process. It will become increasingly necessary to make choices in terms of the different uses of water, particularly for agriculture and tourism. Drinking water will always be a priority and will benefit from additional financial resources.
- **To support the mobilization of unconventional resources** when demand control policies reach their limits. AFD is, for instance, financing pilot projects to reuse treated wastewater in Morocco.

## TUNISIA – WATER SAVING PROGRAMS FOR SUSTAINABLE RESOURCE MANAGEMENT

Tunisia suffers from a shortage of water (95% of water resources are already mobilized) and has implemented water saving policies, particularly in the agricultural sector (which accounts for 80% of withdrawals): 80% of irrigated areas have consequently been equipped with water saving systems. AFD is financing the national operator SONEDE's water saving operations to detect and repair network leaks, develop modern irrigation areas via the Integrated Water Sector Program (PISEAU, cofinanced with the World Bank), implement watershed management with the Ministry of Agriculture and Water Resources, and develop conservation agriculture with the French Global Environment Facility (FGEF).

## NILE BASIN INITIATIVE – CONCERTED MANAGEMENT OF A STRATEGIC RESOURCE

AFD and FGEF joined the Nile Basin Initiative in 2005. The Initiative was launched by the World Bank in the mid-1990s and aims to help the Nile's ten riparian States mobilize and share the development of their water resources. The region's current population of over 300 million inhabitants is expected to reach 600 million by 2030. Among the projects studied, France's financing targets the Eastern Nile Planning Model (Blue Nile). Regular meetings between the ten countries' water ministers should lead to the creation of an international agency for Nile Basin water resource management.



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## DEPOLLUTING A SHARED ECOSYSTEM TAKES ON A POLITICAL DIMENSION

Southern and eastern Mediterranean countries concentrate the bulk of their industrial infrastructure, transport and tourism on their Mediterranean coasts where over 75% of untreated urban wastewater is discharged. Beyond the damage caused to the biodiversity of the region, which is listed among the thirty sensitive areas of global importance, the degradation of the marine environment has huge health, social and economic impacts.

The MAP has developed investigation and protection tools and has identified around a hundred highly-polluting sites. The Horizon 2020 Initiative, adopted in 2005 by the Euro-Mediterranean ministers of the environment, has set itself the target of depolluting the Mediterranean. Around forty projects totalling over 2 billion euros have been identified, of which almost half concern the construction of wastewater treatment plants in major cities.

Horizon 2020 is integrated into the Union for the Mediterranean's projects and has now taken on a political dimension which goes beyond environmental and economic issues. Since the launch of this initiative AFD has allocated 230 million euros to finance depollution projects in Morocco, Tunisia and Egypt and plans to invest an additional 500 million euros over the coming years.



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Wastewater treatment plants: the final link of the sanitation chain

## WATER AND PEACE

The scarcity of water resources means that cross-border waters can be both a source of conflict and of peaceful cooperation: the examples of groundwater table sharing (Tunisia-Algeria-Libya, Jordan-Saudi Arabia) or river sharing (Nile, Jordan) illustrate this duality.

In this context, AFD supports initiatives to improve knowledge and concerted management of water resources. This is the case for the support it is providing to the studies for the Red Sea – Dead Sea water transfer project which gathers Israelis, Palestinians and Jordanians.

Water can also become an important political issue, particularly in crisis or post-conflict countries. AFD sees its operations in these countries from a new standpoint, between equity and effectiveness, urgency and long-term needs, international priorities and national ownership.

## MOROCCO – NADOR LAGOON DEPOLLUTION PLAN, AN INNOVATIVE APPROACH

In 2007 AFD allocated a loan to ONEP, Morocco's national drinking water authority, to overhaul its sanitation network and construct a new wastewater treatment plant in Nador, a city which borders the biggest lagoon on the Mediterranean coast. The lagoon is a remarkable natural site. A plan to depollute and protect this lagoon, promoted by AFD and inspired by "Bay Contracts" in France, should forge stronger links between the different programs and public policies relating to the development of the city. It should thus stem the degradation process affecting the lagoon. The plan provides a tool for consultation between the different actors (elected representatives, public service managers, real estate developers, industries, fishermen, civil society...) and will be implemented thanks to FGEF financing in partnership with the Mohammed VI Foundation for the Protection of the Environment.



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Agence Française de Développement is a public establishment with a mission of general interest: to finance development. As a specialized financial institution, AFD supports projects with economic or social impacts in both public and private sectors: infrastructure and financial systems, urban and rural development, education and health.

AFD today operates in over sixty developing countries and in all France's Overseas Local Authorities via a wide range of financial instruments from grants to market condition loans. It also contributes, in collaboration with its supervisory authorities, to public policy design and France's influence in the development world.

AFD commits, in all its activities, to promote the Millennium Development Goals, at the crossroads of imperatives such as economic growth, poverty reduction and sustainable development which are priorities for France's official development assistance. AFD commitments in 2007 totalled 3.5 billion euros.

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