



**INFO NOTE AND PROVISIONAL AGENDA**  
**TRAINING WORKSHOP**  
**RISK AND INSURANCE IN PPPS FOR WATER INFRASTRUCTURE**  
**ACTIVITY 2.2.13**  
**30-31 October 2014**  
**Hotel Divani Acropolis, Athens**

## **1 BACKGROUND**

SWIM is a Regional Technical Support Program that includes the following Partner Countries (PCs): Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine, Syria<sup>1</sup> and Tunisia. The Program is funded by the European Neighbourhood and Partnership Instrument (ENPI) South/Environment. The project complements and adds value to the Horizon 2020 Initiative to de-pollute the Mediterranean Sea by addressing in particular water issues, in synergy with three relevant EC funded Programs, namely the Mediterranean Hot Spots Investment Program - Project Preparation and Implementation Facility (MeHSIPPIIF), the Capacity Building/Mediterranean Environment Program (CB/MEP) and the ENPI Shared Environmental Information System (ENPI/SEIS).

Its overall objective is to promote actively the extensive dissemination of sustainable water management policies and practices in the region given the context of increasing water scarcity, combined pressure on water resources from a wide range of users and desertification processes, in connection with climate change.

The specific objectives of the SWIM-SM are to: (1) Raise the awareness of decision-makers and stakeholders in the Partner Countries on existing and upcoming threats on water resources, on the necessity to switch to more viable water consumption models as well as on possible solutions to face the challenges; (2) to support the Partner Countries in designing and implementing sustainable water management policies at the national and local levels, in liaison with on-going relevant international initiatives; and (3) Contribute to institutional strengthening, to the development of the necessary planning and management skills and to the transfer of know-how.

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<sup>1</sup>The situation in spring 2012 is that cooperation with Syria is temporarily suspended until further notice from the EU



Expanding the coverage of water and wastewater infrastructure is a necessity that has been identified by all SWIM PCs in response to national, regional and international needs and commitments such as the MDGs, Horizon 2020 and the Draft Strategy for Water in the Mediterranean. In order to reduce costs and the reliance on the national budget for financing infrastructure and improve service efficiency, countries are partnering with the private sector for mobilizing investments through PPPs. PPP contracts entail several types of risks needing proper understanding, allocation and management. Inadequate governance schemes, in most SWIM PCs, coupled with the prolonged effects of the Arab Spring and the overall political uncertainty have led to increased risk and a consequent decreasing availability of private financing. Private insurance companies have a strong role in covering risks related to PPPs and thus improving the investment environment. The private local insurance sector, however, has not been engaged properly in the SWIM PCs and requires capacity development to be able to properly enter the PPP for water and wastewater infrastructure market.

Under the economic valuation and financing pillar, SWIM-SM has provided capacity development to the SWIM PCs in mobilizing financing for water infrastructure through a regional training event (activity 2.2.7-2.2.9) “Strengthening Public Sector Capacity to Mobilize Depollution Investments and Private sector Participation” held at the EIB premises in Luxembourg from the 3<sup>rd</sup> to the 5<sup>th</sup> of July 2013 and a study entitled “Review and Analysis of Private Sector Participation Modalities in Water Service Delivery, with Emphasis on Southern Mediterranean Countries”. During the event in Luxembourg, the participants and the experts alike have highlighted the need for a stronger engagement with the private sector in general and the private insurance sector in particular.

This activity has been proposed at the 3<sup>rd</sup> Steering Committee held in Athens from 12<sup>th</sup> to the 13<sup>th</sup> of November 2013 and endorsed by the focal points. This activity will be held back-to-back with the Regional Conference (activity 2.2.8) entitled: “Lessons Learnt in Water Infrastructure Projects with Emphasis on Wastewater Treatment and Funding Schemes including Private Sector Participation” a Joint activity with the UfM labelled Governance and Finance project under the umbrella of H2020. The regional conference will gather stakeholders from the public and private sector under the theme of financing water infrastructure to learn lessons from the MeHSIP and SWIM-SM projects and share experiences and knowledge. The conference aims also at creating a regional platform for dialogue and capacity building on financing water infrastructure. Most of the participants of the regional conference will attend the training on Risk and Insurance.

## **2 OBJECTIVES & EXPECTED RESULTS:**

### **2.1 OBJECTIVES**

The objectives of this activity are to:

- Train the public sector and the private insurance sector in risk management and insurance for Public Private Partnerships in water infrastructure.



- Engage the private insurance sector in the SWIM PCs for increased involvement in PPPs for water infrastructure.
- Improve access to finance for water infrastructure through the reduction of risk-related barriers/obstacles.

### 2.2 Results to be achieved

- The public and private sectors acquire knowledge on the different types of potential risks that accompany PPPs in water infrastructure project and how to estimate and manage them
- The public sectors and private sector acquire knowledge on the role that can be played by the private insurance companies in reducing the above risks
- Dialogue is opened between the public sector and the private insurance sector on their different roles in PPPs for water infrastructure
- The private insurance sector gets an overview of the size of the market in PPP for water infrastructure
- Increased potential for water infrastructure projects under PPP financing due to reduced risks through insurance coverage
- An understanding of the needs of the local private insurance sector needs to engage in PPPs for water infrastructure
- An understanding of the future capacity building needs of both the public and private sector is acquired by SWIM and its partners for future interventions

## 3 WORKSHOP TENTATIVE AGENDA

The workshop will take place over one and half days and the following will be presented

<i>Day 1</i>	<i>Description</i>	<i>Duration</i>	<i>Method/Speaker or Trainer</i>
Session 1	Registration and opening session	14.30-15.00	<i>Stavros Damianidis (SWIM-SM project Director) and Charbel Rizk (SWIM-SM Environment Expert)</i>
Session 2	Introduction to PPPs for water infrastructure.	15.00-15.30	<i>Koussai Quteishat (SWIM-SM NKE)</i>
<b>Coffee (15 min) (15:30-15:45)</b>			
Session 3	Risks in PPP for water	15.45-16.30	<i>Jan Janssens ( SWIM-SM NKE)</i>





Session 4	The water infrastructure market and degree of development of associated insurance market. The private sector point of view	16.30– 17.30	<i>GWP-MED and John Papageorgiou (AON Risk Solutions)</i>
<b>Day 2</b>	<b>Description</b>	<b>Duration</b>	<b>Method/Speaker or Trainer</b>
Session 1	Risk assessment and evaluation: qualitative and quantitative methods	9.00- 10.00	<i>Koussai Quteishat ( SWIM-SM NKE)</i>
Session 2	Managing and monitoring risk: risk allocation, risk allocation matrices, risk reduction and contract structuring.	10.00- 11.00	<i>Jan Janssens (SWIM-SM NKE )</i>
<b>Coffee Break 11.00 – 11.30</b>			
Session 3	Guaranties in PPP for water infrastructure and the use of insurance (public and private) for securing interests	11.30- 12.30	<i>Jan Janssens (SWIM-SM NKE) and John Papageorgiou (AON Risk Solutions)</i>
Session 4	The role of independent risk advisors, determination of the insurance universe of a client and the market for local insurance companies	12.30- 13.30	<i>John Papageorgiou (AON Risk Solutions)</i>
<b>Lunch Break 13.30-14.30:</b>			
Session 5	An overview of regional and international partners in risk and insurance for PPPs: MIGA, ISMED, BERNE UNION, etc...	14.30- 15.00	<i>Bertrand Marchais (Audencia School of Management Nantes)</i>
Session 6	The resolution of litigations in PPPs	15.00- 15.30	<i>Bertrand Marchais (Audencia School of Management Nantes)</i>
Session 7	The case of As Samra WWTP in Jordan	15.30- 16.00	<i>Mohammad Najjar (Former Minister of Water and Irrigation, Jordan)</i>
Session 8	Open discussion with participants, on their experience with PPP risks, their capacity needs and recommendations for future actions in the SWIM PCs	16.00- 16.30	<i>Koussai Quteishat (SWIM-SM NKE)</i>
Session 9	Synthesis and closing of workshop	16.30- 17.00	<i>SWIM-SM Team, Koussai Quteishat (SWIM-SM NKE), Jan Janssens (SWIM-SM NKE) and John Papageorgiou (AON Risk Solutions)</i>