

EU-WOP PROGRAMME 2

CALL FOR PROPOSALS PACKAGE

The European Union Water Operators' Partnerships Programme Phase 2
Administered by the Global Water Operators' Partnerships Alliance (GWOPA),
hosted by UN-Habitat, and funded by the European Union



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Correction 1 (September 2025)

This version corrects the definition of *Supporting Partner* and *Additional Partner* on page 4: *co-mentoring partners* are considered *Supporting Partners*.

Contents

EU-WOP 2 Call Guidelines	5	EU-WOP 2 Call for Proposals	9	Annexes	19
Introduction	6	General	10	Annex A: The EU-WOP 2 Application Form	20
Context	7	Funding Windows	10	Annex B: Selection Criteria	20
About Water Operators’ Partnerships	7	Application Timeline	10	Annex C: WOP Code of Conduct	22
The EU-WOP Programme	8	EU-WOP Levers	11	Annex D: Eligible Countries (Resident Partners)	23
What is New in EU-WOP 2: Key Changes	8	EU-WOP 2 Eligibility Criteria	11	Annex E: Eligible Countries (Supporting and Additional Partners)	24
				Annex F: Levers	25

Definitions Applicable within these Guidelines

(Water and Sanitation) Operator	Generic term, used interchangeably with water and sanitation service provider or utility.
Water Operators' Partnership (WOP)	A partnership between two or more peer water and/or sanitation operators, carried out on a not-for-profit basis with the objective of strengthening their capacity to sustainably provide quality services to all.
EU-WOP Partnership	A WOP funded under the EU-WOP Programme.
EU-WOP Partners	The partner organizations working as active collaborating partners within a given EU-WOP Partnership (WOP) under the EU-WOP Programme. EU-WOP Partners include Resident Partners, Supporting Partners and any Additional Partners. All partners participate on a not-for-profit basis and are distinct from contractors.
Resident Partner	A water and/or sanitation operator that is being mentored in its improvement process by a Supporting Partnering in a WOP.
Supporting Partner	A water and/or sanitation operator that is mentoring a peer (Resident Partner) operator in a WOP.
Additional Partner	An organization that contributes actively and on a not-for-profit basis to the WOP project objectives. Additional Partners may be, financiers, facilitators, knowledge institutions or others carrying out supporting roles, in addition to the peer-to-peer activities.
Grant Manager	The Supporting Partner organization in the WOP that assumes the management of the EU-WOP grant, via an Agreement of Cooperation with UN-Habitat.
Agreement of Cooperation (AoC)	The legal instrument drawn between UN-Habitat and the WOP Partners, through which EU-WOP grants are administered.

EU-WOP 2 Call Guidelines

Introduction

The EU-WOP Programme is led by the Global Water Operators' Partnerships Alliance (GWOPA), a global network facilitated by the United Nations Human Settlements Programme (UN-Habitat) and funded by the European Commission Directorate General of International Partnerships (DG INTPA). Launched in 2020, the programme enabled 22 Water Operators' Partnerships (WOPs), supporting improvements in 35 utilities between 2022 and 2025.

A second phase of the programme has now been opened and is presently calling for partnership proposals to be implemented between 2026 and 2030. These guidelines describe the programme opportunity and invite partnership proposals for EU-WOP 2.

Context

The world is facing huge water and sanitation challenges. Currently, 2.1 billion people cannot count on contamination-free water and 3.5 billion lack sanitation systems that protect them from disease. Water quality is declining and freshwater ecosystems are being degraded, threatening the continued availability of water for basic services.

It is estimated that there are 240,000 water and sanitation service providers counted upon to provide basic services in cities and communities around the world. Many struggle with technical, financial and managerial challenges. Services are often unsafe, unreliable, inaccessible and unaffordable. High losses contribute to financial problems that worsen infrastructure and services and hinder efforts to extend access to all. Sanitation services and wastewater treatment are widely inadequate or even non-existent.

In many locations, the external pressures on utilities are mounting as rapid, unplanned and inequitable urbanization, diminishing freshwater resources, hydrological regimes deregulated by climate change and new risks, such as emerging pollutants compound existing weaknesses in water and sanitation service provision.

A utility's performance is tightly bound to its capacity. Robust individual and institutional capacity – from utility knowledge, routines and strategies to the enabling policy and financing environment within which utilities operate – are key to sustainably addressing these challenges. Robust capacity for sustainable improvements is also essential to meaningfully close the estimated USD 7 trillion financing gap in the water and sanitation .¹

About Water Operators' Partnerships

WOPs offer support to develop capacity and improve performance of operators towards achieving Sustainable Development Goal (SDG) 6 to ensure the availability and sustainable management of water and sanitation for all. WOPs are peer arrangements between two or more water operators, carried out on a not-for-profit basis, with the objective of strengthening operators' capacity and performance and contributing to SDG 6. WOPs have a proven track record of helping utilities improve their effectiveness and efficiency to deliver more sustainable and inclusive services.

The UN Secretary-General's Advisory Board for Water and Sanitation first called on development actors to support these partnerships in 2006 and requested UN-Habitat to create GWOPA to lead their scale-up. Hundreds of WOPs have been implemented in the Alliance since its establishment in 2009, enabling utilities worldwide to build their knowledge and improve service delivery, changing millions of lives.

Well-designed and executed WOPs strengthen operators' capacity to make and sustain improvements. Rather than substituting capacity, WOPs help utilities acquire and apply knowledge, establish new practices, and implement improved approaches that last beyond the life of the partnership. Peer partners undertake joint work to understand the current situation and co-create and implement approaches to improve it. Dedicated capacity development activities (classroom-based, on-the-job support, distance-based learning, exchange visits and other activities) lead to new knowledge and skills, materialised in action plans, tools, structures, systems, etc., that are deployed and anchored within the organization to support sustainable improvements. Once rooted, these changes contribute to making utilities more efficient, more equitable, more resilient and environmentally sound. WOPs also help shrink the water-finance gap by supporting utilities to make better use of existing assets and resources and by better positioning them to access and manage funds for investments that they need to make further improvements.

For more information about WOPs and GWOPA, see [GWOPA website](#).

¹ Khemka, Rochi; Knudsen Sterte, Åsa (2024). Closing the \$7 Trillion Gap: Three Lessons on Financing Water Investments from World Water Week, World Banks blogs.

The EU-WOP Programme

The overall objective of the **EU-WOP Programme** is to support water and sanitation operators in eligible European Union partner countries to improve their capacity and performance towards the Sustainable Development Goals.

A first phase of the EU-WOP Programme was initiated in 2020 and supported 22 WOPs across Africa, Asia and Latin America, running from 2022 to 2025.

A second phase of the EU-WOP Programme has been opened that will run from 2025 to 2030. The current call serves to generate WOPs proposals for EU-WOP 2, of which up to 30 will be identified for funding.

Funded partnerships will run for up to 48 months, between 2026 and 2030. Individual projects will be administratively and substantively supported by GWOPA/UN-Habitat and connected with one another through Programme-wide knowledge-sharing activities.

What is New in EU-WOP 2: Key Changes

This section summarizes notable changes from the first phase of EU-WOP. All changes are explained in greater detail in the document that follows:

Partnership Windows

EU-WOP 2 features two funding windows: Expanding and Emerging WOPs, with distinct application timelines. The Expanding Window is exclusively for proposals that build on EU-WOP projects being expanded from Phase 1.

Geographical Eligibility

WOPs may take place only within countries where European Union Delegations (EUDs) have endorsed the programme. Supporting and Additional Partners must be established in an OECD DAC country or a European country. See [Annex D](#) and [Annex E](#).

Definitions and Terminology

- The **definitions** and eligibility of Supporting and Associated Partners have changed slightly.
- To emphasise mutual benefit and responsibility in the partnerships, Resident Partner has replaced the term Beneficiary Partner.
- The term Supporting Partner is used for all mentoring operators, including co-mentors.
- Grant Manager is used to designate the Supporting Partner that manages the grant.
- Any other partner in the WOP is an Additional Partner.

Financial Management and Reporting

- Only one financial and narrative report is required annually, at the end of each calendar year. Additional reporting is required only if payment requests do not align with this calendar.
- All partner organizations are required to participate in monitoring and reporting exercises. GWOPA will join in an annual workshop with all partners to review progress and partnership health.
- Procurement for goods destined for the Resident Partner may be purchased directly by the Resident Partner using grant funds issued through a transfer from the Grant Manager.
- For WOP coordination/facilitation roles, staff time compensation from the grant is now also available to Resident partner organizations, while counterpart contributions are strongly encouraged.
- Staff time shall be planned and budgeted in the proposal, whether to be covered by the grant or counterpart support.
- The minimum and maximum grant amounts have been lowered slightly.

Levers

All WOPs must make use of at least one EU-WOP Lever: Digitalization, Financial Linking or Human Rights.

Engagement

Letters of support are now required from all Operator (Resident and Supporting) Partner organizations.

EU-WOP 2 Call for Proposals

General

The call invites proposals to the Expanding WOP and Emerging WOP windows that:

- Are Water Operators’ Partnerships (WOPs or Sanitation-focused WOPs, SWOPs). This means they are not-for-profit partnerships between two or more peer water and/or sanitation service providers aiming to strengthen the capacity of resident service providers’ capacity and performance. For the EU-WOP Programme, this may address relevant operational, financial, social and environmental sustainability areas.
- Involve at least one Resident Partner and one Supporting Partners who are **Members of GWOPA** and comply with GWOPA’s Code of Conduct (see **Annex C**), including committing to not enter into commercial contracts with the WOP Resident Partner(s) for at least four (4) years after the end of the WOP. Additional Partners may also participate in the WOP.
- Require between USD 200,000 and USD 400,000 in grant funding (in addition to cash or in-kind counterpart contributions).
- Have a fundable duration of 48 months (four years).
- Integrate an **EU-WOP Lever** on digitalization, financial linking and/or human rights.
- Have been co-developed and are supported by all Partners in the consortium.

Funding Windows

EU-WOP 2 has two funding windows: Expanding Partnerships and Emerging Partnerships.

The Expanding Partnership window is open for partnerships that build on EU-WOP Phase 1 projects. Partnerships in this window will:

- Take place in the same country as a Phase 1 resident operator.
- Involve all or most of the partners from a Phase 1 WOP.
- Build on the partnership relationships established in a Phase 1 WOP.
- Build on and consolidate results of a Phase 1 WOP.

The Emerging Partnership window is open for partnerships that have not previously been funded under the EU-WOP Programme.

Application Timeline

EU-WOP 2 partnerships will be selected for funding through a two-stage application process. The two funding windows have separate timelines.

Table 1: Application Timeline

Window	Stage 1 Application deadline	Outcome notification	Stage 2 Application deadline	Outcome notification
Expanding WOPs	26 Sep 2025	3 Oct 2025	24 Oct 2025	15 Nov 2025
Emerging WOPs	7 Nov 2025	24 Nov 2025	30 Jan 2026	16 Feb 2026

Any adjustments to the application timeline presented here will be announced at the **GWOPA website**.

Expanding WOP Window Timeline

Stage 1 Expanding WOP proposals are due on 26 September 2025.

Complete applications will be evaluated by the Selection Committee following an established process. Results of the Stage 1 selection will be published online by 3 October 2025.

Top-ranked Expanding WOP proposals from Stage 1 will proceed to a second stage of application and be provided with feedback to strengthen their proposals. The second stage will require supplementary project and budget information, as well as supporting documents as required.

Stage 2 applications for Expanding WOP proposals are due 24 October 2025.

Complete applications will be evaluated by the Selection Committee following the established criteria. Results of the Stage 2 selection will be published online by 15 November 2025, and partners will be invited to begin formalising their partnership agreements.

Emerging WOP Window Timeline

Stage 1 Emerging WOP proposals are due on 7 November 2025.

Complete applications will be evaluated by the Selection Committee. Results of the Stage 1 selection will be published online by 24 November 2025.

Top-ranked Emerging WOP proposals from Stage 1 will be requested to a second stage of application and provided feedback to strengthen their proposals. Emerging WOP applicants proceeding to Stage 2 may be eligible to undertake a funded diagnostic and enabling visit (DEV) to the Resident Partner country to undertake a joint assessment, clarify objectives, and collaboratively elaborate the proposal prior to the Stage 2 submission deadline.

Stage 2 Emerging WOP proposals are due on 30 January 2026.

Complete applications will be evaluated by the Selection Committee following an established process. Results of the Stage 2 selection will be published online by 16 February 2026, and the selected WOPs will be invited to begin formalising their partnership agreements.

EU-WOP Levers

EU-WOP levers reflect the strategic priorities of the European Union in this phase of the programme. All EU-WOP 2 proposals must integrate one or more of the following levers: digitalization, financial linking and human rights. These levers should not be considered the focus of the WOP but cross-cutting considerations to make the WOP more impactful or sustainable. Many well-designed WOPs will naturally integrate aspects of several levers, however, each EU-WOP 2 proposal will be evaluated on its strongest lever, which must be indicated in the application.

To integrate a given lever(s), the WOP proposal must include at least one of the following steps (A, B, C):

- A. Jointly conduct or build on a recent **diagnosis** of the Resident operators' status on the selected lever (i.e., digitalization journey, financial path and status in realising human rights). ²
- B. Jointly develop a **strategy** to concretely address the lever within the utility. ³
- C. Partially or fully **implement** the drafted strategy as part of the WOP.

As elsewhere in the WOP, the application of a lever must avoid redundancy and actively take into account any steps already undertaken by the Resident Operator.

Find more information on how to address the levers Digitalization, Financial Linking and Human Rights in [Annex F](#).

EU-WOP 2 Eligibility Criteria

Eligible Partnership Constellations

Various partnership constellations are possible in EU-WOP 2. EU-WOP Partnerships must have at least two operators: one (and no more than five) Resident Partner(s) and at least one (and no more than three) Supporting Partner(s). The WOP may also include Additional Partners.

Together, the Resident, Supporting and Additional Partners, if applicable, are considered the EU-WOP Partners and jointly implement the EU-WOP Partnership.

All partners in the WOP must actively contribute towards the WOP on a not-for-profit basis.

All partners in the WOP must be GWOPA institutional members.

Applications must be prepared and vetted by all WOP partners. The individual partners and the overall partnership arrangement will be considered within the WOP evaluation.

For more information on partner types and arrangements, refer to the [Selection Criteria \(Annex B\)](#).

² GWOPA will provide references to relevant publications and tools that partners may consider to support the diagnostic process, particularly in cases where no existing framework is currently used.

³ Developed so that full endorsement for implementation by the utility is possible.

Eligible Partners

Organizations interested in forming a partnership cannot apply alone but as a consortium. Organizations looking to form consortia are encouraged to make use of GWOPA's matchmaking opportunities under the EU-WOP Programme to connect with eligible Resident, Supporting or Additional Partners. For more details, see the [Good Grants Portal](#).

Resident Partners

In EU-WOP 2, a Resident Partner is a water/sanitation operator that has chosen to be mentored in their improvement process by a Supporting Partner.

Resident Partners must play a very active role in the partnership. They are expected to demonstrate drive and full engagement in its design, implementation and monitoring. Resident Partners must endorse the WOP project proposal (including its budget) and annual reports.

Resident Partners must be registered and operating in one of the countries where European Union Delegations have endorsed the programme (see [Annex D](#)). WOP applications involving Resident Partners not on the list will be ineligible.

A Resident Partner must be a water/sanitation service provider that is either a government body or publicly owned. Where there is a lack of government mandate, community-based operators with non-profit status may also serve as Resident Partners.

All WOPs must have at least one, and no more than five, Resident Partners.

A given organization cannot be a Resident Partner in more than one EU-WOP arrangement.

Resident Partners are eligible to receive limited funds (transfers via the Grant Manager) to cover eligible expenses directly where they are most cost-effective. Resident Partner staff time is not covered by the grant, except for coordination activities, if required. Resident Partner peer-to-peer activity staff time must be counted as an in-kind contribution to the WOP. Operational, logistics and equipment costs related to Resident Partner involvement are eligible.

Supporting Partners

Supporting partners are utilities serving in a mentorship capacity in the WOP.

To be eligible, a Supporting Partner must be a water/sanitation service provider that is either a government body or publicly owned (at least majority ownership), registered and operating in a European Union or OECD DAC country ([Annex E](#)). Operators of a private nature registered and operating in a European Union or OECD DAC country may also participate as co-mentors but are not eligible to receive funds (transfers via the Grant Manager) under the grant.

Each WOP may include up to three Supporting Partners. WOPs with two/three Supporting Partners are considered to be in a co-mentoring arrangement, each assuming complementary roles.

A given organization can serve as a Supporting Partner in a maximum of six EU-WOP arrangements. No Supporting Partner can apply in more than ten EU-WOP 2 proposals.

In the spirit of partnership, Supporting Partners are expected to design and implement the WOP with the Resident Partner(s) as equals, ensuring the capacities and expectations of all partners are considered.

Government or publicly owned Supporting Partner staff time costs may be compensated under the grant where necessary. Supporting Partners are encouraged to make counterpart contributions (cash and in-kind) to the WOP wherever possible, and such contributions will be viewed favourably in the evaluation process. Where any partner to the WOP is unable to make counterpart contributions, an explanation as to why should be provided in the application.

Additional Partners

Additional Partners are organizations that contribute actively to the WOP objectives as financiers, facilitators or in other roles.

Organizations serving as Additional Partners must be registered and operating in a member state of the European Union or an OECD DAC country. See [Annex E](#).

A WOP may involve up to three Additional Partners.

A given organization can serve as an Additional Partner in a maximum of six EU-WOP arrangements.

No Additional Partner can apply to more than 10 EU-WOP 2 proposals.

Additional Partners can be utility associations, relevant local governmental institutions (e.g., urban planning, waste, health and conservation authorities), regulators, associations, financial institutions, knowledge and academic institutes, workers' unions, non-governmental organizations, civil society organizations, communities or private sector entities.

Additional Partners contribute to the WOP on a not-for-profit basis. Additional Partners that are government bodies, publicly owned or not-for-profit are eligible to receive funds (through transfers from the Supporting Partner) on the grant to cover eligible costs (e.g., staff time). Additional Partners are nevertheless encouraged to make counterpart contributions to the WOP where possible; such contributions will be viewed favourably in the evaluation process.

Additional Partners of a private nature are not eligible to receive grant funds, however, their staff costs can be treated as counterpart contributions. Operational, logistics and equipment costs related to the private sector-based Additional Partners' involvement are eligible.

Find a Partner through GWOPA

GWOPA is helping water and sanitation operators and their partners find the right match to form effective WOPs by offering practical pairing tools and spaces that facilitate connections between potential Resident, Supporting and Additional Partners for the EU-WOP Programme.

WOPportunity Hub

The WOPportunity Hub is a quick online survey that allows interested organizations to express their interest in forming a WOP. It gathers key information on what partners are looking for and makes it openly accessible to others in the network. This visibility helps identify promising matches across regions and types of expertise.

- **Who is it for?** All eligible WOP partners.
- **What does it do?** Collects information on organizational needs, capacities, partner type, preferred areas of collaboration and geographical focus to support targeted pairing.
- **What happens next?** The collected profiles are made accessible, helping interested parties to pursue potential matches.
- **How is pairing done?** Organizations are encouraged to reach out directly to each other. GWOPA and its global network can also help connect the dots and support outreach where needed.

Fill out the [WOPportunity Hub Survey](#).

View the [list of interested partners](#) and their profiles.

WOPportunity Connect

WOPportunity Connect offers a light-touch, online meeting space where organizations can meet, discuss synergies and explore collaboration opportunities in a more interactive setting. These facilitated exchanges are ideal for starting conversations and getting to know potential partners before co-developing a WOP proposal.

- **Who is it for?** Organizations with a clear interest in forming or supporting a WOP.
- **What does it do?** Provides a low-barrier forum to exchange ideas and explore WOP potential.
- **How is it supported?** GWOPA provides light facilitation to keep conversations focused and productive.
- **When does it happen?** Sessions are announced in advance through GWOPA's social media channels and newsletters. By signing up for the portal, you will receive announcements about events.

Eligible Themes and Improvement Areas

The thematic focus of the WOP should be determined by the compelling needs and opportunities of the Resident Partner and by considering where a peer-support partnership could be of greatest value. Themes of the WOP may include any range of operational, financial, social and environmental sustainability and efficiency topics where the WOP activities are thought to be able to contribute to meaningful impact in the Resident Operator and its service area. EU-WOP phase 1 partnerships addressed climate change mitigation, pollution prevention, sanitation services, worker safety, water quality, low-income customer services and other utility topics where improvements contribute to SDG 6 of ensuring availability and sustainable management of water and sanitation for all. For more information, please visit the [GWOPA website](#).

Eligible Activities

All WOP activities must contribute to improving the capacity and performance of Resident Partner(s) towards achieving the SDGs. Activities must maintain the autonomy of the Resident Partner(s) and not create dependence upon the Supporting or Additional Partners. Activities should aim to strengthen the capacity of the Resident Partners as the means to sustainably improve performance.

Emphasis should be on peer exchange, learning and joint action. All activities should be considered supportive of the improvement process of Resident Partner(s) and consistent with their self-identified needs.

In EU-WOP 2, proposals should seek to focus on a coherent set of actions for outcomes at the utility level. Applicants to the Expanding WOP Window should aim to build on and consolidate results from the first phase.

Peer to Peer Activities

The majority of WOP activities are expected to be of a peer-to-peer nature, such as:

- Joint assessment (such as understanding current practices, diagnostic studies, consultations and benchmarking).
- Targeted knowledge exchange and co-creation (classroom-based or on-the-job training, distance learning methods, exchange visits, residencies, remote support or other).
- Joint Action planning and implementation.
- Joint Development or improvement of tools, standard operating procedures, systems, etc.

WOP Coordination Activities

In addition to the peer-to-peer activities above, EU-WOP 2 projects **must include** and report upon the following components:

WOP Coordination

These are the activities required to ensure the proper implementation of the partnership activities. They include mobilising WOP teams, arranging meetings and missions, ensuring visibility⁴ and advocacy, providing logistical support, and coordinating WOP annual reporting exercises. In addition, for the Grant Manager, this includes financial management.

To differing degrees, all WOP partners, including Resident, Supporting and Additional partners, engage in WOP coordination activities. Coordination activities should be accounted for, whether they are contributions to the WOP or drawn from the budget. Counterpart contributions of coordination time are highly encouraged, however, all WOP partner types are eligible for staff time cost recovery through the grant for this time, should it be needed.

All WOP Partners need to register on the EU-WOP Programme Group Community of Practice (EU-WOP CoP).⁵

Advocacy

Utilities operate within and are strongly conditioned by their enabling environments, including their local and national governments, regulators and financiers, as well as civil society and beneficiary communities. All EU-WOP 2 projects are to include an **advocacy component** aiming to ensure that the WOP is well-coordinated with and benefitting from productive linkages with key actors within the Resident Partner country. This advocacy component should include, as a minimum, one policy dialogue, community workshop or other strategic event with enabling actors, as well as annual updates with the European Union Delegations and United Nations Resident Coordinators in the Resident Partner Country.

Programme-wide Knowledge Sharing

Knowledge sharing is a central pillar of the EU-WOP Programme. All partner organizations must actively contribute to the collective learning and exchange that strengthens the WOP community across regions and institutions.

⁴ All EU-WOP 2 Partnerships must also adhere to the programme visibility guidelines. The GWOPA Secretariat will provide guidance to all funded partnerships to implement the visibility requirements of the programme. Ensuring visibility is considered a standard responsibility of WOP Partners and is therefore not eligible for coverage under the grant.

⁵ The EU-WOP Programme hosts a dedicated online group on GWOPA's Community platform bringing together all EU-WOP Programme participants to serve as a hub for updates, knowledge resources and exchange. Facilitated by the GWOPA Secretariat and governed by GWOPA's values and Community Code of Conduct, the group supports updates between GWOPA and partners (e.g., training opportunities, tools and deadlines), sharing of project experiences, lessons, media and materials to support wider dissemination and peer learning.

EU-WOP Partners are expected to take part in at least one knowledge management activity per year, which may include:

- Presenting experiences and lessons in webinars or online exchanges.
- Sharing resources, tools and practices within the EU-WOP Programme Group on the [Global WOPs Community](#).⁶
- Participating in physical learning events such as the Global WOPs Congresses (2027 and 2029) or Regional Water Weeks.

Additional Activities

Additional activities that are not peer-to-peer support **may be included** under the WOP. These include specialized technical work that may be instrumental to applying, sustaining or amplifying the capacity and performance objectives of the WOP and are eligible where they cannot be carried out by the operator partners.

Eligible Costs

The following costs are eligible under the grant. The EU-WOP Programme grant will fund up to 100 per cent of eligible partnership costs. Counterpart contributions from partners, in cash or in-kind, are highly encouraged.

Eligible Costs from the Grant

- Staff time – for partners with non-profit/public status, according to the [Table 2](#) below.
- Supplies, commodities and materials.
- Equipment, such as small hardware/software that are required for WOP activities.
- Contractual Services, such as outsourced services including audits, translation, interpretation.
- Travel – economy class international and local transportation, accommodation and food/per-diems during WOP activities.
- Transfers to WOP partner(s) to cover eligible expenses in these categories.
- General operating costs (e.g., site visits, workshop space, translation and travel insurance).

More information about these budget lines is provided below.

Ineligible Costs

The following costs may not be covered by the EU-WOP Programme budget:

- Costs incurred before the start date of the partnership.
- Costs for preparing the EU-WOP Programme application.
- Financing costs and interest costs.
- Value Added Taxes (VAT).
- Inflation costs or costs related to changing exchange rates.

Counterpart Contribution (Cash or In-kind Contribution):

Counterpart contributions to the WOP count as leverage and are highly encouraged. Counterpart contributions may be made in cash or in-kind and may cover any category of expense. Only contributions dedicated to the partnership should be counted. All relevant counterpart contributions should be quantified as they contribute to cost-effectiveness assessments. Counterpart contributions (cash and in-kind) should be reported in the financial statements of the project and be auditable.

Rules Governing the Financial Management of Grant

General

The requested grant amount must be between USD 200,000 and USD 400,000. The project budget is expected to be increased by counterpart contributions (in cash and in-kind) from EU-WOP Partners.

In the application process, the Grant Manager must demonstrate that it is financially sound and has the needed capacity and mechanisms to manage the grant in accordance with the proposed budget. Project planning and budgeting must take into account realistic timeframes for any proposed procurement or transfer activity.

⁶ Beyond the minimum requirement, partners are encouraged to participate in or moderate a thematic Community of Practice (CoP). For more information see the [Global WOPs Community](#).

The Grant Manager, having been vetted for its financial capacity as part of the application process, will apply its own procedures for spending on the grant, including making any transfers to partners within the consortium as needed, within the limits of the rules for the EU-WOP 2.

All records and supporting documents must be maintained for ten years and be provided to auditors upon request.

Prior to requesting their final payment instalment on the grant, the Grant Manager shall undertake an external audit on project expenses. The cost of the audit is an eligible expense under this grant.

Budgeting and financial reporting on the EU WOP project grant shall follow the budget template provided in the Goodgrants application form.

Staff Time

Staff time is a precious resource in WOPs. All staff time contributions to the WOP should be planned and accounted for. Staff time can be either contributed to the WOP as a counterpart contribution or cost-recovered from the grant, depending on the type of partner and type of activity. The following table breaks this down. Staff time charged against the grant must not exceed cost recovery levels.⁷

Table 2: Eligible Budget Source for Staff time Contribution by Partner and Activity Type

Type of Partner/Activities	Peer-to-Peer	Coordination	Additional
Resident	Counterpart	Counterpart/Grant	Counterpart
Supporting	Counterpart/Grant	Counterpart/Grant	Counterpart/Grant
Supporting (private)	Counterpart	Counterpart	Counterpart
Additional (with non-profit status)	Counterpart/Grant	Counterpart/Grant	Counterpart/Grant
Additional (without non-profit status)	Counterpart	Counterpart	Counterpart
Recommended total staff time contribution (covered by grant and counterpart combined)	60-80	10-30	0-25

Transfers

Transfers and grants may be made by the Grant Manager to other partners participating in the WOP to directly cover eligible staff time costs (see Table 2) and procurements. Only Partners with demonstrated not-for-profit or public status are eligible for transfers from the Grant Manager.

Expenditure rules on the overall grant also apply to any subgrants (transfers) in this budget. No transfer shall exceed USD 100,000. The total of all transfers must not exceed 60 per cent of the grant.

Procurement activities – whether undertaken directly by the Grant Manager or any other partner – must not exceed 25 per cent of the total grant budget and no single procurement action may exceed USD 50,000.

Contractual Services

Contracts are distinct from transfers. They are meant to be WOP activities that address discrete or occasional needs that cannot be provided on a not-for-profit basis by Project Partners. Their use should be kept to a minimum, prioritising a peer support approach.

Outsourced (contractual) services may include, for example, technical services, translation and printing, auditing services, or the engagement of short-term expertise not available among EU-WOP Partners.

Contracts and procurement actions shall not be artificially split into smaller requisitions in order to reduce the dollar value in a way that evades or circumvents this threshold. Such splitting or separating of a requirement shall mean and include reducing the scope and amount of goods or services to be procured by breaking them into separate requirements that belong together by their nature, purpose, geography, timeline or mandate.

Audits are required, and costs may be charged here. Audits must be conducted based on international audit standards. The audit opinion is to be based on financial statements of the project (both revenues and expenditures). Applicants should assume audit costs of between USD 5,000 and USD 15,000.

⁷ Partners may be asked to provide proof of regular salary costs to ensure that any WOP staff time charged to the grant never exceeds in house rates.

Supplies and Equipment

Items may include equipment, e.g., leak detection equipment, laptops, remote meeting or touring technology to facilitate WOPs at a distance, software, e.g., supervisory control and data acquisition IT equipment, or supplies for project implementation, such as workshop materials. Office supplies should be reported as general operating and other direct costs.

All supplies and equipment must support the WOP capacity and performance improvement objectives and be duly justified in relation to the project.

Supplies and equipment should be procured by the Grant Manager or the partner best fit to do so. Resident partners may receive grants to purchase equipment, for example, if this is the most cost-effective approach.

Subcontracts and procurement actions shall not be artificially split into smaller requisitions in order to reduce the dollar value in a way that evades or circumvents this threshold. Such splitting or separating of a requirement shall mean and include reducing the scope and amount of goods or services to be procured by breaking them into separate requirements that belong together by their nature, purpose, geography, timeline or mandate.

Travel

Only Economy class travel is eligible under the grant.

Travel expenditures must be covered in a cost-effective way, either through direct cost expenditure or per diems. No per diem should exceed UN rates, which are designed to cover all accommodation, food and incidentals. Partners should apply similar standards of travel for all partners.

Efforts should be made to consolidate (i.e., fewer but longer) missions to reduce costs and the carbon footprint of travel.

Geographical Eligibility and Allocation

WOP proposals supporting the improvement of Resident Partners in [Annex D](#) countries are eligible. As a function of the source funding for the programme, WOP funding will be allocated according to the following geographical breakdown:

Table 3: Geographical Allocation of Grant Funds

Region	Percentage of total grant allocation	Total indicative EU-WOP 2 WOPs (including both Expanding and Emerging Windows)
Africa	72	18-23
Asia and Pacific	18	4-9
Latin America and the Caribbean	10	3-5

Additional Information on the Application Process

Before preparing a proposal, applicants are strongly encouraged to read thoroughly the Selection Criteria ([Annex B](#)) for this call. Many of the criteria reflect good practice observed in effective WOPs and are meant to help applicants design partnerships that are likely to be successful.

All applications must be submitted via the [Good Grants portal](#). No additional supplementary documents should be sent. Technical assistance with the portal should be sought through an email to info@gwopa.org. It is recommended that applications be submitted well in advance to allow time to resolve any technical challenges that may arise.

As the application must be submitted by one individual, it is recommended that partners collaborate in its preparation offline first. The individual can complete the application on the portal and share the generated PDF with the partners for final vetting before submission.

The official language of the call and applications is English. The portal offers automated translation to and from French and Spanish to facilitate applications in these languages, however the applicant must take responsibility for ensuring the quality of any translation into English.

For both stages of the application process, submission beyond the deadline, as well as any error or major discrepancy related to the points listed in the instructions on the applications, may lead to rejection.

GWOPA will offer online sessions to provide additional guidance on the application process and aim to respond to common questions. Announcements about such events will be provided on the [GWOPA website](#).

Responses to questions that may be relevant to other applicants, as well as other important notices to applicants during the course of the Call for Proposals process, may be noted online on the [GWOPA website](#). It is highly recommended to regularly consult the [GWOPA website](#) and the Good Grants portal for the most up-to-date information.

Evaluation and Selection

The proposals will be screened, evaluated and selected by UN-Habitat's selection committee⁸ following the predefined evaluation criteria. The Selection Committee shall ensure independence and rigor in the evaluation and selection process and compatibility with partnership policies and the established objectives of the EU-WOP Programme.

In addition to the quality of its EU-WOP 2 proposal, Expanding WOP proposals will be evaluated on the basis of their performance in Phase 1 and efforts to build on results and lessons learned therein.

The Expanding WOP proposals will be selected first. Funds not allocated to Expanding WOPs will be allocated to Emerging WOPs. The allocation is expected to be approximately 50 per cent for each window.

Formalisation and Implementation

Partners of selected WOPs will be informed of their successful proposals and invited to enter into an Agreement of Cooperation (AoC) with GWOPA/UN-Habitat. The AoC, inter alia, defines the roles and financial and reporting obligations of the WOP partners.

One of the Supporting Operators in the WOP will assume the role of Grant Manager⁹ vis-à-vis GWOPA/UN-Habitat. In Stage 2 of the application process, the Grant Manager will be required to demonstrate their fitness to manage the grant. The AoC will be implemented applying the Grant Manager's approved financial mechanisms, in line with the programme guidelines and UN rules and regulations.

Over the subsequent four years, partners will collaboratively implement their partnership activities. Partners are expected to coordinate regularly and conduct joint monitoring and reporting. Financial and narrative reports are submitted on an annual basis, at a minimum. In addition to regular check-ins, an annual workshop to assess partnership progress and health will be scheduled with all partners and GWOPA/UN-Habitat focal points.

⁸ DG INTPA shall also participate as observer. European Union Delegations in Resident Partner countries may also vet the proposals.

⁹ Although only one partner organization will be designated as the Grant Manager, WOP budgets, plans and reports will need to be vetted by all operators in the WOP before they are accepted by UN-Habitat.

Annexes

Annex A: The EU-WOP 2 Application Form

The EU-WOP Phase 2 application form is available on the [Good Grants platform](#).

The EU-WOP budget template, to be used in this proposal, will also be available on the [Good Grants platform](#).

Annex B: Selection Criteria

Proposals will be evaluated on the criteria below.

The relative weighting of criteria at each stage of the proposal is indicated in the application portal.

WOP Contextual Relevance

- Resident Partner's challenges and their impact on end users (especially vulnerable groups) are well understood.
- The capacity needs and capacities of the Resident Partner are well established.
- The initial situation is defined through joint assessment and dialogue.
- Relevant documents and stakeholders are consulted.
- Synergies with ongoing strategies, projects and investments are explored.
- Contextual factors (climate, demographics, environment, etc.) are considered.
- Relevant EU and UN frameworks are taken into account.

Partnership Setup

- Each partner adds unique, cost-effective value.
- Complementarity between partners (language, size, culture, etc.).
- All partners, especially Resident Partner(s), show demand and commitment.
- Teams reflect necessary technical, linguistic and travel abilities.
- Teams reflect diversity in gender and age.
- Engagement of top management from Operator partners.
- Additional partners are strategically chosen for impact and sustainability.
- Clearly articulated roles of each partner.
- The proposal is co-developed and based on equality among partners.
- Involves new (<1 year) WOP partners.
- Includes a co-mentoring element for capacity building.

Expected Results

- Ambitious and impactful results for the Resident Partner and communities.
- Realistic intervention logic considering current state and strategies.
- Clear, tangible and sustainable outputs.
- Focus on improved capacity and performance at individual and institutional levels.
- Working areas are complementary and impactful.
- Focus aligns with identified challenges and opportunities.

WOP Approach

- Context-aware activities at city and country levels.
- Activities respond to demand and a shared understanding of needs.
- Builds on or proposes baseline assessments.
- Strengthens Resident Partners' capacity and does not substitute it.
- Builds on existing Resident Partner priorities.
- Realistic and coherent activities aligned with intended improvements.
- The core of WOP is peer-to-peer support, with coordination, knowledge sharing and advocacy elements included.
- Activities are designed for sustainability and knowledge integration.
- Continued engagement through online collaboration when not physically present.
- Cost- and carbon-effective project design.
- Accounts for local linguistic, cultural and logistical realities.
- Realistic implementation plan with respect to organizational change timelines.
- Climate-, gender- and human rights-responsive or transformative activities.

Budget

- Aligned with project objectives and compliant with rules.
- Detailed, transparent and realistic timing.
- Budget allocation is sensible among lines, activities and partners.
- Leverages counterpart contributions and builds on related investments.
- Transfer and procurement logistics are considered.
- Risks such as currency fluctuations and inflation are mitigated.

Financial Health and Linkages Lever (if applicable)

- Addresses relevant steps A, B and/or C of the financial lever.
- Helps leverage WOP's overall impact.
- Tackles core financial challenges (e.g., cost recovery and non-revenue water).
- Aligns with national utility/sector strategies.
- Demonstrates understanding of the utility's operations and finance.
- Includes coherent financial actions (e.g., planning, tariff, billing and NRW).
- Consults relevant actors (banks, regulators, consumers and policymakers).
- Proposes equity-focused solutions (e.g., lifeline tariffs and pro-poor subsidies).
- Shows potential for improved key performance indicators (collection, losses, cash flow).
- Commitment from financiers and partners to coordinate activities.
- Identifies investment-WOP synergy areas.

Human Rights Lever (if applicable)

- Addresses steps A, B and/or C of the Human Right to Water and Sanitation (HRWS).
- Promotes core HRWS and other human rights-based principles.
- Targets marginalised populations (e.g., informal settlements, disabled).
- Builds HRWS implementation and monitoring capacity.
- Includes participation, feedback and citizen engagement.
- Proposes institutionalisation pathways of HRWS practices.
- Ensures long-term financial and operational sustainability.
- Involves users and relevant organizations in project design and governance.
- Provides measurable HRWS-linked outcomes.
- Demonstrates replication or learning potential.

Digitalization (if applicable)

- Aligns with the utility's digital strategy or national plans.
- Based on careful assessment of needs and past digital efforts.
- Builds operational capacity and engages staff in the process.
- Engages key stakeholders in co-design and feedback loops.
- Avoids dependency on WOP partners.
- Includes financial feasibility assessment with return on investment justification.
- Neutral on specific market solutions; open standards preferred.
- Ensures cybersecurity and user data protection.
- Technology is context-appropriate and innovative.
- Accounts for connectivity, IT, energy and regulatory conditions.
- Prioritises user-centric design, inclusive of vulnerable populations.

Additional Criteria

- Strong EU Delegation support for the proposal
- Addresses underrepresented but important themes (e.g., nature-based solutions, climate change and integration with city-wide services).
- Addresses services in under-represented community types (rural, peri-urban)
- Proposes integrated and innovative solutions accelerating sustainability.

Annex C: WOP Code of Conduct

Introduction

This Code of Conduct lays down the principles and the rules for partnerships between utilities and water operators that are undertaken as WOPs under the umbrella of the Global Water Operators' Partnerships Alliance. Such partnerships are facilitated and supported collaboratively by GWOPA and regional WOP platforms around the world.

This Code of Conduct does not offer guidance on whether a specific partnership is the suitable option for the parties. It mainly applies once the parties have decided to pursue a partnership and highlights the expected conduct and requirements of such a partnership. The rules presented hereinafter are meant to guide the formation and implementation of efficient, results-oriented and socially acceptable partnerships between water operators.

Good Governance

All stakeholders will take all needed measures to conduct their activities within the partnership according to the principles of good governance, including:

- Transparency;
- Accountability;
- Responsiveness to stakeholders' concerns and interests;
- Consensus-orientation;
- Clarity and common understanding of stakeholders' roles, rights, responsibilities and expectations; and
- Compliance with local laws.

Integrity Global Water Operators' Partnerships Alliance Charter

Central to WOPs is the sharing of knowledge in a not-for-profit and unrestrained way, built upon the notion of solidarity between utilities. Its purpose is to enhance the capacity and capability of public utilities within the guiding principle of integrity. Therefore:

The partners agree that no information will be intentionally withheld by any party in anticipation of any commercial gains, and no confidential information of one party will be used by the other party for its commercial advantage.

Social and Cultural Values

All stakeholders will take needed measures to abide by and respect the social and cultural values of the location where they are engaging in WOPs, including: a. Respecting the cultural norms and behaviours relevant to the local context; b. Recognising and respecting the influence of gender, age, culture and religion on the different perspectives and values accorded to water and sanitation.

Resolution of Conflicts

All stakeholders will form partnerships based on mutual trust and respect, address all issues with full transparency, and collaborate to identify workable solutions.

Results-Orientation Global Water Operators' Partnerships Alliance Charter

Prior to engagement, partners shall prepare written partnership agreements that outline:

- the objectives of the partnership and expected outputs,
- the roles and responsibilities of each partner,
- the value (in-kind and cash) of the partnership, and
- the interests of each party in engaging in partnership.

The agreement should form the basis for professional, results-oriented cooperation, while leaving sufficient room for flexible solutions, as the context and issues are subject to change and evolve.

Cost Sharing and Not-for-Profit

Activities carried out by any partner or stakeholder within a WOP shall be done on a not-for-profit basis.

WOPs must not be used as a vehicle for commercial activities by any party. Activities within a WOP will incur costs for both partners. The parties have to identify these costs and decide together whether to bear these costs themselves, appeal for external support or both. The respective contributions of the parties, be they in-cash or in-kind, shall be mutually agreed upon by the parties themselves.

Shared Incentives

Particular objectives and common interests of all stakeholders will be openly discussed to identify all possible costs and benefits in the arrangement. The respective motivations of both parties shall be explicitly discussed.

WOPs benefits are mutual, but not necessarily equal. Partners have to respect the bona fide interests of their counterparts and seek actions that advance the goals of the partnership without requiring compromise of a partner’s key interests.

Annex D: Eligible Countries
(Resident Partners)

- | | | | |
|------------------------------------|------------------------------------|------------------------------------|-------------------------------|
| • Angola | • Ecuador | • Mali | • Sao Tome and Principe |
| • Antigua and Barbuda | • El Salvador | • Marshall Islands | • Senegal |
| • Bangladesh | • Ethiopia | • Mauritius | • Sierra Leone |
| • Barbados | • Fiji | • Micronesia (Federated States of) | • Solomon Islands |
| • Benin | • Gambia (Republic of The) | • Montserrat | • Somalia |
| • Bolivia (Plurinational State of) | • Ghana | • Nauru | • South Africa |
| • Burkina Faso | • Grenada | • Nepal | • Tajikistan |
| • Burundi | • Guatemala | • Niger | • Togo |
| • Colombia | • Guinea | • Nigeria | • Tonga |
| • Congo | • Guinea Bissau | • Niue | • Tuvalu |
| • Cook Islands | • Haiti | • Pakistan | • Uganda |
| • Cuba | • Honduras | • Palau | • United Republic of Tanzania |
| • Democratic Republic of the Congo | • India | • Papua New Guinea | • Uzbekistan |
| • Djibouti | • Indonesia | • Paraguay | • Vanuatu |
| • Dominica (Commonwealth of) | • Kiribati | • Peru | • Viet Nam |
| • Dominican Republic | • Kyrgyzstan | • Saint Kitts and Nevis | • Zambia |
| | • Lao People’s Democratic Republic | • Saint Lucia | |
| | • Lesotho | • Saint Vincent and the Grenadines | |
| | • Madagascar | • Samoa | |
| | • Malawi | | |

Annex E: Eligible Countries (Supporting and Additional Partners)

• Afghanistan	• Cameroon	• Egypt	• Indonesia	• Luxembourg	• Niger	• Serbia	• Uganda
• Albania	• Central African Republic	• El Salvador	• Iran (Islamic Republic of)	• Madagascar	• Nigeria	• Sierra Leone	• Ukraine
• Algeria	• Chad	• Equatorial Guinea	• Iraq	• Malawi	• Niue	• Slovakia	• United Republic of Tanzania
• Angola	• China	• Eritrea	• Ireland	• Malaysia	• North Macedonia	• Slovenia	• Uzbekistan
• Argentina	• Colombia	• Estonia	• Italy	• Maldives	• Pakistan	• Solomon Islands	• Vanuatu
• Armenia	• Comoros	• Eswatini	• Jamaica	• Mali	• Palau	• Somalia	• Venezuela (Bolivarian Republic of)
• Austria	• Congo	• Ethiopia	• Jordan	• Malta	• Panama	• South Africa	• Viet Nam
• Azerbaijan	• Costa Rica	• Fiji	• Kazakhstan	• Marshall Islands	• Papua New Guinea	• South Sudan	• Wallis and Futuna
• Bangladesh	• Côte D'Ivoire	• Finland	• Kenya	• Mauritania	• Paraguay	• Spain	• Yemen
• Belarus	• Croatia	• France	• Kiribati	• Mauritius	• Peru	• Sri Lanka	• Zambia
• Belgium	• Cuba	• Gabon	• Kosovo (under UN Security Council Resolution 1244/1999)	• Mexico	• Philippines	• State of Palestine	• Zimbabwe
• Belize	• Cyprus	• Gambia (Republic of The)	• Kyrgyzstan	• Micronesia (Federated States of)	• Poland	• Sudan	
• Benin	• Czechia	• Georgia	• Lao People's Democratic Republic	• Mongolia	• Portugal	• Suriname	
• Bhutan	• Democratic People's Republic of Korea	• Germany	• Latvia	• Montenegro	• Republic of Moldova	• Sweden	
• Bolivia (Plurinational State of)	• Democratic Republic of the Congo	• Ghana	• Lebanon	• Montserrat	• Romania	• Syrian Arab Republic	
• Bosnia and Herzegovina	• Denmark	• Greece	• Lesotho	• Morocco	• Rwanda	• Tajikistan	
• Botswana	• Djibouti	• Grenada	• Liberia	• Mozambique	• Saint Helena	• Thailand	
• Brazil	• Dominica	• Guatemala	• Libya	• Myanmar	• Saint Lucia	• Timor-Leste	
• Bulgaria	• Dominican Republic	• Guinea	• Lithuania	• Namibia	• Saint Vincent and the Grenadines	• Togo	
• Burkina Faso	• Ecuador	• Guinea Bissau		• Nauru	• Samoa	• Tokelau	
• Burundi		• Guyana		• Nepal	• Sao Tome and Principe	• Tonga	
• Cabo Verde		• Haiti		• Netherlands (Kingdom of the)	• Senegal	• Tunisia	
• Cambodia		• Honduras		• Nicaragua		• Türkiye	
		• Hungary				• Turkmenistan	
		• India				• Tuvalu	

Annex F: Levers

Digitalization

Proposed digitalization strategies need to follow a people-centred approach. These approaches shift the focus from purely technology-driven solutions to strategies that prioritise human needs, equity, empowerment and sustainability. People-centred digitalization in water utilities prioritises local needs over generic technology solutions, ensuring that digital tools are inclusive and context-appropriate. For instance, an operator may opt for SMS-based customer reporting instead of smartphone apps if users have limited internet access or digital literacy.

This approach helps bridge service gaps for vulnerable groups such as informal settlement residents or rural communities by tailoring platforms for local language, affordability and accessibility. It also fosters trust and engagement through tools like real-time dashboards or mobile alerts that enable customers to report issues and track responses. Internally, it builds staff digital capacity for interpreting data and making informed decisions, promoting a culture of continuous improvement and expanding benefits of the digital economy. For example, training utility teams to use GIS systems can improve maintenance planning and leak detection.

These strategies enhance responsiveness to challenges like droughts or contamination and require clear ethical safeguards, such as consent and privacy policies, to protect user data and uphold human rights in the digital space. Any proposed strategy requires careful review of the utility's context, including energy availability, internet access, existing systems and regulatory frameworks. Some of the questions to carefully consider are inclusion of vulnerable or digitally excluded populations, interoperability with existing or planned systems, affordability, sustainability and scalability of solutions, robust local ownership and training and considerations of energy availability, internet access and regulatory frameworks that support responsible and equitable data governance.

Digitalization approaches within the WOP can take many forms. Some frequent ones observed in WOPs are:

- Smart metering and billing systems using Internet of Things (IoT)-enabled water meters;
- Remote monitoring of consumption and detection of leaks;

- Supervisory Control and Data Acquisition (SCADA) and real-time monitoring for systems for remote control of networks and enhanced visibility of pressure, flow and water quality in real time;
- Geographic information systems (GIS) and asset management tools for mapping of infrastructure and service areas and Improved planning, maintenance and investment decisions;
- Customer management systems including complaint management, e-payments, customer service portals etc, which support expanding access for underserved users, including in peri-urban areas; decision support and predictive analytics, such as the use of data analytics for demand forecasting, leakage detection or investment planning and supports evidence-based policy and strategic planning;
- Dedicated human resources initiatives to support staff readiness and capacity to implement a digitalization strategy, such as specific training on digital tools and data interpretations and plans for reallocating and training staff within the company and processes to ensure broad adoption and sustainability.

Space-based solutions, such as satellite-enabled water quality monitoring, infrastructure mapping and predictive analytics for leak detection, offer valuable opportunities to enhance utility operations. These tools can support water and sanitation sustainability (e.g., pollution tracking, resource efficiency) and water resilience (e.g., risk mapping, early warning systems). Utilities will be able to explore such technologies through various partnerships. For instance, one ongoing collaboration between GWOPA and the European Space Agency (ESA) will support utilities in the Global South in testing and adapting space-based innovations to their operational needs.

AI tools emerge in areas such as leakage detection or demand forecasting. WOPs can promote their responsible use, with training components for resident operators and strong transparency and oversight mechanisms. This will ensure these tools enhance — not undermine — equity and accountability in service delivery.

Financial Linking

A recent assessment of global public spending by the World Bank reveals that developing countries spend approximately USD 164.6 billion annually on water services. However, to meet the Sustainable

Development Goal of universal access to safe water and sanitation by 2030, an additional USD 131.4 billion to USD140.8 billion is required annually.¹⁰

Financial health is critical for the long-term sustainability and effectiveness of water utilities, especially in developing countries, where water services tend to be underfunded and inefficient, as well as face major infrastructure challenges.

Water utilities in developing countries face several significant financial challenges that hinder their ability to provide sustainable and reliable water services. One of the primary issues is that utilities are often expected to fully cover their costs through tariffs, however, these tariffs, which are rarely set by the operator, are too low and rarely complemented by taxes. This results in insufficient revenue for utilities to cover operational and capital costs. Moreover, utilities often have high operational costs, including energy costs for water treatment and distribution, as well as the maintenance of aging infrastructure, which adds further strain on their finances.

Water loss, both physical and commercial, is another major challenge. High levels of non-revenue water due to leakage, illegal connections and poor billing systems can lead to substantial revenue losses. In addition, many utilities struggle to access financing due to limited creditworthiness and dependency on short-term donor funding, which hampers long-term financial planning.

Rapid urbanization and population growth create further financial pressures, as utilities must invest in infrastructure expansion and maintenance to meet increasing demand.

The effects of climate change, such as water scarcity and unpredictable rainfall, also raise operational costs and make water management more difficult.

Moreover, weak institutional frameworks and poor governance can hinder financial management and exacerbate inefficiencies, leading to poor resource allocation and corruption.

Lastly, affordability remains a critical issue, as water services are often unaffordable for low-income households, raising equity concerns.

Addressing these financial challenges requires a comprehensive approach, including improving efficiency, implementing equitable pricing mechanisms, seeking diverse funding sources and strengthening institutional capacity to ensure that water services remain sustainable, affordable and accessible for all.

An EU-WOP 2 proposal addressing this lever must contribute to the financial health of the operator and/or synergise with an investment programme:

Improving the Financial Health of the Operator

WOP partners can support in improving the financial position of the resident water operator through different approaches balancing operational efficiency and improving revenue generation while ensuring affordability and equity in service delivery. Some examples of strategies that the WOP could support are:

- Increasing cost recovery through tariff reforms, including tiered pricing structures that balance affordability for low-income users with the need for utilities to cover their operational and capital costs. Targeted subsidies for the poorest populations can help maintain affordability, while regular tariff adjustments ensure that prices reflect the true cost of service.
- Support operational efficiency improvements, such as reducing water losses through leak detection and improving metering systems, can significantly lower costs and increase revenue. Additionally, energy-efficient technologies for water treatment and distribution help reduce operating expenses. There is a tremendous waste of resources due to inefficiencies in the water utilities estimated in an average annual efficiency loss per water utility is approximately USD 21.4 million, which constitutes about 16 per cent of the average annual operating cost of these utilities.¹¹ Addressing this leakage of funding can go a long way in generating the needed resources for universal access to water services. The central focus of WOPs is on enhancing organisational capacity to improve operational efficiency that will ultimately prevent such leakage of funds. The cost savings derived from efficiency gains is a frequent outcome of WOP projects. Some examples of quantification and reporting of cost savings derived for efficiency gains in WOPs are:

¹⁰ Joseph, G., Hoo, Y. R., Wang, Q., Bahuguna, A., & Andres, L. (2024). Funding a water-secure future: An assessment of global public spending. The World Bank.

¹¹ Joseph, G., Hoo, Y. R., Wang, Q., Bahuguna, A., & Andres, L. (2024). Funding a water-secure future: An assessment of global public spending. The World Bank.

- The implementation of energy-saving measures in a WOP between the Water Authority of Fiji and Hunter Water Australia resulted in cost savings exceeding USD 1.3 million between 2012 and 2014.
- The improvement of the water production process in a WOP between Miyahuna Water utility in Jordan and Hamburg Wasser by relocation of the polymer dosing point as part of the optimisation of water treatment led to monthly savings of approximately USD 33,000.
- Creating cost savings derived from operational efficiency gains is at the core of WOP projects. The savings derived from these operational efficiencies are not always easy to quantify, however proxies or estimates can go a long way to giving visibility to such major source of internal funding.
- Engaging with the government to promote government support towards capital investments, favourable debt financing and targeted subsidies for underserved populations.
- Strengthening financial management and governance, including better budgeting, budget execution (alarming average execution rate of only 72 per cent), financial planning and transparency, is crucial for improving the utility's long-term financial sustainability.
- Engaging communities and stakeholders in decision-making processes ensures that services meet the needs of all citizens and fosters trust, which in turn improves revenue collection.

Developing a long-term investment strategy focused on asset management, climate resilience and reducing disparities in access by targeting investments to underserved communities will help the utility manage infrastructure effectively and prepare for future challenges

Aligning and Synergising with Large Investment Programmes

By integrating WOP-supported capacity development with infrastructure investments, water utilities can ensure that both physical infrastructure and human resources are adequately equipped to address current and future water challenges in a sustainable and efficient manner. This approach of linking WOPs with past, ongoing and future investment projects is a key priority of this phase of the EU-WOP programme. WOP proposals that aim to develop the Resident Partners' capacities to maximize the impact and sustainability of investments are strongly encouraged. In these cases, the specific areas in which the WOP and investment programmes will synergise and complement each other need to be explained in the approach. The investing parties are strongly encouraged to participate as Additional Partners in the WOP or, at a minimum, to formally express commitment to closely coordinate and synergise the interventions.

Human Rights

In many low- and middle-income countries, access to water and sanitation services remains highly unequal, especially in peri-urban areas, rural regions and among marginalised populations. Women, children, persons with disabilities and informal communities are often disproportionately affected. Under the Human Rights-based Approach (HRBA) to ensuring Human Right to Water and Sanitation (HRWS), governments and duty-bearers are obligated to respect, protect and fulfill the right to water and sanitation, ensuring that these services are available, accessible, acceptable and of good quality to all individuals, without discrimination.

This approach focuses on empowering rights-holders, particularly marginalised and vulnerable populations, to claim their rights and hold duty-bearers accountable. By integrating human rights principles such as non-discrimination, participation, accountability and transparency, HRBA ensures that water and sanitation policies and programmes are designed and implemented with the people's needs and dignity at the forefront, fostering sustainable and equitable access for everyone. By integrating HRWS principles into service planning and delivery, water utilities can play a direct role in reducing inequalities, improving public health and promoting inclusive development. This approach aligns with SDG 6, which seeks to ensure the availability and sustainable management of water and sanitation for all, while also contributing to broader objectives such as gender equality, poverty reduction and health.

Recognised by the United Nations General Assembly in 2010, the HRWS affirms that every person is entitled to sufficient, safe, acceptable, physically accessible and affordable water for personal and domestic use. The European Commission firmly supports the recognition of water and sanitation as fundamental human rights.

The Human Right to Water and Sanitation (HRWS) includes five essential standards that must be met to ensure equitable access to water and sanitation. These standards must be adapted to each country's context:

- **Availability:** Water must be sufficient in quantity and supported by adequate infrastructure and resources. States must monitor water availability and manage resources to prioritise basic household needs, especially for marginalised populations and address risks like water scarcity.
- **Accessibility:** Water and sanitation services must be physically accessible to everyone, regardless of health, ability or location, ideally within the home. This includes access to services in public spaces like schools, healthcare centres and workplaces.
- **Affordability:** Services should be affordable, ensuring that the cost does not restrict access

to other essential goods like food, healthcare or education. While services need not be free, subsidies should be provided for low-income groups to maintain affordability.

- **Acceptability:** Services must meet social and cultural standards to ensure they are used. Water should be of acceptable taste, odor and color and sanitation facilities must respect cultural norms and privacy, especially for women and girls during menstruation.
- **Quality:** Water and sanitation services must be safe and free from harmful contaminants. Water should be safe for drinking, food preparation and hygiene, while sanitation facilities must prevent contamination, ensure hygiene, and be accessible to all, including those with special needs like menstrual hygiene management.

Adopting an HRWS approach may require institutional support, capacity building and policy alignment. Governments, regulators, donors and civil society all play critical roles in enabling utilities to work as public service agents with a rights mandate – not just as service providers. In doing so, water utilities can become powerful agents of transformation, ensuring that no one is left behind in the delivery of one of the most basic and essential human rights.

Promoting HRWS in EU-WOP 2 can take many forms. Some examples of how different departments/units can take an active role in promoting HRWS are described:

- Executive leadership/management by embedding HRWS principles into the utility's mission, vision and strategic plan, ensuring corporate policies reflect non-discrimination and universal access goals, championing equity in decision-making, and monitoring or fostering partnerships with municipalities, NGOs and rights-based organizations;
- Finance by designing affordable tariff structures (lifeline tariffs, cross-subsidies), monitoring affordability to ensure access or advocating for public subsidies to support low-income households, designing ways in which the connection costs are affordable for vulnerable populations (i.e., revolving fund);
- Operations and maintenance (O&M) by prioritising service continuity in underserved areas, tracking repairs and maintenance response times in low-income zones, and maintaining infrastructure in informal and peri-urban settlements;
- Engineering/ Infrastructure planning by mapping underserved areas and prioritising infrastructure investment accordingly, designing inclusive systems that accommodate vulnerable users (e.g., people with disabilities, elderly), applying equity-based expansion models;
- Customer service / Commercial by offering inclusive service registration for those without land titles, using multilingual and accessible communication channels, maintaining transparent complaint and redress mechanisms, educating users on their rights and responsibilities;

- Human Resources by training staff on HRWS, inclusion and gender sensitivity, promoting diversity in recruitment and leadership, engaging local communities in hiring processes;
- Monitoring, evaluation and quality assurance by using rights-based indicators to track equity and access, disaggregating data by gender, income and location, incorporating feedback on HRWS-related indicators into performance reviews;
- Communication and public engagement by raising awareness about HRWS and utility responsibilities, facilitating public participation through consultations and user forums, publishing service performance data in accessible formats;
- IT/Digital services by actively using data to identify service gaps and track coverage, providing digital tools for citizen engagement, and enabling transparency through real-time service information.

EU-WOP PROGRAMME 2

CALL FOR PROPOSALS PACKAGE

The European Union Water Operators' Partnerships Programme Phase 2

Administered by the Global Water Operators' Partnerships Alliance (GWOPA),
hosted by UN-Habitat, and funded by the European Union



Funded by the
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