Thank you for inviting me to Stockholm and giving me the opportunity to speak on the international water policy following the results of the International Freshwater Conference, which we held in Bonn in December last year, and its implications for Johannesburg and beyond. After such a political speech of Minister Karlsson my speech might be to some extent repetitive and more bureaucratic; but it shows that we share the same views and come to the same conclusions – and that counts.

The Conference brought together government delegates from 118 countries, including 46 ministers, representatives from 47 international organizations and delegates of 73 organizations from major groups and civil society.

I would like to quote from the introduction to the Bonn Recommendations for Action “...It was a meeting appropriate for the age of global partnerships as it demonstrated that governments, the private sector, civil society and local and grassroots initiatives can work together in a spirit of partnership while acknowledging the differences in their mandates, roles and responsibilities. It neither avoided nor resolved the challenging and contentious issues in water affairs... However, it reached a remarkable degree of consensus ...”.

Eight months have passed since we agreed on a set of 27 Bonn Recommendations for Action, a ministerial declaration – and the 5 so-called Bonn Keys. The recommendations are directed to all members of society, in particular to governments, and to the further process – but first and foremost they were intended as a signal to the World Summit on Sustainable Development in Johannesburg. Were we able to give such a signal? I believe we were.

The emphasis has been on action and on ways and means to implement agreed goals and targets, which are an important part of the agenda for Johannesburg. The more time has lapsed the more it has become visible that the forward-looking and action-oriented results of the Conference have had, and are having, an enormous impact on the negotiations for Johannesburg.

1. The original draft plan of implementation of the United Nations on the water-related paragraphs was guided to a great extent by the Bonn Recommendations for Action.

2. The Bonn Recommendations for Action have been the basis of the EU negotiations within the preparatory process for the World Summit. They have also influenced the priorities of the EU when positioning itself with the type II EU Water Initiative. The declaration of African Water Ministers which was signed in Bonn initiated a process of stronger commitment in the water sector by the African Ministers. The EU has decided to put the focus of its Water Initiative on two components for Africa – being one of the priority geographical areas next to the Newly Independent States: first of all, water and sanitation and secondly, Integrated Water Resources Management including trans-boundary issues.
3. Finally, the Bonn Recommendations have been accepted and are being used by all major groups when drafting their comments on water issues for Johannesburg.

The outcome received considerable recognition and is also having a tremendous influence on the international discussions on sustainable development and poverty alleviation in many other fora, such as at the High Level Regional Consultations of the Pacific Islands – something I just learned this morning – showing that water is the key to socio-economic development, to growth and to quality of life and can not be seen any more as a purely sectoral issue attracting water engineers and water scientists. In addition, the preparatory process of the Bonn Conference and the Conference structures serve as models for the multi-stakeholder involvement in Johannesburg and Kyoto.

Germany as the second largest donor in development aid in water and convener of the Bonn Conference is actively involved in the preparation of the 3rd World Water Forum and many other international events concerning water.

So what did we achieve and how did we move forward?

The solution and the way forward, as it has been rightly stated in the preparatory documents of the Stockholm Water Week, can only be found by taking actions in using a cross-disciplinary approach. This was also the path we followed with the Bonn Recommendations.

The recommendations address four major cross-cutting areas of concern:

- governance, including integrated management and partnerships
- mobilizing financial resources
- capacity building and technology transfer
- gender.

Time will only allow to highlight some main points:

1. The Conference made substantive progress on the governance issues in water affairs, recognizing that “The essential key is stronger, better performing governance arrangements”. (Quote from Bonn Keys) It underlined the primary responsibility of governments to ensure equitable access to water, and to set and enforce stable and transparent rules with decentralization as a key element. Several recommendations answer to the need to ensure that water infrastructure and services deliver to the poor. Many of these essential elements have found their way forward into the Johannesburg documents – such as integrated water resources management, the river basin approach and the need to develop integrated water resources management plans and water efficiency plans by 2005. Unfortunately, it was not possible to include the necessary focus on decentralization.

2. Equally, in the preparations for Johannesburg the EU did not succeed in having the issue of establishing mechanisms for cooperation, negotiations and conflict resolutions over transboundary and other shared water resources covered. During the final negotiations at the 4th PrepCom in Bali the respective paragraph somehow got lost on the way and it will take a strong engagement of the EU to convince all delegations of the importance of this issue for the final implementation plan of Johannesburg. On the other hand – the EU did manage to have the question of balancing competing water uses integrated into the draft for Johannesburg – the main theme of the Stockholm Water Week and an issue which was intensely discussed in Bonn.

3. The substantial linkages between poverty alleviation, sustainable development and water were clearly spelt out at the Bonn Conference. The Bonn keys state that meeting the water security needs of the poor is a priority issue. In this context the Conference strongly recommended to complement the Millennium Declaration targets with an additional target halving by 2015 the proportion of people lacking access to improved sanitation. Although the linkage between water and poverty has been generally
accepted in the preparations for Johannesburg this target is still controversial and will have to be solved at the Summit, not because of its content which everyone agrees to, but because of the time frame which is opposed by some countries.

4. The Bonn Conference further recognized the urgent need to increase the financial resources for water and sanitation if the Millennium Declaration goals are to be met. The following five actions were developed:
   - to ensure significant increases in all types of funding, including user charges as the key source of income for water service providers, whether they are public or private;
   - to strengthen public funding capabilities;
   - to improve economic efficiency to sustain operations and investments;
   - to make water attractive for private investment;
   - to increase development assistance to water.

   The actions are significant in that while they acknowledge the need for public-private partnerships, capacity building, transparency and strengthening the public sector, they also stress the importance of development assistance and demand-based program approaches. The focus on the role of the private sector participation and development assistance in the water sector is highly relevant for financing the water sector. After many years of debate over whether the private sector should be involved, the debate has shifted to how the private sector should be involved.

   Perhaps the most significant progress was achieved on the issue of cost recovery. It was agreed that while customers of water (and sanitation) services should pay sufficient charges to cover operation, maintenance and capital costs, these cost recovery objectives should not be a barrier to poor people’s access to water supply and sanitation. The Conference recommended to use tariff systems which allow social targeting.

   These issues which have been most controversial in the UN context over the years were, interestingly enough, generally accepted during the negotiations for Johannesburg showing the general change in perception.

5. Corruption is an issue which is always raised in connection with private sector involvement, not only in the water sector but increasingly there also. It was therefore time that this issue was openly discussed at the Bonn Conference because of the belief that the costly investments and the stronger involvement of the business sector makes the water sector particularly susceptible to corruption. The announcement of the water industry in Bonn to start working on a code of conduct to meet the challenge of corruption and bribery was a positive step forward. Corruption in general is also an issue in the Johannesburg draft.

6. In the field of capacity building and technology transfer the Bonn Conference recommended a number of actions for education and training, for research and information management, for better water institutions and for sharing knowledge. The draft plan of implementation for Johannesburg also takes these aspects into account where water is concerned.

7. The Bonn Conference also devoted a plenary session to gender issues. It underscored the need for water management policies to allow men and women equitable access to water resources and to empower women to take up leadership and managerial roles. This session enabled lively discussions between governments and all other stakeholders in a very interactive manner. The importance of gender issues in water management is also reflected in the Johannesburg documents.

Now – eight months later – we can honestly say the Conference was a true success giving the right signals for the World Summit and beyond – a comment I would not have made easily before the Bali preparatory process for Johannesburg had started. We had great advice from an experienced, highly respected and balanced International Steering
Committee from all over the world, some of whom are present today. Thank you again for your advice. We were also lucky to have such experienced guidance by Margaret Catley Carlsson as conference facilitator. I believe Stockholm is the right location to thank her once more for her wonderful support.

I am positive that the engagement of United Nations Secretary – General Kofi Annan for the water issue with his WEHAB initiative and the focus on water in the Water Dome in Johannesburg will add to keeping water high on the implementation agenda in Johannesburg and beyond. I would like to use this platform to reiterate the sincere hope that our heads of states will seriously push the issue of sustainable development and water forward and agree on the additional target on sanitation – an open wound which needs to be closed urgently.

Johannesburg is just one step even if it is an important one – but there will be a world after Johannesburg to take care of.

The EU Water Initiative and the commitment of the EU Member States will ensure that actions on water policy will be better recognized as a motor for poverty reduction and economic development, as a priority for Africa and the Newly Independent States where such growth is most needed.

We believe that the Bonn Recommendations for Actions will be able to support us and carry us forward a long way. We shall continue our commitment beyond Johannesburg in preparation of the 3rd World Water Forum together with our Japanese friends and urge you all to make use of the United Nations Year of Freshwater next year to keep the action-oriented results of the Bonn Conference alive.