Water governance, poverty reduction and sustainable development

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As a representative of a UN Agency with poverty reduction and sustainable development on top of the agenda, I greatly appreciate the evolution of the Stockholm Water Symposium from its initial years as a rather technical side event, appended to a noisy water festival, to in recent years a scientific symposium addressing global development issues critical for the survival of mankind and the environment.

Let me also express my appreciation of the organizers’ openness to unconventional solutions and to place new ideas and concepts on the agenda for discussion. Just one example: the pioneering work on ecological sanitation by the Stockholm Water Company and the Swedish International Development Cooperation Agency, Sida, was exposed to a global audience for the first time ever here at the Water Symposium some five years ago. The heated discussion on alternative sanitation that started here in this congress hall is today as lively as ever – and has had a big impact on UNDP’s and other agencies’ policies on sanitation and water.

This week we are gathered here in Stockholm at a time of global crisis. But even as much of the world is preoccupied by political events in the Middle East, our presence here at this meeting, on this topic, sends a powerful message about the international community’s firm commitment to stay focused on broader challenges facing our water, our planet and its people.

Because this too is a crisis – albeit a largely silent one. Every year, some 3.4 million people, mostly children, die from diseases associated with inadequate water supply, sanitation and hygiene. The numbers are daunting – more than one billion people lack safe water to drink and more than twice that number lack basic sanitation. And the gulf between water use between rich and poor countries is stark: developed nations use an average of 400–500 litres a day per person, in developing countries the volume is just 20 litres or less.

It is a problem that in many parts of the world is getting worse even as we strive towards meeting the Millennium Development Goals, which include the targets of halving, by 2015, the proportion of people without access to safe drinking water and proper sanitation.

Simply meeting the first of those requires us to help more than 275,000 people a day to get access to clean water over the next 12 years. And we need to do so while meeting the broader challenge of reversing growing pollution and depletion of fresh water while alleviating growing competition over scarce resources in many parts of the world.

That is the scale of the challenge we face – and this Symposium is a relevant place mapping out how we are going to meet it. Not just because these targets are critically important in themselves, but because by doing so we send a clear signal of our broader commitment to meeting all the Millennium Development Goals and fulfilling the Johannesburg Plan of Implementation agreed at the World Summit on Sustainable Development less than a year ago.
The governance challenge

This is a crisis with many dimensions, but one of the most important – and neglected – is the governance aspect: meeting our goals will depend in large part on whether we can all value and manage scarce water resources better at both the individual and collective level. By this I mean everything from supporting national policy and regulatory frameworks for integrated water resources management to the development of improved water and sanitation services, through participatory approaches, at all levels of society.

As the UN’s global development network and with some 60% of our programme resources now dedicated to governance issues, this is the central focus of UNDP’s work to help preserve and manage vital national and international water resources – including marine ecosystems, lakes and river basins – much of it carried out as one of the Implementing Agencies of the Global Environment Facility.

By stressing the central importance of governance I do not mean to propose a single water governance model every country should be following. There is no “one size fits all” strategy. Rather each country needs to develop its own plan of action in the context of broader development vision built around the Millennium Development Goals – identifying feasible policy and institutional measures to ensure access to water and sanitation.

While the exact approach chosen may vary from country to country, there is an important central principle that stretches across all of them: the need to involve the poor themselves in crafting and implementing solutions. One of the few lessons that we have learned in development over the years is that it is only by giving local people, particularly women, a real say in how resources are used and managed in their own communities that we can properly tackle these problems.

At UNDP we see this working in both urban and rural areas, every day, all over the world – from our collaboration with the Government of Niger to help communities develop integrated water management plans, with a particular focus on the role of women, to the way UNDP’s LIFE global programme (Local Initiatives for the Urban Environment) has enabled poor communities to gain access to tube wells, install latrines and erect standpipes in the slums of Dhaka, to our Asia-Pacific Urban Governance Initiative (TUGI), which has helped towns and cities across the region develop more efficient, equitable and transparent water and sanitation management plans that directly target the poor.

Building on such experiences and addressing the challenges of the World Summit on Sustainable Development, UNDP is now expanding its water-related work in four broad areas.

- A new Community Water Initiative, that will provide small grants to support innovative approaches to water supply, sanitation and watershed management at the community level, with an initial pilot programme focusing on six countries this year. Thanks to the generous support of the Swedish government urban and rural communities in Sri Lanka, Kenya, Tanzania, Mozambique, Mauritania and Guatemala will get access to small grants (<20,000 US$) to improve their livelihoods.
- Expanding Integrated Water Resources Management approaches in national development frameworks for effective, sustainable and equitable use of water. To ensure broadest possible stakeholder participation UNDP works closely with the Global Water Partnership (GWP) and The International Council for Local Environmental Initiatives (ICLEI).
- Widening our Transboundary Waters Initiative, which encourages increased cooperation between countries sharing the same water, such as the Nile, Senegal, Niger and river basins in the Arab States and Central Asia. The Transboundary Water Initiative is closely linked to 25 large projects within the GEF-UNDP $250 million International Waters portfolio.
Most importantly, building on our leadership role in Capacity Development – for sustainable development, through Cap-Net, an international network for capacity building in integrated water resources management, supported by the Government of the Netherlands and in close collaboration with GWP and IHE/UNESCO. This initiative has in less than a year established more than 12 new regional and country networks to improve the relevance and quality of training in existing institutions.

In all these areas the issue of gender mainstreaming must be given high priority. To a large extent women have been marginalized in water management in the past. Women’s as well as men’s concerns and experiences must be made an integral dimension of the design, implementation and monitoring of both projects and policies.

The need for resources

But we cannot forget that while sound, sustainable water governance that encourages sound policy frameworks and a strong focus on community-based activities is essential, it is clearly far from sufficient. We also need resources. Lots of them. And we need, as in our policy work, to pay particular attention to innovative ways of raising finance for the kind of local and community level initiatives I have just highlighted.

That is one of the findings of the recent United Nations World Water Development Report and the Report of the World Panel on Financing Water Infrastructure. The reports estimate that spending on water infrastructure in developing countries will have to rise from current levels of around $80 billion a year to around $180 billion over the next 20–25 years to meet growing needs.

Currently, not only are we far short of what is needed, but both domestic and international funding for water and sanitation has broadly fallen in recent years.

Governments in many parts of the world – for reasons ranging from economic pressures, to changing political priorities – have often cut investments in water, sanitation, solid waste management and health care. And international lending to infrastructure of all kinds – including roads and energy as well as water and sanitation – has also plummeted. (International aid to water and sanitation has fallen from $3.5 billion a year in 1996–98 to $3.1 billion a year in 1999–2001 while international private flows, although they fluctuate widely, have also dropped off in line with broader falls in foreign direct investment to developing countries.)

To some extent that is understandable and justifiable. There were real mistakes made in the past. We saw too many poorly costed, often corrupt, white elephant projects, such as large dams, that neglected to consider environmental consequences and had a devastating impact on local communities.

But the pendulum has swung too far. We now desperately need more public resources, from international donors and lenders and from domestic government resources for these kinds of infrastructure projects. But this time we need to combine them in innovative ways with private money and expertise to maximize the impact and reach for the poor.

There is still a lot of hostility in parts of the world to the notion of private sector involvement in the provision of basic services, and much debate over issues like user fees and service charges. But the response should not be to reject the private sector – the scale of the challenge we face means we literally cannot afford to! Rather, we need to do a better job at ensuring that private public partnerships meet the needs of the poor in a transparent and effective manner.

Again, there will be no easy answer here. But I think the starting points must once again be to place the community in focus: making sure that the entity that provides the user with water and sanitation services – whether public, private or some combination – is one that local communities have initiated, trust and are able to hold accountable.
There are a number of possible models ranging from privatized central suppliers that sell services to elected local municipalities, who are better equipped to manage the necessary cost recovery in an equitable manner, to direct subsidies for poor users linked to differential pricing, to explicit targets linked to private contracts that ensure the poor get priority and are not priced out of services.

But experimenting to find effective models that allow sustainable cost recovery is only one part of the answer. We still have to pay for the capital costs. That means leveraging in new types of financing to supplement traditional public financing whether through new forms of credit or raising public resources at local level through borrowing by municipalities and other bodies – within the context of nationally set minimum standards of provision.

That is not easy at a time when many developing countries still have difficulty getting national sovereign debt ratings. But I believe this is an area that could easily attract local investors in developing countries themselves who would benefit directly from the services being funded. And such moves could also fit into a broader vision of expanding the role and access to private financing for development in poor countries – a topic that is the focus of a new international task force UNDP is currently in the process of setting up.

But let me close by pointing out that for water – as with the other four “WEHAB” areas that Secretary-General Kofi Annan identified as priorities in Johannesburg – Energy, Health, Agriculture and Biodiversity – the way we will meet our goals is by thinking globally and acting locally.

To get results that actually meet the needs of poor people, we need to focus our support on and work directly with local communities. But we always need to keep in mind the scale of the aggregate problem of those billions without access to water and sanitation – and the scale of the world-wide response needed to meet all the Millennium Development Goals successfully.