



**HIGHLIGHTS FROM THE INTERNATIONAL
FRESHWATER CONFERENCE
TUESDAY, 4 DECEMBER 2001**

On the second day, delegates met in a morning Plenary for the second multi-stakeholder dialogue (MSD) on developing strategies for sustainable and equitable management of water resources, and heard an address by HRH Prince of Orange Willem-Alexander of the Netherlands. An informal parallel ministerial session met to consider the equitable and sustainable use of water resources and the mobilization of financial resources for infrastructure investment. In the afternoon, Plenary reconvened briefly to hear reports on the MSDs, the ministerial session, and World Water Development Report, and then broke out into working groups on mobilizing financial resources, capacity development and technology transfer, and governance, integrated management and new partnerships.

PLENARY

The morning Plenary, facilitated by David Hales, Center for Sustainment Sciences, included introductory statements made by business and industry, farmers, NGOs, workers and trade unions, and local authorities.

MULTI-STAKEHOLDER DIALOGUES: Co-Chair Uschi Eid, Germany, introduced the session and identified crosscutting issues such as water as a public good, trade related aspects of water and governance and technology.

HRH Prince Willem of Orange, Patron of the Global Water Partnership, urged harnessing water management to achieve development goals. He called for universal water access, stressed that water is everyone's business, and urged partnering, democratic control, and recognition of water access as a human right. He promised to forward the Conference outputs to Johannesburg.

Anna Weir, BUSINESS AND INDUSTRY, stated that business interest in water management depends on relevance, impact and core competences and called for measurable targets to attract finance, technology and knowledge sharing. She urged treating water as an economic good and called on governments to ensure affordable water for the poor. Cesar Cascante, on behalf of FARMERS, recommended clear water codes and farmer involvement in water infrastructure and maintenance. Supporting biotechnology, he urged citizen-driven research and called for disaster insurance.

Kaarin Taipale, for LOCAL AUTHORITIES, illustrated how localities can manage water through optimization of municipal operations, engagement in dialogue and catchment planning at different scales. Urging separation of private sector involvement in water supply from international funding conditionality, and exclusion of water in trade negotiations, Marcella de Souza, for NGOs, stressed: prioritization of small-scale, community-led projects; water pricing; and support for the World Commission on Dams guidelines. David Boys, for WORKERS AND TRADE UNIONS, called water a natural monopoly distorted by privatization. He urged regulation of international financial institutions (IFIs), and called for additional finances from, *inter alia*, IFIs and union pension funds.

Discussion: EGYPT underscored the religious and cultural significance of water and, noting that water is not a public good and its monitoring costs are high, supported drinking water tariffs. FRANCE distinguished different levels of jurisdiction for water management and urged for national water codes. NAMIBIA suggested that government-managed commercialization can help the poor.

Integrated Water Resource Management (IWRM) was extensively discussed. FRANCE emphasized state water management, universal provision of drinking water and commercialization rather than privatization. IRAQ distinguished between water pricing and sale, stating that water sale was unacceptable. GLOBAL WATER PARTNERSHIP said discussion should focus on farming, which accounts for 70 percent of water use. ADB identified key issues for farmers as access, conservation and fair and equitable returns. FARMERS, the US and MOROCCO shared their experiences, respectively on water pricing, managing water contamination and managing riverine catchments. UZBEKISTAN called for donor coordination, and for donors to respect local knowledge and experience. NGOs stressed participatory decision making and BRAZIL drew attention to water quality and pricing.

Regarding financing, BUSINESS AND INDUSTRY stressed that water corporations serve both the poor and rich, noting that 30 percent of the one million newly connected customers in Manila are poor. He said companies could benefit from eliminating corruption and proposed a multi-stakeholder review of water service provision models, urging an end to pitting the public sector against the private sector. FARMERS drew attention to the recent European Water Directive, in which charges had to equal costs and still respond to social and other considerations. SCIENCE AND TECHNOLOGY urged a worldwide assessment of alternative sources of irrigation, including groundwater irrigation. WOMEN called for an enabling environment and capacity building. ITALY urged education to enhance respect for water.

On the lack of private investment in needy regions, BUSINESS AND INDUSTRY suggested that governments raise ODA, build capacity, and increase the public will to pay for water. MALAYSIA proposed a reference to lifeline policies for food and water in the Recommendations for Action. Referring to the Aarhus Convention, DENMARK recommended a framework enhancing public participation in water issues. YEMEN suggested an opportunity for states that depend on multilateral financing to establish their own conditionalities. LOCAL AUTHORITIES requested incentives for creating local fora to increase dialogue from civil society.

The African Development Bank preferred the public sector to determine water pricing and underlined the sector's role in capacity building early in the development process. The FAO underscored the importance of water for nutrition and agriculture, and the HOLY SEE emphasized ethics in financing issues. WORKERS AND TRADE UNIONS urged meaningful discussion with governments on including social issues in agreements, eliminating bribery, and strengthening the role of the ILO. INDIGENOUS PEOPLES emphasized the goal of providing water to the poor through IWRM at the lowest level.

Presenting recommendations: LOCAL AUTHORITIES noted empowerment, freedom of information and decentralization; FARMERS emphasized, *inter alia*, strong professional organizations,

appropriate pricing, research and development, and donor coherence and urged recognition of positive contributions by farmers to water management; BUSINESS AND INDUSTRY called for burden reduction for women and an enabling environment; and NGOs stressed optional partnerships, review mechanisms, meaningful participation, compliance with decisions, and support for the World Commission on Dams and the WHO recommendations.

CHILDREN AND YOUTH recommended a holistic approach, SENEGAL stressed a healthy water policy and GREECE called for preventing past mistakes. Chair Eid concluded the session with a summary of the points discussed.

CONCLUSIONS OF THE MINISTERIAL SESSION: Habbollah Bitaraf, Minister of Energy, Iran, reported that the Ministers had reached consensus on the Recommendations for Action and presented their adopted Declaration, which concludes that equitable access to water is a pre-requisite for tackling poverty, but must be founded on good governance and incentives and prioritize basic human and ecosystem needs. They discussed finances and urged: incorporating water access issues in national accounting and in World Bank Poverty Reduction Strategy Papers, and affirmed the selection of 2003 as the International Year of Freshwater. Noting disappointment in achieving the water goals laid out in Agenda 21, the Ministers urged the Conference to discuss new water targets and to ensure adequate financing.

CONCLUSIONS OF THE MULTI-STAKEHOLDER DIALOGUES: Presenting the report on the MSDs, Facilitator Hales noted: a healthy and lively exchange of views; an optimism about potential for progress; a recognition of the magnitude of the task ahead; and rhetoric unmatched by action. He identified emerging concerns, *inter alia*, creating strong partnerships and enabling environments, addressing the inadequacy of financing, and managing privatization.

WORLD WATER DEVELOPMENT REPORT: Gordon Young, Coordinator of the World Water Assessment Programme (WWAP), described this collective effort of 23 UN agencies and conventions. He said the WWAP is a long-term project, whose main product is the World Water Development Report, published tri-annually. Targeted at decision-makers, the Report will be released at the Third World Water Forum in 2003. Young also presented a policy paper providing case studies and examining policy progress since Rio.

WORKING GROUPS

The groups met in parallel sessions and began consideration of capacity development and technology transfer, mobilizing financial resources, and governance, integrated management and new partnerships. Introducing the groups, Conference Facilitator Margaret Catley-Carlson encouraged the groups to draw upon the Ministerial Declaration and the ministers' and MSD's reports. In the working groups, keynote presentations preceded discussion in each session.

GOVERNANCE, INTEGRATED MANAGEMENT AND NEW PARTNERSHIPS: Opening the Working Group on Protection of Water Resources and Ecosystems, Chair Rogatien Biaou, Benin, introduced Co-chair Wu Jisong, China, and invited amendments to the Recommendations.

Ger Bergkamp, IUCN, highlighted key trends, including: rising insecurity, competing demands, decentralization and integration of resource management across sectors. He urged minimum flows for ecosystems, economic valuation, popular motivation and social capital development, and called for partnerships and transparency.

Friedrich Barth, European Commission, outlined the integrated approach of the Water Framework Directive, which sets environmental objectives and actions for water and groundwater resources across Europe. He proposed general principles including: appropriate incentives, transparency, public participation, capacity building for administrations, and objectives that permit early success.

Delegates noted the importance of ethics, transparency and participatory decision making at the lowest level, environmentally-friendly farming technologies, combating corruption and enforcing laws. Some proposed that water be valued on the basis of benefits rather than costs. Other issues raised included: transboundary downstream impacts; links between privatization and globalization; participatory needs assessments and the environmental impacts of dams.

Summarizing the discussions, Chair Biaou noted that the session addressed motivation, social capital, technology options, rule setting, democratic decision making, and environmental issues.

MOBILIZING FINANCIAL RESOURCES: Co-Chair Jacobus Richelle, European Commission, introduced Co-Chair Zaal Lomtadze, Georgia, and then keynote speaker David Ssebabi, Uganda Utility Reform Unit, articulated Uganda's experience with privatization. Ssebabi stated that in countries with low incomes, water management will have to be financed primarily by governments. He said subsidies, restructuring, commercialization, strengthening financial management and enhancing local regulatory capacities were essential, while ensuring resources were not wasted would remain the key challenge. Meera Mehta, World Bank, presented case studies on rural water supply and on water and sanitation in Uganda and India, addressing options for financing mechanisms, decentralization, and emerging priorities. She said informed choices for the rural sector, community-based management, and cost recovery were key to rural water supply.

During the discussion, delegates focused on strengthening public finances, allocating investment between competing needs, and attracting FDI. Delegates suggested that government should have a role in poverty eradication in order to increase ownership, and recommended reporting to the UN Conference on Financing for Development in March 2002.

CAPACITY DEVELOPMENT AND TECHNOLOGY TRANSFER: Lars Engfeldt, Sweden, Co-Chair of this Working Group opened the discussion of education and training, and encouraged participants to further refine the Recommendations for Action.

In the keynote address, Janos Bogardi, UNESCO, shared conclusions from the recent Delft Water Conference and called for new leadership with, *inter alia*, "ethics and humility." Ngoni Mudege, Institute of Water and Sanitation, noted the lack of adaptive capacity to solve problems with well-known solutions, characterized the role of resource centers (RCs) in water education, and underscored the need for RCs ability to build their own capacities. Victor Kanu, African Institute of Sataya Sai Education in Human Values, suggested a value-based approach to water education and elaborated on how education should both provide information and enact behavioral transformation.

In the subsequent discussions, delegates raised concerns regarding: adopting the appropriate media for the message; differentiating messages for rural and urban water users; re-educating bureaucrats and technocrats; transferring knowledge through exchange programmes and virtual universities; educating women on water quality and use; and considering youth as potential entry points for community education.

THINGS TO LOOK FOR TODAY

WORKING GROUPS: Three parallel working groups will meet in the morning from 9:30 am – 12:30 pm and in the afternoon from 2:30 – 5:30 pm. Working Group A will resume in the Plenary Hall to consider infrastructure for the poor in the morning, and allocation of water and transboundary waters in the afternoon. Working Group B will meet in the Wasserwerk Building to consider attractive investment in the morning and in the afternoon, to consider sustaining operations and investment and role of development assistance. Working Group C will meet in the Bundesrat Building to consider sharing knowledge and effective institutions in the morning and innovative technology for water efficiency and coping capacities for extreme events in the afternoon.