HIGHLIGHTS FROM THE INTERNATIONAL FRESHWATER CONFERENCE
WEDNESDAY, 5 DECEMBER 2001

Delegates met in three parallel thematic working groups. The Working Group on Governance, Integrated Management and New Partnerships considered infrastructure for the poor, allocation of water, and transboundary waters. The Working Group on Mobilizing Financial Resources discussed attracting investment, sustaining operations and investment, and the role of development assistance, while the Working Group on Capacity Development and Technology Transfer deliberated on sharing knowledge, effective institutions, innovative technology for water efficiency, and coping capacities for extreme events. Keynote speeches and case studies introduced the subjects. The ministerial declaration was informally circulated to the Working Groups to aid discussion.

GOVERNANCE, INTEGRATED MANAGEMENT AND NEW PARTNERSHIPS

The Working Group was co-chaired by Wu Jisong, China, and Rougatien Biaou, Benin, and facilitated by Josefinæ Maætsu, Spain, with Aizaz Chaudhry as Rapporteur.

INFRASTRUCTURE FOR THE POOR: Keynote speaker Gourisankar Ghosh, Water Supply and Sanitation Collaborative Council, discussed the link between infrastructure development and poverty alleviation, while Kalyan Ray, UNCHS, examined the challenge of providing infrastructure for the urban poor. In the case studies, Mukami Kariuki, World Bank, outlined the role of small-scale water providers in urban Africa, while Oswald Chanda, Water Supply and Sanitation Council, Zambia, shared Zambia’s experience with water reforms, and Dennis Mwanza, Water Utility Partnership, presented on water and sanitation reform.

They recommended, inter alia, adopting a rights-based approach to basic service provision; identifying innovative financial mechanisms; providing enabling environments for small-scale service providers; taking a flexible approach to reform; providing good information; and adapting regulation to local conditions.

During discussion, the UK presented proposals brought forth during the ministerial session of: halving by 2015 the number of people without access to sanitation, as well as the number of river basins without strategies; preparing national water resource plans by 2005 or 2007; and reviewing the priority given to water and sanitation by national and international programmes.

Discussion focused on: clarification of targets and indicators; purpose, monitoring and assessment of targets; proposed time-frames and potential obstacles to their attainment; approaches to interfacing between government and the private sector, local authorities and users; development of capacity at the lowest levels; distinction between privatization and private sector involvement; benefits of using a holistic approach; and the possibility of crafting universal recommendations.

ALLOCATION OF WATER: Frank Rijsberman, International Water Management Institute, discussed balancing water allocation between uses, proposing national cross-sectoral and basin-level cross-sectoral dialogues that are informed by knowledge and local action. Peter Gleick, Pacific Institute, proposed, inter alia, prioritizing basic and ecosystem needs; treating water as more than an economic good; reorienting water policy from supply to demand; reducing risk from water-related conflicts; and collecting and disseminating better data.

Issues raised during discussion include: the link between the ability of, and willingness by, the poor to pay; the dilemma of assigning economic value to water uses; the social, economic and spiritual values of water; the sovereignty of nations over freshwater; the relevance of trade regimes to water; the risks of privatization; the need for review of private-public partnerships and private sector performance in the water sector before the Johannesburg Summit; the assessment of capacity for privatization in developing countries; the cost of not providing clean water; and the recognition of public sector success stories.

TRANSBOUNDARY WATERS: David Grey, World Bank, emphasized, inter alia, inclusiveness and subsidiarity, shared vision, fairness, the equal importance of process and product, and the need for an instrument to support the process. The case study by Thomas Chiramba, Southern African Development Community, focused on water as a critical tool for regional integration, where waters are shared between countries.

Discussion focused on: transparency; international cooperation; transfer of knowledge in transboundary water management; and the collective duty of combating pollution. Delegates urged ratification of the 1997 UN Convention on Non-navigational Use of International Watercourses, and supported the UK/Sweden proposal to halve by 2015 the number of river basins without river basin management plans. Proposals were made to add river basins and lakes to the Draft Conference Recommendation’s clause on sharing benefits from transboundary waters.

MOBILIZING FINANCIAL RESOURCES

Jacobus Richelle, European Commission, and Zaal Lomtadze, Georgia, co-chaired this Group, Jon Lane, UK, facilitated, with Jennifer Moore, Canada, as Rapporteur.

ATTRACTING INVESTMENT: Opening the session, Rodney Short of Clifford Chance highlighted benefits of private sector investment, including: increased affordability, quality, quantity, and environmental sustainability. He identified business interest in transparent regulatory regimes, adequate tariff levels, convertibility, and political stability.

Steve Baseby of Thames Water compared private participation in the UK and Chile, noting that the participation structure depends on, inter alia, economic, historical, cultural, political and institutional factors. To meet multiple objectives, he urged flexibility in models, a strong legal system and government capacity, a minimum local investment clause, a river basin approach, and expert advice to governments early in the decision-making process.

Participants discussed: the necessary framework conditions, including public acceptance and legal redress; adequate preparation of governments and utilities for negotiations and changing roles; donor conditionalities; option assessments; and local sources of finance. Also debated were the difference between the urban and rural poor’s willingness and capacity to pay, the recovery of full cost as opposed to operation and maintenance cost, and the applicability of these recommendations to public utilities. Delegates identified as needs: stakeholder participation, subsidies, cross financing, domestic partnership, and regulatory stability. Recommendations from Sustainable Developments may be used in other publications with appropriate academic citation.
include launching a multi-stakeholder empirical assessment of these issues, sharing lessons learned, and developing solutions cognizant of downstream consequences.

Participants recognized that business currently serves only a small percent of urban users, highlighted that privatization allows governments to channel new resources to other needs, and noted that private participation takes many forms, including community-based cooperatives. They stressed that infrastructure ownership is not a pre-requisite for private sector entry, urged tailoring solutions to local conditions, and proposed subsidizing rural access through urban tariffs. Some proposed: establishing a framework or code of conduct to level the playing field; creating safety nets or minimum water allotments; and promoting transfer of knowledge to local and regional companies.

SUSTAINING OPERATIONS AND INVESTMENT: Jon Gibbs, PricewaterhouseCoopers, described means of structuring private sector participation. He stressed that tariff increases without service improvements are unviable, and that international financial institutions’ involvement, government preparation, and targeted, time-bound subsidies are important. He recommended progressing gradually from management contracts to concessions, instead of sudden divestiture.

Mike Muller, South Africa, noted that with only 0.6 percent of its budget invested in infrastructure, South Africa had, since 1994, halved the number of people lacking water access, through balancing cost recovery, donor assistance, private sector expertise and domestic capital. He noted, however, that the critical level of domestic financing may not be available in poorer countries.

In discussion, participants agreed that while financial sustainability is necessary, cost recovery should not thwart the poor’s access to water and sanitation. They called for positive examples of public utility reform, optimal collection of property taxes and water charges, and urged fostering regulatory capacity to ensure that efficiency gains help the poor.

THE ROLE OF DEVELOPMENT ASSISTANCE: B.N. Nawalawala, India, urged donors to invest in infrastructure and water use efficiency, mobilize local resources and promote participatory decision making. Palle Lindgaard-Joergensen, Denmark, called on donors to incorporate financial planning in goal setting. Noting the lack of international agreements for water, he called for regional cooperation frameworks. John Briscoe, World Bank, highlighted how long-term financing for water infrastructure by donors mobilizes private capital, adding that private sector entry can improve regulation of water utilities, and that broad investment in utility reform and resource management can improve water services for the poor.

During the discussion, participants stressed: international knowledge-sharing, strong domestic financial markets, public accountability for service quality, and the particular needs of economies in transition. They urged: engaging in broader development debates, including climate change; benchmarking utility performance; and addressing agricultural subsidies.

CAPACITY DEVELOPMENT AND TECHNOLOGY TRANSFER

This Working Group was co-chaired by Lars Engfeldt, Sweden, and Claudia Martinez Zuleta, Colombia, and facilitated by John Soussan, UK, with Alison Drayton, UNDP, as Rapporteur.

SHARING KNOWLEDGE: Co-chair Zuleta’s introductory remarks focused on the value of sharing information at different levels and developing indicators that are understandable to all. In his keynote presentation, Arthur Askew, WMO, stressed the importance of collecting data to obtain information, create knowledge and attain wisdom, which in turn can help forecast problems, plan solutions, reach agreements and resolve conflicts. Walter Jülich, International Association of Waterworks of the Rhine, presented a case study on Rhine management, explaining how countries overcame through compromise and consensus building, the obstacles of disparate cultures, attitudes and expectations.

In the ensuing discussions, participants emphasized: fostering empowerment at all levels; transferring appropriate technology; promoting capacity enhancement and retention; training young professionals, and rethinking knowledge presentation and use.

EFFECTIVE INSTITUTIONS: Torkil Jonch-Clausen, Global Water Partnership, highlighted the roles of water management institutions in policy formulation, education, water allocation, and water quality management. He defined the institutional challenges as clarity of mandates, political acceptance, and strong leadership. Ingvar Andersson, UNDP, presented a case study on capacity building in African institutions. He highlighted challenges to reforming management systems, inter alia, building capacity for new roles, encouraging information flow, and reaching future decision makers.

During discussion, delegates tackled the challenge of providing water while creating institutions, and emphasized interactions between institutions in order to enhance transparency and exchange information. Participants urged international cooperation in non-discriminatory provision of training, in particular for youth and women.

INNOVATIVE TECHNOLOGY FOR WATER EFFICIENCY: Co-chair Zuleta opened the discussion by stating that developing countries require technology transfer, not aid. In his keynote speech, Ralf Otterpohl, Institute of Municipal and Industrial Wastewater Management, demonstrated how low- and high-tech water reuse technologies, based on separating grey-water from sewage, can promote sanitation and reduce scarcity in developing and developed countries. S. Rashid, NGO Forum for Drinking Water Supply and Sanitation, presented a case study on community-based rainwater harvesting in Bangladesh, concluding that interpersonal communication was most effective for generating awareness.

Subsequent discussions raised the issues of: increasing accessibility of existing information; facilitating technology transfer through creating incentives for government-industry partnerships; and promoting entrepreneurship. In discussing targets, participants agreed that they should consider consumption and land-use patterns, ecological processes and water-use efficiency.

COPING CAPACITIES FOR EXTREME EVENTS: Zbigniew Kundzewicz, Potsdam Institute for Climate Impact Research, gave an update of global and regional climate variability, illustrated possible strategies for flood protection and management, and underscored the need to improve forecasting to enhance preparedness. In his presentation on helping water managers cope with climate variability, Roberto Lenton, Columbia University, suggested considering the full spectrum of climate events, adopting win-win adaptation strategies, improving mechanisms for decision making under uncertainty, and strengthening links between water management and climate communities. Chaiyuth Sukshi, Mekong River Commission, presented a case study on the holistic and coordinated approach to managing the Mekong basin, and elaborated strategies to enhance services, address differences, facilitate dialogue, and build capacity.

Discussions focused on: raising political will; integrating risk management into the development agenda; and integrating flood management into IWRM approaches; and reducing vulnerability through ecosystem protection, land-use planning and recognition of unplanned settlements. Chair Engfeldt wrapped up the day’s session, followed by Facilitator Soussan, who described the converging themes of the Working Group as “sharing, flexibility, and utility.”

THINGS TO LOOK FOR TODAY

PLENARY: The Conference will meet in Plenary to consider the theme “Integrating Gender Perspectives: Realizing New Options for Improved Water Management” from 9:30 – 11:00 am and hear reports from the Working Groups from 11:00 am to 12:30 pm. It will resume in the afternoon from 2:30 – 5:30 pm for a presentation and discussion of the Draft Conference Recommendations. Look for a revised Draft of the Recommendations before 12:30 pm.