

G20 COMMUNIQUÉ ON WATER

AN INDEPENDENT ARBITRATOR'S PERSPECTIVE

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Introduction

I am honoured to be asked by the leaders of the G20 to be an informed arbitrator in outlining key initiatives for a leaders' G20 on Water and Sanitation. I am delighted that the leaders of key industrialized and developing nations recognize the moral and ethical imperative to provide safe drinking water and sanitation to the billions around the globe who currently lack access. By committing to the provision of water and sanitation to all by 2025 the G20 are directly and indirectly making a commitment to addressing a wide range of Millennium Development Goals (MDGs) over and over the water and sanitation MDG (goal 7), namely combating major diseases, particularly diarrhoea (goal 6), and hence improving maternal health (goal 5) and reducing child mortality (goal 4). Through improved self respect and quality of life, especially for women and children, there are also potential impacts on gender equality and primary education (goals 2 and 3). Links are also evident with the overarching aims of environmental sustainability (goal 7) and poverty reduction (goal 1). It is also to be welcomed that leaders from both the industrialized and developing world recognize the quasi public good nature of universal water and sanitation provision and the need for multilateral cooperation **at a time when some regions are subject to the destabilising effects of rampant unilateralism**. This short note presents suggestions for universal water and sanitation by 2025 along the following key themes:

1) The political economy of water and sanitation provision

Given that water and sanitation are deeply moulded by power and politics at the global, national and local levels, G 20 leaders need to recognize the political dimensions determining access to water and sanitation upfront which will go a long way in achieving the 2025 targets.

At the global level, G 20 leaders need to resist behind the border policy convergences that allow global institutions such as World Bank, the IMF and the bilaterals to promote policies that can directly or indirectly undermine poor people's access to water and sanitation. This is largely down through aid conditionalities and its impacts have been the worst in sub-Saharan Africa, a region that G20 leaders must be concerned about. The G20 Agency/ Water Secretariat needs to be critical of H Street policies that have since the mid- 1980s forced poor governments to privatize their public services, including water.

Nationally, political will needs to be fostered. Votes count! Water and sanitation provision needs to be made a vote-winning activity to which political actors become accountable at local--and up to national--levels. Thus G 20 leaders must commit to build in accountability in the political process as well as develop the capacity to educate political actors about the barriers to and possibilities for improvements in their areas.ⁱ In particular, politicians need to be made accountable to the water and sanitation needs of the poorest of the poor in rapidly growing urban settlements.

Locally, water (unlike sanitation) is a contested resource. It is an issue that divides communities. Access to water reflects power asymmetries, socioeconomic inequalities, and other distribution factors, such as the ownership of land. Water is such a politicising resource, that it is highly questionable as to whether poor people (either male or female) will adequately be represented on local water committees and bodies. Thus policies and programmes must go beyond focussing on efficiency of infrastructure, delivery and so on. Instead, equity needs to be upfront and local leaders must be partisan to the needs of the marginalised and disempowered, in particular women.

2) Targets, indicators and financing

Globally, G 20 leaders need to urgently resolve the potential confusion surrounding the range of definitions that agencies use to measure indicators of progress and monitoring (e.g. Joint Monitoring Programme of WHO uses 'improved' water types, v/s 'safe' of the MDG Report). The current G 20 definition is restrictive and narrow since it does not adequately emphasize human health impacts, child mortality, technology type, gender impacts, struggles around water access and control and the number of people sharing a source. Leaders must urgently settle on a broad and realistic definition, otherwise indicators will be difficult to translate to national/ local levels and monitoring will also become difficult. Similarly, financial estimates to achieve the goal between different global agencies vary considerably (for the range in financial estimates see Table 1).ⁱⁱ

Table 1: Summary Table of Financial Estimates

Organisation / researcher	Estimates
World Water Council and Global Water Partnership	Additional US\$100-110 billion a year to reach the 2025 goal (US\$16 billion of these additional resources for drinking water and sanitation)
World Commission for Water	Additional \$75 Billion a year for drinking water and sanitation
WSSCC	Additional US\$9 billion a year for the 2025 goal for drinking water and sanitation
World Bank	Additional US\$15 billion a year for drinking water and sanitation for the 2015 goal
Averous (cited in Winpenny 2003 and in Guerquin and others 2003)	US\$49 billion a year for the 2015 goal (incorporates full water and sewerage connections and primary wastewater treatment to the urban populations)

Source: Mehta with Canal, 2004.

It is advisable that the G20 leaders do not endorse financial estimates that are controversial such as the Camdessus Report. Otherwise it could feed into the notion that the G 20 Secretariat panders to the interests of the large global utilities. Assuming that additional financing of \$9 to \$15 billion are required, if leaders commit to low-cost, locally appropriate technology which is chosen and operated and maintained by local women and men, industrialized nations within the G 20 need to commit to increase resource transfers from the North to the South. Leaders could endorse the 20/20 Initiative proposed at the 1995 World Summit for Social Development, aimed at achieving universal access to basic social services, suggest taxing the rich and allocating 20 percent of official development assistance and 20 percent of developing country budgets to these services. Leaders from industrialised nations must also commit to the Camdessus Report's suggestion of doubling donor spending on water – currently it is about 5 percent though the UK lags behind most G8 countries at 2 percent.

Clearly these measures can only be effective in the current financial system with some radical changes. The G 20 Water Secretariat must monitor that the IFIs and bilaterals avoid requiring private investment in public services as a condition of aid. The Secretariat could also urge the various organs of the Bank and IMF that provide guarantees to the private sector to engage in a similar way to overhaul currently problematic public systems. Similarly, debt cancellation in return for poor governments increasing their spending on public services could go a long way in both reducing poverty and creating the much needed finances required for water and sanitation systems.ⁱⁱⁱ

Nationally, water and sanitation cannot be merely relegated to water, environment or health ministries. G20 leaders from developing countries need to ensure that their Finance Ministers, and bureaucrats from the Treasury get involved in water and sanitation issues and prioritise them. At the moment, Poverty Reduction Strategy Papers (PRSPs), the main vehicle through which donor spending is directed rarely focus on or prioritize water and sanitation issues. G 20 developing countries need to work hard at prioritizing spending on water and sanitation and they need to convince governments in other developing countries. But this is only possible if national governments can truly have 'ownership' over the PRSP process and when a wide range of actors (e.g. community groups, civil society, social development bureaucrats) have a say in the final outcome.

Finally, G 20 leaders could commit to reducing a mere 1 percent off military budgets. This would easily match the additional US\$9–15 billion estimated by the WSSCC for achieving the MDGs on water and sanitation through low cost technology and locally appropriate solutions. It is a lot of money but one cruise missile deployed in Iraq costs US\$2.5 million and this is what the US government spends on defense every 10 – 15 days.

Adequate financial resources must also be allocated to building the capacity of local government and local water service providers.

Locally, radical rethinking of financing is required. Leaders must move away from the mindset that poor people are willing and able to pay for water or have to pay for it even if they are willing and able. Even if the poor currently pay about 10 – 20 % of their income on water in some parts of Africa, should they be paying so much? Leaders need to reflect on South Africa's thinking of institutionalizing a lifeline of access to water. Leaders however need to learn from some of the pitfalls of the South African model which has implemented its Free Basic Water Policy without adequate capacity building and financial resource transfers to local government. Moreover, in order to have a truly poverty reducing effect, over and above 25 litres for free, leaders should seriously consider providing about 50 - 100 litres of water which could cover all the subsistence needs of poor people, and could go a long way in institutionalizing the human right to water since here the 'grey' area of livelihood security (e.g. home gardens for poor women) can also be addressed. Pension funds, ethical investments, municipal bonds and loans raised in local markets could also be used to support local water systems that provide effective lifeline support to the poor. High tariffs for commercial agriculture and infrastructure in rich areas (e.g. plants of multinational beverage companies and swimming pools) could also be introduced. Bulk consumers need to be charged at a much higher rate than what is currently charged. Leaders must commit to devising tariffs rates that reverse current trends where the poor often subsidise the rich. If the private sector is to be involved in water and sanitation provision, the G 20 Secretariat/ Water Agency must ensure that pro-poor regulatory frameworks are in place before any privatization takes place.

3) Governance and institutional arrangements

Global level – Leaders must pledge to ensure greater donor coordination and a harmonization of efforts to meet the 2025 water and sanitation targets. Reducing the number of meetings that leaders are required to attend would also be helpful. The G 20 Secretariat should be responsible for harmonizing and streamlining these efforts. The Global Secretariat could also play a key role in developing a knowledge base on water governance. Perhaps the Third World Water Forum could be used to as a launch to agree on streamlining efforts as well as setting out an action plan on how to create institutional mechanisms to reduce non-revenue water and wastages, facilitate conservation and tackling corruption since these would go a long way in using existing water supplies more judiciously.

If new panels and institutions are to be constituted around the water and sanitation MDG, leaders must ensure that new institutions are less self-referential and top-down in order to capture little heard voices and to seek out new "experts" from/ in the field.

National level - Leaders must commit to building capacity (both in terms of knowledge and finance) at the national and sub-national levels of local government and local municipalities to tackle new challenges in water/ sanitation service delivery.

Capacity must be built across sectors so that environmental, health, education and other initiatives mesh together around actions to increase access to affordable water and

sanitation. Water leaders need to think beyond sector-specific approaches. Thus a task force must be created to build effective inclusion of water and sanitation programmes within PRSPs and other integrated decision making on poverty reduction at a national level.

Decentralisation of water and sanitation service delivery should not take place unless local capacity has been built and adequate financial resources are devolved to the local and municipal level. Donors and leaders from industrialized nations must have a more realistic view of the impacts of decentralization in poor countries.

Locally, leaders from both industrialised and developing countries should avoid being naïve about the capacity of local institutions to act in a pro-poor manner. Leaders need to ensure that local level water and sanitation institutions are not subjected to elite capture. Local level power dynamics need to be addressed by extension and community workers.

Adequate institutional and financial resources must be allocated to build the capacity of local women and men around operation and maintenance, community facilitation for sanitation provision, hygiene education etc.

Extension workers must be trained to be gender sensitive and aware of local politics. G 20 leaders need to examine successful local community initiatives such as ‘Community Led Total Sanitation’ in Bangladesh or rainwaterharvesting schemes in India and tease out the potential for scaling up/ scaling out.

4) Water resource development

The MDG targets cannot be seen in isolation of larger water resource development issues. G 20 leaders need to commit to creating a new ‘blue revolution’ that meets principles of equity and sustainability. Leaders must accept and work with local people as the custodians of freshwater resources and the role of women must be recognized, incorporated, enhanced and institutionalized in all aspects of water management.

Innovation and science and technology are key for the ‘blue revolution’. For example, leaders need to commit to make technologies such as drip irrigation and desalination at affordable rates for poor countries. Innovation in dryland systems is also key since this is where the bulk of food is produced for poor people. Leaders must commit to ‘valuing water’ and to respecting and recognizing both its non-economic and economic roles. Proper valuation of water, including its social and environmental costs will assist the development of more equitable and informed water management strategies, demand management and pricing mechanisms are required to curb the shockingly wasteful consumption of water by industry, agriculture, the service industry and domestic users. However, pricing mechanisms must work equitably to penalize wasteful consumption without undermining the ability of poor people to access water for their needs.

Water resource management strategies must address the rights of both upstream and downstream users and the differential environmental impacts across the river basin. G 20

leaders should not impose top-down processes and infrastructure projects that have high ecological and social costs on people. G 20 leaders should endorse the World Commission on Dams (2000) guidelines around decision-making processes, in particular, its rights and risk approach as a practical and principled basis for identifying all legitimate stakeholders affected by a proposed project or programme. This encompasses those people directly or indirectly affected, either positively or adversely, as well as other interested parties such as governments, the private sector, community groups and so on. 'Recognition of rights' and 'assessment of risks (particularly rights at risk)' can be effective tool for guiding future planning in water resource development.^{iv}

5) Institutionalising Rights

Social and economic rights are key to enhancing access to basic services and reducing poverty.

At the global level, G 20 leaders need to endorse the human right to water as made explicit by the 2002 General Comment by the United Nations Committee on Social and Economic Rights.^v So far major players in the water domain have been reluctant to institutionalise and explicitly recognise the human right to water. Leaders must pledge legal protection to ensure commitment, to provide grounds for redress in cases of accountability failures, and to mobilize resources at global, national and local levels (see Financing). A rights dialogue could be established by the G20 at the earliest opportunity as part of the proposed governance networks to educate and inform sectoral actors at all levels.^{vi}

National level. As the UN General Comment so clearly states, the role of states in progressively realising the right to water (determined to entail the provision of sufficient, safe, affordable water to everyone) is key. Governments must therefore pledge to create an enabling legal and institutional environment to progressively realize the basic human right to water and sanitation. Awareness raising on rights to improved service provision is essential to kick-start local political processes including the 'responsiveness' of politicians to so-called 'expressed demand' for services. Accountability procedures to provide redress in case of failures in provision need to be provided.

Conclusion:

Leaders must recognize that the challenge for universal water and sanitation provision is in striking a balance between the principles of subsidiarity and global governance, bearing in mind the messy middle of institutional overlaps, power, and politics. Efforts to ensure everyone's access to safe and adequate supplies thus need to be embedded in local realities combined with global action and concern.^{vii}

ⁱ Alan Nicol, personal communication. I'm grateful to Alan Nicol for his useful comments and insights on an earlier draft of this note.

ⁱⁱ For example, the World Water Council sees these goals, which are restricted to the drinking water and sanitation subsectors, as milestones toward the goal of full global service coverage and other aspects of global water security and also includes irrigation, industrial effluent, wastewater treatment, water resource and environmental management. By contrast, the Water Supply and Sanitation Collaborative Council (WSSCC) also aims at universal coverage for 2025 but focuses on safe drinking water and sanitation. Further variation occurs because the calculations are complex and affect many variables for which there is no reliable or comparable information among countries. This implies that even the levels of current spending on which future projections are based are uncertain and vary. Moreover, the results of the projections themselves depend on the assumptions on factors such as levels of current access, choice of technology and cost per unit (see Mehta, L. with O. Miroso Canal. *Financing Water for All: Behind the Border Policy Convergence in Water Management. IDS Working Paper 233*. Brighton: 2004).

ⁱⁱⁱ For example, in Uganda through efforts of both government and civil society, investments in water and sanitation increased three-fold from 97/98 to 00/01 (WaterAid and others in Mehta 2004). Water investments of the Government's budget increased from 0.5 percent in 1997-1998 to 2.4 percent in 2000-1 and was matched by donor commitments. Consequently coverage increased to 52.4 percent in rural areas in 2000/2001. Still Uganda is confronted by a gap of US\$126 million in the next five years in order to achieve its goal of universal access by 2015. A submission by UK NGOs to the G8 countries argues that the problem lies in debt relief arrangements. Despite Uganda complying in an exemplary manner with the HIPC initiative, its debts totaling £322million have not been written off. Falling coffee prices further disadvantage the country and its debt is 219 percent of its annual export earning, which is much higher than the 150 percent limit set by HIPC (WaterAid and others, IMF and International Development Association in Mehta with Miroso Canal 2004, op. cit.).

^{iv} World Commission on Dams (2000) *Dams and Development: a New Framework for Decision-Making*. London, Earthscan.

^v General comment E/C.12/2002/11, dated 26 November 2002, accessed 29 December 2002 at: http://www.waterobservatory.org/library/uploadedfiles/right_to_water_Articles_11_and_12_of_the_Inter.pdf

^{vi} Alan Nicol, personal communication.

^{vii} See also Mehta, L. 2003. "Problems of Publicness and Access Rights: Perspectives from the Water Domain". In Inge Kaul, Pedro Conceição, Katell Le Goulven and Ronald U. Mendoza, eds., *Providing Global Public Goods: Managing Globalization*. Oxford: Oxford University Press.