

L20 Workshop Report

Safe Drinking Water and Sanitation

Alexandria, Egypt, 1-2 December, 2004

Introduction:

The meeting was convened at the Bibliotheca Alexandrina, Alexandria, Egypt. The purpose was to determine if **Safe Drinking Water and Sanitation** (SDS) was a suitable topic for a summit meeting of leaders from the 20 major developed and developing countries (the L20). This report provides a summary of the major issues and considerations addressed by participants, not necessarily presented in a chronological order.

The specific challenge posed to the workshop was: Does the safe drinking water and sanitation issue have unique attributes that give it primacy and leverage as an inaugural issue for the L20?

The meeting, chaired by Ramesh Thakur (UNU), began with a reminder of the parameters of a politically sustainable “deal” for an L20 contribution. Key criteria include: a value-added initiative that can operate in a way not possible through other fora or organizations (e.g., G8 or the UN); a workable solution – a forward looking, focused suite of actions and promises that offers a win-win-win outcome for L20 countries; legitimacy through adequate representation, particularly by the United States and the major developing countries; tangible results with substantial, broad-based benefits; realistic and acceptable financing mechanisms; and organizational feasibility.

It was also argued that the initiative must be attractive, both symbolically and politically, so that it invokes excitement among leaders (and their peoples). If committed, leaders have the capacity to make personal, crosscutting commitments that transcend bureaucracies, break deadlocks and offer coherence to the chosen agenda. The case was made that only a leaders’ summit as envisaged for the L20 has the needed authority and credibility to broker systematic and holistic solutions. This is necessary to address the multidimensional development paradigm represented by the Millennium Development Goals.

Commissioned Papers:

The background paper was written by Ralph Daley, Zafar Adeel and Colin Mayfield, of UNU-INWEH. It laid out the many dimensions of the problem, including pragmatic arguments as to the significance of the SDS imperative and the L20’s comparative advantages to act. A series of short briefing notes – “conjectural communiqués” - were also commissioned. Authors (Walid

Abderrahman, Lyla Mehta, Maharaj Muthoo, John Okedi, Nalin Sahni and M'hamed Sedrati) were each asked to frame the architecture of an attractive win-win solution that would galvanize L20 leaders to act. The meeting then explored critical elements of an SDS initiative in more depth and considered a "roadmap" that could engage the major players for the establishment of the L20 Leaders' Summit Process.

Daley *et al*'s background paper provided an overview of the global water and sanitation crisis, placing it within the broader cont

institutional arrangements; Water resource development; and Institutionalizing rights. In her view, provision of water and sanitation is a human right and governments should at minimum provide a “lifeline of access to water” for all. Further, SDS should be provided as a public service in an integrated water resource management (IWRM) context. She emphasized that governments have a responsibility to build capacity at the national, municipal and community levels for pro-poor provision of SDS.

Nalin Sahni (with Nigel Purvis) focused on the financing of SDS. They argued that the only durable “fast-track” financing solution for SDS is to use limited development aid to unlock underutilized capital *in well performing developing countries*. This would be done through partial loan guarantees and interest rate supplements to governments and water agencies to reduce the cost of capital and spread financial and political risks. One way to implement such a program would be for the L20 to establish an independent multilateral financial mechanism called the

the Agency fast-track global implementation of new or existing low-tech SDS approaches at the local level.

M'hamed Sedrati's paper focused on the lack of coordinated international action on SDS, despite the demonstrated impacts and scale of the crisis. He argued that the costs of inaction are now simply too large and urged commitment by the L20 to a "World-Wide Water Action Plan", facilitated by a dramatic increase in ODA.

Debate:

Debate generally focused less on "What" and more on "How" questions. A number of specific initiatives were judged non controversial and widely supported.

A large majority of the workshop participants agreed there was a moral, ethical and institutional imperative for concerted global action on SDS. Millions are dying from unsafe water and inadequate sanitation, billions are made sick, and current forecasts are that the water MDGs will be missed by 2015. A few participants, however, questioned the L20 approach, arguing that the effectiveness of existing agencies was improving and that sufficient innovative action had already begun, particularly on financing and in some regions.

There was a spirited debate concerning private sector financing for SDS. One perspective was that water and sanitation, as a human right, must be provided by governments from public funds. In this view, privatized water services are inappropriate, inefficient, unsustainable and deny access to the poorest of the poor. The opposite perspective was that private sector financing was not the same as institutional privatization, that brutal global realities (ODA of \$3 billion for SDS versus an additional \$12-15 billion needed) demanded mobilization of the private sector in developing countries (not necessarily multinationals), and that such private sector investment can be made "indifferent" to the nature of ownership (and operation), whether public or private. Participants generally favored the latter perspective, so long as pro-poor regulatory frameworks, effective local capacity development and access to appropriate technologies are provided. Some also observed that adequate financing is possible without formally legalizing the right to water, especially given that contingent liability is still denied by some developed-country governments.

There was also debate on the associated issue of conditionality and performance requirements for financing. The consensus favored "smart" conditionality for well-performing "resource governance" (to improve efficiency, equity and transparency), primarily at the project or local government level. Legal, political or economic conditionality at the national level was not deemed effective. Equally important, however, was the need to support conditionality with effective capacity development for disadvantaged governments and water agencies. In any event, conditionality principles can be particularly easily addressed by the L20, given that the "L12" developing-country members would be an integral part of the process.

The size, scope and permanence of an L20 coordinating "entity" for the SDS initiative were discussed. It was observed that most governments have little current appetite for new multilateral institutions. Participants thus proposed starting small and developing any such "Secretariat" or "Cooperation Commission" in a flexible, progressive and "organic" fashion, as the scope and mandate evolves. Many felt, however, that a substantial capacity, however structured, would be required to deliver even the minimum global SDS program for financing, capacity development

and advocacy. Others insisted that the crisis was so severe, nothing less than a permanent “Global Water Agency” would suffice.

The role of NGOs as important stakeholders was discussed. The growing concern of governments, particularly in the developing world, about NGO competence was noted, as was the controversial past role of NGOs in opposing large-scale, water development schemes. The consensus was that NGOs should not be used to bypass local government. Instead, the subsidiarity principle should be accepted and the “best”, most trusted NGOs should be mobilized to work in partnership with local government.

Other Key Observations:

From the discussions within the workshop and at its margins, the following important points were made:

- Gender issues must be an integral part of water and sanitation management. The role of women must be recognized, incorporated, enhanced and institutionalized in all aspects of SDS
- Success stories and best practices should be highlighted, whenever possible. They can help to “scale up and scale out”, generalizing lessons learned from existing “islands of success”
- The L20 initiative needs to recognize urban and peri-urban slums represent a large component of the SDS challenge ² (without, however, disadvantaging rural service provision)
- The more critical health threat, particularly in urban settings, is often sanitation, not water supply. Thus, for major projects, some suggested

- National Finance Ministers and their treasuries are critical players and should be brought on board by leadership pressure, social marketing and personal capacity development. They control the preparation of PRSPs, few of which now give priority to water and sanitation.
- The prospective contribution of faith-based non-profit organizations should not be overlooked, especially given their interest in water issues and their potential participation in leveraged financing schemes
- Research and development on alternative, low-cost, local, SDS technologies and methodologies need to be expanded
- When allocating SDS services, remember that the poorest of the poor have no access, period!

critical themes such as: water treatment and supply technologies, sanitation systems, financial mechanisms, and institutional and governance structures.

- **Global advocacy and social marketing:** The financing and capacity-building elements will be supported by a global advocacy campaign linked to the overall L20 coordination effort. Targets would be segmented: the global public at large, politicians and key decision makers and community-level stakeholders. One of the developing-country L20 members would be enlisted to champion the campaign. The advocacy messages, and particularly a slogan, need to be clear and catchy; perhaps something like: “Safe Water – Healthy World”, or “Water (and Sanitation) for All – Now!”
- **Essential monitoring and evaluation:** Underpinning the SDS initiative would be an independent, transparent, integrated, monitoring program, based on unbiased local data on service provision, etc. This service could possibly come from a merger and upgrading of the WHO/UNICEF Joint Monitoring Program and the UN World Water Development Report. All actors would be encouraged to report on the number of people served by their intended and ongoing initiatives. The data would be used to estimate “upreach” costs to achieve 100% SDS coverage, assist with allocation of scarce funding, gauge progress on the MDGs, evaluate the effectiveness of interventions, and, most importantly, to ensure the poor are actually being reached. Results would be channeled into the planning of country Poverty Reduction Strategy Papers. The impacts of the L20 programs for advocacy and awareness, capacity development and networking would also be assessed.
- **Flexible delivery:** The L20’s SDS program would be coordinated by a Water & Sanitation “Commission” or “Secretariat”. It would oversee development of an “SDS Road Map” (or “SDS Master Action Plan”), building on the G8 Water Action Plan and the Johannesburg Plan of Action. It would include targets and responsibilities at various levels. The Commission would then coordinate the financing program in support of national action, catalyze institutional capacity building at all levels and monitor progress towards targets. Even flexibly run, the Commission will need to operate through the decade, and perhaps beyond.

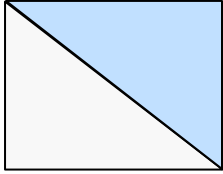
Getting There from Here:

There was a strong sense within the workshop that support from the major powers can be forthcoming for an SDS initiative because all would benefit:

- SDS will have the greatest impact of any single-issue intervention in meeting the MDGs, particularly in relation to global health
- Framed in terms of global health, SDS can be positioned as a major contribution to human security
- As a largely invisible, but large-scale crisis, SDS has both symbolic and political “buzz”, making it ideal as an inaugural initiative for such a new, ground-breaking alliance of developed and developing country leaders
- SDS will bring large economic benefits, both directly and indirectly, for all members. Benefit-cost ratios will be high, no major “breakthroughs” are required for success, and the program can be efficiently executed as an extension and integration of existing efforts. This is real value added.

poverty reduction. Participants agreed that it met all the criteria of a politically sustainable “deal” for an L20 contribution.

Annex 1: Suggested scenarios for implementation of the SDS initiative by a G20 Leaders' Forum.
(Derived from Daley et al, 2004. *Safe Drinking Water and Sanitation for All – A G20-Led Initiative*.
Background discussion paper for the G20 Water Policy



SDS Service Provision	§ No G20 support, but expansion of service as awareness rises	§ No G20 support, but expansion of service through the support of the SDS matrix of networks and capacity building	§ Continue existing UN, multilateral, regional and bilateral provision of SDS services and infrastructure, but with augmented resources from G20 countries	§ Commit to create, fund and implement an SDS “Global Master Action Plan” (GMAP), focusing on “nested” country-level plans, rolled up from the local to national level and facilitated by the global SDS matrix of networks
Mobilizing Finances	§ Commit dedicated new funding of U.S. \$30-50 million for social marketing through a G20 “Global Water Awareness Fund”	§ Commit to dedicated new funding of U.S. \$300-600 million for facilitation program § Establish a global experts panel on enabling public-private financing for SDS	§ Commit to dedicated new funding of U.S. \$2-4 billion for joint implementation § Collaborate with partners and countries to systematically remove institutional and legal barriers to local-level financing (e.g., local MFI lending, start-up funding, loan guarantees, tariffs) § Allocation funding among multilateral partners in the SDS initiative	§ Commit dedicated new funding of U.S. \$10-15 billion to fund GMAP § Create a global “enabling fund” to catalyze national and global SDS investments (e.g., pre-financing, credit pools, micro-credit schemes, etc) § Create a large, decentralized “Global Water Facility” to provide revolving funds and infrastructure grants to poor communities
Organizational Strategies	§ Create a small, temporary financial secretariat for funding dispersal and support of			