

# Dialogue with Arab Water Ministers

## 1 Basic Facts & Figures on the Arab Region

### MDGs

- To achieve the MDG in the region, a further 82 million people need to be supplied with water, and even 96 million need to be supplied with sanitation.
- In a “Business as usual” scenario, the Arab states would reach the sanitation MDG in 2019 (slightly ahead of the world average, which is 2022), and the water MDG only in 2042, 27 years after 2015. The water MDG is therefore not on track.
- In 2006, 91% of the people had access to drinking water and 80% had access to sanitation.
- The political attention in the Arab world is much more on water scarcity and IWRM than on reaching the MDGs.

### Water scarcity

- More than 85% of the Arab region is classified as arid or hyper-arid. The average per capita availability of water is 1.200 to 1.300 m<sup>3</sup> p.a., with the world average being around 7.500 m<sup>3</sup>.
- Many countries therefore exploit fossil, i.e. non-renewable groundwater and are turning to sea water desalination as a solution.
- It is increasingly noticed that supply-side solutions of the past, which were employed to meet the growing demand, are unsustainable.
- More than 54% of the renewable resources are transboundary, and originate outside of the region.

### Political Landscape

- With the Arab Water Minister’s Council in foundation - after long years since the idea had been around - and with the setting up of an Arab Water Forum to prepare for this and future World Water Forums every 3 years, the Arab Water politics seems to undergo an accelerated development.
- Especially noteworthy from UNSGAB perspective is that UN-ESCWA held a High-level meeting on July 15<sup>th</sup>, 2008 in response to UNSGAB, which concluded with nine recommendations (see below under UNESCWA). UN-ESCWA’s Committee on Water Resources will have its next session from 17 to 19 December 2008 in Beirut.

## **2 Institutional Landscape**

### **Arab Water Council**

- The Arab Water Council (AWC) was established in 2004 in Cairo in a meeting with over 400 ministers, government officials, and representatives of public sector organizations, universities, research centres, private sector firms, NGOs, development funds and international financial institution.
- The Egyptian Minister Dr Abu-Zeid is its President, and he may be seen as the driving force behind its establishment.
- Its mission is to promote better understanding and management of the water resources in the Arab States in a multi-disciplinary, non-political, professional and scientific manner; to disseminate knowledge, enhance sharing of experience and information for the rational and comprehensive water resources development.
- Therefore, its aims to influence decision-making process and policy, represent at international fora, advocate the rational and comprehensive water management, advice the public, private, and voluntary sectors, and assure stakeholder participation.
- The AWC initiated the foundation of the Arab Water Academy in 2008, which is hosted by the Islamic Development Bank (IDB)'s Dubai-based International Centre for Biosaline Agriculture (ICBA).

### **Arab Water Forum - (AWC initiative) Preparations for Istanbul 2009**

- The Arab Water Council has decided to hold a pre-World Water Forum "Arab Water Forum" meeting every three years to discuss inputs from Arab countries to the WWF.
- The first Arab Water Forum will be from 16-19 November 2008 in Riyadh, and include a "Ministerial workshop on water security and sustainable development". It is organised by the Prince Sultan Research Centre for Environment at King Saud University and will discuss five themes
  - water resources,
  - water conservation.
  - Climate Change and its Impact on Water Resources and Arid Environments,
  - Utilisation of New Technologies in the Study of Arid Environments and their Natural Resources,
  - Advancement of Arab Water Policy towards Development. Scientists and water experts have been invited to submit papers about the topics.

### **Arab Water Minister's Council (in foundation)**

- At the headquarters of the Arab League in Cairo, in August 2008, a meeting of Arab Water Ministers decided to set up an Arab Water Ministers Council. The meeting was presided over by Syria, having the presidency within the Arab League.
- Therefore it seems that the Council is established within the framework of the Arab League. Many years ago, there had been a LAS' decision to establish such a minister's council.
- Its constitutional meeting is planned for June 2009 (Algeria).

#### Topics and discussions at the meeting in August 2008

- Several working papers were prepared, including on “water economics”, “climate change” and “legal and legislative aspects for safeguarding and protecting Arab water interests with non-Arab countries”.
- MDGs - There is no indication this topic was discussed.
- Press statement of Ministers: The Libyan minister stressed the need for regulating the use of common water basins and to protect Arab water resources. The Syrian Minister would like to see the secretariat of the Ministers Council in Damascus. Minister Abu Zeid emphasized that most of the Arab world’s water resources come from nonrenewable groundwater reservoirs that are deteriorating in terms of quantity and quality because of excessive use during the past 50 years, and pointed to the need for demand management.

#### League of Arab States (LAS)

- The LAS had a meeting of its Water Resource ministers July 15<sup>th</sup>, 2008 (see section about UN-ESCWA).
- In 1996 the LAS founded the COFWS (Centre of Water and Arab Water Security Studies) and attached it to the LAS Secretariat. Its main objective is to safeguard Arab interests and establish a common position on water issues. The centre evaluates and provides forecasts on water resources; helps implement plans and global policies on water resource management, puts forward draft water agreements, offers training and exchanges between experts.

#### NAMCOW

- The North-African water ministers’ council (NAMCOW, located in Cairo) was founded as a sub organisation of AMCOW in 2003.
- The Egyptian Minister Dr Abu Zeid is elected chair of the executive committee.
- Its member states are Mauritania, Morocco, Algeria, Tunisia, Libya and Egypt.
- The main issues that have been identified are: water scarcity, and the need for: expansion in irrigated agriculture, groundwater development, increased water supply & sanitation coverage, integrated management of Trans boundary groundwater basins, and development of non-conventional water resources.

#### UN-ESCWA (UN’s Economic and Social Commission for Western Asia) July 2008 MDG Recommendations

UN-ESCWA has 14 member states, encompassing all states of the Arab peninsula plus Egypt. Its northern boundaries are the boundaries of Iraq and Syria.

In response to the UNSGAB, “who published a Compendium of Actions” UN-ESCWA held a High-level meeting on July 15<sup>th</sup>, 2008 (in parallel to a League of Arab States Meeting of Ministers responsible for Water Resources, and in cooperation with GTZ) in Cairo.

It has concluded with nine recommendations:

- To mainstream water supply and sanitation into national IWRM Plans
- Prioritize domestic drinking water among competing uses
- Improving wastewater treatment and reuse
- Reducing water losses
- Protecting drinking water quality
- Up scaling water and sanitation supply (WSS) delivery in urban and peri-urban areas
- Strengthening WSS monitoring systems
- Strengthening financial positions of WSS utilities

(see annex)

UN-ESCWA's Committee on Water Resources was established in 1995, and published two Water Development Reports, which deal with water scarcity and IWRM issues. Its next session will be 17 to 19 December 2008 in Beirut.

UNESCWA's Water and Environment Team (WET) identified three areas of work for the WET during the biennium 2006-2007

- Enhancing negotiation skills to resolve potential conflict and promoting multilateral cooperation on the joint management of shared aquifers.
- Building capacity of member countries to enable them to access environmental information, strengthening the media and stakeholders on IWRM
- Follow up on the implementation of WSSD outcomes and meeting MDGs through supporting the Arab countries in implementing the commitments made, strengthen national capacity in formulating sustainable development strategies and incorporating environmental dimensions in national development plans.

### **Mediterranean Region**

- Much of the Arab Region is part of the Mediterranean Region as well. Here, close and diverse ties with the European Union exist.
- For example, within the Barcelona Process, collaboration in the water sector was agreed in Turin in 1999.
- Also, MED-EUWI was launched in 2003 as the Mediterranean component of the EU Water Initiative (with the latter having been launched in Johannesburg in 2002 by the EU in order to contribute to the Water and Sanitation MDGs and to the IWRM goal). It is headquartered in Greece. Several conferences and seminars on the exchange of good practice have been organised and national dialogues have been launched in Egypt, Lebanon and Syria, as part of MED-EUWI.

## **3 Islamic Development Bank (IsDB)**

### **Background**

- The Bank was founded in 1975 in the framework of the Organization of the Islamic Conference to foster economic development in accordance with Sha'ria law.
- Its Executive Director since 1975 has been Dr. Ahmad Mohamed Ali Al-Madani (a Saudi citizen).
- Membership is optional and open to OIC Member States. IDB membership encompasses 56 states ranging from Suriname in Latin America, Sub-Saharan African states, the MENA region, Central Asia to East Asia.
- IsDB capital increased eight-fold, from 1975 to 2004, amounting to 21 billion US\$ in 2004.
- The Bank's involvement in a given member country rests on a Country Assistance Strategy Study, which establishes the level and composition of the support to be provided, taking into account national development policy and IDB's own strategic objectives. A particular project may be identified initially by the government, an IsDB mission, another financial institution, a UN agency or a private sponsor. Finally all projects must have the support of both the government and the Bank, and pass a basic test of feasibility and cost-effectiveness.

## Recent Water Activities

The regional focus in the period from 1975 to 2001 was on the MENA countries, with 52% of the invested capital on water poverty alleviation allocated here, and on Sub-Saharan Africa, which received 32%. Nowadays, the bank pays more attention to former Soviet states in Central Asia.

- In order to tackle poverty in its member states, an ambitious Vision 1440 Programme for the year of 2020 has been developed in 2006. The water question has been addressed in Strategic Thrust No. 3 that seeks for better health in the Muslim world - the most severe diseases such as child mortality, maternal health, diseases including HIV/AIDS and malaria, and environmental sustainability (including access to safe drinking water and sanitation) are tackled here. The bank intends to reduce the number of people without access to water and sanitation by two thirds, which goes well beyond the reduction by half. The Programme is to be supported by the Islamic Solidarity Fund for Development (ISFD), with the financial aim of \$10 billion and the intended start of operations at the beginning of 2009.
- In 2008, financing for water projects grew more than 50 percent compared to 2007 and reached \$64 million in 2008. This financing targeted five member countries for water supply-related projects and Technical Assistance - Cote d'Ivoire, Iran, Mauritania, Senegal and Suriname. Despite this relatively sharp increase, the level of financing (this represents merely 3 percent of total approvals) remains well below IDB's 15 percent historic average of water as a share of total approvals over the past decade or so. The current modest situation is due largely to a lack of demand for investment in infrastructure despite growing needs, especially in Sub-Saharan Africa.
- Financing modalities: Around 64% of the Bank's financing of the water sector are loans on highly concessional terms, long-term, with the repayment period usually totalling 25 years. Because Islamic law does not permit the charging of interest, a small fee is applied to cover the Bank's administrative expenses.
- IsDB informed UNSGAB that in its view, local financing of water utilities doesn't take place now in Arab countries. Some countries like Saudi Arabia, Algeria, Morocco and Kuwait have done a few water-related BOTs in the past few years, but few water utilities, if any, are able to finance their investments by raising capital from the local debt market, on the strength of their balance sheet, for the simple reason that no commercial bank is willing to provide long-term financing, say, for 15-18 years. Furthermore, most, if not all, water utilities aren't considered creditworthy anyway.
- In 1999, the International Centre for Biosaline Agriculture (ICBA) was established and functions as a non-profit international centre. Its new strategy includes the use of marginal water, such as treated wastewater, next to saline water for agricultural production.