

Speech at the Ministerial Conference of the 4th World Water Forum

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Chair of the UN Secretary General's Advisory Board on Water and Sanitation

Excellencies, ladies and gentlemen,

Thank you for inviting me to speak to this Ministerial Forum as the Chair of the UN Secretary General's Advisory Board on Water and Sanitation. I am pleased to speak about the Compendium of Actions of the Board, which I announced on the first day of the 4th World Water Forum.

The Compendium of Actions "Your Action, Our Action" at your hand is our action plan for achieving breakthroughs in 6 vital areas, namely, Financing, Water Operators Partnerships, Sanitation, Monitoring, Integrated Water Resources Management, and Water and Disaster. "Your Action" are the actions that key players should take, some of whom we name directly, to remove obstacles and bottlenecks in achieving the internationally agreed targets.. For "Our Action" the Board, collectively and individually, will work together with key players to achieve them.

The Board sees two overarching focal areas as needing immediate attention: First, readjusting the financing framework for water services, and second, building capacity to allow breakthroughs to happen in the water and sanitation area.

On Finance: we must be clear. National governments have the major responsibility, and those that have not fulfilled their countries needs for water supply and sanitation, in particular by enabling the local operators to whom delivery is most often entrusted, must put themselves in a position to do so, urgently. Second, the International Community - Financial and technical assistance organizations, donors, NGOs and the United Nations must provide incentives and support for these changes in a much more coherent and consistent fashion.

Water services are delivered by local entities, and Financing is the key. This is what I want to talk about with you this morning. The world needs your support for new ideas.

As water infrastructure and sanitation service equipment are not free, governments must develop appropriate financing mechanisms to ensure that the necessary systems can be built and maintained. This will require the appropriate mix of tariffs and subsidies. Especially where the poorest people pay a higher percentage of their income and wealthier individuals and organizations do not pay their fair share, Governments and utilities need to devise and apply more equitable, reliable tariff systems.

Having said that, the core of the problem here is not that there is no financial resource available. It is important that we pursue the question of why the ample financial resources available in the world do not flow into the water and sanitation sector. After persistent discussions, the Board came to a conclusion that the improvement of services and the expansion of financing schemes needed to act as an inseparable pair.

The Board recommends that three broad lines of action be implemented by international financial institutions, donor organizations including OECD-DAC, regional bodies, in order that national governments can make significant changes now. ; firstly, designing and implementing sustained programs to create better governance and transparency in water services; secondly, designing and implementing programs to expand the knowledge and awareness of local service operators to new funding sources, and vice versa; thirdly, donors will be requested to put their water funding in building capacity in these areas.

In our Financing Resolution, we call for very specific actions I will state from now. I commend this document to your attention.

At first, we ask global and regional financial institutions to assess their own capability for the improving countries' capabilities to attract financing to the water sector: including discussion with Governing Bodies, where relevant.

We ask for direct action to link with associations of Mayors and Municipalities, including the United Cities and Local Governments (UCLG) and other bodies to organize series of sub-regional workshops and technical assistance for Governors, Mayors, Utility Managers on Regulation and Standards required by providers of capital to improve their ability to attract local pension funds, local capital sources

We ask Regional Development Banks to conduct technical assistance studies on the above points, including those assistance required for regional water utilities to jointly obtain rating for financing.

We ask the UN, through its Resident Coordinators and with help of the relevant regional capital and technical assistance organizations to organize sustained capacity building programmers on a national and regional basis to improve the managerial capacity of water operators

We ask the UN Secretariat to consult the World Food Program and others to advise whether their experience concerning innovative low cost labor intensive approaches; in particular could have applicability to water supply and sewer projects.

We ask financing experts to provide information and data on local development agencies and

pooling mechanisms, if any, that allow municipalities to borrow money at cheaper rates.

We ask International Financing Institutions and Regional Development Banks with relevant regional UN offices to convene special meetings with Planning/Finance and responsible Ministers to discuss the above points in 2006/2007 on a regional and sub-regional basis; capacity building needs to be assessed.

We ask International Finance Corporation (IFC) to convene a workshop among finance providers on the utility and experience with partial guarantees, including currency risk guarantees.

We need your help and your support for this program, which will in many cases build on excellent work already begun. National Governments who supply Governors and Directors to these institutions must favor these plans for them to succeed.

The Board will start dialogue with international financial institutions, regional banks, OECD and donors at high level to make our proposals happen. The Board will conduct dialogue with national governments and regional bodies so that our proposals will directly benefit local water services, and most importantly, people waiting for water at grass roots level.

As well as changing the financial approach, we need to build capacity, another wheel of the vehicle.

Public water services currently provide more than 90% of water supply in the world. Modest improvement in public water operators will have immense impact on global provision services. The Board proposes a new mechanism based on the concept of mutual support from more to less efficient water operators, on a not-for-profit basis. We call this form of a structured program of cooperation between water operators as a Water Operators Partnerships (WOPs).

In Sanitation, we call for Regional institutions, in particular the Regional Development Banks to organize sustained programs of regional or sub-regional sanitation workshops on technology, financing, community organization with involvement of stakeholders including health professionals and scientists and existing s WASH and Ecosan. Advocacy and follow up are the keys at the global level, and we have the opportunity provided by the Decade for Water.

We propose that the year 2008 be designated as “International Year of Sanitation” and we propose other measures to give life to a new program of attention on Sanitation. Please read our Sanitation Resolution.

I have so far focused on local financing. Now I would like to speak a little about the other issues in the Compendium of Actions, that is, Monitoring and Reporting, Integrated Water Resources

Management, and Water and Disaster.

Regarding to monitoring and reporting, the UN, as the caretaker of the goals, has the responsibility to provide the reliable data necessary for measuring progress towards the goals. The UN Secretary General, UN Agency Heads, UN Water, the OECD and its members have important roles here, and the Board will act with the international community and financial institutions to support the UN and others to realize proposed enhancements and changes.

On Integrated Water Resources Management (IWRM), we need reporting on the progress of national IWRM and Water Efficiency Plans. The Board will ask the UNSG to send out a call letter to all countries inviting them to report on formulation and implementation of the Plans, discuss them at the 16th Commission on Sustainable Development in 2008. The submitted plans will be placed in a database created by the UN for sharing them with the world.

Most natural phenomena that cause water related disasters can be predicted. To globally mitigate impact of water related disasters, the Board believes that international community must agree on one common easy-to-understand target for coping with water related disasters that will create global awareness and commitment. Target formulation process can start from discussion among experts and move towards consensus building. The Board will collaborate with them for defining such a target and then for achieving progress toward this target when it is agreed by international community.

Lastly, the Board will globally advocate so that stakeholder participation and dialogue with the women, the poor, indigenous people, youth and children and the people of civil society and the people of the other sectors such as medical and health professionals become everyday scene everywhere. We call for cooperation of national governments so that it is realized in your countries

We will take our actions. We ask you to take your actions. Only actions will save the world from water crisis in the 21st century.

Thank you.