

EU Water Initiative – Water For Life

The challenge

Clean drinking water and good sanitation facilities are largely taken for granted in the European Union. However, much of the developing world is not so fortunate. Currently, over one billion people lack access to safe drinking water and over 2.4 billion people do not have adequate sanitation. More than 5 million people die each year from water-related diseases that are mostly preventable. 2 billion of people are affected by water shortages in over 40 countries.

This global water crisis threatens lives, sustainable development and even peace and security. Population growth and rapid urbanisation, changing lifestyles and economic development have led to increasing pressure on water resources everywhere. Without effective action, this situation will get worse. Addressing the water challenge is therefore of utmost importance.

Solving water problems means progress across all pillars of sustainable development – economic, social and environmental, and is therefore also crucial to achieve the other Millennium Development Goals. No strategy for the reduction of poverty can ignore people's vital requirements for water.

The EU Water Initiative – Water for Life – the EU's response to the water challenge

The leading role which the EU took at the World Summit on Sustainable Development in Johannesburg in 2002 was particularly successful in getting a higher political profile for water issues, and was instrumental in getting a clear political commitment to tackle problems of sanitation as well as drinking water, with the introduction of a new international target: to halve by 2015 the number of people without access to sanitation. The adoption of an additional target to develop integrated water resources management plans was also a positive step forward.

Achieving the above targets is a major challenge: achieving the target on drinking water requires that, every day until 2015, an extra 120,000 people should receive drinking water; while achieving this target on sanitation requires that, every day until 2015, an extra 240,000 people should be provided with sanitation.

At the World Summit on Sustainable Development (WSSD) held in Johannesburg in September 2002, the EU launched a Water Initiative to contribute to the achievement of the above objectives.

The EU Water Initiative is designed as a catalyst and a foundation on which future action can be built to contribute to meeting the Millennium Development Goals (MDGs) for drinking water and sanitation, within the context of an integrated approach to water resources management.

Integrated water resources management

Population growth and rapid urbanisation, changing lifestyles and economic development have led to increasing pressure on water resources everywhere, but especially in developing countries. Without effective action, this situation will get worse.

Water resource management needs to be addressed at all levels, including the natural river, lake or groundwater basin. Integrated water resources management with strong stakeholder participation, a pro-poor emphasis, and gender sensitivity is a key approach to ensure the integration of water services within an overall water management framework. Integrated water resource management also provides a framework to promote peace and security in transboundary water basins. As such the EU also confirms its support for initiatives that promote regional co-operation and economic development in transboundary water courses.

Implementation must ensure a balance between human water needs and those of the environment, as the health of ecosystems is key to human health, to sustainable development, and to poverty reduction and vice-versa. Improvements in efficiency and sustainability of water use, and river basin management, should contribute to the goals to halt or reverse the current loss of natural resources and biodiversity by 2015.

With the recent reform of EU water policy and the new Water Framework Directive the EU has one of the most advanced water policies in the world and can provide significant experience and expertise.

Through the initiative the EU will help its partners to develop integrated water resources management plans by 2005 - another WSSD goal and achieve a sustainable balance between human water needs and those of the environment.

Objectives of the EU Water Initiative

The EU Water Initiative has been broadly recognised as one of the important political commitment to implement the international water targets. At WSSD the European Union and Africa signed a new strategic partnership on water affairs and sanitation on Head of State level. A partnership between EU and Eastern Europe, Caucasus and Central Asia (EECCA) has also been endorsed during WSSD at ministerial level. The key objectives of the Initiative are to:

- Reinforce political commitment to action and raise the profile of water and sanitation issues in the context of poverty reduction efforts;
- Promote better water governance arrangements. This includes encouraging the public and private sectors and local stakeholders to work together better. It also includes efforts to strengthen institutional capacity at the regional, national and local levels, by providing expertise and promoting good practice, improved partnerships for sharing technology, information, research and knowledge and awareness raising;
- Improve co-ordination and co-operation in the way that water-related interventions are developed and implemented. This includes a shift away from stand-alone projects towards sector wide approaches. It also includes establishing multi-stakeholder processes to reinforce partnerships for action and promoting south-south collaboration and co-operation;

- Encourage regional and sub-regional co-operation on water management issues, using the integrated water resources management approach. As part of the Initiative, the EU will be supporting the development of IWRM and water efficiency plans by 2005, including the adoption of policy, planning and management processes on a river-basin scale;
- Catalyse additional funding, through the development of new, flexible and innovative funding mechanisms to attract new partners, and through supporting the establishment of the enabling environment for increased investment.

Approach

The water-related MDGs and WSSD targets cannot be achieved with conventional means. They require a great mobilisation of partners ranging from governments, IFIs and other donors, to civil society organisations, water users and water industry, both in Europe and in partner countries. The EU Water Initiative is therefore designed to:

- Bring through a Multistakeholder process the Community and Member States together with the civil society and financial institutions, as well as the expertise and investment potential of the EU's water industry
- Generate scientific knowledge and translate it into innovation
- Raise public awareness on water issues

It is based on the following elements:

- Ownership of partner countries: political commitment from partners; prioritisation of water and sanitation in Poverty Reduction Strategy Papers; effective water governance, involving all stakeholders; national and regional water policies
- Innovation: leverage effect (optimal use of Official Development Aid); new partnerships between Communities, NGOs, public and private sector
- A modular approach: regional and cross-cutting components
- A dedicated organisation:
 - The Multistakeholder forum, open to all, with an advisory function
 - the EUWI Steering Group, driver of the EUWI, with a co-ordination function
 - the working groups, in charge of implementation at the regional level

Africa

The European Union has identified Africa as being an urgent priority with regard to the delivery of the MDGs. It is for this reason that at the same time as the water initiative was launched in Johannesburg at the WSSD - a new EU - African strategic partnership on water affairs and sanitation was signed by the Presidents of the Commission and the EU Council and the Presidents of Nigeria and South Africa.

Following on from the signing of the 'strategic partnership', two multistakeholder working groups were set up. The first group led on the European side by Denmark, is addressing the provision of water and sanitation. The second group, led on the European side by France is dealing with the issue of integrated water resources management at national and transboundary levels.

A strong relationship has been established with the African Ministerial Conference on Water (AMCOW) and the New Partnership for Africa's Development (NEPAD). A technical committee to AMCOW was set up in 2003 – AMOCOW TAC (Technical Advisory Committee). AMCOW and NEPAD have developed a close collaboration on the EU Water Initiative and have taken steps to formalise their status in the framework of the African Union.

Extensive technical exchanges between the European and African partners throughout 2003 enabled the establishment of a stronger working relationship between the EU and African partners, which culminated in the adoption at the Pan-African Water Conference in Addis Ababa held in December 2003 of an EU-African Joint Declaration on the implementation of the EU-African Strategic Partnership on Water affairs and sanitation; and of an outline 'Strategy and Work Programme' for 2004-2005 providing guidelines to drive the future stages of the development of the EU Water Initiative in Africa.

Important decisions to move towards action on the ground have been made: on Integrated Water Resources Management, five transboundary river basins which will benefit from initial EU support as part of an allocation from the European Development Fund of €10m have been selected by our partners –Niger, Volta, Orange-Senqu, Lake Chad, and Lake Victoria-Kagera. Preparatory work to identify the needs for these basins and required action is now underway.

On water Supply and Sanitation, the first countries to benefit from a country level dialogue on water supply and sanitation aimed at developing and enhancing co-ordination and harmonisation between donors, recipients and other stakeholders, have been identified. EU Member States willing to lead on this country level dialogue with the above countries are in the process of being identified with a view to starting the work on the ground as soon as possible.

On the basis of the above activities, intensive efforts are being made to turn the outline 'Strategy and Work Programme' into a fully fledged action plan, to be adopted imminently.

Eastern Europe – Caucasus – Central Asia (EECCA)

Following the launch of the EU-EECCA partnership on water at WSSD, under the leadership of Denmark on the EU side a large number of priority projects have been identified to prepare the ground for the successful implementation of the Partnership. All twelve EECCA countries are actively involved in the process and were represented at the second high level meeting held in February 2004 in Moscow, indicating the region's strong commitment to the EUWI. In addition, the Partnership has been developed involving all relevant stakeholders and actors.

Mediterranean & Latin America

In the Mediterranean, under the stewardship of Greece, the design of the component is in the process of being finalised through the development of an action plan for 2004-2006. Spain and Portugal, in close co-operation with Mexico, have paved the way for the finalisation of a Latin American component.

Cross-cutting components

Besides geographical components, work has also been active on cross-cutting components. In recognition of the importance of financial questions, the UK is leading a working group on financial resources; the Commission is leading an initiative on research; and a monitoring initiative is also being set in place.

The financial challenge

The EU is already the largest provider of funding for water-related development aid and scientific cooperation. In addition to interventions carried out in the context of country and regional programmes, water-related activities are also carried out in the framework of humanitarian aid, NGO co-financing, micro-projects and decentralised co-operation as well as within research programmes.

In Johannesburg, recalling its commitments made at the international Financing for Development Conference in March 2002, the EU has indicated its readiness to increase and deliver resources, in response to countries prioritising water and sanitation in national sustainable development and poverty reduction strategies.

The need is recognised for a significant increase in funding for water and sanitation to achieve the targets, as well as better mechanisms to use development aid to leverage other resources (private, development banks, financial institutions, users' contributions, remittances, etc).

In particular, the work done under both the Finance working group of the EU Water Initiative and by the World Panel on financing water infrastructure (Camdessus Panel) has shown that the present level of funding is not sufficient for meeting the investment needs to comply with these goals, and that new innovative and flexible funding mechanisms are urgently required to use the maximum leverage effect of ODA and attract more resources from a large range of sources (public and private, local and international).

The Camdessus Panel report 'Financing water for all' stresses that "the flow of funds has to roughly double, with the increase to come from all sources". 555 million € are allocated to water under the 9th EDF in the CSPs of 14 ACP countries. The following allocations are made for future water-related activities in other regions: EECCA – 38 Mio €, Asia – 35 Mio €, Latin America – 95.6 Mio €, The Mediterranean – 315 Mio €

The reinforced coordination which has been developed so far, between Member States and with partner countries, and the multistakeholder process involving all the relevant actors, will facilitate a more coherent, integrated and cost effective approach to the planning and delivery of water related programmes. However, improvements in the process will not be enough. In order to make a significant contribution towards achieving the drinking water and sanitation targets the financial resources have to be increased appreciably.

ACP-EU Water Facility

In this context, the EU agreed in March 2003 to set up a special Water Facility to promote access to clean water and sanitation for people in Africa, the Caribbean and the Pacific. This Facility, which could in a first phase be worth up to €500 million, is a major breakthrough. Designed to have an important catalytic effect in generating additional funds for water and sanitation, it will be innovative and responsive to demand. No other donor thus far has made a commitment.

The Water Facility will promote (i) Governance: It will offer a helping hand to those ACP countries. Funds will be invested in measures to build or strengthen institutional and regulatory frameworks in those countries that display real commitment to the development of sound national water policies; (ii) Ownership: The facility will be demand driven. It will be an instrument to support and deepen the involvement of actors in ACP countries in the design and implementation of water policies; (iii) Access to flexible sources of funding. A maximum impact will be sought by offering creative combinations of grants with other financial sources (such as soft loans, loan guarantees, micro-finance etc.) to fund basic infrastructure. These funds could constitute the necessary seed capital to get projects off the ground. And it will be a tool in forging the public private partnerships needed to increase funding.

The Water Facility is an exceptional effort responding to an exceptional situation - notably that of sub-Saharan Africa. As far as other regions are concerned, €38 million have been earmarked from the TACIS Regional Programmes to support the development of the EECCA component of the EU Water Initiative. This is another significant step which makes the EU the biggest water donor in the region for the years to come.

As the Mediterranean and Latin American components of the Initiative were more recently launched, no specific Commission funding has as of now specifically been allocated to the EUWI in these two regions but water already is in many respects a priority of Commission.

Despite the considerable progress made since the launch of the EU Water Initiative at WSSD two years ago, much remains to be done. It is essential that all actors – European Commission, EU Member States, partner countries' governments, civil society, industry, IFIs etc- pool their efforts together in order to achieve the objectives of the EU Water Initiative and move towards the international water targets.

Information sources:

EU WATER INITIATIVE WEBSITE www.euwi.net

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