

Strengthening Public Sector Water Systems

1. Background	
<p>Relevant sustainable development agreement(s)</p>	<ul style="list-style-type: none"> - Public budgets are now, and will continue to be, the biggest source of investment in water, particularly in low income countries. (Bonn Recommendations for Action: Mobilising Financial Resources, Number 14). - Water service providers should aim for financial sustainability through receiving sufficient income from their customers to finance operation, maintenance, and capital costs. Balancing this aim, however, cost recovery objectives should not be a barrier to poor people's access to water supply and sanitation. Where the poor cannot afford to pay the full cost of water supply and sanitation services, tariff systems that allow social targeting should be established. Options include transparent subsidy arrangements from public funds and cross-subsidy from other customers. Efforts to recover costs should focus on those consumers who use the most water. (Bonn Recommendations for Action: Mobilising Financial Resources, Number 15). - Development assistance should be complemented to domestic sources of funding and serve a catalytic role, building capacity and helping local and regional institutions to define their own solutions and models, and creating an enabling environment attractive to potential investors. Private sector participation should not be imposed on developing countries as a conditionality for funding. (Bonn Recommendations for Action: Increase development assistance to water, Number 17). - Capacity building and technical assistance are among the essential elements for institutional change for integrated water management... Collaboration and international partnerships are particularly needed in many developing countries, where reform is most needed but resources are most limited (Bonn Recommendations for Action: Capacity Building and Sharing Knowledge, Number 20). - Governments, including local government, should more actively play their key role in water governance and drive local, national and international processes of water management reform. (Bonn Recommendations for Action: Governments, Number 20).

	<p>- People at the local level actively manage many aspects of water resources. They often have a better understanding of the real potential and limitations of their local environment. They can be empowered to meet this role by social mobilisation processes. (Bonn Recommendations for Action ...)</p> <p>- Workers and Trade Unions should be included in participatory forms of decision-making and particularly in joint committees of management and Trade Unions. In order to ensure workers' contributions to sustainable water development, core labour standards should be accepted and implemented, particularly those relating to freedom of association (Bonn Recommendations for Action: Roles, Number 24).</p>
Relevant components of the (draft) Johannesburg agreements	<p>Improve governance and institutional arrangements and the mobilization of financial resources for infrastructures and services, capacity-building and sharing technology and knowledge, keeping in view that water infrastructure and services must be pro-poor and gender-sensitive (Chairman's paper, IV.44) See instead 12 June version, 24(a)</p> <p>See also 24 (b), (c), 25 (g)</p> <p>- Promote public information and participation in decision making as prerequisite conditions to the success of small and large water projects, and decentralize decision making, implementation of projects and operation of services to the lowest level possible, with the watershed as the appropriate reference unit for integrated water resource management (Chairman's paper IV. 45)</p>
2. Content	
Goal(s)	Create the necessary conditions among the many actors in water to systematically move resources – financial, technical and political – to public sector water operators. Strengthen public water operators such that they are able to meet the Millennium Goals.
Outputs	<p>1. Establish a global network of public water systems and affiliated programs, reinforced by new policies from the IFIs and bilateral donor programmes, to increase the effectiveness of the public sector as critical suppliers of water and sanitation services.</p> <p>2.</p>
Social, economic, environmental impact	<p>Public water operators currently deliver about 95% of water in the world. These operators need to be strengthened. However, current models are all focused on privatisation, which has many inherent problems, especially in developing countries, and around social, economic and environmental impacts.</p> <p>A strengthened public sector will best be able to manage social, economic and environmental issues.</p>

<p>Contribution to: poverty eradication social inclusion and empowerment good governance gender equity</p>	<p>Public water systems should be more responsive to all of these issues. One of the outcomes of the IC and WSSD should be to increase political pressure on national and local governments to build and sustain adequate public water systems.</p> <p>National governments need to provide the appropriate legal and financial environment in which the local levels of government are in fact able to provide quality public services.</p> <p>Note that it is only the public sector that can incorporate poverty eradication, social inclusion and empowerment, good governance and gender equity. These are not issues that the corporate sector is very adept at handling.</p>
<p>Work programme: steps Including timetable</p>	<p>Initiate a process to create more support for public water operators. The process will include the following:</p> <ul style="list-style-type: none"> - Create regional, national, and international clusters of public water service providers with the purpose of exploring and working together to secure funding and opportunities for increased operational efficiency ; - Establish an international advisory group for public water service providers to include representatives from the NGO, CBO, government, and international organisations. Could local and regional advisory groups to participate in water service provider decision-making processes and to serve in monitoring roles. - Create a professional development and recruitment campaign to assist public water service providers in employing a greater number of women and other under-represented groups from the communities they serve; - Create an internet database with information on state of the art water supply and sanitation methods (managerial and technical) for use by public water service providers; - Develop alternative financing mechanisms to create regional water bonds.
<p>Beneficiaries (including location / scope)</p>	<p>Families, women, children (esp., girls), poor people</p> <p>Communities</p> <p>Public water operators</p> <p>NGOs and CBOs</p>

	<p>Most projects will be very local, at the level of the community or municipality. However, national policies should support the activities of local government. And policies on the regional and international level will also need to complement national and local activities.</p>
<p>3. Organisational</p>	
<p>Who (incl. which stakeholders and roles and responsibilities of each stakeholder) Facilitating organisation Implementing organisations Advisory organisations</p>	<p>International organisations: Need to support the concept of global and regional networks of public water operators. UN agencies could collect and disseminate information on water companies... IFIs need to provide technical and financial support to governments and water companies.</p> <p>National governments: support political process to strengthen public water utilities, including with financial means.</p> <p>Local governments: Assign water managers to participate in the project. Develop tools for citizen participation in management of water companies.</p> <p>Public Water Companies: Key to implementation. Possible partners: RandWater, South Africa; DMAE, Brazil</p> <p>Water Associations: Will need to support with membership mobilisation, technical and managerial advice, political influence...</p> <p>Unions: Support reform processes in their workplaces. Use their pension funds on the capital markets to influence the movement of capital. Use their international organisations to lobby and support.</p>
Monitoring	The newly created multi-stakeholder international advisory group.
Evaluation: intermediate; final	One Year: assess the data collection and network creation elements. Assess pilot projects. Develop ongoing planning and expansion methods.
Reporting	Need to create information gathering and dissemination mechanisms, both for formal assessment processes and to create political will to participate.
Knowledge Management: before; during; after	<p>Current success stories need to be analysed, modeled and disseminated. Higher profile to public water managers at all water policy meetings.</p> <p>Involve water associations in information gathering and dissemination.</p>

Finance	<p>Much of this needs to be externally funded.</p> <p>IFIs will need to coordinate more closely with municipal affairs division rather than privatisation division.</p>
4. (Inter)governmental action	
<p>Necessary government action? National level (which country/ countries)</p>	<p>Need strong support for public to public networks, especially to deliver at the local level. This implies clear messages from the UN, IFIs, WTO and other international organisations in support of public water systems.</p> <p>National governments with public water systems need to develop mechanisms to participate in the public water networks. This will require coordination with their state/provincial and municipal levels of governments to capture the expertise.</p> <p>Specific cases could include: USA and federal financing to municipalities for water infrastructure. Brazil and local participation in water management and budgeting. Switzerland and local participation in water management. Germany and national water structures... South Africa and lifeline policies.</p> <p>National governments need to pressure the IFIs to halt conditionalities.</p>