

ENVIRONMENT DIRECTORATE
ENVIRONMENT POLICY COMMITTEE

Working Party on Global and Structural Policies

HORIZONTAL CPF PROPOSAL ON "SUSTAINABLE FINANCING TO ENSURE AFFORDABLE ACCESS TO WATER AND SANITATION"

20 -21 NOVEMBER 2006

The attached document is the budget template for a horizontal activity proposed by the OECD Secretary-General for 2007-2008 on "Sustainable Financing to Ensure Affordable Access to Water and Sanitation", to be financed through the Central Priorities Fund. An earlier version of this proposal was discussed by the OECD Budget Committee in July and September 2006, and circulated to WPGSP on 3 October. The proposed work has since been revised in light of the overall budget proposal by the Secretary-General, and will be discussed in that context in the Budget Committee and Council in November and December 2006.

If funding is secured for the project, the WPGSP will have joint oversight with regard to some elements of the proposed work with other OECD groups, as indicated in this document.

ACTION REQUIRED:

This document is for information only at this stage. If funding is secured for the project, the WPGSP will be consulted further on the development of the elements under its oversight.

Contact persons: Helen Mountford, Tel. +33-1 4524 7913, E-mail: helen.mountford@oecd.org;
Peter Borkey, Tel. +33-1 4524 1385, E-mail: peter.borkey@oecd.org

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SUSTAINABLE FINANCING TO ENSURE AFFORDABLE ACCESS TO
WATER AND SANITATION

RESOURCE REALLOCATION PROPOSAL TEMPLATE

- CENTRAL PRIORITIES FUND

Although the challenge of providing safe water and basic sanitation is different in OECD and developing countries, the financing of water infrastructure has many common elements: financing large, up-front capital costs and spreading the repayments over the life-time of the assets; charging users for water services while taking account of affordability constraints; addressing the public goods character of water services while using public funds prudently and strategically; assessing the potential role of the private sector in water service provision; managing water services provision within a decentralised governance system; and providing incentives for environmentally sustainable water use and reduced water pollution.

Providing water services is ultimately a local issue and there is not a one-size-fits-all solution. But given the critical challenges that all countries are facing to supply these services efficiently and effectively, there is a pressing need to take stock of recent experience, identify good practices and develop tools and other practical approaches to assist governments in this regard. OECD is well-placed to address this need for several reasons: its cross-sectoral structure; its expertise in the economic and financial aspects of public policy issues; its expertise on water pricing and water management issues in OECD countries; and, in relation to developing countries, its non-conditionality. The project will provide direct support to governments in member countries as well as to donor agencies that provide support to developing countries to achieve the water-related Millennium Development Goals. The results of the project will contribute to the 5th World Water Forum in Istanbul in March 2009. They will also contribute to the follow-up to the meeting of OECD environment and development ministers in April 2006, and to the 2007 African Economic Outlook by the Development Centre and the African Development Bank, which will focus on water supply and sanitation.

Given the cross-sectoral nature of water finance, work on this topic has been carried out by several different parts of the organisation. ENV has significant expertise on water pricing in OECD countries, has developed finance strategies for water in EECCA countries and China and analysed private sector participation in the water sector; DAF has examined the role of international private operators in infrastructure provision; the Futures Programme has examined the long-term financial challenges of financing infrastructure including water; AGR has analysed water policies and subsidies to farmers; GOV has worked on fiscal relations between central and local authorities; STI works on approaches to ensure the safety of drinking water; and DCD monitors ODA flows to the water sector.

The aim of this project is to consolidate and further develop these efforts by focussing on three specific objectives:

- To identify good practices and evaluate alternative mechanisms for financing water infrastructure in OECD and non-member countries
- To develop practical guidance for engaging private investors in the development and management of water infrastructure
- To develop and test a tool that could be used by governments in developing countries to prepare realistic finance strategies for water infrastructure.

To address the first objective, three background studies will be produced. One will provide an updated survey of current practices of water pricing and financing sources in OECD and developing countries, identifying best practices and new and emerging challenges, such as the need to build social assessment procedures into pricing policies. This study would provide a survey of the current state of the art, as most information is scattered in the literature and often outdated. A meeting in 2007 will bring together experts to draw out this information and share experiences. The second background study will explore possible new and innovative sources of financing that aim to capture positive externalities associated with improved water supply and sanitation (for example through health insurance or real estate markets). It will look into opportunities arising from new technologies, experiences from other networked utility sectors, and draw on social cost-benefit analyses of the water sector, including work by the WHO and the World Bank. Recent work undertaken in the context of the International Futures Programme confirms that innovative sources of finance are beginning to develop, typically in non-member countries, and could challenge current business models in the water sector. It is time

to take note of these experiences, to analyse their development, and to assess their impact on the economics of water in both OECD and non-member countries. The third background study will look at experience of water policies, pricing and financing in the agriculture sector. Agriculture represents the highest share of water use and water pollution and presents the greatest challenge for reconciling the objectives of cost-recovery, environmental sustainability, and social concerns in many OECD countries, as well as in developing countries that are heavily dependent on their agricultural sectors.

The results of these three background studies, together with ongoing and existing work, will be brought together in a synthesis report on how to bridge the financing gap through practical steps. The draft results will be presented to a Global Forum on Sustainable Development conference in 2008, and the final publication released for the March 2009 5th World Water Forum.

To address the second objective, guidance will be developed for applying the OECD Principles for enhancing and maximising the benefits of international investor participation in infrastructure (due to be completed in 2006) to the water sector. This would take place through a process of peer dialogue and multi-stakeholder consultation. Self-assessments and peer reviews to finalise and test this guidance will also be initiated with a small group of countries, selected on the basis of a clear and expressed demand on their part. Jointly with the countries and the investor community action plans to enhance the investors' participation in the national water sectors will be developed. A progress and synthesis report will be produced.

For the third objective, a tool to support the preparation of realistic finance strategies will be developed and tested in 2-3 African countries (e.g. Egypt, Ethiopia, Ghana, and/or South Africa). This activity will be based on FEASIBLE, a computerised decision support tool developed by the OECD and Denmark to help governments develop realistic policy options for financing the provision of water infrastructure. It has already been applied to the water supply and sanitation infrastructure in a number of EECCA countries and China (at regional level). The project would involve adapting the tool for use in African countries, whether by the countries themselves and/or in co-operation with donors. Substantial modifications to the tool may be necessary to take account of data problems, but the basic principle of assessing the costs to achieve different policy objectives and then comparing them with realistic sources of finance would be retained. The demonstration projects would also aim to generate policy dialogues within selected African countries on possible options and mechanisms for financing water infrastructure. The projects would involve close co-operation between all relevant ministries, local jurisdictions, and user groups, and would aim to integrate the results of the finance strategies into the budgetary processes of the countries concerned. IFIs and interested donor countries would also be invited to co-operate with a view to identifying investment projects that they might finance.

JUSTIFICATION:

For long-term reallocations, why cannot such a reallocation be timebound?

Can internal reallocations satisfy this proposal? How does this proposal compare in priority with the lowest-ranked Output Result in the PWB submission? If new resources are not allocated, would the associated Output Results still be produced in the Committee? If they would, what currently planned Output Results, if any, would not proceed? Or would this proposal be delivered through voluntary contributions?

While some of the Committees participating in this proposed project have some planned work on water for the 2007-2008 period, the scope and horizontal nature of this project means that it could not be undertaken within the individual Committees alone. This also reflects the political reality of water management in many OECD countries – different aspects of water management are often split between different Ministries and between national, regional and local authorities. It is envisaged that an inter-Directorate steering group would be established to oversee the work, and reports submitted to the relevant Committees. The requested resources would be allocated across the participating Directorates, and a water expert hired to co-ordinate the work across the OECD and produce the main reports listed in output 1.

The project responds to the increasing calls within the international community for strengthened efforts to ensure adequate provision of water services, both for reasons of ensuring basic human rights and as a prerequisite for economic development. Such calls have been expressed, for example, at the 4th World Water Forum (Mexico, March 2006) and the OECD Development and Environment Ministerial Meeting (4 April 2006), and as such was not included in the original Committee budget proposals.

The proposed outputs would not be generated unless additional resources were provided. Because of the scale and horizontality of the project, it is unlikely to be delivered through voluntary contributions alone in time for the results to be available as an input to the 5th World Water Forum (March 2009) and the proposed OECD joint Environment-Development Ministerial Meeting (2009).

What policy priority or challenge facing Member governments is the new work proposal intended to address? Is the priority broadly shared among Members?

Both OECD and developing countries face significant challenges in the coming years in financing their water supply and sanitation infrastructure. In OECD countries, significant financial resources will need to be mobilised in the next one or two decades to replace ageing water infrastructure and to meet increasingly stringent environmental and health standards, such as those in the EU's Water Framework Directive. A forthcoming OECD report estimates that investment into water infrastructure will need to be three times more than that going into road infrastructure and five times more than that for the transmission and distribution of

electricity. It estimates that France and the UK will have to increase their spending on water as a proportion of GDP by about 20 percent just to maintain water services at their current levels, while Japan and Korea may have to increase their water expenditures by more than 40 percent. Developing and emerging economies face a similarly serious challenge in relation to the Millennium Development Goal on water and sanitation, consisting in halving the proportion of people without access to improved drinking water sources and adequate sanitation by 2015. The Camdessus Panel estimated that to achieve this goal would require a doubling of annual financial flows from 15 to 30 billion USD.

In this context, the project addresses four key policy priorities for OECD governments:

- (1) How to ensure access by all to affordable water services.
- (2) How best to finance the large costs of replacing and upgrading the ageing water supply and sanitation infrastructure including through the strategic use of limited public funds to leverage other resources, by facilitating private sector participation in the water sector where appropriate, and by developing innovative financing mechanisms.
- (3) How water pricing and the financing of water and wastewater infrastructure can contribute to better environmental quality and reduced health costs (e.g. through higher quality drinking water, reduced pipe leakage).
- (4) How best to draw on the range of financing sources available to meet domestic policy objectives of Member countries, and in developing countries to support the achievement of the Millennium Development Goal on water and sanitation, including through better targeting of ODA.

Priorities (1) and (3) are challenges that are shared among all countries. Priority (2) is shared amongst all OECD member countries – even those countries with younger water infrastructure systems will need to finance their replacement in the future, and so can benefit from the lessons learned and best practice advice from the OECD. Priority (4) is shared among all countries that signed the Millennium Declaration, including OECD countries, and especially those represented in the DAC.

What is the anticipated impact of the results on government policy? That is, how may the output results be used and how may they add or complement the Expected Outcomes for this Output Area?

The impact on government policies will include: more cost-effective allocation of limited government budgets for the replacement of costly water infrastructure; more successful private sector participation in water infrastructure provision where stakeholders want this; better targeting of limited ODA and greater use of ODA to the water sector as a leveraging mechanism for other financial flows; greater likelihood of achieving the water-related Millennium Development Goal to halve the number of people without access to water and sanitation by 2015. It may also include identification of innovative approaches to the definition and implementation of the core principles of water economics (cost recovery, user-pays, polluter-pays principle).

Why is it necessary for the OECD to deliver this output (i.e. what is the comparative advantage?)

OECD has a comparative advantage in undertaking this project because:

- (1) As an economics-based organisation, OECD has the appropriate expertise for analysing the financial and economic aspects of water management policies.
- (2) OECD is the only organisation that has provided a comprehensive overview of water pricing policies and practices in OECD countries (and beyond).
- (3) As an inter-disciplinary Organisation, the OECD is particularly well suited to analysing issues that cut across sectors and levels of management within Governments, as is the case for water management.
- (4) The Policy Framework for Investment combined with the OECD Principles for International Investor Participation in Infrastructure, to be completed before end-2006, provide unique tools for self-assessment, progress reporting and benchmarking.
- (5) Because it is not a lender or donor and therefore is perceived to be neutral, the OECD is an ideal platform to bring together both OECD and selected non-member countries, as well as international and other private sector operators, in a forum to share experiences on water financing, to support the development of independent, realistic finance strategies and develop best practice.

In a recent consultation with the UN Secretary-General's Advisory Board on Water and Sanitation, the Board members emphasised "the comparative advantage that the OECD has in economic and financial analysis of the water sector and in monitoring ODA flows for water. The OECD, as neither lender nor donor, is widely recognised for its neutrality and objectivity, while other institutions, such as the development banks and bilateral aid agencies, are perceived to have their own agendas due to the financial interests that they have."

Is this new work, or a repackaging of existing information/output results in the OECD? To what extent has the subject been researched by academic or other international organisations?

Various aspects of financing and pricing water have been examined in the past. However, the proposed project is new in the sense that it represents a co-ordinated and concerted attempt to address some critical obstacles to financing water infrastructure, and to make a practical contribution to a policy issue of major international significance. The project would not involve repackaging of existing work, but requires new data collection and analysis to survey recent developments and update out-of-date analysis. There is clearly demand for the work. In March 2006, a "Task Force on Financing Water for All" (Chaired by Angel Gurría) delivered a report to the 4th World Water Forum summarising the current state of knowledge on financing water services. That report identified a number of elements of policy analysis that are needed related to the financing gap, including innovative financing mechanisms, the development of local capital markets, the development of the demand side of water financing, and the specific challenges of water for agriculture. These issues would be addressed in this horizontal OECD project. Furthermore, the UN Secretary-General's Advisory Board on Water and Sanitation delivered a Compendium of Actions to the 4th WWF, including identifying specific work that would best be done by the OECD – the work proposed here would make a significant contribution toward fulfilling those requests.

This project will draw on already existing work of relevance – much of which has been undertaken by the OECD, such as work from ENV on water pricing, public-private partnerships for water management, and multi-year financial planning for environmental infrastructure, from GOV on regulatory reform of the water sector, analysis of DCD on ODA to the water sector, work of the Development Centre on innovative forms of development financing (e.g. financial guarantees) and private sector involvement, etc. It will also draw on work by other relevant Organisations, such as World Bank, WHO, and UN bodies. The value-added of this project is that it will bring this analysis together in a more comprehensive approach to bridging the financial gap in OECD and developing countries using a mix of financing instruments, and addressing both the demand and supply sides. Until now, most work has concentrated on the supply side. The lessons learned and practical tools of the OECD will be applied in case studies with developing countries as a concrete step towards achieving the MDG on water. The inclusion of both member and developing countries in the scope of the project will also help to identify those best practices in OECD countries that are most relevant for developing countries.

POLICY ENVIRONMENT:

Access to water and sanitation are essential for human dignity and economic development and are considered to be basic human rights. The argument is often made that access to such services therefore should be free, and in many countries there is opposition to private sector involvement. However, adequate pricing is essential to curb excessive demand for water and to ensure the financial sustainability of providing water services. Ultimately, users or tax-payers must finance water services provision, and the temporal aspect needs to be addressed. There is also a need to minimise the costs of providing water services, and in this connection the private sector may provide valuable know-how. Thus the financing of water must be grounded in the governance of the water sector and the politics surrounding water pricing.

Water scarcity is an increasing problem in many countries and regions, as water pollution and over-drawing of groundwater reserves reduce available sources, and as populations grow and competition between different uses increase. Ensuring equitable access to sufficient quantities of clean water and adequate sanitation is a major policy challenge facing all countries, as is the question of how to finance this objective. Poor quality water can also constrain supply. Inadequate supply can constrain economic and social activity.

OECD countries and economies in transition face substantial financial commitments in the next 1-2 decades as they face the challenge of replacing ageing water pipes and infrastructure in urban areas, as well as the up-grading of costly wastewater treatment equipment to cope with more stringent environmental standards (e.g. as required in the EU's Water Framework Directive). A recent OECD report shows that water infrastructure is going to require several times the investment needed in other infrastructure sectors (e.g., road, rail, and electricity).

Production-linked agricultural support policies are still dominant in many countries, through not only raising output prices, but also reducing input prices, including for water, and thus encouraging excess input use. The result is an over use of water that is both economically inefficient and environmentally damaging. Two recent workshops on agricultural water policies in, respectively, OECD countries and China, were occasions to share experiences across countries. Both workshops

concluded that while reforms are underway, much still remains to be done.

Water and sanitation are basic development concerns. The international community has agreed to halve the number of people worldwide without access to water and sanitation by 2015 (Millennium Development Goals, World Summit on Sustainable Development). Currently, it is estimated that over 1 billion people lack access to safe water supplies and 2.6 billion are without access to basic sanitation. It is estimated that the costs of achieving this goal are in the order of USD 9-30 billion per year, but the financial resources to do so are grossly inadequate. Achieving the water and sanitation MDG would also contribute significantly towards achieving the other MDGs, as poor water quality is a major source of disease and morbidity, and the opportunity costs of buying or fetching clean water for the poor (in terms of both time and money) are significant. The financing gap is most evident in developing countries, where about 80% of diseases are water-related, leading to an estimated 1.7 million deaths per year

A range of financial sources can be tapped to deliver these goals – including public funds, ODA, private investment, water charges, etc. – but so far they have fallen well-short of the levels required. Public sector budgets are limited in both OECD and non-OECD countries, and the investments needed to finance water supply and sanitation infrastructure upgrading or expansion are substantial. Many private sector investors in the water sector have been pulling out of developing countries in recent years, exacerbating the situation. While ODA to the water sector has increased since 2000, its share in total ODA has fallen.

A number of success stories exist in financing the water sector, and these can be drawn upon to highlight practical and achievable recommendations. The positive externalities of improved water supply and sanitation are well known, but could be tapped to provide new sources of finance.

The political impetus for this new work arises from the 4th World Water Forum (Mexico, March 2006) -- in particular the gaps in financing and further analysis needed that were identified in the report of the “Task Force on Financing Water for All” -- and from discussions for further work by the OECD at the OECD Meeting of Development Co-Operation and Environment Ministers (4 April 2006). OECD has made important contributions in the past to the 2nd(the Hague, 2000), 3rd (Kyoto, 2003) and 4th World Water Forums. It is intended that the final results of this project will be delivered to the 5th World Water Forum (Turkey, March 2009) and to a proposed Meeting of OECD Environment and Development Ministers in 2009.

EXPECTED OUTCOMES:

- (1) Analysis of best practice for financing water services, leading to better water pricing and financing policies in OECD and non-OECD countries
- (2) Better efficiency and targeting of public sector funds to the water sector, including ODA.
- (3) Reduced need for public sector funds to support water services maintenance, upgrading and expansion.
- (4) Better leverage of private sector funds and innovative financing mechanisms, including the development of concrete action plans with “pilot” countries.

ENV/EPOC/GSP(2006)16

- (5) Influence on the agenda and main messages coming out of the 5th World Water Forum (Turkey, 2009), through a strong OECD economic input.
- (6) Strong analytical basis to support the proposed 2009 Meeting of OECD Environment and Development Ministers.
- (7) Realistic, multi-year financing plans for water supply and sanitation provision in African countries based on application of a support tool.

2007 EXPECTED OUTPUT RESULTS:	Timing (Q)	Accountable Committee/ Subsidiary Body/ Global Forum	Ongoing or Timebound (end-date)	K EUR				
				Total Estimated Cost	Part I Budget	CPF	VCs In Hand	New VCs
1. Draft OECD synthesis report on financing water		EPOC & DAC & COAG	2008	451.5	232.1	194.4		25
<i>Intermediate Outputs:</i>								
<i>1.1 Survey and draft report on current best practices for water pricing and financing water infrastructure in OECD countries and developing countries (HORIZONTAL)</i>		EPOC's Working Party on Global and Structural Policies (WPGSP) and DAC ENVIRONET	2008	60.4		60.4		
<i>1.2 Meeting of water experts to share experiences with water pricing and financing (HORIZONTAL)</i>	4Q	WPGSP & ENVIRONET	2007	59		34		25
<i>1.3 Report reflecting analysis and data on ODA to the water sector (DCD)</i>		DAC Working Party on Statistics (WP-STAT)	ongoing	23.9	23.9			
<i>1.4 Report assessing the water and wastewater infrastructure needs for OECD countries & BRICs (as part of the OECD Horizontal Project on Infrastructure) (ENV)</i>	2Q	WPGSP	2007	25	25			
<i>1.5 Draft report on policies and approaches for sustainable water management in agriculture in OECD countries (AGR)</i>		COAG & EPOC's Joint Working Party on Agriculture and Environment (JWPAE)	2008	183.2	183.2			
<i>1.6. Report on water pricing for agriculture and financing agricultural water supply infrastructure (AGR)</i>		APMWP & JWPAE	2008	55		55		
<i>1.7 Draft report on innovative sources of financing for the water sector (HORIZONTAL)</i>		WPGSP & ENVIRONET	2008	45		45		

2007 EXPECTED OUTPUT RESULTS:	Timing (Q)	Accountable Committee/ Subsidiary Body/ Global Forum	Ongoing or Timebound (end-date)	K EUR				
				Total Estimated Cost	Part I Budget	CPF	VCs In Hand	New VCs
2. Extension of FEASIBLE tool and application to selected African countries		WPGSP & ENVIRONET	2007	300		172.8		127.2
<i>Intermediate Outputs:</i>								
<i>2.1 New version of FEASIBLE model - Technical work to extend the model to developing countries (ENV)</i>	4Q	WPGSP & ENVIRONET	2007	300		172.8		127.2
3. Financing strategies for several EECCA countries water supply and sanitation sectors using FEASIBLE		WPGSP	2008	520			520	
<i>Intermediate outputs:</i>								
<i>3.1. Three country case studies – capacity development and policy dialogue (ENV)</i>		WPGSP	2008	495			495 ²	
<i>3.2. Synthesis report (ENV)</i>		WPGSP	2008	25			25	
4. International investor participation in the water sectors		Investment Committee (IC)	2007	200		132.8		67.2
<i>4.1. Draft Guidance on applying the OECD Principles for International Investor Participation in Infrastructure and the Policy Framework for Investment to the water sector (DAF)</i>		IC	2007	60		35		25.0
<i>4.2 Supporting multi-stakeholder dialogue and three country self assessments and interim reports (DAF)</i>	4Q	IC	2007	140		97.8		42.2

² EC TACIS grant for this work currently under negotiation and expected to be available at 1st of January 2007 at the latest.

2008 EXPECTED OUTPUT RESULTS:	Timing (Q)	Accountable Committee/ Subsidiary Body/ Global Forum	Ongoing or Timebound (end-date)	K EUR				
				Total Estimated Cost	Part I Budget	CPF	VCs In Hand	New VCs
1. OECD synthesis report on financing water			2008	561.6	322.2	239.4		
<i>Intermediate Outputs:</i>								
<i>1.1 Report on water pricing and financing water infrastructure in OECD countries and developing countries (HORIZONTAL)</i>	3Q	WPGSP	2008	44		44		
<i>1.2 Report reflecting analysis and data on ODA to the water sector (DCD)</i>		WP-STAT	ongoing	23.9	23.9			
<i>1.3 Report on water pricing for agriculture and financing agricultural water supply infrastructure (AGR)</i>	3Q	JWPAE	2008	40		40		
<i>1.4 Report on innovative sources of financing for the water sector (HORIZONTAL)</i>	3Q	WPGSP & ENVIRONET	2008	40		40		
<i>1.5 GFSD Conference on water financing (OECD and non-OECD countries) (ENV)</i>	2Q	Global Forum on Sustainable Development	2008	50		50		
<i>1.7. Report on policies and approaches for sustainable water management in agriculture in OECD countries (AGR)</i>	4Q	APMWP & JWPAE	2008	298.3	298.3			
<i>1.8 OECD synthesis report on financing water (HORIZONTAL)</i>	4Q	EPOC & DAC & COAG	2008	65.4		65.4		
2. Extension of FEASIBLE tool and application to selected African countries		WPGSP & ENVIRONET	2008	700		227.8		472.2
<i>Intermediate Outputs:</i>								
<i>2.1. Country case studies -- application of FEASIBLE in 2-3 African countries – capacity development and policy dialogues (ENV)</i>	4Q	WPGSP & ENVIRONET	2008	700		227.8		472.2
3. Financing strategies for several EECCA countries water supply and sanitation sectors using FEASIBLE		WPGSP	2008	175			175	
<i>Intermediate outputs:</i>								
<i>3.1. Three country case studies, policy dialogues, and reports finalised (ENV)</i>	2Q	WPGSP	2008	175			175 ³	

³ EC TACIS grant for this work currently under negotiation and expected to be available at 1st of January 2007 at the latest.

2008 EXPECTED OUTPUT RESULTS:	Timing (Q)	Accountable Committee/ Subsidiary Body/ Global Forum	Ongoing or Timebound (end-date)	K EUR				
				Total Estimated Cost	Part I Budget	CPF	VCs In Hand	New VCs
4. International investor participation in the water sectors		IC	2008	200		132.8		67.2
<i>4.1. Final Guidance on applying the OECD Principles for International Investor Participation in Infrastructure and the Policy Framework for Investment to the water sector (DAF)</i>		IC	2008	60		35		25
<i>4.2 Supporting multi-stakeholder dialogue, and three pilot country peer reviews and blueprints for public and private sector action using the Guidance (DAF)</i>		IC	2008	110		77.8		32.2
<i>4.3 Synthesis report (DAF)</i>		IC	2008	30		20		10
5. High Level or Ministerial Meeting on water and development		DAC & EPOC	2009	50		50		
<i>5.1 Development of Issues Paper, Agenda, and other documentation for the Meeting (HORIZONTAL)</i>		DAC & EPOC	2009	50		50		

2009 EXPECTED OUTPUT RESULTS (if timebound beyond two years):	Timing (Q)	Accountable Committee/ Subsidiary Body/ Global Forum	Ongoing or Timebound (end-date)	K EUR				
				Total Estimated Cost	Part I Budget	CPF	VCs In Hand	New VCs
1. OECD Participation in the 5th World Water Forum (Turkey, March 2009)				46.9		46.9		
<i>Intermediate Outputs:</i>								
<i>1.1 Side-event at 5th WWF and wide dissemination of the OECD report on financing water (HORIZONTAL)</i>	1Q		2009	46.9		46.9		
2. Extension of FEASIBLE tool and application to selected African countries		WPGSP ENVIRONET		32		32		
<i>Intermediate Outputs:</i>								
<i>2.1. Synthesis report (ENV)</i>	1Q	WPGSP ENVIRONET	2009	32		32		
3. High Level or Ministerial Meeting on water and development	3Q	DAC & EPOC	2009	75		75		
<i>3.1 Development of documentation for the Meeting (HORIZONTAL)</i>				50		50		
<i>3.2 Organisation of the Meeting (HORIZONTAL)</i>				25		25		

Table 1 : PART 1 BUDGET INFORMATION - (KEUR)**TITLE: Sustainable Financing to Ensure Affordable Access to Water and Sanitation**

	2007	2008	2009
<i>Permanent Staff:</i>	278.7	364.3	33.9
<i>Project Staff:</i>	411.0	323.2	20
<i>Consultants:</i>	435.8	668.7	0
<i>Missions:</i>	81.0	85.9	20
<i>Other Operating Cost:</i>	164.0	244.5	80
A. TOTAL ESTIMATED COST OF PROPOSAL:	1471.5	1686.6	153.9
<i>Permanent Staff:</i>	219.2	305.0	
<i>Project Staff:</i>			
<i>Consultants:</i>	6	9.5	
<i>Missions:</i>	3.3	5.3	
<i>Other Operating Cost:</i>	1.5	2.4	
B. TOTAL RELATED EXISTING PART I RESOURCES:	232.1	322.2	0
<i>Project Staff:</i>	185	90	
<i>Consultants:</i>	245	60	
<i>Missions:</i>	40	10	
<i>Other Operating Cost:</i>	50	15	
C. VCs IN HAND:	520	175	0
<i>Project Staff:</i>	18.8		
<i>Consultants:</i>	127.2	372.2	
<i>Missions:</i>	6.2	30	
<i>Other Operating Cost:</i>	67.2	137.2	
D. NEW VCs	219.4	539.4	
<i>Permanent Staff:</i>	57.4	59.3	33.9
<i>Project Staff:</i>	207.2	233.2	20
<i>Consultants:</i>	158.6	227.0	
<i>Missions:</i>	31.5	40.6	20
<i>Other Operating Cost:</i>	45.3	89.9	80
E. = [A-(B+C+D)] FUNDING BID:	500	650	153.9

ENV/EPOC/GSP(2006)16