

**GLOBAL FORUM ON SUSTAINABLE DEVELOPMENT**  
**FINANCING WATER AND ENVIRONMENTAL INFRASTRUCTURE FOR ALL**  
**18-19<sup>TH</sup> DECEMBER, 2003-12-08**

**INTRODUCTORY REMARKS BY**  
**Mr KIYOTAKA AKASAKA**

I would like to open this meeting of the Global Forum on Sustainable Development by welcoming all participants; and I would particularly like to extend a warm welcome to participants from partner countries and to representatives of the business and non-governmental sectors.

OECD has been working for more than forty years to promote economic development in its Member countries and globally. In recent years, it has become increasingly obvious that to achieve these objectives, OECD's 30 Member countries have to strengthen their cooperation with non-Members and with partners in the non-governmental sector. How to do this, is an issue that is continuously under discussion. One step that we have taken has been to establish 8 Global Forums as part of our outreach programme.

The objective of the Global Forums is to engage partner countries in an on-going dialogue with OECD Members on priority policy issues. The working methods of the Global Forums are to a large extent modelled on the work of OECD Committees, where policy makers from capitals meet on a regular basis to analyse shared and common problems, and to identify possible solutions. The essence of the working methods is free and frank policy dialogue, based on high-quality information and analysis.

I imagine that it is no surprise to this audience that sustainable development is one of the themes selected for the OECD Global Forums. In 2001, we organised a meeting of OECD Finance and Environment Ministers to review the results of a three-year programme in this area. I would like to read to you a short extract from the communiqué that the Ministers adopted:

“Sustainable development is an overarching goal of OECD governments and the OECD... We recognised that OECD countries bear a special responsibility for leadership on sustainable development worldwide, historically and because of the weight they continue to have in the global economy and environment. We recognise the urgency of the challenge and the gap between policy design and implementation. We are committed to closing the gap and will work energetically with countries outside the OECD's membership to achieve our joint sustainable development goals.”

The Global Forum on Sustainable Development provides a mechanism for achieving the Ministers' outreach objective, and it complements other work on sustainable development being carried out within the Organisation.

This meeting of the Global Forum on Sustainable Development addresses the issue of “Financing Water and Environmental Infrastructure for All.” I am happy to acknowledge the good cooperation that we have enjoyed with the World Bank and the US authorities in organising this event.

The meeting builds on a previous meeting that we organised on a related theme in April 2002, and we are pleased that there is a measure of continuity in the participation at the two events. However, we are particularly minded of the future, and, in particular the next meeting of the UN Commission on Sustainable Development that takes place in New York in April next year. The April meeting will focus on water supply and sanitation and human settlements. It will examine implementation of the commitments in these area made in the Johannesburg Plan of Implementation that was adopted at the World Summit on Sustainable Development in September 2002. The CSD meeting is tasked to identify “constraints, obstacles, successes, lessons learned in the process of implementation.”

There can be no doubt that water supply and sanitation are fundamental to achieving sustainable development, and that they have important economic, social and environmental dimensions. Clean, safe water is essential for life and for economic development. Its provision must be grounded in effective water resource management policies and institutions. Recently, the UN Committee on Economic, Social and Cultural Rights declared that access to water was a basic human right.

Yet, worldwide there are 1.1 billion people that do not have access to safe water, and 2.4 billion without access to sanitation. Building on the Millennium Development Goals, the Johannesburg Plan of Implementation established the targets of reducing by half the proportion of people without access to both safe water and sanitation by 2015. It has been estimated that achieving these targets would require daily global connection rates of several hundred thousand. We might debate the accuracy of the figure, but I believe there is no debate how the magnitude of the challenge.

In this meeting we will focus on part of the challenge: financing the provision of water supply and sanitation services, principally in urban areas. This is not to underestimate the importance of these challenges in rural areas where the problems of poverty are often acute. Nor is it to ignore the importance of governance issues in the water sector, which are inter-connected with the financial challenges. But we need to focus the discussion in order to have a useful discussion. The internationally-agreed water targets will not be achieved without additional finance and the scale of the financial challenge is arguably greatest in urban areas.

The recent report of the World Panel on Financing Water Infrastructure – referred to as the Camdessus report after its Chair – provides some valuable analysis and recommendations on these issues. I believe it provides a useful baseline for this meeting. I hope that we can build upon this report and identify some practical approaches that we can feed into the next CSD meeting, and that will help bring us closer to achieving the internationally-agreed water targets.

To help us do this, we are pleased that Jim Winpenny, who was the secretary of the World Panel on Financing Water Infrastructure, and principal author of its report, has agreed to help kick-off our discussion by presenting some of the Panel's main findings. He will also serve as rapporteur for the meeting.

The Camdessus report addresses many of the challenges involved in financing water infrastructure. We have had to make a selection from among them, and to focus on areas that we believe we might be able to help advance the international debate. Thus we would like to examine the following

issues: How can governments – and their partners - develop strategies that make the best use of the menu of financial sources and products to achieve their water related goals? What experience has been gained from the development of such strategies?

- If water tariffs need to move in the direction of full-cost recovery, what approaches are most effective in ensuring that poor and vulnerable groups have adequate access to water
- How can the performance of municipalities and public agencies that disburse resources for water-related investments be assessed and, as appropriate, rewarded?
- What are the main lessons learned from promoting access to capital and financial markets in emerging economies to finance investments in the water sector?

Some of the answers to these questions will be relevant financing other forms of environmentally-related infrastructure such as solid waste management or district heating.

In conclusion: we are very much looking forward to the discussion over the coming two days. I would encourage you all to speak freely and frankly. I should inform you too that we are broadcasting this meeting internally to OECD delegations and secretariat. This will enable more

people to benefit from the discussion without having to leave their office. Within the meeting, we are not aiming to negotiate any agreements but rather to take stock of experience in the four areas I have just mentioned and to identify practical approaches that could assist in achieving the internationally-agreed water targets. After the meeting Mr Winpenny will summarise the main findings in a rapporteur's report; but they will be his views and not necessarily reflect the views of all participants.

Thank you for your attention, and for the contributions that you will make in the discussion of these important issues.