

**Asia-Pacific Water Forum**  
**Priority Theme A**  
**Water Financing**  
**Key Result Area 3**  
**Increasing Public Outreach**  
**Asia Water Development Outlook**  
**Water Financing Partnership Facility**  
 21-22 February, 2007  
 K. E. Seetharam, ADB



"Water has always been at the very heart of the existence of the Australian nation..... the current trajectory of water use and management in Australia.... we need radical and permanent change. I regard myself as a climate change realist."

PM John Howard address to the National Press Club January 2007  
*(many of Heads of State have been making similar statements)*



**Situation in Asia and Pacific is no different – water is the key to economic growth and poverty reduction**

- **Drinking Water**
  - 1/5 do not have access to safe, sustainable water supplies (700 million people)
- **Sanitation**
  - 1/2 do not have access to improved sanitation (2 billion people)
- **Water for Agriculture**
  - By 2015/30\* global food production needs to increase by 60% to cope with population growth

Source: Asia Water Watch 2015, ADB, UNDP, UNESCAP, WHO \*FAO World Report



**Three Areas of Investment**

- **Rural Water Services**
  - Drinking water
  - Sanitation
  - Irrigation
  - Drainage
- **Basin Water Management**
  - IWRM
  - Flood management
  - Water Quality
  - Wetlands
- **Urban Water Services**
  - Drinking water
  - Sanitation and wastewater
  - Others

**Actions in all three:**

- Infrastructure
- Reform
- Capacity Development

Supported by regional cooperation

**Past Efforts**

- **Pacific**
  - Regional plan of action for water (signed in Kyoto)
  - Support implementation, including PNG, Fiji, SOPAC
- **Asia**
  - Southeast, South, Central & West, East Asia
  - Water Investment Projects and Programs
  - Water Technical Assistance
  - Reforms, governance, capacity building
  - Knowledge products, innovation, demonstration, partnerships, awareness (through water fund)

**Investment levels have tended to be under \$1 billion per annum**



## Past Efforts not enough

- USD8 billion annually needed to meet MDG targets over the next decade for safe drinking water and sanitation alone
- Additional investments for irrigation, river basin and flood management, and wastewater treatment
- Camdessus Panel (2003) recommended to double public and private water investments to meet growth demands

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## Some Basic Issues remain

- Not so much a shortage of water as **poor water governance and professional management**
- Solutions are not in infrastructure alone – need to catalyze integrated solutions that **tackle investment, reform and capacity development with better governance**
- Water has to compete with many other priorities – too important to leave in the hands of water professionals – **has to be seen as national issue**

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## Current Initiatives

ADB President made a commitment to double water investment and deliver specific outcomes on drinking water, sanitation, irrigation, IWRM and water governance

-March 2006

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## Our Initiatives

- **Asia Pacific Water Forum** - to ensure water policy, reform, investment and performance is in the minds of heads of states/senior ministers and there is synergy across the region
- **Water Financing Program 2006-2010** – to double ADB investment supported by accelerated reform and capacity development, with regional cooperation
- **Increasing Public Outreach** – by developing regional water advocacy among government leaders, commissioning the **Asia Water Development Outlook** to showcase achievements by water champions in the region, and supporting the media strategy for the Asia Pacific Water Summits.
- **Water Financing Partnership Facility** – to mobilize partners and grant funds to boost the resources to help clients – especially on reform and capacity development (successor to Cooperation Fund for Water Sector)

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## Water Financing Program (WFP)

- ADB to expand water investments in three key areas:
  - ➔ **Rural Water** – improve health and livelihoods in rural areas
  - ➔ **Urban Water** – sustain economic growth in cities
  - ➔ **Basin Water** – promote IWRM and healthy rivers

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## Water Financing Program (WFP)

- ADB Water Investments



- Combine water investments with reforms, capacity building, with participation of the private sector and civil society

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## WFP Key Result Areas

- **Investment**
  - Doubling ADB investments in water
- **Reforms**
  - Accelerate water policy and institutional reforms
- **Capacity Development**
  - Building capacity in water organizations including national water sector apex bodies, service providers/water utilities, river basin organizations, regulators, civil society organizations

*Supported by regional cooperation*

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## New ADB Financing Modalities

- Multi-tranche financing facility
- Sub-sovereign lending
- Refinancing
- Local Currency Lending

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## Increasing Public Outreach

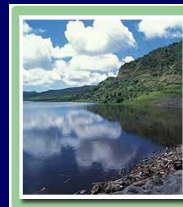
- Engage media coordinators to assist in promoting the Asia Pacific Water Summit
- Prepare advocacy campaigns and articles in mass media to increase public awareness and understanding of key water trends, issues, and solutions.
- Journalists will also be supported through networking activities, such as the Asia Water Wire of the Inter-Press Service.



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## Asia Water Development Outlook

- Flagship Report of APWF
- Articulate the overall directions for water activities that will be promoted by APWF in the coming years.
- Showcase achievements by water champions in the region
- Will be featured at the first APWS
- Declaration by the leaders supporting the key messages and recommendations in AWDO
- Target those senior government officials involved in making investment decisions (principally finance and planning ministers and their advisers)



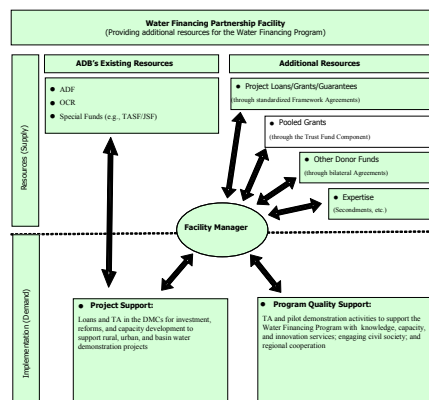
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## Water Financing Partnership Facility

- Initial target \$100 million in grants
- **Project Support (70%)**
  - Rural, urban, basin
- **Program Quality Support (30%)**
  - Knowledge, Capacity and Innovation Services
  - Empowering Civil Society
  - Regional Cooperation

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### Water Financing Partnership Facility: Concept Overview



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## Complementary Activities

- Policy distinction advocacy -> water as a service vs. water as a resource
- Focus on national reforms -> help formulate or update policies, legislation, regulations, national water sector apex bodies
- Focus on sector -> national water sector profiles
- Water Utilities -> key indicators, tariff reforms
- River Basin Organizations -> support for establishment
- Regulatory Bodies -> support for establishment

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## Complementary Activities

- Performance Benchmarking and Peer Reviews -> introduced for national water sector apex bodies, water utilities, river basin organizations
- Diagnostic assessment of key organizations -> being piloted
- Partnership with civil society -> through WaterAid and others
- Self-application of good governance -> in our water policy implementation and review we are consultative, transparent, accountable, and results-oriented

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- Smarter Sanitation Tool Kit
  - <http://www.adb.org/Water/Topics/Smarter-Sanitation/default.asp>
- Water Champions
  - <http://www.adb.org/Water/Champions/topic.asp#private>

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- Innovation and efficiency initiative
  - <http://www.adb.org/Documents/Policies/Cost-Sharing-Eligibility-Expenditures/cost100.asp>
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