

GLOBAL WATER CRISIS

by KEMAL DERVIS

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Excellencies, Dear Friends,

As set out by many friends and experts who have shaped the concept and practice of human development over the past fifteen years -- prominent among them the late Mahbub ul Haq, a vigorous champion of the concept in the 1990s, and Nobel Prize winner Amartya Sen -- human development is first and foremost about allowing people to lead lives that enable them to realize their potential as human beings. Today, the normative framework for human development is reflected in the broad vision set out in the internationally agreed Millennium Development Goals (MDGs).

This year's Human Development Report – Beyond Scarcity: Power, Poverty and the Global Water Crisis – looks at an issue that profoundly influences progress towards the MDGs, and human potential more generally. Water is a basic human need and a fundamental human right. Access to water, a simple resource that many in rich countries take for granted, has implications for improving life chances, expanding choice, and the exercise of basic human freedoms. Water for life in the household and water for livelihoods through production are two of the foundations for human development.

The crisis in water for life is the widespread violation of the basic human right to water. One in every six people in the world is denied the right to clean, accessible and affordable water. 2.6 billion people do not have even rudimentary forms of sanitation. That deprivation causes nearly two million avoidable child deaths each year. As the great author Victor Hugo wrote in *Les Misérables*, "The sewer is the conscience of the city." The central message of this year's Report is that the global water crisis is not one of physical scarcity, but one rooted in poverty and inequality.

Access to water is intrinsic to human development, but it also has implications for several other targets that the international community has set itself in the Millennium Development Goals. The human cost manifests itself in lost opportunities for education and huge gender inequalities. Worldwide, 443 million school days are lost each year because children are too weak from diarrhoea and other water-related illnesses.

As we look across the continent of Africa and beyond, it's clear that the world's failure to meet this essential need has knock-on effects on a global economic scale. Developing countries lose billions of dollars on an annual basis due to the productivity losses associated with water delivery and management. By undermining economic growth, the deficits in water and sanitation are trapping households in cycles of poverty and reinforcing inequalities both within and between countries.

So, how do we make water a human right – and mean it? In analysing the causes of the problem, several themes emerge in the Report. First, few countries treat water as a political priority. Second, the limited coverage of water utilities in slums and informal settlements means that the poorest tend to pay the most for water. And third, the international community has failed to prioritise water and sanitation in the partnerships that have coalesced around the MDGs.

Underlying these problems is the fact that those most affected by the crisis in water and sanitation – the poor, women and children – are also the ones who have the least voice in asserting their claims to water. Too often, the debate over public or private provision of water has diverted attention away from the fact that the poor remain under-served, irrespective of who owns the utility.

Hence, there is a need to focus on the legislation, institutions and regulatory capacity needed to target the inequalities in water and sanitation. Many countries have made extraordinary progress by legislating on the right to water, and communities in slums and villages have shown leadership in mobilizing resources to improve sanitary conditions.

Here in South Africa, the constitutional right to water has enabled the Government to protect and promote the right to water for every individual. This is amply demonstrated by the policy and legislative frameworks, budget allocations and achievements to date on this critical issue. However, challenges remain. Access to potable water in South Africa is not universal and coverage rates among the poor still vary significantly.

Also, South Africa has not yet matched its success in expanding access and reducing inequality in water provision with comparable outcomes in sanitation. The challenge for South Africa, as the Government recognises and is taking steps to address, lies in expanding access and engaging communities in the identification and adoption of the most appropriate and sustainable solutions that respond to environmental and resource constraints.

As always, the United Nations Development Programme stands ready to support the Government of South Africa, by sharing our experience gained worldwide and working together to make further progress in an area where South Africa is already a leader.

Globally, there are several clear steps that governments can take to address the water crisis. These include setting clearly defined targets for utility companies to increase water access to the poor; ensuring that national policies -- and their objectives--are clearly understood by all concerned and that providers are made accountable for meeting those objectives; using a combination of cross-subsidies and funds from municipal bonds to finance the upfront costs of connecting households to water mains; and enforcing a minimum entitlement of water for all citizens, provided free to those who cannot afford to pay.

And at the international level, governments should support a Global Action Plan to raise the profile of water and sanitation, garner additional resources, and monitor performance of both donor and recipient countries.

The second dimension of the water crisis as addressed in this Report is the crisis in water for livelihoods. That is the chronic water stress that affects nearly 800 million people on the planet and threatens the collapse of ecological systems, intensifying competition for water and heightening cross-border tensions. The world is not

running out of water in an aggregate, absolute sense, but for millions of people, access to water resources is coming under stress.

Moreover, it is now clear that global warming could have a devastating impact in a few decades leading to severe droughts in some areas, floods in others, as well as an increasing intensity of tropical storms. I strongly commend to you the work of Sir Nicholas Stern, Head of the UK Government Economic Service, who has brought to bear hard-headed and rigorous methods of economic analysis on these issues.

Agriculture is the main user of water. Declining flows in rivers, shrinking lakes and falling water tables are symptoms of unsustainable water use in some regions. Parts of China and India, both fast-growing economies, are suffering from water stress which results in large losses in agricultural productivity. As competition for irrigation water intensifies, the inequalities between small and large farmers will come to the fore with greater prominence. Agriculture also faces increasing competition for water from industries and rapid urbanization.

This is a crisis that is already here and will affect future generations. Global warming is already occurring and will put increasing pressure on water availability patterns throughout the world. While in the short to medium-term the accelerated melting of glaciers leads to an increase in water flows, in the long-run this will result in a decline in water availability as ice caps retreat and release less water during summer months adversely affecting water.

This, together with extreme weather patterns adds a new dimension to the competition for water resources. There is an urgent need to focus not only on mitigating climate change but also supporting adaptation strategies.

Water is also the ultimate fugitive resource. Two-fifths of humanity lives in river and lake basins shared by two or more countries. Linked by a web of interdependence, these societies can either suffer from increasing political conflicts or benefit from cooperation. Shared management of river basins can yield significant benefits in terms of the quantity, quality and predictability of water flows. Lack of cooperation, on the other hand, increases the potential for cross-border tensions in water-stressed regions.

As a first response to the increasing competition there needs to be a recognition that the environment is a user of water as well. Water has to be priced in a manner that reflects its scarcity, rather than subsidised in a manner that ensures that large farmers or industries get their share at the cost of the poor. And at a cross-border level the challenge is to focus on the human development needs of communities that share the same water resource.

The world's water crisis is a denial of human rights compounded by increasingly policy-induced scarcity. We know that it is within our technical and financial resources to address the crisis, just as the rich world today did in their own countries a century ago.

Political will is of course important at the national level. But water also has to be much higher on the international agenda for us to convert rhetoric into action. We at the United Nations must also work right, starting with better coordination among the many UN agencies that work on water.

These efforts must also involve a greater level of commitment from donor governments towards addressing this crisis. If the rich world is serious about

helping developing countries achieve the MDGs, then giving priority to water and sanitation will go a long way towards making more effective use of aid financing.

Excellencies, Dear Friends,

The Global Action Plan set out in this Report provides the roadmap that we need to follow, not only in providing more funds but in building capacity, leveraging resources, and measuring our progress against the targets we have set. We need hard heads and soft hearts, a combination symbolized by the great leader Nelson Mandela, and which continues to be practiced by President Mbeki and many leading South Africans today.

Power, poverty and inequality are not naturally occurring causes of water scarcity. They need to be confronted with a political policy response. The debate that is being launched with the publication of this year's Human Development Report, will, I hope, spur everyone to much greater action.

Thank you.