

The side event at MCED7

Impactful Investments in Water-Efficient Infrastructure: Inputs to the 3rd APWS

(Strengthening the IWRM Processes and Practitioners Network)

12:00-13:00, Conference Room 3, UNCC, Bangkok, 7 September, 2017

Summary of the proceedings

Chair: H.E. Mr. U Ohn Winn, Union Minister, Ministry of Natural Resources and Environmental Conservation, Myanmar

Opening Remarks: Dr. Shamshad Akhtar, Under-Secretary-General of the United Nations and Executive Secretary of ESCAP

Moderator: Mr. Kaveh Zahedi, Deputy Executive Secretary of ESCAP

Panel Members:

- H.E. Mr. Yeshey Dorji, Minister, Ministry of Agriculture & Forests, Thimphu, Bhutan
- Mr. Khamphanh Nanthavong, Director General, MONRE, Lao PDR
- Mr. Saroj Srisai, Assistant Director/Head of Environment Division, Sustainable Development Directorate, ASEAN
- Mr. Hideshi SASAHARA, Director, Water Resources Engineering Division, Japan Water Agency, Deputy Secretary General, NARBO

Discussants:

- Mr. Nobuyuki Ichihara, Director, Japan Water Forum / APWF secretariat
- (webex) Mr Hans Hans Dencker Thulstrup, Senior Programme Specialist, Water and Environmental Sciences, UNESCO Regional Science Bureau for Asia and the Pacific

Executive Summary (ref: Moderator):

1) There is no shortcut in terms of policy. Policies have to be established and are essential as a lead role for governments, municipalities, but policies alone are not enough. 2) Financing is the second essential element. In a region where money is available, ensuring it is flowing towards the SDGs, water and water infrastructure is essential. This requires innovative financing partnerships and decentralized water management financing systems. 3) Policy and financing need to be done in a balanced way. Moving away from single sectoral approaches, and look at the economic, social, and environmental benefits and consequences for resource efficiency in its entirety.

Opening of the side event by the Chair: H.E. Mr. U. Ohn Winn, Union Minister of the Ministry of Natural Resources and Environmental Conservation of Myanmar. The chair provided the overview of the 3rd Asia-Pacific Summit (APWS) which will be held in Yangon from 11 to 12 December, 2017 in collaboration with the Asia-Pacific Water Forum. With participation of national leaders of the Asia-Pacific region, the 3rdAPWS aims at enhancing political leadership and commitments and inspiring partnership, harmony, and collaboration among the stakeholders in the field of water - for the desired outcome of sustainable development in the Asia-Pacific region. The technical themes for the 3rdAPWS are: Integrated Water Resource Management (IWRM), water-related disasters, and climate change; these themes are not only for Myanmar, but for all countries of the Asia-Pacific region. In building on the 2ndAPWS results of increasing peoples' awareness of water issues and promoting movements to solve such issues, the 3rdAPWS and corresponding side event will address matters of investment in water infrastructure.

Opening Remarks and the Key Note Speech by Dr. Shamshad Akhtar, Under-Secretary-General of the United Nations and Executive Secretary (ES) of ESCAP: ES had emphasized that the environment, social, and economic investment returns on water related SDGs are considerable, yet only 10% of region water infrastructure needs are being met. The region has talked about increasing financing in water and sanitation for decades, but in the last few years international aid has fallen. Key factors that prevent optimal investment in water related SDGs are: inadequate pricing and incentives, uncoordinated policy responses to competing sectoral water demands can lead to poor management of scarce water sources, lack of incentives for pro-poor public/private partnership, and absence of community and private sector involvement in developing of water and sanitation services means unrealized innovative approaches to financing water and sanitation infrastructure. Privatization and commercial options do exist, but are not tapped effectively as water boards and sectors often enjoy monopolies, and are riddled with inefficiencies. Lending by banks is rising, but not enough to offset trends just managed. Most municipal and water agencies are financially weak, and have non-existent or limited records for market lending. 1) Water and sanitation SDGs cannot be attained solely through megaprojects, or surge of mega-infrastructure financing itself. Local governments need to be empowered to develop policies and frameworks for financing projects and decentralizing financing systems. For example, mandating local governments and municipalities to participate in the management of local water and sanitation services. Help diversity sources of income, enable open regional and local market opportunities for reliable and affordable water and sanitation services. 2) Smart budget appraisals, efficient delivery of water and sanitation services, to avoid

inefficiencies and misallocations in the management of funds, especially in water and sanitation projects municipal and local governments which are vulnerable to financial leakages. Governments can include the use of smart-phone applications, and further implement budget and expenditure transparency for water and sanitation at the local level. Proportions of civic service taxes collected for different purposes at the centre level should be allocated for water and sanitation at the local and municipality level should be implemented with clear program and implementation codes. 3) Attract impactful investments to enhance the resilience of water infrastructure to water hazards by showing the multiple benefits to social and environmental security and the returns on investments that are achievable. Ownership of water sector needs to be squarely with the governments – both federal and municipalities, and water supply boards.

Moderated Discussions, as lead by Mr. Kaveh Zahedi, Deputy Executive Secretary (DES) of ESCAP

- H.E. Mr. Yeshey Dorji, Minister, Ministry of Agriculture & Forests, Thimphu, Bhutan had highlighted that water is ‘green gold’ for which the agricultural economy, hydro, and society depends. Water was not an issue in Bhutan ten years ago, but is now due to population and economic growth, and climate change. Bhutan does not have infrastructure to store water for lean seasons, and stormwater drainage systems do not have the capacity to cope with the amount of rain received in the summer. Stream and river water quality has declined from untreated industrial and human waste discharge.
- Mr. Khamphanh Nanthavong, Director General, MONRE, Lao PDR stressed that investment in institutional governance should be promoted. A user-pay system should be considered for recouping costs and inviting private investments to this field. Also, the happiness and biodiversity of those living in the river basin should be considered when selecting the types of infrastructure to be implemented. Water is not an independent sector, but rather integrated across the social, economic, and environmental spheres.
- Mr. Saroj Srisai, Assistant Director/Head of Environment Division, Sustainable Development Directorate, ASEAN had highlighted that countries are not entirely alone in tackling their water issues - there are experiences and case studies that can be shared within the region. Also, water issues can be tackled at the regional, sub-regional, and country level. Water has an integrated nature; for example, framing the SDGs with water at the centre. He demonstrated how projects can be lead by the member state or the partner; the partner can be an international organization or dialogue partner within the country. Action for water resource management includes: increasing long-term awareness and stakeholder participation in IWRM system; reducing pollution and

environmental flow through the implementation of integrated river basin management, water quality and sanitation, and disaster.

- Mr. Hideshi SASAHARA, Director, Water Resources Engineering Division, Japan Water Agency, Deputy Secretary General, NARBO has stressed on the need for promoting water management, which is fitting local conditions and developing for the infrastructure for the sharing of goods. Water management is very important, but if the pump stops, we cannot do anything about it. He recommends making new guidelines and sharing information on easy and local technology. For example, expand local monitoring systems that locals can implement and easily repair themselves.

Interventions from Discussants:

- Mr. Nobuyuki Ichihara, Director, Japan Water Forum / APWF secretariat stated on behalf of the Joint Steering Committee for the 3rd APWS that the water-related issues mentioned in today's discussions and presentations are included in the Summit's ten (10) themes. The Government of Myanmar and the Asia-Pacific Water Forum is now in the process of issuing the official invitation letters to the head of state government of Asia-Pacific countries. He emphasized that we highly appreciate Asia-Pacific countries' consideration for participation in the 3rd APWS and hope that we will have a fruitful discussion in the Summit for sustainable development in Asia-Pacific region.
- (webex) Mr. Hans Dencker Thulstrup, Senior Programme Specialist, UNESCO Regional Science Bureau for Asia and the Pacific encouraged the international dimension be considered since many water resources are shared between two or more countries, yet water resource management plans are organized along national boundaries. Therefore, there is a need to share information, data, research, technology, and cooperation through joint research, joint planning, and joint investments. There is a need to compliment the hard infrastructure with the knowledge infrastructure. Investments need to be into networks and institutions, that can generate, maintain, and share in knowledge and data.

In summary, on the process: The exchanges between high-level officials and policy makers of this side event contribute to the development of the key regional policy messages, that would be further incorporated in the regional Report, led by ESCAP and would be providing baseline for discussion of political leaders at the 3rd Asia-Pacific Water Summit (3rd APWS) and the 8th World Water Forum (8thWWF).