

Johannesburg from the NGO perspective:

The moment of truth

Ten years after the Earth Summit in Rio de Janeiro, another UN conference – the World Summit on Sustainable Development (WSSD) – was supposed to rekindle the world's interest in the urgent global problems of environment and poverty. Two years on, this global event is hardly ever mentioned. The International Conference for Renewable Energies, held in Bonn in June 2004, seems to be the only follow-up event engendering any kind of hope.

Searching the Internet for an update on the World Summit on Sustainable Development (WSSD) is a sobering experience. Factual information about the progress made in implementing the resolutions adopted in Johannesburg, South Africa, in September 2002 is hard to find – testifying to the accuracy of the initial conclusions drawn, especially by civil society actors, right after the Summit.

Although expectations of the Johannesburg Summit were low from the outset, the ten days of haggling among government delegations yielded still less in the way of positive outcomes. Given that progress on implementing sustainable development had been extremely disappointing since the Earth Summit in Rio ten years earlier, Johannesburg was supposed to be a «summit of actions and results» which would map out a clearly defined course at long last. It was intended to end the «implementation crisis» and demonstrate the effectiveness of multilateral environmental and development policy. But it has notably failed to achieve these goals. Nowadays, the Johannesburg Declaration adopted by the heads of government has been largely forgotten. Major sections of the Plan of Implementation – the core of the WSSD – fail to match up to the document's name. Instead, the text remains very vague, reiterating declarations of intent from previous conferences which impose virtually no obligations on anyone and are therefore difficult to mea-

sure. In advance of the Summit, UN Secretary General Kofi Annan, taking a realistic view, had proposed a number of priority fields of action for the Plan of Implementation – water, energy, health, agriculture and biodiversity – and set them into the narrow context of the Millennium Development Goals for 2015. But even where the Plan of Implementation defines clear targets and timetables (for water and biodiversity), it fails to identify specific follow-up measures and, above all, funding arrangements. There is a real risk that the Johannesburg resolutions will prove just as ineffective as so many other agreements on global environmental protection.

Solutions to the global water crisis?

The water crisis at global, regional and local levels was one of the main topics addressed at the WSSD. For water, the timetable and target defined in the 2000 Millennium Declaration were reaffirmed for the Johannesburg Plan of Implementation. The aim is to halve the proportion of people without sustainable access to safe drinking water and sanitation by 2015.

What the Johannesburg resolutions do not explain, however, is where the «water for 600 million taps and 1.2 billion toilets is supposed to come from», commented the Worldwide Fund for Nature (WWF), an international environmental organization, immediately after the Summit.

The debate about proposed solutions and their financing has become critical in re-

NGOs present their proposals on the Johannesburg Declaration.



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cent years. The controversy has centred on if and what role states, multilateral development and financial organizations and, above all, the private sector, can or should have in the supply of drinking water and sewage disposal. Is water a public good or a merchandise? Should water cost something? What does the recognition of water as a human right mean for future state and private sector action?

Focus I: The private sector

In searching for conceptual solutions, governments and development agencies have placed their faith in more intensive private sector participation with a view to mobilizing the billions of dollars needed for investment. «... *Without the involvement of private companies and private capital, it is not possible to fund the necessary investment*», said German Development Minister Heidemarie Wiecezorek-Zeul in an interview with the daily newspaper Frankfurter Rundschau back in June 2003 (FR 2.6.03). Since then, however, it has become apparent that the private sector's key role in achieving the Millennium Development Goals and the Johannesburg targets has been overestimated. The desired level of funding has not been achieved, and the private sector is failing to provide services to the poor and poorest population groups.

A study of the water sector undertaken by the World Bank's Operations Evaluation Department concludes that the expectations of substantial additional funding from the international water corporations were overly optimistic. Moreover, the private sector focuses almost exclusively on urban target groups with a high level of purchasing power. Population groups that urgently need access to clean drinking water and sanitation, i.e. the urban poor and rural communities, will continue to be dependent on public investment. The role of international utility companies was therefore overestimated in Johannesburg. The experiences with private sector participation in the water sector are currently being evaluated as part of an international review process. The aim is to develop recommendations and criteria for future private sector participation. The Federal Ministry for Economic Cooperation and Development (BMZ) is providing financial and policy support for this initiative.

Based on the numerous studies and evaluations of the experiences with the private sector to date, a number of conclusions can already be drawn, however. Non-governmental organizations (NGOs) are particularly critical of the much-vaunted public-private partnership projects, arguing that these projects use public funds to subsidize private companies and major infrastructural projects, divert-

ing these resources away from adapted and affordable technologies which could be channelled into assisting the income-weak urban and rural populations. In their view, what is actually needed are solutions that match local conditions. That's assuming that there is a genuine desire to stop people falling ill and dying as a result of daily consumption of polluted water and catastrophic lack of sanitation. The NGOs believe that the German Federal Government and, in this instance, the Development Minister in particular, could play a key role in moving bi- and multilateral policy towards «water policies» targeted to the poor and needy.

In many projects, this is already taking place. Yet it is also evident that great hopes are still being invested in private sector participation, especially within the framework of public-private partnership projects. Major infrastructure projects – including large dams to secure drinking water supplies – are included on the project lists being drawn up by the World Bank and the European Commission, whose Water for Life initiative announced in Johannesburg is funded from the 9th European Development Fund. The NGOs, however, are calling for a change of policy and for transparent and accountable local structures in the water sector.

Focus II: The public sector

A glance at the flows of public funding into the water sector reveals that this is the largest individual sector for many bilateral donors. After Japan, Germany is the world's second largest donor in this sector. Yet it is also apparent that public funding for water services is falling rather than rising. A further factor, according to the Organization for Economic Co-operation and Development (OECD), is that it is not necessarily the «water-poor» countries which benefit from the influx of public funding: in the late 1990s, just 12 percent of Official Development Assistance (ODA) flowed to countries where less than 60 percent of the population have access to an adequate water supply. Africa also tends to be marginalized, whereas China, Mexico, Malaysia and Egypt absorb the bulk of the funding.

Should the – sometimes euphoric – predictions that the private sector will drum up the necessary billions for drinking water and sanitation fail to materialize, more public investment from the budgets of the countries concerned and from international development cooperation will be urgently needed if the Millennium Development Goals on drinking water and sanitation are to have any hope for being fulfilled. Unfortunately, Johannesburg failed to set a course for this process. The new findings collected since the Summit should also be



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incorporated as swiftly as possible into the development of strategies and programmes by bi- and multilateral donors.

Water – Human Right or Merchandise?

Elevating water to a human right is a very welcome step. In its legal comment No. 15, the UN Committee for Economic, Social, and Cultural Human Rights (ESC Rights) defined the national and international obligations which state and supranational organizations must undertake to respect, protect and fulfil the right to water. This legal commentary assigns to the State, in particular, an unambiguous protection mandate, even regarding third parties, defines duties such as guaranteed, non-discriminatory access to a minimum of sufficiently clean water, promotes the supply to private households prior to industry or industrial agriculture (agro-industry) and forbids the break up of existing water supply systems. The UN Committee for ESC Rights has thus taken a position in a very controversial discussion and defined water primarily as a «public good». States can decide for themselves whether these core tasks be structured and implemented publicly or privately. The legal commentary of the ESC Committee is a milestone on the road to a human-rights-based solution to the global drinking water problem. Governments should be committed to implementing its definitions and recommendations. In future, that would have far-reaching impact on the formulation of loan agreements and water concessions (quality, safety, pricing) with the private sector. Governments must ensure that international organizations like the World Bank, IMF and WTO recognize the human right to water (human and environmental right prior to commercial right). The Action Plan of the Johannesburg World Summit calls on governments to develop national water strategies by 2005. The human right to water offers an excellent reference point:



Two years after Johannesburg, disillusionment has set in about private industry's role in the water sector. This is no way to give the poor access.

the states' duties and their regulatory frameworks within which the human right to water can be realized need to be defined in the national strategies.

By defining water as a public good and thereby also as a task of the state, it is clear that it cannot be left to the self-regulating forces of the market like a commodity or merchandise. Water can certainly have an economic value – and it is ultimately an environmental good. To prevent water waste, water must cost something.

State water revenues are urgently needed to maintain and expand drinking water and sewage disposal infrastructure. Every community, every state can agree on the principle of social pricing. Free access to the poor can be paid for by high and higher prices for large consumers. The rich should subsidize the poor.

Today, the opposite is not seldom met. Free water for the irrigation of intensive export agriculture is no solution but rather has been a part of the water scarcity/pollution problem for a long time in many countries throughout the world. State regulation and supervision are therefore absolutely necessary. But what is to be done in weak or failing states? The private sector won't help here either. It has no interest in investments in these countries. This is exactly where bilateral and multilateral development organizations would have an important role to fulfil. However, adapted concepts or small-scale solutions to promote self-organized communities beyond state structures are often lacking.

No impetus for shaping globalization in an environmentally and socially sound way

The criticism that the Summit failed to establish clear social and environmental rules and standards in response to economic globalization has also proved accurate. The weakness of the UN system

became especially apparent in 2002. UN institutions – whether UNDP, UNEP, UNCTAD or the WHO – are always adept at clearly identifying, in their reports and documents, the negative social and environmental impacts of undesirable economic and political development. In this respect, the Johannesburg Summit was a moment of truth, since it demonstrated the extent to which global environmental policy is stagnating, and how little it has to offer – by way of standards, restrictions, and international law – to offset the harmful environmental impacts of globalization. The sluggish implementation of the decisions adopted at Rio had already provoked disenchantment in this context. But since Johannesburg, no real efforts appear to have been made to revitalize global environmental policy. Institutional aspects, such as enhancing the status of the United Nations Environment Programme (UNEP) to put it on an equal footing with other UN institutions, have been discussed, but in a rather desultory way, and are making little real progress at multilateral level.

How can multilateral environmental agreements take precedence over the WTO's trade rules? How can the precautionary principle be enshrined in the WTO mandate? These are key issues, but neither of them were discussed at Johannesburg or included on the agenda at the WTO Ministerial Conference in Cancún in September 2003. In Johannesburg, an attempt to cement – in a UN document! – the WTO's precedence over the UN's environmental and social conventions was thwarted by pressure from a number of delegates from the Southern countries and NGOs. This example clearly demonstrates the extent to which the UN is on the defensive, with international standard-setting currently progressing very slowly.

The strongly divergent interests of the developing, threshold and industrialized countries across a range of environmental, economic and development issues are clearly obstructing effective cooperation on the shaping of environmental and social policies in response to globalization. In light of the many different interests and conflicts between the industrialized countries and between the North and South, traditional consensus-oriented multilateralism is no longer adequate to

set a course towards sustainable social and ecological development. The non-inclusion on the Johannesburg agenda of demands for environmental restructuring in the North and for a global balance of social interests cannot be blamed solely on the blockading tactics deployed by the US. In the WTO and on the environmental agreements, the government negotiators from the developing countries conduct negotiations in exactly the same way as their counterparts from the North: their aim is to secure competitive advantages on the world markets for their modern industrial sectors. All too often, improving the living conditions of the poor (by dismantling socially and environmentally harmful subsidies, abolishing trade protectionism by the North, ensuring equal rights of access to resources and the right to safe drinking water, etc.) are not priorities for governments in the North or the South.

Here, too, Johannesburg can be viewed as the «moment of truth»: the hopes of a new multilateralism which still existed in the early 1990s have now been shattered. Under these circumstances, new forms of global cooperation and problem-solving must be identified. Instead of lamenting the passing of multilateralism, efforts should be now made to develop political alternative. The International Conference for Renewable Energies «Renewables 2004» held in Bonn from 1 – 4 June 2004 was a great success in this respect.

From the very beginning, the intention was to find a way out of the self-blocking rites of the UN negotiation processes, where the principle of consensus at best succeeds in reaching the smallest common denominator between all states in the UN system. Two years ago, at the Summit on Sustainable Development in Johannesburg, only general references were formulated for promoting renewable energies, but no concrete promotion goals. However, even during the Bonn discussions a real spirit of competition emerged to be included in the Action Programme with own promotion goals.

The quality features of the 165 actions differ greatly. Above all China and the Philippines surprised everyone with their very concrete projects. China, the country that hungers most for energy, wants to raise its proportion of renewable energy (excluding large barrage projects) to 17 percent by the year 2020, while at the same time tripling its GNP. This strategy has already been adopted by the Chinese People's Congress. The Philippines intend to double their electricity generated from renewable energies in the coming ten years. In all, many developing countries let it be known that they are more than willing to promote renewable energies.