

ADDRESS BY MINISTER RONNIE KASRILS  
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It is always an honour to be invited to address a European Commission event, and especially on the African perspective on the key issue of water and sanitation services.

In New York this week, we are following up on WSSD which in turn built on and was directed by the world's heads of state at the UN Millennium Session in New York in 2000, at which they committed themselves and their countries to achieving the agreed Millennium Development Goals.

We live in a sceptical age but it is our duty to prove the sceptics wrong - that what we held in Johannesburg was a world summit that got something done.

In this context, the commitment to the water MDG and the agreement about a sanitation MDG are highly significant. If we cannot make progress on these relative simple and unthreatening goals, there really is little prospect for achieving our more ambitious goals for a better world. But while the achievement of the water and sanitation MDGs is clearly feasible, it does require us to move from business as usual.

What do we need to do to achieve them?

We now, accept, and are implementing the policy reforms and strategies required to be able to ensure that the funds that we have are used effectively. But it is no good introducing top class state-of-the-art policy frameworks if there are no resources to apply them.

It is often better to start and improve the policies and strategies as you proceed - learning from the practical realities of programme implementation - which is what we have been doing for 9 years in South Africa. There is nothing like practice to build real capacity rather than empty theoretical knowledge.

So I want to focus on the question of the financial resources which it is widely agreed we will need if we are to achieve the MDGs in the poorer developing countries, particularly in Africa.

Now, these resources could be found through

- freer trade
- compensation for the huge brain drain of developing world talent and expertise
- an investment policy that actively promotes economic activity and integration of the poorest countries into the world economy.

But all of these potential mechanisms pose major challenges, not least to important local interest groups in the developed countries. So the other way in which we can resource the poor countries to address the MDGs, the easier way in the short term at least, is by providing additional funds, increasing overseas development assistance (ODA).

This brings me to the key point here.

We were pleased to see the commitment made at the Monterrey meeting on Finance for Development to increase the flow of ODA resources and my government, as did many others, supported the Monterrey Consensus. We were pleased to see, as a follow up to this, the commitment by the EU of substantial new resources to the water and sanitation sector.

And we welcomed (against loud protests from the NGOs, I must add) the report by Michel Camdessus when he spelt out the need for additional resources, including substantial increases in grant funding, in order to enable us to achieve the MDGs. We think the protests were largely misdirected, not because we do not share the concern about the force-feeding of the privatisation agenda but because Camdessus's report marked an important break with

that agenda. He did not say that funds should only be made available on condition that the private sector provided the services.

As I understand his message, what he did say is that the funds could only help if the recipient countries organised themselves to use them effectively. He recognised that the public sector will continue to play a dominant role in water supply - as it does in much of the rich world as well. But he correctly assumed that approaches adopted would have to ensure that poverty relief funds benefit the poor and do not go to further enhance the affluence of the better off.

That is an approach with which the South African government agrees and an approach which is reflected in our own domestic policies, policies which since 1994 have provided over ten million people with access to safe water for the first time, an approach which has seen a supply of free basic water made available to nearly 30 million, 70%, of our people. We provide substantial grant funding to local governments to meet the needs of the poor in their communities. But equally, we expect them to fund services to the better off through payments by those people, financed by borrowing from the market where appropriate.

Turning to this evening's event, we are greatly encouraged by the commitment of the EC and its member states to additional support to water through the European Water Initiative as recently restated by President Prodi.

As many of you know, we have established an African Council of Water Ministers, one of whose objectives will be to achieve the MDGs on our continent. And what I say reflects the positions taken by that group which, in Johannesburg last year, warmly welcomed the EU initiative.

We understand that what is on the table is the commitment of new funds, in addition to the ODA already provided in terms of Lome and related agreements, specifically targeted to meeting the water and sanitation MDGs.

We welcomed the European Water Initiative and have suggested that a proportion of this could be made available to Africa through an appropriate channel which will not be so burdened by policy requirements and procedures as to make it unusable.

The problem Africa faces is that funds, which are said to be available, are in reality so restricted by policy conditionalities and terms which are neither financially nor socially feasible, that they are in effect not available to meet the needs of the poorest, no matter how much is spent on capacity building, or how much effort is spent on project preparation to put a gloss on fundamentally inappropriate proposals.

So we are proposing the establishment of an African water facility that will channel capital for infrastructure (as well providing technical assistance where that is really necessary and cannot easily be funded through existing channels).

We have been greatly assisted by the work to date of the African Water Task Force but I must emphasise have not yet agreed on the details of a final approach. My SADC colleagues and I met recently to review this in preparation for the Dakar meeting of AMCOW, which will finalise our approach.

We believe that we must be bold, so we will be proposing that while the home for the WAWF could be in the African Development Bank (ADB) or in the relevant regional development Banks such as, in South Africa, the Development Bank of Southern Africa (DBSA), we will insist that the conditions of disbursement reflect our commitment to meet the MDGs, and to meet them fast.

So the procedures for the disbursement of the funds must be swift and focused and the governance must reflect both Africa's commitment to achieve those goals and Africa's understanding of its own reality.

We will reject any attempt to use the Facility as one more donor controlled window through

which to disburse largesse to promote the ongoing round of consultations, conferences and capacity building programmes that in the end simply create a cadre of conference goers from both rich and poor countries, rather than the team of development drivers who are delivering real results which make a difference on the ground.

Let us all guard against any such tendency. I am sure that what we all want to see is practical activity and real progress that benefits the millions of rural people thirsting for the chance of a better life.