

SPEECH

MINISTER FOR FOREIGN AFFAIRS

ALEXANDER DOWNER

20 March 2003

Making every drop count

Canberra, 20 March 2003

Ladies and gentlemen

Today, on the eve of World Water Day, I take great pleasure in launching the Government's aptly named policy statement, Making every drop count.

This important and timely statement highlights how our aid program will help address water challenges in developing countries, particularly the Asia-Pacific.

Indeed, Australia's aid and foreign policy objectives recognise the importance of water to regional development.

Making every drop count outlines how we will deploy Australian expertise and leadership to strengthen sustainable access to water, thereby contributing to regional stability and prosperity.

The challenge

Ladies and gentlemen

As you well know, water is essential to maintaining our health, to producing our food, and to sustaining and improving our quality of life.

We drink it, we generate electricity with it, and we soak our crops with it.

But water is a resource under mounting stress from population increases, rapid urbanisation, and the accompanying demands of industry and agriculture.

Over the past century, while world population has tripled, water use has increased six-fold.

Of course, we need to be level-headed about our approach to these matters. Prophets of Malthusian doom have a long history - dating back to Malthus himself - of getting it wrong.

But it is clear, I think, that development and population growth are putting severe pressures on our water resources and infrastructure.

The statistics are sobering: Today, some 1.1 billion people in the world lack access to clean water, while 2.4 billion people live without decent sanitation.

It is estimated that by 2025, 4 billion people - half the world's population - will live in areas where there is insufficient safe water.

In our own Asia-Pacific region, 2 billion people do not have access to hygienic sanitation, and 700 million people do not have access to safe drinking water.

In the Pacific, population pressures and pollution are threatening the limited groundwater resources in many countries.

It is expected that by 2025 in Asia each person will have up to 35% less water than they did in 1950.

By then half the population will live in urban areas, stretching water supply, sanitation and wastewater treatment facilities to breaking point.

In rural areas, irrigated agriculture, responsible for 70 per cent of Asia's food, is already limited by the availability of water.

This is worrying indeed: crop failure due to lack of water - or its inefficient or inadequate distribution and use - can mean starvation for many.

Salinisation, water-logging and deteriorating water quality will further threaten the region's agriculture.

As always, the poor suffer most. It is the poor who are at the end of every empty pipe.

It is the poor who must buy water from vendors at inflated prices.

It is the poor who die from a lack of clean water and inadequate sanitation - every day 10,000 die from preventable water diseases and most of these are young children.

We need to ask ourselves: is this really an acceptable state of affairs at the beginning of the 21st century?

We should make every effort to give new hope to the millions of women trudging great distances to fetch water and the children suffering - and dying - from water-related diseases.

It is for these reasons that the international community aims to reduce by half the number of people without access to safe water and sanitation by 2015.

Availability of water as a security issue

Beyond jeopardising human health and holding back development, disputes over shared water resources could lead to local, regional and even international tensions.

Indeed there has been much speculation about the potential for future international conflicts to arise over competition for water resources and in particular over shared river basins.

On the face of it, there is certainly cause for concern.

Almost half of the world's land surface lies within waterways shared between two or more countries, and there are 261 river basins which cross international boundaries.

Not all commentators, however, are worried by the prospect of conflict over water resources.

The recently released UN World Water Development report poured cold water (if you'll pardon the pun) on the idea of looming international conflict over water.

While the report does acknowledge that water scarcity can exacerbate tensions between states, it finds little evidence to suggest that these situations will explode into fully-fledged conflicts.

In fact, shared water resources have at times encouraged cooperation between states, even in times of great tension.

For example, the Working Group on Water Resources in the Middle East was the one mechanism that continued to function throughout the Middle East peace process, when other forms of dialogue faltered.

Another example is the forerunner to the Mekong River Commission, which continued to operate right through the enormous upheavals of the Vietnam War, albeit at a reduced level.

Although the possibility of conflict over water might be open to challenge, we should of course remain alert to the potential for tension over water, particularly within states.

Indeed, even if water shortages do not directly result in conflict, they contribute to poverty and disease, which in turn may provide fertile ground for extremism and instability.

What Australia will do?

Ladies and gentlemen

Access to freshwater clearly is a major determining factor in reducing poverty and achieving sustainable development in the region, the central objectives of Australia's aid program.

That's why in September last year I identified water and sanitation as priorities for our aid program, in my statement to Parliament, Australian Aid: Investing in Growth, Stability and Prosperity.

I reiterated the need for us to help raise living standards in developing countries by promoting the efficient, equitable and sustainable use of water resources.

Building on our experience, including that outlined in Don Blackmore's address, we will strengthen the integration of water issues in our country and regional program strategies.

Australia is well placed to provide assistance, with lessons learnt from managing water resources on the world's driest inhabited continent.

Indeed I don't need to tell you about the effects of the worst drought in 100 years on our farmers' livelihood.

But for many people in regional countries access to clean water is a life or death issue.

Making every drop count articulates how Australian expertise can help our developing country partners tackle this very serious problem.

The policy emphasises the fundamental importance of water governance - developing sound legislative and regulatory frameworks for managing water resources, and market-based principles to encourage efficient allocation and use.

To that end, we will continue to help build local level capacities to manage and plan water resources and services for the poor.

We will promote the adoption of national water policies to ensure efficient, equitable and sustainable allocation and use of water resources.

We will support pricing reforms that take account of the capacity of the poor to pay connection and user costs.

Making every drop count also highlights the importance of improving the efficiency of existing water systems and increasing access to water and sanitation services, especially for the poor.

We will work with local authorities to help deliver essential services in rural areas, improve sanitation and water quality, promote water efficient agriculture and better floods and drought management.

In doing this, we will build on decades of experience in water management in developing countries - in Indonesia, in East Timor, in PNG, in China, in Samoa, in Sri Lanka, in the Mekong Basin.

We will strengthen our existing partnerships and forge new ones with major investors such as the World Bank, regional water organisations, the private sector, civil society and Australian NGOs.

I am pleased to announce that Australia is developing a new South Asia water supply and sanitation reform program in partnership with the World Bank.

The \$43 million program, which focuses on North East India, will support reforms over a seven year period.

And my Parliamentary Secretary Chris Gallus has recently approved an integrated water management project to reduce flooding on Vam Nao Island in the Mekong Delta in Vietnam.

Australia's commitment of \$19.5 million to the project will be matched by a Vietnamese contribution valued at \$A18.4 million.

I am also pleased to announce several new activities which apply Australian water management expertise to some of our region's most pressing water issues.

First, we will create a new Australian Water Research Facility to facilitate the application of Australian expertise to water challenges in Asia and the Pacific.

The Facility will have initial funding of \$1 million.

We are also developing the 'Australia-World Bank Partnership for Water and Coastal Resource Management', to make available Australian experts for World Bank programs on water.

And we will provide access to Australian water management expertise through a special water section on the Australian Development Gateway Internet portal.

These initiatives, as well as other programs, will raise our level of funding for water-related programs to an estimated \$94 million next financial year.

And we expect expenditure to remain at substantial levels in future years as we implement our country and regional programs.

Conclusion

Ladies and gentlemen

Australia is very conscious of the need to come to grips with the problems of water security in our own neighbourhood.

Without adequate supply of clean water, there can be no escape from poverty, no economic development.

We need new thinking on water that improves the health of people in developing countries, boosts economic growth through more effective water management and improves security in water scarce regions.

Under our development assistance program we've developed a series of activities to address those issues directly.

These are practical responses that take advantage of the expertise that we Australians have garnered over the years at home and in the region.

I believe Making every drop count is the basis for Australia to help our developing country partners grapple with one of the world's great challenges.