

Commentary

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Over the past few years States have adopted ambitious, yet necessary, targets for improving access to safe drinking water and basic sanitation, both through the UN Millennium Declaration and the World Summit on Sustainable Development (WSSD) Johannesburg Plan of Implementation. Extraordinary efforts will be required if these targets are to be met and the best way to do so was explored at the 12th Session of the Commission on Sustainable Development (CSD 12), as it was at the 3rd World Water Forum in Kyoto last year. This included the role that privatization, liberalized trade and investment, and the use of market instruments more generally, can play in achieving these targets.

Background to the CSD

The CSD, created as a follow up to the 1992 Rio Earth Summit, was mandated to monitor the implementation of the WSSD outcomes. At its eleventh session held in New York in April/May 2003, the CSD decided that its multi-year work programme beyond 2003 would be organized on the basis of seven two year cycles, with each cycle focussing on selected thematic clusters of issues.¹ For the first two year cycle (2004-2005) the CSD is focusing on water, sanitation and human settlements. A number of cross cutting issues are addressed during each cycle, including poverty eradication, and sustainable development in a globalizing world.

The CSD 12 focus on water and sanitation needs to be looked at in the context of broader WSSD commitments, such as those to develop integrated water resource management and water efficiency plans by 2005, to significantly reduce the rate of biodiversity loss by 2010, and in, the widest sense, to manage our natural wealth sustainably. The challenge is to keep our eye on the immediate needs of the billions of people without access to safe drinking water and basic sanitation, while ensuring the provision of clean water in the longer term. The latter will not be achieved without taking a holistic approach to water resources management, or without conserving our natural ecosystems as an integral part of the infrastructure needed to deliver water to our homes. The international community's response has often been too narrowly confined to debates about distribution of water between competing sectors and needs, and has largely failed to address water within an ecosystem context from source to sea.

CSD 12 specifically focussed on identifying the constraints, obstacles and lessons learned in relation to water, sanitation and human settlements. The Chair of the CSD called for the CSD to become a "global springboard for local action". In line with the two year cycle, given the fact that CSD12 was a special session there was no negotiated outcome. This, will come in 2005.

The Chairman did release a paper summarizing the discussion and events, and setting out the challenges and way forward. Challenges identified by the Chair included

¹ See CSD Website: <http://www.un.org/esa/sustdev/>

mobilizing resources at all levels, both public and private, strengthening governance at all levels and assessing the role of partnerships in mobilizing additional resources. Issues to do with privatization, decentralisation, 'a human right to water' and financing water infrastructure all received close attention, with the UNDP Administrator calling for a "middle approach" between the two extremes of the right to water and privatization.

IUCN and CSD 12

IUCN identified four key issues to advance the environmental agenda within the CSD, namely:

- i) adoption of a systems approach to water supply and sanitation;
- ii) establishment of 'environmental flows' in the context of integrated water resources management;
- iii) financing to maintain nature's infrastructure, and
- iv) improvement in governance of water management.

Each of these issues were progressed by IUCN at CSD 12 through formal sessions and side events. Side events were hosted on environmental flows for healthy river systems and on the IUCN Water and Nature Initiative. With regard to improving governance of water management IUCN and ICTSD with other partners organised a side-event exploring the links between the GATS, the Millennium Development Goals, the Johannesburg Plan of Implementation and domestic water governance, in particular in relation to the environmental and equity aspects of sustainable development.

How was all of this relevant to the GATS? International rules developed under the GATS *could* impact domestic water policy and legislative options. Whether it does depends upon the outcome of current negotiations and the commitments made by individual States. There are key questions that must be explored such as: how compatible are developing international trade and investment rules with the ability of countries to adopt strong domestic laws and policies for resource management, environmental protection and equitable access to water and sanitation services? Can one liberalize trade in services while adequately addressing environmental and equity issues, and if so how is this done?

Water resources management requires the ability to adapt to changing conditions. Rules must acknowledge the need for adaptive management, for example in mitigating the effects of climate change. How the need for certainty in trade and investment rules is reconciled with the need for flexibility in resource management, for example in relation to water allocation, pollution control licences, licence fees and the recognition of customary rights, often not yet acknowledged in legislation, was raised and debated through the side event organised by ICTSD and IUCN.

The role of privatization and the use of market instruments more generally generated much discussion, which was counter-balanced by discussion of human rights, equity, the legitimate role of government and environmental considerations. The issue of trade in services did not feature prominently at CSD 12. Issues of trade liberalization and agricultural subsidies were raised by the G77/China and by Australia, but were not debated. The lack of discussion of trade related issues represents a lack of awareness of their relevance to the water and sanitation debate. The side event organised by ICTSD and IUCN sought to raise the level of awareness amongst States of the

relevance of the issue. The level of interest is expected to increase as the possible implications of the GATS on the provision of water becomes better known.

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