

AMERICAS REGIONAL PROCESS EVENT

May 15, 2014 | Washington, DC



WATER FOR OUR FUTURE

An aerial photograph of a wide, winding river, likely the Snake River, flowing through a lush green valley. The river is a muddy brown color and curves through the landscape. The surrounding land is a mix of green fields and forests. In the background, there are large, rugged mountains with some clouds clinging to their peaks. The sky is overcast with soft, grey clouds.

**When it comes to fresh water,
we must remain constructively discontented.**



The World Water Council, World Wildlife Fund (WWF) and The Coca-Cola Company, with support from United Water and the US Army Corps of Engineers, invited diverse stakeholders working on water issues for panel discussions, conversations and networking opportunities in Washington, DC, to discuss the future—and how we can ensure water is part of it.

The daylong forum, Water for Our Future, focused on three of the 16 themes slated for discussion during the 7th World Water Forum: Green Growth, Water Stewardship and Industry; Water for Food; and Enough Safe Water for All. The global forum will be held in Korea on April 12–17, 2015.

As part of the regional planning process for the global forum, the conversations focused on North American perspectives and the efforts of US companies, NGOs, donors, government agencies and US-based multilateral institutions. Nearly 150 professionals participated in person, while hundreds of others joined remotely. Together, we explored challenges and solutions and gathered input for the thematic agenda of the upcoming 7th World Water Forum.

Key takeaways included the following:

- **Multisector partnerships are essential.** Organizations should look beyond their silos and across borders towards collective action. Partners must respect each other's priorities and take time to build trust.
- **Long-term planning can contribute to sustainable solutions.** There needs to be a shift from water projects to water services. This transition requires ensuring that there is money clearly accounted for not only completing an individual project, but also for maintaining that project and solving the problems that arise during and after construction.
- **Water must be valued.** The private and public sectors must adopt clearer ways to measure and manage water. In the US especially, water is also undervalued. It takes a lot of infrastructure and money to provide water to end users. By keeping the price of water low, governments are left with a deficit to repair infrastructure and increase management. Upstream users tend not to pay for the impacts they create on the water security of downstream users. However, there needs to be a balance between water pricing and the human right to water.
- **Local communities, especially women, must be included in the planning and implementation of water initiatives.** The least fortunate communities are most at risk. Poorer communities are more vulnerable to water shortages, climate change and natural disasters, and thus need to maximize water use. These constituents also may

not have the power to represent themselves. When discussing water management, their needs must be remembered by the private and public sectors as well as by civil society.

- **Farmers must play a role in responsible water stewardship.** Most freshwater use is within agriculture, and, especially in the US, a handful of farmers produce a majority of the food supply. These top producers are the people with whom water-conscious organizations need to engage most. Food waste is also a huge cause of freshwater loss in the US, and farmers have unique insights and influence on how to minimize it.
- **Policies, especially those around freshwater allocation and trade, are outdated.** To protect freshwater resources and reduce impacts from human activities, governments should integrate water management, conservation and sanitation into national and international governance. Policies should concentrate on demand management, including progressive rate structures, where the cost per unit rises with increasing blocks of consumption. In places where such policies exist, efforts should focus on bridging the gap between policy and practice.
- **Infrastructure is important but often overlooked.** In the US especially, water infrastructure is old and inefficient. However, innovations and improvements in infrastructure can reduce leakage, enhance delivery, help prevent floods and increase resiliency.
- **The story of fresh water is unclear and untold.** Water is crucial to a myriad of audiences. While each audience is extremely important and could become a powerful partner, most audiences have very different priorities and leverage points. They need to hear the story of fresh water in a way that makes sense to them and highlights why action is needed for them to achieve their goals.



SUMMARY OF OPENING REMARKS

“We know we can’t do it alone,” said Bea Perez, chief sustainability officer of The Coca-Cola Company, who opened up the Water for Our Future event alongside Carter Roberts, president and CEO of World Wildlife Fund. Perez noted the importance of everyone acting together and said she was proud to see representatives from the private sector, governments and civil society—all the parts of the golden triangle—participating in the event.

Perez and Roberts offered select lessons learned from their organizations’ shared partnership, which tackles issues affecting fresh water from multiple angles. They discussed being open and honest from the beginning to make sure partners are aligned on the same ultimate goals and in agreement with what success looks like.

While implementing this work, they noted the importance of continuously ensuring that the objectives are the same for all partners and determining whether it’s possible to take their partnership up a level. At the end of the day, as Perez said, “Partnership is finding a mutual understanding.”

Roberts focused on the triumphs and tribulations that partnerships face. One common denominator all people share—and must work together to overcome—is pain. Pain for corporations that don’t take seriously the need to assess their ecological footprint, measure their consumption and develop a path to sustainability.

Pain for nonprofits that work tirelessly for decades to protect species and habitats only to see their progress evaporate if they avoid the larger drivers of global change. And most importantly, pain for the planet—and all who call it home—if society can’t work together to repair what people collectively have destroyed.

For Roberts, it’s surprising that more hasn’t been done to address freshwater issues. “Ten years ago, I would have predicted that the world would come together around a water crisis much more quickly than I would have said a climate crisis,” Roberts said.

But hope remains. “The future belongs to the discontented,” said Perez, quoting Neville Isdell, her company’s former chairman and CEO, who is also WWF’s current board chairman. Her remarks set the tone for the day, reminding us that “we must remain constructively discontented.”

Throughout all of the following sessions, the core philosophy remained consistent: We cannot accept the status quo. Nothing is innovative or fast enough when it comes to water. Restlessness and aspiration are necessary to create the forward-thinking projects and partnerships that will truly tackle freshwater issues.



If governments and businesses want to grow, they need to protect the freshwater resources that fuel growth—both now and into the future.



SESSION I

Green Growth, Water Stewardship and Industry

Increasingly, both the public and private sectors are feeling the tension between development and natural resource protection. Growth requires more resources, and when resources such as water become over-allocated, the opportunities for economic growth diminish.

But natural resources hold opportunity too. As the private and public sectors realize this, they are increasingly looking to multilateral institutions, NGOs and local communities for their expertise, perspectives and networks. It's a win-win for all because without proper water stewardship, companies, countries and communities will cease to grow.

Supporting Water to Support Growth

A growing global population, climate change and diversifying demands on water are having an impact on all nations, from developing countries such as Ecuador to highly regulated places such as the United States.

In the southwestern United States, for example, California is suffering one of its most severe droughts on record. With the realization that these droughts may not be short term, implications for the region's ability to attract businesses and grow its economy will have lasting effects. Companies consider water when selecting where to locate—not only examining water that's available now, but also water that will be available in the future.

In Ecuador, the story is different. There is more recognition that water is an engine of growth, and development depends on protecting watersheds and improving quality of life. In 2000, a multistakeholder group established the Fondo para la Protección del Agua, or Quito Water Fund, the first successful water fund dedicated to providing drinkable water while protecting water sources. The stakeholder group, which included water utilities and industries that rely on clean water, recognized that it's more efficient for downstream users to institute payments that protect the watershed upstream than to pay the costs associated with water risks and insecurity.

If governments and businesses want to grow, they need to protect the freshwater resources that fuel growth—both now and into the future.

Valuing Water for Long-Term Success

Water is a classic example of the tragedy of the commons. Businesses, municipalities, farms and governments, when acting independently of each other, use and have an impact on fresh water according to their own interests. While this way of doing things may benefit the individual interests in the short

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term, in reality there are no independent users in any watershed. Acting as such depletes the common resource and damages the long-term viability of the entire basin. Actors in all sectors need to be better stewards of the commons.

After all, there is only so much water in a given time and place. Managing this resource means making difficult decisions. When deciding how to share limited resources among people, industries and nature, too often the natural world loses. This pattern won't end well. Decision makers may prefer to wait until there is a crisis, but it's not possible to go into debt with nature. No one can run a deficit when facing resource constraints.

There must be more recognition of the value of water. Too often people think water is free. The substance may well be, but the services required to capture, store, treat and move water require materials, energy, chemicals and labor. All of these inputs must have adequate funding.

In most of the world, municipal infrastructure for fresh water and sewage doesn't exist, and in the places where it does, it's often old and inefficient. When the aging infrastructure needs repairs or replacing, it's largely funded through debt. The charge people pay for using such infrastructure barely covers the cost of running it.





How can the public sector need so much money for water supply and sewage, but then charge so little? If people want water 24/7 at the tap, they need to pay for the water services a municipal water/sewer system provides, or they will not understand and appreciate its value. In that way, progressive rate structures can be helpful.

Infrastructure and billing aren't the only outdated systems. The water rights for the Rio Grande/Rio Bravo were decided approximately 200 years ago when the US and Mexican governments were focused on ensuring sufficient water supply for agriculture and growing cities. Such priorities impacted the basin, and both people and nature have suffered.

Now, those seeking to protect the region's natural resources are asking both governments for ecological rights—to reserve a little bit of water to keep the fisheries alive and for research and recreation. However, it's difficult to change such policies, so local groups are turning to more innovative options, such as unlikely partnerships, water funds and incentives. Protecting natural water factories—such as Mexico's mountains—and the flow and quality of the region's fresh water require investment in natural capital and environmental compensation to maintain protected areas.

The private sector will be key to advancing sustainable water use and water stewardship. The first step is to ensure that businesses are aware of their water use. As the adage goes, "What gets measured gets done." But it can't stop there. Businesses need to look beyond their four walls, to their value chains and the watersheds where they operate and which they share with others. They need to focus on water stewardship instead of only on water management.

NGOs can play a role in helping businesses take the next step from assessing their risks to building a comprehensive water stewardship strategy—and beyond. There are not yet clear scientific methods or tools to incorporate the real value of nature and ecosystem services into the balance sheets of big businesses. This is one crucial area to be discussed and developed, ideally as part of the 7th World Water Forum.



Embracing Transparency and Engaging Communities

The largest users of water are often the last to feel the pain of pollution or scarcity. While nature may be the one that suffers first, it's local communities that vocalize the impact. When people are angry because their water is polluted or disappearing, and the fish they depend on are starting to die, they speak out. Governments and companies should listen to them.

Unfortunately, there is often a trust gap—especially in indigenous communities where people often don't trust the government or companies operating in their area, and vice versa. Trust can be built by increasing transparency and reaching out to ensure that all stakeholders have a seat at the table.

Importantly, sincere and honest lines of communication must be extended to local women and leaders. These are the community members most likely to be managing the water and trying to keep in mind long-term needs. Women are particularly important to the success of local water projects as they typically possess the most intimate knowledge of the water situations their communities face. When a company or larger NGO wants to enter a basin organization or partnership, local community knowledge should be respected.

The Coca-Cola Company has long realized the importance of engaging local communities and embraces a three-pronged approach to water. The company seeks the *physical* license to operate, which includes access and permission for hydrological assessments. The *legal* license gives people or companies the regulatory permission or authority to use the water. However, the third license—the emotional or social license—is the most elusive, but equally important. If the work negatively affects local people, they won't care about the data, hydrological research and permits gathered by the company.

Big businesses and community members need to make efforts to better understand each other, ideally through direct conversations and genuine engagement. Together, both parties can achieve social acceptance of each other's water use.

There is No Magic Bullet

It's impossible to apply a single solution to the complex challenge of sustainable water management. As one panelist noted, "It's like taking a knife to a gunfight."

There are several layers that must be considered. First and foremost, the needs of the basin must be taken into account. Source water must be protected. To ensure long-term resiliency, planning must also be forward thinking and consider how rising demand and climate change will impact the basin.

While local collaborations are helpful, issues pertaining to growth and water must be elevated to a policy level. An integral element of comprehensive water stewardship work is engaging with governments and civil society.

At a global level, there may be a dedicated water goal in the post-2015 framework. It is imperative that this goal include targets and indicators that help balance long-term supply and demand with the water needs of nature. There is some pushback on this sustainable way of thinking, which threatens success. If there isn't consensus on the need for balance, little can be achieved. The private sector has to bring a voice to the table for progressive policy at this level.

At all levels, we need tools and collective action models. Structured channels for parties to come together and collaborate, such as the CEO Water Mandate's Water Action Hub, are crucial. Success depends on forming diverse partnerships that reflect all points of view.

We also need to change our mindset. Instead of focusing purely on growth—on doing more—we should think about doing better.





CASE STUDY

Creating a Golden Triangle for Water and Growth

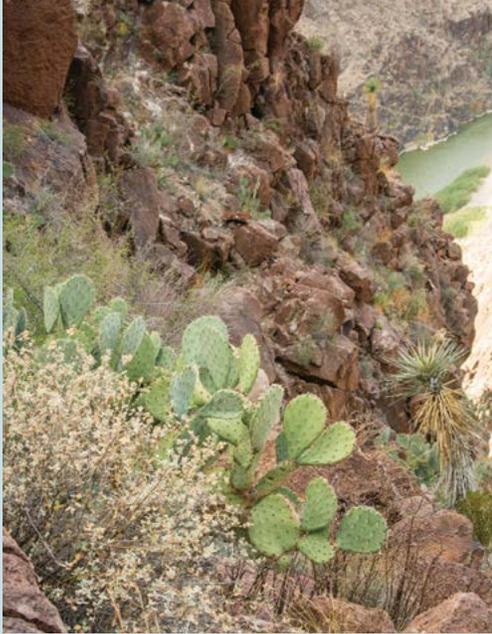
The Chihuahuan Desert, which straddles the US-Mexico border, is rich with natural resources and opportunities.

"A lot of industry is looking to come to Mexico, including the state of Chihuahua, which is a desert," explained Carlos Sifuentes, of Mexico's National Commission of Natural Protected Areas (CONANP). "It's the most diverse desert in the world, but it's still a desert. So every drop of water counts."

The river that is fueling Chihuahua's life, businesses and growing economy is the Rio Grande, known as the Rio Bravo in Mexico. However, the river's water is already 150% over-allocated, mostly for agriculture, and the future looks grim. The region is predicted to become even hotter and drier as climate change intensifies. Combined with growing populations and diversifying demands, it's more important than ever to protect the Rio Grande/Rio Bravo.

No one organization alone can protect fresh water for communities, businesses and nature. Instead, it takes collaboration from the public, private and civil society sectors. Together, these three perspectives (and often competing interests) form the "golden triangle," a partnership that ensures all angles are covered.

In the Rio Grande/Rio Bravo, the golden triangle includes multiple partners on both sides of the border. CONANP and Mexico's National Water Commission (CONAGUA) represent Mexico's public sector. Big Bend National Park and the US Fish and Wildlife Service take the lead for the American government's institutions. The Coca-Cola Company and local bottling partners bring the private sector to the table. World Wildlife Fund (WWF) represents civil society, alongside local communities, small nonprofits and academic institutions.



Together, these diverse partners are piloting a variety of ways to improve, protect and increase the resiliency of the river. These efforts include eradicating invasive species that consume large amounts of water, contribute to the narrowing of the river's channel, eliminate high-quality riparian and aquatic habitat, reduce water retention, and increase the susceptibility of riverside towns and infrastructure to flood damage.

Elsewhere, in places where the mining industry has cleared riparian areas, the partnership is reintroducing native species. These partners are also testing innovative ways to protect natural resources and encourage growth, including a water fund tied directly to utility

bills. In partnership, new opportunities are continuously being explored.

"The only water source is the mountains, which creates the water that eventually flows through the Rio Grande/Rio Bravo," Sifuentes said. "I would like to see a real effort to invest in natural capital: in the water factory that is the mountains and rivers in the middle of the Chihuahuan Desert."

It's not always easy. Diverse partners mean varied priorities. But even partners with competing interests can work together to focus on the ultimate goal: conserving fresh water.

"This is a success story in an area that often doesn't get a lot of good news," added Greg Koch, of The Coca-Cola Company. "This is a great example of why the golden triangle partnership works. Coca-Cola has funding. The communities bring connections, an important voice and local power.

"WWF and other local NGOs have the expertise and lead the science and research, and really vet the benefits of our work together from a conservation standpoint. The government is represented on the ground by the parks systems on both sides of the river and is also the source we need to look to for sustaining the work. We can clear all the invasive species and replant in all the right places, but without the right policy reforms, we cannot save the river."





Farmers and ranchers must be invited to participate in finding solutions to our water challenges.



SESSION II

Water for Food

By any measure, agriculture is the most significant consumer of fresh water, dwarfing all other uses. According to the Food and Agricultural Organization of the United Nations (FAO), about 70% of global water withdrawals are devoted to irrigation. Agriculture can also cause permanent damage to entire watersheds. The Aral Sea is a prime example of the devastation that unsustainable and poorly managed agriculture can cause.

Growing less food is not an option. In fact, food production must double to feed the planet by the year 2050. The elephant in the room, the use of fresh water to produce food, must be addressed head on. How can farmers, governments, NGOs and businesses collaborate to ensure both food and water security?

Reducing Waste

One of the major challenges to a food- and water-secure future is the amount of waste in our supply chain. In the developing world, waste occurs between the farm and the market. Inadequate harvesting, shipping, processing and refrigeration technologies cause products to spoil before anyone has an opportunity to consume them.

In the developed world, food waste is often a product of our culture: Food that is not cosmetically perfect is discarded. Consumers purchase perishable foods and allow them to spoil. Diners in restaurants order more food than they consume, and the rest goes into the trash.

Between 30 and 40% of all food produced globally is wasted, either in the field or on the table. With 70% of the world's fresh water used to produce food, 21–28% of the world's fresh water is lost in food waste. As freshwater resources become more and more scarce, such waste must be avoided.

Investing in Water Infrastructure

When Americans talk about investing in infrastructure, they typically talk about roads and railways. Water infrastructure is largely forgotten, despite being fundamental to the health of agriculture, the economy and society. Water infrastructure gives us resilience. The ability to store water in seasons when there is too much and to withdraw when there isn't enough means reliable crops and stable economies.

Unfortunately, we are living in an area of the world where most infrastructure was built in the last century. We are now wearing down these resources without investing in their upkeep. Wastewater treatment systems, for example, are running into ruin, and Americans do not have a plan.

Speakers

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Vidal Garza, Director,
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It will be a massive challenge to support an economy without investing in our water infrastructure. A lack of water infrastructure means jeopardizing not only our ability to reliably produce food, but also our ability to transport it. Most commodities make it out of the heartland to the rest of the US and abroad through the inland navigation system our rivers provide. When transportation of goods becomes impossible because drought has made water levels too low, it cuts off an entire leg of the supply chain.

US food products are competitive in a global market largely because of transportation cost savings. Shipping goods by river costs one-tenth of the price of shipping by truck and half the price of shipping by rail.

Adapting to Climate Change

Farmers and ranchers who have been working the land for generations know better than anyone how to adapt to changes in weather. They simply need access to the right tools and the clear motivation to act. Walking into a room filled with farmers in rural Idaho and immediately discussing “climate change adaptation” will cause everyone to leave.

Climate change is still a polarizing issue in many parts of the country. However, you can talk to farmers about maximizing profits, yields and efficiency. For example, farmers understand that overwatering a crop will be expensive and produce suboptimal yields. Introducing the concept of variable-rate irrigation in this context will meet with much better results.





Climate-smart agriculture is sustainable agriculture at a global scale. It involves on-farm activities to reduce water and fertilizer use, manage waste, increase the water efficiency of soil and reduce greenhouse gas emissions. These activities are supplemented by the use of seeds and small plants that adapt to extreme weather conditions—such as drought-tolerant germplasms.

All of these techniques can be collected into a regionally based set of best practices that can easily be shared. Often, knowledge and data collection are not the problem. The main problem is usually finding the right tools to spread and implement such knowledge en masse. Regional climate hubs can be used to bring information together in a centralized location so farmers know where to go for the tools they need.

In the United States, 13% of farmers produce 80% of the food. That concentration will only become more dramatic. Demonizing the producers of our food is counterproductive. Farmers and ranchers must be invited to participate in finding solutions to our water challenges. The stick doesn't work; the carrot does.



CASE STUDY

Building Partnerships through Science, Trust and Common Goals

“Every single actor has something to win if we work together through conservation,” explained Vidal Garza, director of Fundación FEMSA. This emphasis on collaboration was the major takeaway from a series of watershed studies initially funded by Fundación FEMSA to examine how and why local watersheds in Mexico have been overexploited.

Although there was an understanding that local watersheds were not being properly managed, no one understood how, why or to what extent. What FEMSA found was that everyone had a role in contributing to both problems and solutions. Using science, FEMSA was able to convene everyone around the table, equip all with access to the same data, and collaborate and strategize toward solutions.

The solution that emerged from these initial studies was the idea of creating water funds. These programs would be designed to unite a broad range of stakeholders to work together for the conservation of ecosystems that provide environmental services.

In Irapuato, Mexico, the water fund was able to unite all the actors from the watershed in one space to explore solutions. One of these actors is General Mills, whose Green Giant brand grows broccoli and cauliflower in the Irapuato region.

Five years ago, General Mills worked with World Wildlife Fund and The Nature Conservancy to assess water use throughout its extended supply chain. In Irapuato, General Mills set a goal of growing the same amount of produce using half the water.



Thanks to drip irrigation, farmers can direct water to the base of plants, saving water and curbing the need for pesticides. General Mills' agriculture team not only explained and encouraged this technology, but provided interest-free loans to farmers to help fund the necessary equipment.

Steve Peterson, a farmer and director of sourcing sustainability at General Mills, said that it is

the leadership in Irapuato that really makes something like this work. For example, the nurseries that grow broccoli and cauliflower are not used all year, so employees and their families began using the greenhouses to grow native trees from seeds. These trees are then planted as part of FEMSA and The Coca-Cola Company's riparian repair project in Monterrey.

"What's really been cool is that we had immediate alignment with [FEMSA]," explained Peterson. "We think the same way."

"I met Steve today," Garza said during the Water for our Future event, though they had previously communicated often over email. The partnership was able to rise out of trust: "I knew that he was worried about supply. We were worried about water supply also. We entered into communication, and that's it."

"Partnership is essential to this work," said Peterson. "And it's not just water; it's all sustainability work."





**The various consumers of water
must be harmonized to ensure all have
fair access to this precious resource.**

SESSION III

Enough Safe Water for All

There has been increased international attention on global safe water access, but there is a gap between rhetoric and reality. Nearly 780 million people lack access to clean water—more than two and half times the United States population.

While much money and attention goes to this issue, not enough progress is being made. Governments, nongovernmental organizations and the private sector all have essential roles to play in developing appropriate and responsible safe water solutions. In the United States, our multinational companies and donor streams must focus on improving and innovating solutions to address global water access challenges.

Shifting from Short-term Celebrations to Long-term Strategies

The field competing for funding of water-focused projects is increasingly crowded, and significant multiyear financial awards are rare. Many grants do not even cover everything that is required. Funding levels are critical to the success of water access projects.

From the beginning of every water project, there must be money clearly accounted for not only to complete the project, but also for long-term maintenance and problem solving. Communities cannot be expected to maintain the infrastructure on their own. Most citizens of developed countries, no matter how many university degrees they have, cannot fix their own tap. How can people who are seeing a tap for the first time be expected to know how to fix it?

Allocating funding for the long term also means changing what is celebrated. Right now, donors, NGOs and implementers tend to thrive on initial project implementation and associated ribbon-cutting ceremonies. But spending money on solving the immediate problem is not enough; long-term success is the real goal.

As such, investment and celebrations should be reserved for sustainable projects that deliver results today, tomorrow and into the future. This shift in focus means celebrating anniversaries. If the water is flowing in 10 to 15 years, that's when a ribbon-cutting-type ceremony is appropriate.

Many elements of our current systems negatively influence the durability of projects. For example, in the United States, NGOs are considered successful when they are big and growing. However, if the point of the NGO is to address a specific problem, such as water access overseas, success should be defined by the problem being diminished or solved. Then the budget required to address the problem can also be reduced.

Speakers

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Stephen Gaull,
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United States Agency
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Jon Jacoby, Manager,
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Transparency Is Crucial

Because there is not enough progress on the ground, it's imperative that organizations working on water issues be transparent about their successes—and missteps. Consequently, practitioners can learn from each other and adopt the best practices towards the common goal of bringing water access to everyone. For example, the Millennium Challenge Corporation (MCC) puts all of its impact evaluations on its public website. This approach has helped build trust and inspires greater learning, which, in turn, is crucial for sustainability.

Transparency is also crucial to the proper management of water projects. There should be more focus on developing mechanisms to ensure the money allocated is actually being spent where it's designated. Utilizing transparency mechanisms will help minimize corruption, improve implementation and increase the likelihood that money designated for long-term maintenance remains available after project launch.

Partnering across Sectors

For a myriad of reasons, water quality and quantity throughout the world are in decline. Meanwhile, as the global population grows, there will be more diverse demands placed on water resources. The various consumers of water—people, agriculture, industry, transportation, commerce and nature—must be harmonized so that stakeholders can work together to ensure all have fair access to this precious resource.

Engaging local communities in discussions on water access issues is crucial. Citizens should be able to strongly demonstrate their interests and concerns, as evidenced in





local elections in developing countries. If local officials do not deliver water results fast enough, their constituents often complain. Many times, lack of results means those elected officials will be removed from office or will not win the next elections. If the elected officials do deliver on water, it tends to build support among community members, and the government uses that success as a launching pad for other work.

It's important in our outreach as organizations based in the Americas that we do not mistake NGO representation for community engagement. Having an NGO at the table is not a proxy for having the community. Sometimes this limited representation is the only option, but these entities are not interchangeable.

While NGOs—especially local players—are important, there should also be more focus on local private sector opportunities. Water is an investment opportunity requiring local infrastructure, which requires local work. To ensure the infrastructure, the utilities must be financially sound, and capital markets and incentives in the private sector must be unleashed. Sometimes organizing these factors requires international help, but the focus is local. The benefits can be local too. Water is a sector with significant potential for job growth. Similar to a boom in “green jobs,” the moment may be right to fuel a surge in “blue jobs.”

The private, public and civil society sectors at the national and international levels must work more collaboratively to secure water access for all. This is particularly true when approaching governments. The private sector and NGOs are too often misaligned, leading to disjointed efforts that are unable to achieve meaningful impact. Coordination is key.

It is also important to encourage better ways for unlikely partners to work together. Platforms that unite like-minded organizations from across sectors are crucial. For example, coming together through the US Water Partnership has empowered organizations to become powerful allies with others they otherwise may not have ever formed connection. These unexpected collaborations are what it will take to develop lasting solutions toward safe water for all.



CASE STUDY

Solving Water Challenges with Local and Global Public-Private Partnerships

In terms of water endowment, Jordan, which has one of the smallest economies in the Middle East, is the fourth most water-scarce country in the world. Limited water—combined with insufficient supplies of oil and other natural resources—renders Jordan heavily dependent on foreign assistance. While more than 97% of Jordanians have access to an improved water source, water supply overall is intermittent.

Water security will be hard to achieve, especially as the population grows, infrastructure ages, climate change intensifies and groundwater reserves deplete. The government is eager to pursue innovative solutions. The United States, a key ally, is providing much-needed economic support to Jordan through the Millennium Challenge Corporation (MCC), a bilateral foreign aid agency with a new, more accountability-focused philosophy towards foreign aid.

As part of its \$275 million compact with the Jordanian government, MCC is helping to fund the expansion of the As-Samra Wastewater Treatment Plant on a build-operate-transfer (BOT) basis, a form of public-private partnership. As-Samra, which handles wastewater from the Amman and Zarqa regions, allows high-quality treated wastewater to be reused in irrigation, thereby freeing up fresh water for use in higher value municipal purposes.

In this respect, As-Samra plays a key role in the MCC Compact's program logic, which also includes projects designed to reduce nonrevenue water and to extend the sewer network. "The idea is to get more than one use out of every drop of water," explained

Stephen Gaull, senior operations advisor for public-private partnerships and private sector development at MCC. He pointed to the As-Samra wastewater treatment plant as an example of success.

Originally built in 2008 with assistance from the US Agency for International Development, the existing As-Samra Wastewater Treatment Project has played a critical role in treating the country's wastewater. However, given its limited capacity, it was only able to meet the demand of the population through 2015. To serve an estimated population of 3.5 million inhabitants—almost 35% of Jordan's population—the plant needed to be expanded.

Thanks to assistance from MCC, the facility is being enlarged and upgraded technologically to meet the regional needs of Amman and Zarqa through 2025. MCC is funding \$93 million of the \$223 million cost of the As-Samra expansion project, along with \$20 million from the government of Jordan and \$110 million from private debt and equity sources.

Under the BOT project delivery approach, the government delegates to a private sector entity the responsibilities of financing, designing, building, operating and maintaining the facilities for a certain period. To this end, Jordan's Ministry of Water and Irrigation signed a 25-year concession with the As-Samra Wastewater Treatment Plant Company Limited (SPC), a private company whose investors include Morganti, an American affiliate of the Consolidated Contractors Group; Infilco Degremont, an American company; and Suez

Environnement, a French-based utility company. Arab Bank arranged a syndicate of nine local and international financial institutions to provide a Jordan dinar-denominated limited-recourse loan with a 20-year term.

Under this public-private partnership, the government of Jordan benefits from having the private sector both raise the financing for and guarantee the high-quality construction, operation and maintenance of the facility. At the end of the concession period, in 2037, the facility will be transferred back to the government of Jordan in good working order and at no additional cost.

Due to the grant nature of the MCC's \$93 million investment, the project is more affordable to the government of Jordan and financially attractive for SPC and local Jordanian banks. However, MCC's grant does not subsidize the private sector, as the private investors earn a return only on their portion of invested capital.

"This is what we call 'viability gap funding,'" Gaull explained. "Our grant made possible a project with important economic and environmental benefits that would not have otherwise been affordable or viable."



When the expansion is completed in 2015, As-Samra will be the country's largest operating wastewater treatment plant and will produce almost 10% of the country's water resources in the form of treated water, which will be completely reused in irrigation. In addition to producing high-quality water, the expanded treatment plant will produce 12.8 megawatts of renewable energy, or 78% of the plant's energy requirements, through biogas and hydropower.

Accordingly, the project represents an excellent example of the water-food-energy nexus. For these reasons, it has won several international awards, including the Water and Energy Exchange International Award for Innovative Financing in February 2013 and the Best Water Project Award by World Finances Magazine in June 2013.





KEY QUESTIONS FOR THE 7TH WORLD WATER FORUM

Session I

How can we get those in the public sector to become better water stewards and create the right conditions to promote cross-sectoral water stewardship?

How do we get companies to see water as a value item on their balance sheet?

What role can the private sector play in shaping sustainable water policies at national, regional and global levels?

How do we ensure local communities are appropriately engaged when discussing and managing water resources?

Session II

How can we get the right people—farmers and ranchers—represented and involved in discussions around water security and the inextricable link to food security?

What is the best way to translate watershed studies and assessments into best practices for farmers on a day-to-day basis?

No one intends to waste food after purchasing it. How do we solve this problem? Is food waste due primarily to a lack of awareness? A lack of planning? Are simple changes required or do we need a major cultural shift?

As one panelist remarked, everyone loves firemen, but no one loves the person who installs the smoke detector. How do we move the country to a more proactive stance on financing water infrastructure?

Session III

What changes should be made in how we fund water service delivery and related projects?

How can we better share successes as well as lessons learned?

What policy and private sector interventions could spur a growth in “blue jobs?”

How can we better celebrate/monitor long-term success?

How can we strengthen utilities and sector institutions to improve water governance?

How can we increase the creditworthiness of utilities so that they can access capital markets?

The global forum will be held
in Korea from April 12-17, 2015.

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The Coca-Cola Company

Because water is essential to nature, communities and business, we have renewed our collaboration through 2020 to build on our progress and achieve even greater impact by helping address the natural resource challenges that impact fresh water. For more information, please visit worldwildlife.org/water/cocacola and wwf.the-coca-colacompany.com.



The World Water Council is an international organization established in 1996 in response to an increasing concern about world water issues from the global community. The World Water Council's mission is to promote awareness, build political commitment and trigger action on critical water issues at all levels, including the highest decision-making level, to facilitate the efficient conservation, protection, development, planning, management and use of water in all its dimensions on an environmentally sustainable basis for the benefit of all life on earth. For more information, please visit worldwatercouncil.org.



7th World Water Forum 2015 Daegu & Gyeongbuk, Rep. of Korea

Every three years, the World Water Forum mobilizes creativity, innovation and know-how around water. Serving as a stepping-stone towards global collaboration on water challenges, the Forum is a unique multistakeholder platform where the water community and the policy and decision makers from all regions of the world can work together to find joint solutions. It is the largest international event which seeks to advance the cause of water. For more information, please visit eng.worldwaterforum7.org.

Special thanks to United Water and US Army Corps of Engineers

