

ADB Water Week 2004

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Keynote Speech: Drawing Insights from the NGO Dialogue and the Working Sessions

Good morning, ladies and gentlemen.

I have been asked to draw some insights from the NGO dialogue with ADB and from the working sessions. This is quite a challenge because a very large range of issues have been discussed. Some very wide-ranging comments have been made and they are all woven into a tapestry, overlapping, interlocking. It is a little difficult to try and disentangle them and present as single issues as you would in a standard type of presentation. So, I hope you will excuse me if I go back and forth among the different issues as this presentation proceeds.

First, it is important to recognize that the ADB Water Week is part of a continuing dialogue with a wide stakeholder group made up of governments, donors, IFIs, private sector, civil society and it is essentially a progression since the 2nd World Water Forum at the Hague in the year 2000. What is quite remarkable and encouraging about this is that traditionally groups that sack together with their own kind. Governments with governments, donors with donors, private sector, civil society in their own groups are gradually being pulled together, not necessarily for agreeing with each other, but becoming less self-conscious and more confident of interaction. I think that that in itself is a huge step forward as part of a process of a wide-ranging dialogue on issues that are of overriding interest to all of us. So, I think the important thing to take from this conference, first, is that it has happened, and second, is to not to expect any magic solutions. People have talked about silver bullets from any particular event, but regarded as a deepening of understanding, developing of a convergence of use, sharpening of our analysis that leads towards more focused action. Action itself is not going to take place at a gathering such as this, but it can help in action that takes place in other interactions and other gatherings. I think this is a huge positive step forward and as I said, it is part of continuing process.

Throughout this week, there have been 4 key words that I have been able to pick up. I am sure there are others, but these 4 words seem to be popping up again and again and they are: **partnership; participation; governance; and financing.** Those were the 4 key words that have been picked up. They have been discussed with all their nuances, all their ramifications, and I am sure that all of us have our own understanding of what these words mean.

Partnership. Of course, there are certain gender principles we have discussed. And perhaps the most important in the context of this particular conference and the title that we see here is "Water for the Poor", is any kind of partnership must be based on a common understanding of what poverty is. There is no point in talking about the poor and poverty. These are all conceptual ideas and in order to take it forward to the level of action, there has to be a common understanding. We have seen that poverty itself is a multi-faceted dimension. We have the land poor, we have the income poor, we have poverty by exclusion on the basis of ethnicity or cause or religion and there are many other kinds of poverty. But my great disappointment with this conference has been is the relatively little attention that has been paid to the poverty that is exercised through exclusion by gender and women in every category of the above whether they are land poor, income poor, ethnicity, cause, gender, goes through all of them and there needs to be a real understanding of the hierarchy of vulnerability particularly of women if we are to take any kind of program forward. It is staggering that people expect real movement forward when

the real strengths and human potential of so many people are either marginalized or ignored or given secondary importance. Now this is not a statement of political correctness, but I think it is something we all need to ponder about in all our different actions. I will say no more about that and proceed with the other points. I think on the question of the poor, the point has been made that the poor people are not in a sense to be made as victims, although indeed they might be victims, but they need to be regarded as a source of knowledge, of capability and of real determination. They are not passive objects to be regarded as beneficiaries, but as active participants and more on that later on. I think therefore, the first point for a practical engagement as far as partnership is concerned is this common understanding of poverty. The second is clarity about expectations of engagement by all parties. What is that we are seeking to do? Why enter into a partnership? We have to understand that there has to be an appreciation of the value addition by each member of the partnership; what do NGOs bring to the partnership, what does private sector bring to the partnership, and so on, unless there is a clarity on the role on the part of every member of the partnership about the other members' expectations. Then you have a recipe for disappointment. The third feature, I would say, is clarity about desirable results. What are the indicators of success? Some people would talk about equity who benefit from programs, when and by whom. Other people would talk about speed of coverage — “Ok, water supply and sanitation and 50% of the people covered. Done. Great.” Others would talk about sustainability and say “yes, done”, but you come next year, half of it is undone so sustainability is important. All these things are not immediately compatible. It is ideal to think that a program designed will automatically take care of equity, speed of coverage, and sustainability. There are real tensions here and this is a potential source of friction in any partnership. There needs to be thought, there needs to be clarity about modes of operation of each party. There is a lot of disappointment about the fact that perhaps the government might take a year, 2 years, 3 years to come to any decision about the engagement of any particular program. IFIs might take long; the whole process of consultation with communities might take long. Each party needs to understand what are the ways of working of the other party, what are the hurdles they have to overcome. Otherwise, you will get impatient and impatience then leads to frustration, and ultimately, cynicism. Underlying all these is, of course, the question of trust and trust is not a commodity that cannot be bought or purchased. It is built through process and it is built equally through success and failure. Unless, all the parties are willing to stake the cause, there is no point about talking of partnership which brings me to the ADB-NGO dialogue.

I think before we go into the generalities of it, there needs to be a recognition that when we talk about an ADB-NGO dialogue, there needs to be a recognition of the asymmetry in the size and institutional design between these 2 parties. I would call ADB one party, but I certainly would not call NGO as another party because of the nature of NGOs. Let us just go down the list of some of the things that are the cause of this asymmetry. One is, of course, size and resources. ADB is a large institution; NGOs are by and large small. ADB is a unified organization with a single mandate and a single policy; NGOs are quite the opposite because they are fragmented and have different levels of sector interests, different levels of policy understanding, different areas of geographical concentration, and quite frankly, different levels of competence and capacity. One has to understand all these. So, you could say how do these animals come together? They are so completely different, but there is an underlying compatibility. This is the fact the ADB operates essentially at a macro level, determining policy at a major use of resource where NGOs should understand intimately the impact of these policies on real people on the ground. Therefore, there should, you would think, be a basis for a partnership. Now the ADB has in its policy quite clearly determined that it would like to enter into partnerships and dialogues with NGOs on a whole range of issues, i.e. on policy development, on program design, on implementation, and eventually evaluation. In order to that, there has to be a

narrowing of the gap that I have just described. And while there is an open door as far as intention is concerned or state of intention is concerned on the part of NGOs, we need to enter into the partnership on a basis of confidence and without any feeling, without a victim complex, we must not think we are the smaller party because we are not. We might be smaller in terms of resources, but if you take the total resource as going beyond money we are not the smaller party. Any partnership has to be entered on basis of confidence. We have to develop our own understanding the political, develop our understanding of financial analysis in order to be able to talk the language and to deal with the ADB on a basis of equality. For this, we need to work together and the larger NGOs need to support the smaller NGOs and above all, we need to have a cooperative spirit which means giving up some of our flags working together, etc. Hard, I know, but it is important that we do so. Now for the ADB, it is important to align the policy that has been stated with practice — practice on the ground at country program level with a real commitment to dialogue. Now dialogue can be long, it can be messy, but unless we have the patience to stake the course it is not going to work. Let us not expect any dramatic results. At best, we can expect incremental change, but incremental change is a very good thing because there is no such thing as a perfect solution. A step forward is a step forward, not necessarily elite forward, but it is still a movement in the right direction. I think we have taken the step forward, but a lot more needs to be done.

Participation. Participation goes beyond mere consultation and I think it is important to understand that. It takes real courage and conviction because it means restoring equilibrium, particularly when we are talking about poverty and groups that are vulnerable for a variety of reasons beyond their control. It involves a transfer of power and authority and it is indeed, relevant to what I have just said about ADB-NGO dialogue. It is important that the engagement of communities that has been talked about takes place in their context so that they are not disadvantaged by language, by location, by style of discourse. Real engagement happens therefore at a place where communities feel they can work in their own milieu, their own environment. Participation means that international NGOs must not seek to control their local NGO partners. It means that local NGO must not seek to control their smaller NGOs or what are called their communities so it really means a letting go. This is the basis of decentralization of government structures, of organizations, of any other entity, but it needs a real change of confidence. It needs a real of change of attitude of humility borne of confidence; otherwise, it is not going to work.

Governance. This is being recognized as the single most important reason for failure. Those of us who come from developing countries and at the time of our independence, or at the time of liberation, whatever, we had all very, very high hope and many of us have been disappointed. Some of these have been because of external factors, but some very many reasons are because of a failure of governance and probably it is the single most important reason for disappointment. Conversely, it is the strongest factor for success and progress and it permeates all levels of policy-making and program implementation. What does that involve? It involves, above all, ethical leadership and many speakers have talked about this. Leadership is not just leadership at the top levels of government, but at all levels and all the parties I have mentioned, i.e. in governments, in IFIs, NGOs, civil society and everywhere. In order for this leadership to be practiced, transparency and access to information are extremely important. Many governments have introduced freedom of information on statute books, but it is one thing introducing a statute; it is another thing actually practicing it. It takes a change in attitude to let go of information and it takes practice and actual using the information to be able to develop it as a natural way of working forward. For NGOs it is extremely important that we try and work with the communities that we work with in trying to develop their capacity to be able to use this information. Governance involves openness to independent scrutiny or advice or instruction; we

talked about regulation, but also social audit and public hearings. It requires a commitment to accountability from governance to people, from donors to recipients at the moment because the relationship is one of financial resources. It seems to be one way, but it needs to both ways. What happens when donor advice leads to sub-optimal results? Let me put it in a very mild manner. What happens, who is accountable, and how is that accountability exercised. How do governments account to their communities and to their citizens for failures of policies and performance? How do NGOs account to their communities? And so on.

In the field of water, of course, there needs to be a clear determination and this comes in the governance, of water usage by sector and by community and that is at local level, or regional/national level, and international level. In this conference, so far, we have discussed a lot about water and sanitation perhaps not enough about integrated water resource management. There are complexities there, I understand, but if we are to talk about governance unless there is recognition that there are many users, many competitors for the use of water both by community and by usage, it is going to be difficult to go forward in a sustainable manner. Governance means that there has to some recognition and actions and priorities has to be sequenced. Joseph Stiglitz often talks about sequencing as being extremely important and that means flexibility and application of policy to program implementation. It is often the case that you have one particular program design that works in context X. It rapidly goes up the ladder becomes policy and from policy becomes received wisdom and that sought has to be applied everywhere. We need to be flexible. Is it an exaggeration if I say a mark of governance is the ability to do U-turns, wide turns and L-turns at the right time?

Financing. Mr. Camdessus started this conference with an address on the World Panel on Water Infrastructure. Of course, financing has many facets. There are, of course, external inputs through increased ODA, extremely desirable and all of us want that to increase, but what is the likelihood? I think it is extremely important even if, of course, it is a good thing if ODA increases, but even if it does not a lot can be gained through harmonization of aid; through avoidance of duplication; through the untying of aid to one's preferred suppliers, "I give you aid so use my country's contractors", that raises costs; and the focused application of aid to countries and to regions within those countries and to people within those regions at the local level. If I can digress here to talk a little bit of decentralization. When we talk about the local level, we need to understand the implications of decentralization. What seems to have happened so far is many countries are going down the decentralization route. There is a transfer of responsibility without real authority particularly fiscal authority. In order to be able to do that, to get the benefits of decentralization, we have to (a) be brave enough to transfer that authority and (b) commit ourselves to resources for training and building up the confidence of local government level. One of the things that are striking in many, many international conference is the relative absence of people from the lowest level of government. They are the people who are actually expected to deliver. They are the cutting edge and yet you find that they are the ones who sit in offices and take instructions and they do not participate in this. How can we expect any progress unless they are part of an exchange? It is difficult, I know, but we are brave enough to take that step forward and engage them in discussions of this kind. It is going to be difficult to make real change.

Going back then, too, to misuse of financing. There is, of course, the mobilization of internal resources, proper internal budgetary allocation of governments. Often, budgetary allocations take place for political reasons, one of the perils of democracy, depending on which minister happens to be on which constituency. You might find that the railway minister and brand new stations that have come up in that person's constituencies are often his. There are issues of sustainable cost recovery. We have seen the effects of perverse subsidies and how they

deplete the national ___ and only benefit the chosen few. I think, above all, relative little attention has been paid to people's own contributions. It might not seem a lot in dollar terms, but actually the value of each dollar contributed by communities from their own resources can be multiplied several times in the application to any project. I think it is extremely important when we look at program design to see how the impact of community's own resources and contributions and how can that be maximized. There are some qualifying remarks with regard to the discussions that have taken place here. I think it is important to recognize there are 2 differences in models. What works in an urban context may not necessarily work in a rural context and the weight of discussion in this conference is on the urban side. It is important to recognize that the rural and small town and there are differences between small towns and rural areas that they require different approaches to financing, different approaches to governance, and different approaches to program design and implementation, particularly in water supply and sanitation. Water supply is quite different from sanitation and I think it is quite important to recognize that. Water supply is, by and large, follows the public utility route. Sanitation is intimately related into hygiene practice which is a private matter and in formulating programs and patterns of development, it is to recognize that this requires new honest approaches. One, big advance that I have seen in this conference is when we talk about the private sector; we do not mean just the big international corporations. We are increasingly talking about local private sector, both large and small, and I think this is a huge step forward in an even and balance discourse. Hopefully, some of the passions that have been raised in the past will recede or die down and we can have a recent dialogue on this basis so that is a real advance.

In my view, one thing that has been mentioned, but is extremely important, is technology. It was mentioned in the Phnom Penh case by people talking about applications in Pakistan. It is extremely important that it is relevant the choice and the application of technology in the achievement of quick results, gathering the low hanging route, sustainability, and real community involvement. These are often governed technology choices. We can have big savings and big results. The underlying principle can really work there. You can have an 80% advance in benefit for a 20% resource application. I mean it is extremely important to do that. I would like to say that a local knowledge and choice in determining these is a real step forward. And since we are talking about millennium development goals, and since we talking about speed, it is extremely important that we try and generate this real momentum. Appropriate does not necessarily mean low tech. It can mean low tech, but it can also mean the use of satellite imagery. It can mean the use of ICT in terms of communication. It can mean the use of membranes for instance or filtration on other kinds of things. The cost of all these are going down. Communities know and how to handle these. These are not, well they are rocket science, but they are not in the sense of communities can deal with that type of rocket science and it important to recognize that appropriate technology has to be a mix of cutting edge technology and traditional knowledge.

Finally, I just would like to conclude by saying that development is essentially not a question of execution and completion of projects. It is based on ethical principles and it requires several things. It requires vision, it requires sustained commitment, and above all, it demands optimism. Given all these things, it is blinding in its simplicity.

Thank you.