Water is missing - Submission to the New International Development Policy

November 2022

The greatest risks to attaining global sustainability goals come from risks to water security.[1]

IPCC Report, 2022

Key messages:

- Water, climate and sustainable development are inextricably linked.
- Climate change is being expressed through water as Australia and our region suffers from more frequent, unpredictable and intense floods, droughts and storms.
- Progress on development is dependent on water – through water's unique crosscutting role as both a catalyst and binding constraint, and as a fundamental human right.
- Australia, as the driest inhabited continent, has valuable experience to share with our region in managing water in increasing climactic variability, including the knowledge of First Nations.
- Australia should take a leadership role in water for development as a practical and valuable pillar of the future aid program, including driving regional progress on household access to improved and safely managed water, sanitation and hygiene (WASH), and driving institutional and operational progress on water resource management, including water supply resilience and wastewater resource recovery
- Improving WASH access underpins efforts to address gender inequality and social exclusion, health outcomes and quality of care in health facilities, participation in schools, and building community resilience to climate change.
- Improving the institutional and operational management of water resources and wastewater services helps build long term system resilience, and drive key climate adaptation and net zero action.

Climate and demographic change, with pockets of persistent unacceptable poverty

The Indo-Pacific region is the most vulnerable region to climate change, and in our region, it is already being felt through the water cycle, in the form of floods, droughts and water quality losses. The Pacific region is particularly vulnerable to the impacts of extreme climate events such as cyclones, floods, tsunamis and hurricanes. In addition to these short-term shocks, communities will also face slow onset climate threats such as the saltwater intrusion being experienced in Papua New Guinea Treaty Villages which is severing people from their traditional ability to live from the land.

The Indo-Pacific is also rapidly urbanising. This megatrend is expected to result in the number of people living in urban areas increasing by 50% by 2050 – up to 1.2 billion people.

[1] IPCC (2021)
https://www.ipcc.ch/report/ar6/wg2/downloads/report/IPCC_AR6_WGII_FinalDraft_TechnicalSummary.pdf

WaterAid Australia, 3 Albert Coates Lane QV, Melbourne VIC 3000, Australia Phone: 1300 858 022
Email: info@wateraid.org.au Web: wateraid.org.au ABN: 99 700 687 141

Good planning is critical for new urban residents to have access to the fundamentals of life including safe drinking water and sanitation; with increased complexity due to climate variability that can condemn urban areas to growing floods and times of water stress. Demonstration projects across the region are aiming to meet these challenges while preserving wetlands for flood mitigation, ecosystems, carbon sink and human health benefits.

No society can thrive unless everyone has access to a sustainable supply of safe water. Access to safe water underpins advancements in public health, education, economic development, women's empowerment, gender equality, peacebuilding and resilience to climate change. Yet globally, 2 billion people still don't have a safe, reliable supply of water at home. 771 million people have no choice but to walk long distances to fetch water and many have to drink unsafe water. In 2019 diarrhoeal disease linked to poor water supply and sanitation killed an estimated 1.5 million people. Only 47% of schools and 46% of healthcare facilities have a basic water supply. This crisis has a disproportionate effect upon the lives of women and girls who bear the burden of water carriage.

Nowhere is the need to focus on access to safe water, sanitation and hygiene greater than the Pacific, which as a region has only 57% access to basic water supply (defined as drinking water from an improved source, provided collection time is not more than 30 minutes for a round trip) and only 35% with access to safely managed sanitation services. These numbers are going backwards, as the region struggles to recover from repeated disasters that wipe out development gains. The impacts at the human level are unacceptable and cut across health, education and gender equality goals.

Australia has the skills to assist – but the funding has declined.

WaterAid, the Australian Water Association and the Australian Water Partnership are all funded by DFAT and work across SDG6 in water resource management (WRM), water security, and water, sanitation and hygiene (WASH), technology innovation and capacity building. These are areas that Australia ODA has long been used for, but without embracing their fundamental strategic value and centrality in underpinning and complementing other Australian development priorities. Water, unfortunately, has also seen declining funding and bilateral partnerships since 2013, leaving Australia's ODA contribution to water well below the OECD average. This trend needs to be reversed over the coming decade if Australia is to support countries adapt to climate change, achieve SDG targets, and address a multitude of economic, social and health risks.

Australia's strengths in water are an opportunity for practical and valuable engagement with our region. Australia has strengths in water governance and planning and the data and modelling science that sits behind decision making. We have expertise in managing water under conditions of scarcity and increased climatic variability; and the crucial water/energy and water/food links that need to be better understood to power energy transitions and increase sustainability of food value chains. Australian NGOs working on water, sanitation and hygiene have led globally with their focus on gender, disability and social inclusion. Australian water utilities and other water sector players (e.g. universities, consultants, technology companies etc)are progressive and well ahead of the curve on greenhouse gas

mitigation and planning to ensure water resilience; and are already engaged in knowledge and technology sharing and twinning with many utilities across the region. First Nations water managers and scientists have knowledge and capability which will benefit all as we learn to adapt and become more resilient. The established partnership model that both WaterAid, AWA and AWP use links Australian and local practice and knowledge across the Indo-Pacific. This is the basis for respectful and mutually beneficial partnerships into the future.

The Minister has his intention to rebuild development capability in DFAT, and we fully support this. Water can be complex and when DFAT staff understand the strategic and technical value of water they can help create the space needed for conversations on interlinked issues such as the valuing and pricing of water and wastewater, data integration, water and wastewater regulation, water and wastewater policies, financing and investment frameworks, workforce capability and knowledge and skills retention, etc. We have identified the following opportunities for DFAT to increase its overarching development effectiveness and regional partnerships through a focus on water:

- Investment in DFAT capability on water, particularly at Post level to drive bilateral conversations and identify opportunities for larger scale investments that integrate water and wastewater into other critical donor investments
- Expansion of mechanisms that allow Australian private sector, academic, First Nations and NGO water expertise to be partnered with Governments, the private sector and communities to respond to key development challenge across the Indo-Pacific
- Long-term regional and bilateral water partnerships. Water is not a project that can be solved through short-term interventions, but an essential asset that enables other development outcomes. Water solutions can be complex, and require DFAT's policy approach to ensure there is a capability to sustain long-term relationships that aim to address water governance and institutional arrangements.

SDG6 will only be achieved through true partnerships between private and public

SDG6 depends on private sector action working in close alignment with governments and people. Because delivery of safe water and sanitation and management of water through the landscape depends heavily on built infrastructure, finance is a big factor. A recent paper launched in Davos in May highlights that data from emerging markets show only 9% of water funding is private versus 87% in telecoms and 45% in power. This is despite the fact that of all the forms of infrastructure, the potential risks and costs of climate change are greatest in the water sector, in Australia and elsewhere. The SDG6 financing gap demands proactive involvement of blended- and private finance solutions.

However, we have also learned from experience in our work, and the broader experience of Australia that water problems are at their heart, people problems. Provision of infrastructure or complex water policy reform without community engagement is prone to failure and unintended consequences, particularly for those who are marginalised or whose voices are not at the decision making table. Additionally, the provision of infrastructure without long-term capacity building including strategies to maintain knowledge and skills can lead to stranded assets and increased community distrust. Grant aid can play an important role in supporting community engagement, and providing long-term hard and soft skill capacity

transfer and application, which plays a complementary role help target and focus private capital and development loans around outcomes needed for people and the environment.

Conclusion

Water is a risk and an opportunity for Australia. If we fail to engage substantively, we will undermine many of our other development gains as water is so fundamental to every aspect of life. There is a real opportunity for Australia to demonstrate leadership on water – drawing on our own experience and the skills and expertise in our own water sector – particularly in the lead-up to the United Nations 2023 Water Conference in March next year; and looking ahead to the future, to add weight to Australia's bid to host UNFCCC COP31 in partnership with the Pacific.

This submission was drafted by WaterAid and the Australian Water Partnership, with input from the Australian Water Association, and support of the following Australian water sector leaders:

- Adam Lovell, Executive Director, Water Services Association of Australia
- Dave Cameron, CEO, Irrigation Australia
- Michael Wilson, Group CEO, eWater Limited

If the DFAT team leading the development of the new policy, would like more information or discussions on why water should be central to Australia's future approach to ODA, please contact Rosie Wheen, Chief Executive, WaterAid (rosie.wheen@wateraid.org.au), Sarah Ransom, General Manager, AWP (sarah.ransom@waterpartnerhsip.org.au), or Corinne Cheeseman, Chief Executive of Australian Water Association (ccheeseman@awa.asn.au)