

World Water Week
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EUWI MSF
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Ladies and Gentlemen,

I'm very honoured to be here today and have the opportunity of giving you an insight into Hungary's considerations behind the elaboration of an Issues Paper on the role of water in EU development policy during the Hungarian Presidency of the Council of the European Union in the first semester of 2011. I'm sure we all are unanimous in stating that water is the essence of and the precondition for human life. Water is one of the most essential components of all living organisms. Life on earth absolutely depends on water. Not surprisingly, scientists are looking for signs of water on distant planets such as the Mars. If there is water on Mars, there might be life there too, and if there is life on Mars, it means that human beings could survive there as well. History provides a lot of evidence that access to water can play a significant role in the rising of great empires, the ancient Egypt being one very significant example.

Strategic importance of water

Water is a resource of strategic importance. It plays a complex role, not only being a fundamental ingredient of our biological life, but also in securing water supply in the fields of agriculture and forestry, and as an environmental precondition for several industrial and service activities, as well as a renewable source of energy. Even though more than two thirds of the surface of the Earth is covered by water, only 3 % of global water resources is composed of freshwater.

Increasing problems

We are facing increasing problems in freshwater resources worldwide. The growing demand for water and pollution from various human activities put water resources under pressure everywhere. Climate change and its predicted effects on water balance and on water quality may be considered as one of the most significant challenges for the 21st century. Effective and sustainable management of natural resources and especially of water requires a common strategy in order to ensure quality of life, protection of natural resources as well as sustainable economic development and competitiveness in the long term.

The importance of water for Hungary

Sustainable water management is in the strategic and political forefront at both global and European levels. The issue has traditionally had outstanding importance for Hungary due to the country's geographical location and hydrological features. In Hungary, approximately 96 % of surface waters are originating from outside the country's borders. We are sharing our waters with our seven neighbours. Transboundary water management arrangements have been in place for a long time with a river basin approach applied. The recently adopted macro regional EU strategy for the Danube Region will hopefully give a new impetus to strategies on coherent water resources management.

Motives of the Issues Paper

Now, a few words about the purposes of having chosen water as a priority issue in the field of development cooperation for the Hungarian Presidency of the Council of the European Union in the first semester of 2011. The current trends we are witnessing in the world provide indications for the future. Rapidly growing population, especially in the developing countries, climate change and its impacts on the environment, high rocketing food and oil prices, increasing demand for energy as engine of economic growth anticipate that the importance of water for development will be increasing during the decades ahead. Availability and sustainable use of water are crucial for tackling these challenges. That is why it is of outstanding importance and in the interest of the whole world and the well-being of the future generations that water is given special attention in each and every development strategy we draw up.

The Issues Paper that has been discussed and endorsed by the development ministers in May 2011 and the main messages of which also have been incorporated into the Council Conclusions on the „Protection of water resources and integrated sustainable water management in the European Union and beyond” adopted by the Environmental Ministers' Council in June, highlights the crucial role of water in all development related areas and calls for incorporating water as a horizontal component into all development strategies targeting various sectors such as climate change, health, food, energy, security, etc.

Linkages between poverty eradication and water

The linkages between poverty eradication and water, availability of fresh water and proper water resources management is evident. We are of the view that there is an urging need of concerted action in addressing this complex issue. The Green Paper on EU development policy in Support of Inclusive Growth and

Sustainable Development issued by the European Commission in November 2010 proposes increased focus on agriculture, food security and energy in the future EU development policy in order to achieve the Millennium Development Goals. Moreover, with a view to the UN Conference on Sustainable Development to be held in Rio de Janeiro in June 2012 (Rio+20) - discussing prospects of the green economy, the future economic growth and the environmental challenges among others-, highlighting the role of water and its linkages to growth and sustainable development is highly timely and adequate. Shedding light on the inter-linkages of the water, food and energy nexus can facilitate the establishment of a comprehensive approach to water and development.

Projections for the future

According to scientific estimation, by 2050 the world's population will reach 9.1 billion. Nearly all of this population increase will occur in developing countries. Urbanization will continue at an accelerated pace, and about 70 % of the world's population will be living in urban settlements (compared to 49 % today). In order to feed this larger, more urban and richer population, food production must increase by 70 %. Annual cereal production will need to rise to about 3 billion tons from 2.1 billion today and annual meat production will need to rise by over 200 million tons to reach 470 million tons.

The role of agriculture in achieving the MDGs is hard to understate. 75 % of the poor in developing countries live in rural areas and their income is directly or indirectly linked to agriculture. Global agricultural production and trade, which is a \$2.52 trillion industry accounting for approximately 3.5% of the world's economic activity is expected to more than double in the next 3-5 years.

Given the fact that the agricultural sector currently accounts for 70 % of water resources exploitation worldwide, it is clear that the increasing agricultural production will put water resources management under serious pressure in the coming decades.

Water in the developing world

It is a worrying fact that an increasing number of countries are reaching alarming levels of water scarcity. 1.4 billion people live in areas with sinking ground water levels, and nearly 1 billion people in the developing world don't have access to clean water. Water scarcity is particularly pronounced in the Near East/North Africa and the South Asia regions and is likely to worsen as a result of climate change in many regions.

7th MDG and health

The 7th MDG seeks to halve, by 2015 the number of people without sustainable access to drinking water and basic sanitation. Its achievement is instrumental to attaining other MDGs.

Clean water is an elementary precondition for basic sanitation which is indispensable for attaining health-related MDGs. WHO estimates that 9 % of the global burden of diseases worldwide could be prevented through improved provision of water, sanitation and hygiene. Inadequate access to water and sanitation deprives billions of people, especially women and girls, of opportunities, dignity, safety and well-being. It is estimated that in the world's poorest countries, women and girls spend 40 billion hours every year carrying water from distant sources. Moreover, better sanitation also contributes to the economic performance; for every 1 USD invested in sanitation, 9 USD is returned in increased economic development.

Water and energy

The International Energy Agency forecasts that the world economy will demand at least 40 % more energy by 2030 compared to today. Given the current trends, renewable energy sources are likely to play an increasing role in satisfying these demands. Water is a source of renewable energy, but energy is also required for the production, distribution, purification and desalination of water. Development of the world's economically feasible hydropower potential could reduce greenhouse gas emissions by about 13 %. Still only 7 % of the hydropower potential is exploited in Africa, compared to 75 % in Europe. There is an enormous potential to be unlocked, however, water based energy infrastructure also must be developed with appropriate attention to social and environmental impacts.

Security and shared water resources

Many parts of the world are already experiencing tension over shared and limited water resources. The fact that many major rivers, lakes and underground aquifers cross national boundaries is a growing source of potential conflict. This is apparently the case in the Middle East, in Central Asia and in Africa as well. However, experience also shows that water management could be utilized as an entry point to proactively increase stability in unstable regions and shared water resources may provide an avenue for dialogue between nations. The EU's own

experience in this field can be conducive to facilitate this kind of cooperation in the developing countries.

Conclusions

To conclude, let me say that very few activities today occur in the world that do not rely on freshwater in one way or another. Basic hygiene, growing crops, producing energy, manufacturing goods or maintaining ecosystems to keep the earth in balance – human beings are inextricably linked to freshwater. Unless water management improves significantly, we will face major challenges in securing sufficient water to support the growing world population, to underpin economic growth and to meet environmental needs. To date, the track record on managing water sustainably is poor. For most governments water management is not a priority, and societies largely fail to value and govern their freshwater adequately. Thus water scarcity and pollution unfortunately continue to be common occurrences.

Uneven distribution

The distribution of freshwater across the globe is very uneven in terms of both space and time. Just nine countries possess 60 % of global freshwater supplies. Rainfall levels differ between countries and from season to season. Climate change is expected to exacerbate this variability and increase unpredictability. Current estimates indicate that water stress by 2025 will be a reality for half the world's population (when there is not enough water for agricultural, domestic and industrial needs, the annual per capita renewable freshwater availability is less than 1700 cubic meters). Water shortages are likely to spread due to increasing demands from a growing global population.

A policy shift is needed

Furthermore, water resources are not infinite. That is why we say that a policy shift and a stronger commitment are needed: EU donors and partner countries should pay attention to the crucial role of water in development and growth agendas. In order to cope with the increasing water scarcity and irregularity brought about by recent global challenges, managing water resources sustainably should move higher on the development agenda. Mainstreaming of water into relevant policies and initiatives related to agriculture, energy, environment, health, education, gender, peace and security can significantly contribute to poverty-reducing growth and at the same time pursue the objectives of sustainable management and protection of freshwater resources globally. That is why it is important that water is made a horizontal element of

future development policy. Water perspectives factored in the different sectorial development policies could create synergies and make a difference.

Therefor the Hungarian Issues Paper invited the European Commission to better integrate the role of water as a key element of inclusive growth and sustainable development into the future development policy and to draw up a comprehensive policy framework on Water in EU development cooperation.

UN World Water Development Report – 2009

Let me remind you of the 3rd edition of the UN World Water Development Report the preface of which states that „Water is a cross-cutting issue that demands a coordinated approach. Our success in avoiding a global water crisis is directly linked to our ability to address other global challenges, from poverty eradication and environmental sustainability to fluctuating food and energy costs and financial turmoil in world economies. It is therefore imperative that global risks, including those associated with water, be dealt with in an integrated manner. We must develop interdisciplinary tools that can take into account different drivers such as climate change and financial markets to achieve sustainable water management.”

I think it is high time to act. With a view to fostering sustainable development, an integrated approach to water and the world's water resources is needed, as well as more coordinated action by donors and partner countries in order to secure the well-being of future generations.

Thank you for your attention!