

**Official Submission of Dr. Anna Tibaijuka, Executive Director of UN-HABITAT,
Under-Secretary-General of the United Nations**

**For inclusion in the summary of the Environmental Roundtable on ensuring sustainability
and access: the case of water and sanitation**

Helsinki Conference, 9 September, 2005

Prepared by David C. Tipping

Global Public Goods and Health

One of the key governance challenges in the 21st Century is to ensure and protect the provision of global public goods (GPGs). As with an approach to national public goods the aim of a GPG approach is to correct market failure in provision of goods in the global arena – and, just as at the national level, this implies political choice and deliberate policy design to determine which goods are put in the public domain. Sandler (2001) has suggested that a useful way to proceed in the discussion on global public goods would be to focus on the question of how beneficial a particular GPG is to a particular generation, group of people, or group of countries. This political dimension of the GPG debate is essential.

While there is an ongoing debate as to what qualifies as a GPG and while not many of the issues at stake in the global policy domain could meet the criteria of a ‘pure public good’, which is defined as non rival and non excludable, it is now generally accepted that when there are high social returns associated with the provision of a GPG, the cost of their provision should be shared (Arhin-Tenkorang & Conceição, 2003). For example, in the case of infectious disease control, as disease is controlled, and peace and security is enhanced, clear and measurable benefits begin to accrue at the national level and to the international community as a whole.

In a GPG approach, financing at various levels of governance come together to reach a common global goal. Good health and welfare are the building blocks for human, economic and environmental development. The World Health Organization’s Commission on Macroeconomics and Health described investments in health as a foundation of economic growth and social development (WHO, 2003). It seems that health is fundamental to sustainable development; it supports stability, equity and productivity in both the labor and consumer bases. Yet trends over the last 20 years reflect market failure at the lower end of the income spectrum.

GPGs tend to be under-funded by governments in the developing countries. Competitive markets allocate the economy’s resources to users based on the highest values assigned to them. However under certain conditions the market does not produce outcomes that are economically efficient and market failure contributes to an ill health-poverty cycle. The poor and malnourished are more likely to become sick and are at a higher risk of dying from their illnesses. This ill health contributes to poverty, and undermines efforts to reduce poverty. Debilitating illness prevents adults from earning a living, at the same

time keeping children from school, thus decreasing their chances of a productive adulthood.

Linking with global strategic goals

This interdependence of poverty, health and sustainable development has become the driving force of the global development agenda and has been linked to a timeframe and measurable targets. The notion of sustainable development as set forth in Rio, the Millennium Development Goals as accepted by the heads of state at the UN general Assembly in the year 2000 and the principles and strategies that comprise the Habitat Agenda, together represent the strategic response to the three great driving forces that will influence global health in the 21st Century: globalization, urbanization and the environment. They demarcate an operational roadmap for global development, which aims to ensure equity and fairness in pursuit of quality of life for all.

The political momentum created by the Millennium Development Declaration and the Millennium Development Goals (Figure 1) has provided a new focus for the discussion on global public goods. A *global public goods approach* captures many of the political elements inherent in reaching the MDGs, in particular the special responsibilities of the global community to reduce poverty and the urgent need for international collective action on an agreed set of priorities, to ultimately assist with resource allocation and regulation, as well as attract foreign direct investment.

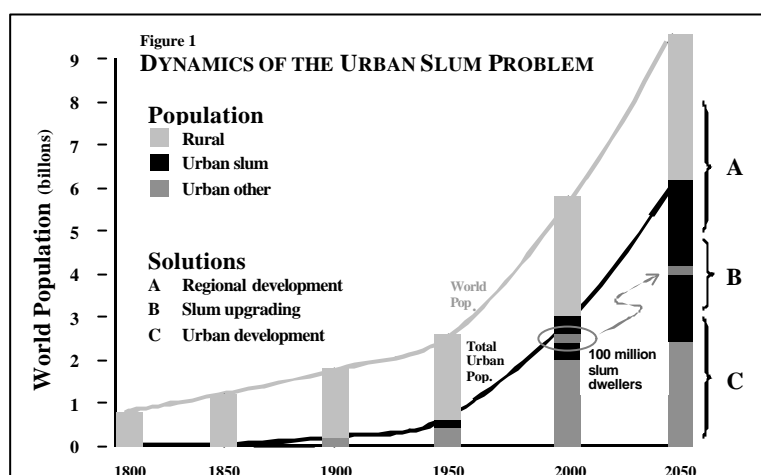
Figure 1.

Goal 1: Eradicate extreme poverty and hunger
Goal 2: Achieve universal primary education
Goal 3: Promote gender equality and empower women
Goal 4: Reduce child mortality
Goal 5: Improve maternal health
Goal 6: Combat HIV/AIDS, malaria and other diseases
Goal 7: Ensure environmental sustainability
Goal 8: Develop a Global Partnership for Development

From a perspective of sustainable development and the Habitat Agenda it is essential for any strategy on MDG attainment to grasp the nature and scale of urban change resultant from world population growth. This has not been done to the extent necessary despite the fact that the number of people living in cities is growing rapidly. Cities concentrate people and increase health risks, especially among the poor. While in 1970 approximately 37 % of the world's population was living in urban areas, by 2006/2007 this figure is expected to be 50 %. At this time there are approximately 3-billion people living in urban areas, and approximately 1-billion people now living in slums. Slums are the most visible manifestation of poverty. As the number of people born in cities increases, and as people

continue to be displaced from rural areas, there will be further proliferation of urban growth. The urban slum population is expected to grow to approximately 2-billion by 2030. (from 32% to 41% of the world's urban population). We are witnessing the continued and rapid urbanization of poverty and ill health. This crisis is of unprecedented magnitude, and the greatest impact will be felt in the developing world.

Figure 2.



The *Habitat Agenda* draws attention to the serious consequences arising from urbanization and groups its aspirations around the notion of livability. Livability refers to those spatial, social and environmental characteristics and qualities that uniquely contribute to people's sense of personal and collective well being, and to their sense of satisfaction in being the residents of a particular settlement. The aspirations for livability vary from place to place, and evolve and change in time; they also differ among the diverse populations that make up communities. There are also a range of preconditions that create the conditions for socio-economic development, including good urban governance and the notions of sustainability and fairness that are central for achieving good health and welfare.

But the exponential growth of cities and slums is taking place without the corresponding ability of many cities in the developing world to expand public provision of basic services. As a result, in nearly all urban centers, there are neighborhoods with little or no provision of the basic infrastructure and services that are essential for public health and well being. It is found that the worst-case problems come together in the large slums.

It is possible to cost the failure of dealing with the urban environmental factors that influence health. For example the realities of inadequate water and sanitation provision impose huge costs on those who are most directly affected, impacting on labor and productivity, and confounding the ability of communities, cities and nations to attract private investment. East Africa is prone to periodic cholera outbreaks after heavy rains that results in lives lost as well as huge financial costs. The Peruvian cholera epidemic in 1991 caused thousands of deaths; coupled with a much larger number of people who

became seriously ill. The resultant economic impact was a net loss in just one year of around US\$232 million, equivalent at the time to approximately 1% of Peru's GDP. The figure is equivalent to the estimated cost of providing a public stand post water supply for Peru's whole un-serviced population.

Addressing health in slums: access to water and sanitation

Access to water and sanitation plays a key role in international development - it is strongly linked to poverty, hunger, education, environmental sustainability and health - so it becomes difficult to imagine how significant progress can be made for any notion, goal or agenda, without first ensuring that poor households have a safe, reliable water supply and adequate sanitation facilities. Understanding access to water and sanitation as a global public good will allow the global governance challenges to be brought together with the local governance issues. In this way more practical and manageable solutions can be achieved, within an integrated water resources management framework.

Water and sanitation is a prime example for the case that most global public goods follow a summation process, meaning not only that all countries must contribute in order for the good to emerge but that action and financing is necessary at different levels within countries – this is particularly clear in the water and sanitation area. Therefore when exploring financing mechanisms it is essential to keep in mind that most financing of global public goods continues to happen nationally. Only \$1 of every \$ 200 spent on global public goods involves public spending at the international level (Kaul & Le Goulven, 2003).

The urban water crisis is a crisis of governance. A new framework for action is required, based on an imperative for socio-economic development, and operating at and between all spatial levels. This should rest on preconditions for development, such as the sustainability criterion and principles of good governance, which allows all stakeholders to articulate their needs in local level processes that feed up. Though a level of political commitment and leadership is required, that can only come from those with vision and will to act. Local level institutions also need to be empowered to enhance the various rural-urban linkages (supported by horizontal and vertical coordination and implementation) to alleviate vulnerabilities and deprivation, and in support of livelihoods. Sound policies, based on knowledge generation and feedback, must be matched with strong yet flexible institutional and administrative frameworks. Therefore existing financing mechanisms need to be strengthened, and additional financial resources mobilized, in support of fair allocation of public resources and to facilitate strong regulation.

By bringing together the urban slum challenge, with the health challenge, we begin to understand access to water and sanitation as a critical entry point to create health locally and globally. In short it becomes a key governance challenge.

Good urban governance

The Habitat Global Campaign on Urban Governance signals a new and strategic approach for achieving the goals of the Istanbul Declaration and the Habitat Agenda. The campaign is designed to promote accountable and transparent urban governance which responds to and benefits all sectors of society, particularly the urban poor, and which strives to eradicate all forms of exclusion. Its goal is to improve the quality of life in cities, especially for the poor and marginalized, through improved local governance. The strategy for achieving this is to advocate the norms of good urban governance and promote inclusive decision-making processes.

UN-HABITAT promotes good urban governance as being inextricably linked to the welfare of the citizenry. It must enable women and men to access the benefits of urban citizenry. Based on the principles of urban citizenship, it should affirm that no man, woman or child can be denied access to the necessities of urban life, including adequate shelter, security of tenure, safe water, sanitation, a clean environment and mobility. Through good urban governance, citizens are provided with the platform which will allow them to use their talents to the full to improve their social and economic conditions.

Three interlinked aspects of good urban governance are particularly relevant for this conference:

1) Integration and Intersectorality - governance for integrating environmental, economic and social values into decision-making over precious water resources is crucial. It is increasingly found that implementation of policies within and across jurisdictions, as well as coordination between the sectors is key. It is also acknowledged that health prevention measures should be geared towards the social, economic and environmental determinants of 'health and habitat' and this is also only possible through work across sectors. There is also a need to complement local policy decision-making with participative democracy, forms of governance, decision-making and resource allocation that are most responsive to the needs of the poor and positively effect their quality of life.

2) Partnerships and participation - partnerships have become increasingly viewed as a driving force for sustainable development over the past years. Through the creation of the UN Global Compact, and throughout the Johannesburg Summit process, for example, developing partnerships between public authorities, international agencies, business and civil society has been promoted and exemplified as a key tool for sustainable development. The main reason is that integration of economic, environmental and social aspects of development in a holistic approach requires the active participation of all sectors of society, at whichever level required when targeting a particular challenge.

It has become clear that the effective management of human settlements can only take place at the local level, and with the effective involvement of stakeholders. There is an array of creative approaches towards partnerships that now serve as models to help communities when government fails to deliver services efficiently. DFID (2003) states that tasks, responsibilities and risks can be distributed among the various partners, with such an approach aiming to nurture partner capacities at all levels, from the global to the local.

Governance for privatization should protect the public interest and ensure government objectives are being met. Business needs to be receptive to change and have a vision of development: a public sector style approach based on corporate social responsibility. A rather pragmatic partnership approach, based on specific stakeholder analyses in each case, can help to transcend individual stakeholder interests, to best serve the poor based on an understanding of water and sanitation as a GPG. Strategies have to be promoted and pursued in partnership with local communities.

3) Accountability and transparency - the accountability of local authorities to their citizens is a fundamental tenet of good governance. Similarly, there should be no place for corruption in cities. Corruption can undermine local government credibility and can deepen urban poverty. Transparency and accountability are essential to stakeholder understanding of local government and to who is benefiting from decisions and actions. Access to information is fundamental to this understanding and to good governance. Laws and public policies should be applied in a transparent and predictable manner. Elected and appointed officials and other civil servant leaders need to set an example of high standards of professional and personal integrity. Citizen participation is a key element in promoting transparency and accountability. Governance must ensure environmental, technical, economic and political issues are identified and considered before a decision is made, for example, to produce and distribute recycled water in a community setting.

So which way forward?

Cities are fundamental governance platforms for finding equitable and efficient solutions to a range of global problems, including those related to health. Health issues are not always separable from the other urban issues. In fact many of the worst human problems, including health problems, come together in city slums. Solving the problems of slums requires both good urban governance and a strong urban financial base.

If the needs of the poor are to be addressed locally, we need to create inclusive cities. This calls for an integrative strategy that brings together in new ways the strategic goal of strengthening global public goods, achieving the Millennium development goals and moving forward the sustainable development and the Habitat Agenda by providing a new focus on urban settings and good local governance within the context of global action and a global compact. In the end, the benefits to both poor urban communities and the international community at large will far outweigh the costs.

References

Arhin-Tenkorang & Conceição, 2003; DFID, 2003; Kaul & Le Goulven, 2003; Pearce *et al.*, 1990; Sandler, 2001; WHO, 2003.