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Global Water Challenges and U.S. Foreign Policy: Taking Stock

The Paul Simon Water for the Poor Act, signed into law in late 2005, represents a rare moment in Washington when policymakers can put aside partisan bickering and unite on an issue of obvious strategic importance. In a rare display of unity, the U.S. Congress enacted a bill that will elevate the provision of water and sanitation in the developing world as a strategic priority of U.S. foreign assistance. Seven months after the bill was signed into law, and one month after the release of the State Department report outlining America's new grand strategy for addressing global water challenges, we arrive at an ideal moment to take stock of the challenges ahead and the tools at hand.

Passage of the Act and the ensuing strategy brought us to an inflection point: the official recognition that it upholds and promotes U.S. strategic interests to address water scarcity, poor water quality, and the lack of access to safe drinking water and sanitation across the world. However, it remains to be seen whether the implementation of the Water for the Poor Act's good intentions will reach the level and degree of commitment that the issue both commands and deserves. While the report drew comprehensive and compelling connections between U.S. strategic interests abroad and mounting international water challenges, lack of funding and a clear mandate have hampered a coordinated U.S. response to these challenges.

Linking Water and U.S. Strategic Interests

The 2006 National Security Strategy states, "The goal of our statecraft is to help create a world of democratic, well-governed states that can meet the needs of their citizens and conduct themselves responsibly in the international system." Water is a critical component for any strategy to reach this goal—from improving the health of populations, to enabling economic development, to promoting regional peace and stability, to even building just, democratic and responsive institutions. The State Department's report to Congress rightly claims that "water and sanitation are essential to achieving the foreign assistance goal by protecting human health and responding to humanitarian crisis, promoting economic growth, and enhancing security."

The Beginnings of a Good Foundation

Given the clear connection between achieving U.S. foreign policy objectives and addressing growing water challenges across the world, the State Department, in consultation with USAID and a host of other government agencies, nongovernmental organizations, academic institutions, and corporations, has outlined three objectives for U.S. international water initiatives as well as supportive guidelines and focal areas. This prescription is significant for the simple reason that it is the only attempt by the government to date to clearly delineate U.S. objectives and goals for international water policy. Beyond this historic stepping stone, the content of the objectives and principles are relatively solid.

The strategy's objectives are straightforward and drive at the heart of water challenges across the world:

1. Increase access to, and effective use of, safe water and sanitation to improve human health;
2. Improve water resources management and increase water productivity; and
3. Improve water security by strengthening cooperation on shared waters.

The complementary set of principles to guide any U.S. approach is equally sound. The goals and principles grew out of a concerted effort to consolidate the thinking of the agencies engaged in international water issues and generate a more concrete vision than has previously existed. If nothing else, the legislation and the report have brought about this welcome result.

A Path Forward?

The areas for action identified by the report are not, in and of themselves, faulty ideas, and in fact have a proven track record of success. First, improving governance and water management helps to create an environment in which solutions endure long after U.S. resources are removed. Toward this end, USAID has worked to establish water regulatory agencies and regulatory methods in Egypt and Armenia that allow water utilities to implement cost recovery measures.

Such measures ensure the financial sustainability of operating the utilities and provision of service. Second, nurturing domestic financial resources effectively and quickly expands access to water and sanitation—currently 64 percent of water investment stems from domestic public sector financing. U.S.-backed loan guarantees and pooled funds in South Africa and India have supported the expansion of water and sanitation services to an estimated 700,000 people. Investing in infrastructure of appropriate scale and complexity, coupled with sharing technologies and scientific knowledge for the purpose of capacity building, will ensure that technologies deployed will continue to be maintained and used until the recipient country is ready and able to take the next step in infrastructure investment. Finally, U.S. government agencies, nongovernmental organizations, and even private corporations have made great advances in technologies that provide clean, safe drinking water at the household level. Leveraging these technologies and systems to protect public health and respond to humanitarian crises will continue to be an area of comparative prowess for U.S. foreign assistance. In Uganda alone, the Centers for Disease Control and Prevention's (CDC) Safe Water System reduced the risk of diarrheal disease by 25 percent. In real terms, this means more children in the classroom feeling well and ready to learn and greater worker productivity. Procter & Gamble's PuR packet was deployed in the regions affected by the 2004 tsunami and in the 2005 earthquake in Pakistan.

Still, these focal areas largely represent programs already underway and do nothing to address uneven distribution of foreign assistance for water and sanitation or the absence of coordination between the agencies engaged in international water issues. Between FY2003 and FY2005, the U.S. committed \$1.7 billion in official development assistance toward water and water-related projects in developing countries. However, 51 percent of this total went to just four countries—Egypt, Iraq, Jordan, and the West Bank/Gaza. Sub-Saharan Africa, the only region not on track to meet the Millennium Development Goals for water and sanitation, received a mere 14 percent of U.S. assistance. Although 96 percent of the funding was channeled through USAID and the Millennium Challenge Corporation, fifteen agencies were involved. Beyond coordination at the regional level between USAID and the State Department, any cooperation or planning was conducted on an ad hoc basis. No single listing of all U.S. water assistance ongoing and past exists. No comprehensive set of case studies of successes and failures is available. No mechanism or clearinghouse exists for coordination with other donors and NGOs.

Finally, any new strategy must go further than current activities, or even a simple expansion of current efforts. As the

“Activities in water supply and sanitation support transformational development and help strengthen rebuilding or developing states by improving governance, strengthening national enabling environments and institutions, mitigating local and national conflict over water resources, and providing water related services for displaced or returning populations.”

-Department of State Report to Congress June 2006

conclusions of CSIS report *Addressing Our Global Water Future* suggest, truly new and innovative approaches will be necessary to dampen the effects of global water challenges on U.S. strategic interests or generate a long-term impact. The scale of the issue demands more attention and resources than are currently committed. In order to reach the Millennium Development Goals of halving the number of people without access to safe drinking water, 1.2 billion people, or 260,000 people each day, will need to be connected to safe water supplies over the next decade. Between 2003 and 2005, U.S. efforts provided 24 million people with access to safe drinking water across the world—less than 10 percent of the number of people lacking access in sub-Saharan Africa today. U.S. levels of official development assistance, particularly when compared to those of other developed countries, simply do not reflect the urgency of these challenges.

Natural Barriers

Two significant factors inhibited the State Department, USAID, and other agencies in translating the general objectives and principles into new and innovative directions for U.S. action. First, the Water for the Poor Act had no additional financial support creating, in effect, an unfunded mandate. While the past two fiscal years have seen a rise in funding devoted to water and sanitation, the increases have been marginal and hard won. Second, the reshaping of the roles and responsibilities of the USAID Administrator as the new Director of Foreign Assistance has created uncertainty over the nature and direction of U.S. foreign assistance more broadly. Amb. Randall Tobias, confirmed to the new dual role in March 2006, has made clear his top priorities: (1) integrating U.S. foreign assistance into U.S. foreign policy goals, and (2) identifying a set of metrics for measuring progress, identifying priority countries, and developing timelines for projects and programs. At the time the Water for the Poor Act report was being drafted, the transition process and review of U.S. foreign assistance had not yet begun. As this process gets underway and priorities are reshuffled, another opportunity

emerges to further integrate global water challenges into U.S. foreign policy and approaches to foreign assistance. The State Department report does list potential countries and action areas to address in the future, if sufficient resources were made available and the mandate clearly defined.

Conclusions

The community of well-governed, responsible governments that meet the needs of their people, alluded to in the National Security Strategy, must consist of countries able to expand access to water and sanitation and manage water resources as populations increase, economies develop, and living standards improve—all without jeopardizing ecological health or geopolitical stability. To reach these goals, the U.S. must refine its overall strategy toward international water issues. The Water for the Poor Act represents a promising moment of foresight and leadership on an issue that will significantly shape U.S. strategic interests abroad for decades to come. The question remains whether we will see sustained leadership on the issue to inspire a deeper consideration of U.S. policy approaches and an increase in funding to carry out the intentions of any U.S. strategy.

This piece was written by Laura Keating, Research Associate at the CSIS Global Strategy Institute.

The CSIS Global Strategy Institute has begun a second phase Global Water Futures project aimed at creating a vision for U.S. policy on international water issues. This vision will address the specific impacts of global water challenges on U.S. strategic interests and broader U.S. policy framework. For more information, please contact Ms. Keating at lkeating@csis.org or (202) 775-3232.