

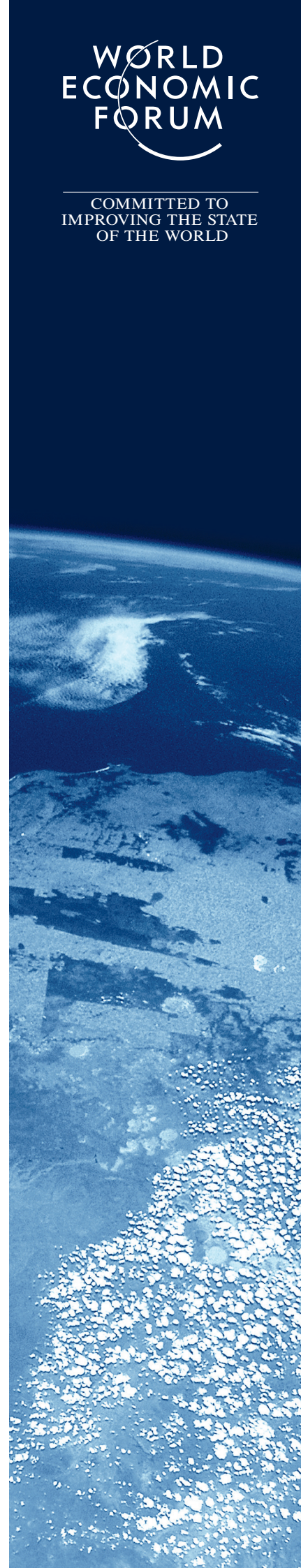
World Economic Forum Water Initiative



Realizing the Potential of Public-Private Partnership Projects in Water

An Initiative of the World Economic Forum
in partnership with
Alcan and the Swiss Agency for Development and Cooperation

January 2008



Introduction

The World Economic Forum's Water Initiative first began in 2003, thanks to a farsighted collaboration with Alcan and the Swiss Agency for Development and Cooperation. The focus was on creating multistakeholder networks to facilitate the development of public-private water projects that help meet the needs for all stakeholders. Much effort was spent in the initial stage investigating the market for – and raising awareness about – the potential for innovative public-private partnerships in water.

By December 2005, India and South Africa were emerging as the two focus areas, and the job to catalyse action could now begin in earnest.

At the India Economic Summit in December 2005, a breakthrough Memorandum of Understanding between USAID, UNDP India, the Confederation of Indian Industry and the World Economic Forum was signed. The Indian Business Alliance on Water (IBAW) – the first-ever national public-private partnership initiative on water in India was born. At the World Economic Forum Annual Meeting 2006, the Chief Minister of the Indian state of Rajasthan signed an historic letter of intent, which offered the government of Rajasthan engagement in the IBAW process at the state level. Work in South Africa quickly followed during the spring of 2006, and at the World Economic Forum on Africa in Cape Town in June, 2006, it was clear that the NEPAD Business Foundation (Africa's business leaders' innovative response to support the NEPAD goals) would play a central role in driving forward a parallel process in South Africa.

If we now scroll forward to today, the progress made in 24 months has been remarkable. Both Indian and South African multistakeholder networks and a pipeline of project propositions have been developed, demonstrating how these networks work in practice.

“The interesting challenge now lies in how to build upon the advances that have been made to drive fundamental and lasting change in our approach to innovate government-industry water project design.”

Over 24 public-private community partnership projects are now in the IBAW pipeline, with six already being implemented. IBAW has reached out to over 500 Indian companies. Two additional state governments will be joining IBAW in 2008 and a second phase has already begun. IBAW has taken root.

In South Africa, the development of two large-scale water infrastructure projects – involving the mining industry in particular, but also petrochemical and energy industries – continue to progress. Together they will serve several hundred thousand people. Water experts have identified the clear potential to catalyse a similar process in Botswana, Namibia, Tanzania and Zambia. The NEPAD Business Foundation – which has been coordinating this process in South Africa – and other engaged stakeholders in this process are already suggesting that more be done.

However, this process has not been simply about designing some much-needed innovative water projects, but spurring a fundamental shift in thinking about how water projects are initiated and conceptualized from the outset.

The Millennium Development Goals for water and sanitation remain a real challenge for governments in many water-scarce regions. At the same time, the goal to develop the economy, create jobs and economic opportunity in these same water-scarce areas, demands a lot from the water resource base. Mines, heavy industry, agriculture, breweries and hotels are very thirsty economic activities. Rather

Jürg Gerber, Senior Adviser, Global Projects, Alcan Technology & Management, Switzerland; François Münger, Senior Water Adviser, Social Development Division, Swiss Agency for Development and Cooperation (SDC), Switzerland; and Richard Samans, Managing Director, World Economic Forum, form the Steering Committee of the Water Initiative.

than the traditional route of each developing their own water sources separately, how can business, government and civil society stakeholders collaborate innovatively in designing projects that meet their mutual water needs? This was the challenge the group of over 200 stakeholders from all sectors took upon themselves to resolve by engaging in this process.

The projects mentioned in this brochure are the first fruits of this labour. We hope you find the description of the process and lessons learned from this experience to be informative and useful. Our thanks to Jan Dell, Vice-President of CH2M HILL, and Piers Cross, Regional Team Leader of the World Bank/UNDP Water and Sanitation Program Africa, for providing their time and expertise to undertake impartial analysis of the work and the potential it holds.

But all this represents simply the first frontier step. The interesting challenge now lies in how to build upon the advances that have been made to drive forward fundamental and lasting change in our approach to innovative government-industry water project design. This, we hope, will be the next stage of the work.

The potential of the multistakeholder network process developed here to change the way we approach development – both social as well as economic – is truly exciting. Evidence from these significant pilot activities suggests that for every dollar invested in the process of establishing the multistakeholder project development networks, US\$ 3 can be leveraged from public sector spending plans and US\$ 6 from the private sector, for the projects themselves.

To this end, we are encouraged by the statement of Walter Fust, Director-General, Swiss Agency for Development and Cooperation (SDC), Switzerland, at the end of this document, as he commits to and sets out some ideas for scaling up the work further.

We are proud to have played a small part in this process to date and wish to thank all of those from across the public and private sectors who have participated. It is the beginning of the journey, we suspect. We would also like to offer particular thanks to the two secondees from Alcan and SDC, Alex Mung and Christoph Jakob, who have shown true frontier spirit throughout. Our thanks to S. Raghupathy, Senior Director and Head, CII-Sohrabji Godrej Green Business Centre, India, Thabani Myeza, Business Development Manager, Rand Water, South Africa, and Chair of the NEPAD Business Foundation water sector, and Michael H. Solomon, Chief Executive Officer, Wesizwe Platinum, South Africa, who deserve a special mention.

Water is playing an important role at the World Economic Forum Annual Meeting 2008. Fust and others who have been involved in this process will start exploring what the next phase of this work might entail and encourage all who are interested to join him in this endeavour to help shape it further.

Finally, should you need further information or copies of the full reportage of Jan Dell and Piers Cross behind this work, please contact environment@weforum.org.

Sincerely,



Richard Samans,
Managing Director,
World Economic Forum



Dominic Waughray
Director, Head of
Environmental Initiatives
World Economic Forum

Brokerage Networks Overcome Bottlenecks in Developing Water Projects

Jan Dell, Vice-President, CH2MHill

The Need for an Improved Process

The lack of access to improved water supply and sanitation limits industrial growth and impacts the health of human beings. While significant development funds have been invested to fill this basic human need, the gap between effort and results remains because many water development projects have been unsuccessful, significant time is required to develop sustainable projects and the population in underserved countries continues to grow.

Water projects that are designed to provide water for both economic growth (water for industry) and human needs (water for health) can better avoid the conflicts that surround these competing uses, especially in water-stressed, poorer areas. Collaborative efforts between government, industry and communities to design water projects have been implemented through public-private partnership (PPP) or public-private-community partnership (PPCP) approaches, and these have been successful in many cases. But the planning of water development projects through public-private collaboration is complex and time consuming. Due to the lack of capacity in convening public-private dialogue and creating well-designed projects, efforts have been historically designed as “one-off” projects in a linear fashion – essentially a series of one-of-a-kind or pilot projects.

In the past, when it was recognized that the current number of water development projects was insufficient, the reaction was to increase the number of individual water development pilot projects. However, this approach will not deliver the amount of projects needed because of the high cost of individual project development, and the lengthy time required to develop individual projects. In short, implementing various pilot projects required an enormous amount of effort and with each project operating independently, the redundancies and lack of coordination resulted in a process that constrained the development of multiple water projects.

Theory of Constraints Applied to Water Development Projects

The Theory of Constraints is a business management philosophy that aims to continually achieve the goals of a system. According to this theory, every organization has one key constraint that limits its performance relative to its goal. Only by eliminating the constraint can overall throughput be increased.

Currently, the global production of successful water development projects using historical sequential project development is not adequate to meet global water demand. In order to increase production, the focus of activities must centre on overcoming the key constraint (or bottleneck) in the process.

Figure 1: Traditional Water Project Development Process with Constrained Project Flow

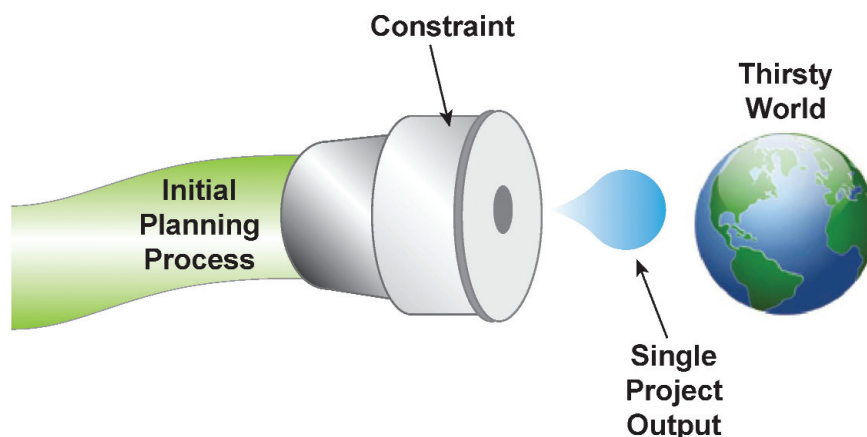
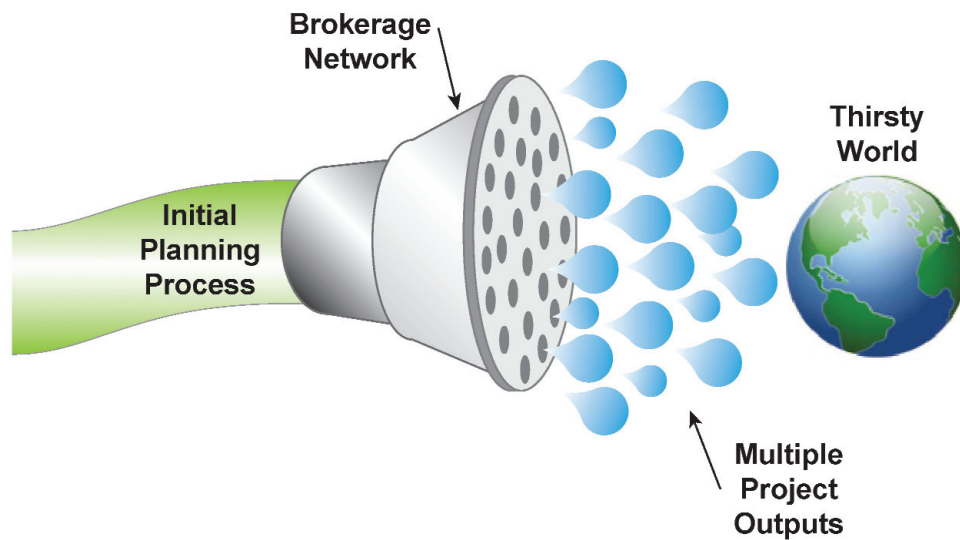


Figure 2: Brokerage Network Process with Expanded Project Flow



The bottleneck in the development of multiple, well-designed water projects was determined to be the initial project planning step, which led to only a single project as output. Significant human energy and time are required to convene a multistakeholder group and come to agreement on project goals, plans and details. When the outcome of that planning effort is only one project, the initial effort can be viewed as overly burdensome. Some developers have attempted short cuts in the planning process to achieve the end goal of project implementation, but that can meet with negative consequences on project success.

The Brokerage Network Process to De-constraining Success

To increase the overall throughput of projects, the Forum devised a Brokerage Network approach that leverages the outcome of the initial project planning process into successful implementation of multiple projects. Because there is more at stake in terms of results, participants become more willing to invest time and human energy in the initial project planning process with the knowledge that their early efforts will be leveraged beyond a single project and the outcome will be multiple successful projects.

The Brokerage Network process is based on the creation of a multistakeholder group or “network”. The network must be of sufficient breadth and reach that it can identify and develop simultaneous projects that will benefit the particular region or fill the identified needs shared by the different stakeholders. Instead of creating unique projects with unique stakeholder groups, one network is created to develop multiple projects at once.

In commerce, a broker is an intermediary that arranges or negotiates contracts of purchase and sale. In the development of water projects through the Brokerage Network process, the “brokerage” is a person or group of persons that is neutral to the interests of the network and seeks to find solutions that will benefit all partners.

Both the network and brokerage functions are needed to create multiple, sustainable projects that have the widespread support of stakeholders.

Key Elements of the Brokerage Network Process

The Forum multistakeholder Brokerage Network process has led to multiple and simultaneously successful water development projects in India and South Africa. While the locations, stakeholders and specific considerations vary in each country, the Brokerage Network process has resulted in the initiation of multiple, well-designed projects.

The five key elements of the Brokerage Network process are:

- **Multistakeholder Network**
The formation of a network can facilitate more effective collaboration between multiple stakeholders. Due to the politicized nature of water, it is sometimes unrealistic to work through government or donor-led initiatives alone to promote innovations or reforms in the water sector that include the private sector.
- **A Neutral Brokerage**
Participants – or “network partners” – are required from all affected sectors: multi-industry business groups, state and national governments, local governments and municipalities, community organizations, environmental organizations, international agencies, and technology and service providers
- **Optimal Project Selection and Demonstration of a Business Case**
To be eligible for consideration, a project must be shown to constitute an attractive business proposition. The project may target a specific level of the private sector (local, national or international) or a specific field of private sector operations. It must provide for at least one partner from the private sector. The project may be proposed by a private partner, have a private partner involved from the beginning or make provision for involving a private sector partner through the brokerage process. A private sector partner must contribute to the project as part of its operations. Financial support on a charitable basis by a private company to a project basically unrelated to the operations of that company is not considered private sector involvement for the purposes of Brokerage Network projects.

“The Forum multistakeholder Brokerage Network process has led to multiple and simultaneously successful water development projects in India and South Africa.”

- **External Catalyst and Coordinator**
To be able to effectively and sustainably establish regional networks and a brokering process, an external catalyser with different functions such as monitoring, coordination, brokering and knowledge exchange is necessary.
- **Sufficient Country and Local Conditions**
A functioning legal framework is beneficial to the success of water development projects. The legal framework is necessary to promote and enforce accountability and legal rights such as intellectual property, compensation and a transparent process. This allows a structured and fair process in the development of PPCPs and fosters ownership and trust between stakeholders. The sufficiency of a legal framework must be evaluated and determined on a case-by-case basis.

*“To know the road ahead,
ask those coming back.”*

Ancient Chinese Proverb

The success of the Brokerage Network approach in leveraging a single PPCP planning process and multistakeholder dialogue into the successful implementation of multiple projects has been demonstrated in India and South Africa. Other countries and regions that are interested in replicating the success are encouraged to contact the World Economic Forum.

South Africa Projects

Hartebeespoort Dam Project

This project will treat and pipe poor quality, non-potable water from the Hartebeespoort Dam in Gauteng Province to be used as industrial-grade water by mining, power generation and petrochemical industries in the north and potentially into Botswana. This will enable these industries to receive the water they need to maintain and grow their operations in the North-West and Limpopo Provinces, creating employment and supporting wider provincial economic growth ambitions. The flip side is that the volume of potable water currently being used by these industries will consequently be reduced by up to 50% and then made available to meet the growing needs of two district municipalities (Bajanale Platinum and Waterberg), providing clean water for approximately **595,000 people**.

Burgersfort Project

This project will extend the existing Olifants Water User Association pipeline to deliver a sustainable water supply to Burgersfort – tagged as the town that will lead the economic development of Limpopo province due to its role as a mining hub. The pipeline will mean an increase in the supply of water to various existing and planned mining operations in the region. At the same time, the new pipeline will enable the go-ahead for new housing schemes for an estimated **150,000 people** (of which 105,000 are below the poverty line); each house will have full reticulated access to water. At the moment, these residents have basic access to water through boreholes and manual pumps.

India Projects

Participatory watershed development with ITC

The implementation of participatory watershed development at Mandalgarh Panchyat Samiti in Bhilwara district has commenced with the signing of an MoU between the government of Rajasthan and ITC. 5,000 hectares of land would be treated under the initiative, which would enhance the annual income of farmers by 30%.

Setting up a desalination plant with Doshion

Doshion has signed an agreement with the government of Rajasthan for submitting a detailed project report (DPR) reflecting the techno-commercial aspect and provision under BOOT terms for setting up desalination plant in Rajasthan.

Desalination plant in partnership with Jal Bhagirathi Foundation

The Jal Bhagirathi Foundation (JBF), an NGO working in the water sector, facilitated the setting up of a desalination plant with the involvement of a private sector on PPCP mode. M/s Environze Global Ltd designed, manufactured, installed, tested and commissioned the desalination plant at Pachpadra village in Barmer district at its own cost. With the commissioning of the plant, water is available to the villagers at low cost.

Water harvesting structures in partnership with Sewa Mandir

A work order has been issued to Sewa Mandir for submitting a DPR for taking up construction of water harvesting structures in Patharpadi village of Udaipur district. The water harvested through gravitational flow will be primarily used for irrigation purposes in the tribal-dominated project area.

De-silting of ponds in partnership with LUPIN

The government of Rajasthan has partnered with LUPIN to undertake de-silting of 55 ponds in Bharatpur district. It has been agreed that the capital cost will be borne by the government of Rajasthan, LUPIN and the community in the ratio of 70:10:20.

Sustainable rural enterprises in Bundelkhand

In the Bundelkhand region, people lack of access to safe drinking water, resulting in a staggering number of waterborne diseases. In order to address the identified problem, this proposal seeks to combine reliable technology with sustainable livelihood creation, resulting in 50 self supporting water delivery enterprises that are viable and that involve local skills. These enterprises can be owned and managed by either local entrepreneurs or self-help groups (especially those for women).

Assessment of Opportunities

Piers Cross, Regional Team Leader, Southern Africa (2001-2007), Water and Sanitation Program, World Bank

Public-Private Partnership (PPP) Brokerage Networks

Increased PPP engagement between business and the public sector in water to enhance industrial and economic growth and improve social access to safe water has tremendous potential. While there is growing interest in this sector, there are few demonstrable success stories of effective ways for the public sector to engage with business.

The PPPs referred to in the context of this paper are the partnerships with collaboration between privately-owned businesses that require water for their business needs and public sector authorities responsible for delivering water services to consumers. These partnerships, involving businesses for whom water development is an input to their core businesses, are distinct from public-sector partnerships with a privately-owned water services provider.

Evidence of the Potential of PPPs in Water

There is evidence from the World Economic Forum's Water Initiative experience in India and South Africa that PPPs can help break the bottleneck in the project pipeline and provide innovative solutions that offer positive outcomes to a range of stakeholders. The potential leverage of pump-priming donor investment is substantial.

The outcomes of this work demonstrate how such collaboration through networks can contribute to unblocking several recurring constraints to deliver PPPs in water. These include constraints on the market (increasing costs, declining water, weak tariff collection and the complexity of the sector); the public sector (bureaucracy and delays, the structure of the water sector, which does not have a specific

"We are at a critical juncture – things will happen if we want to. We need to take this to next level – to share our learnings and to try and replicate."

Thabani Myeza, Executive Manager, Rand Water Services and Chairman NEPAD Foundation Water Sector South Africa

- In **South Africa**, cutting-edge, large-scale projects such as Burgersfort and Hartebeespoort Dam, plus the major state Spatial Development Initiative, reveal a huge potential.
- **India** illustrates what a myriad of smaller-scale collaborations can do to promote local water resource development.

The new mining belts in **Zambia, Namibia, Botswana** and **Tanzania** show the range and diversity of collaborative initiatives already on the ground. Mining companies are working with the public sector to develop and supply water resources, bringing in desalination plants and other new technologies. These examples show that PPPs can operate beneficially in a wide variety of circumstances, from the macro to the micro level. The rapidly expanding tourist industry in India and **Mauritius** will require private investment in this sector to share the load of water resource development in an environment of growing scarcity.

agency well placed to prepare and negotiate PPPs, variable capacity, weak understanding of project finance and, in some instances, procurement policies) and the business sector (distrust, poor understanding of the public sector and lack of sympathy with social goals and non-cooperation between competing businesses).

The Leverage Factor

Reviewing the PPP terrain in South Africa, where major infrastructural and mining investment are being rolled out, it is fair to say that for each dollar committed by government, two will be leveraged from private investors. But making it happen also requires pump-priming finance targeted to development corridors. **The estimated order of magnitude of leverage is such that one dollar in facilitation can stimulate three dollars of public funding, which can leverage six dollars of private investment.** In the smaller states of Southern Africa, it is harder to discern a clear pattern, but certainly for the large expansion of the mining industry in remote areas in these countries, leveraging is likely to be on a similar scale.

Key Processes to Move Business-Public Water Partnerships Forward

These examples show tremendous potential for Southern Africa, with similar projects identifiable in India. But to realize the potential and leverage both public and private investment finances, these projects need dedicated attention to structuring and brokering partnerships between players with differing outlooks and capacities. Innovative thinking on institutional and financial models and external inputs could provide the crucial impetus to make them fly.

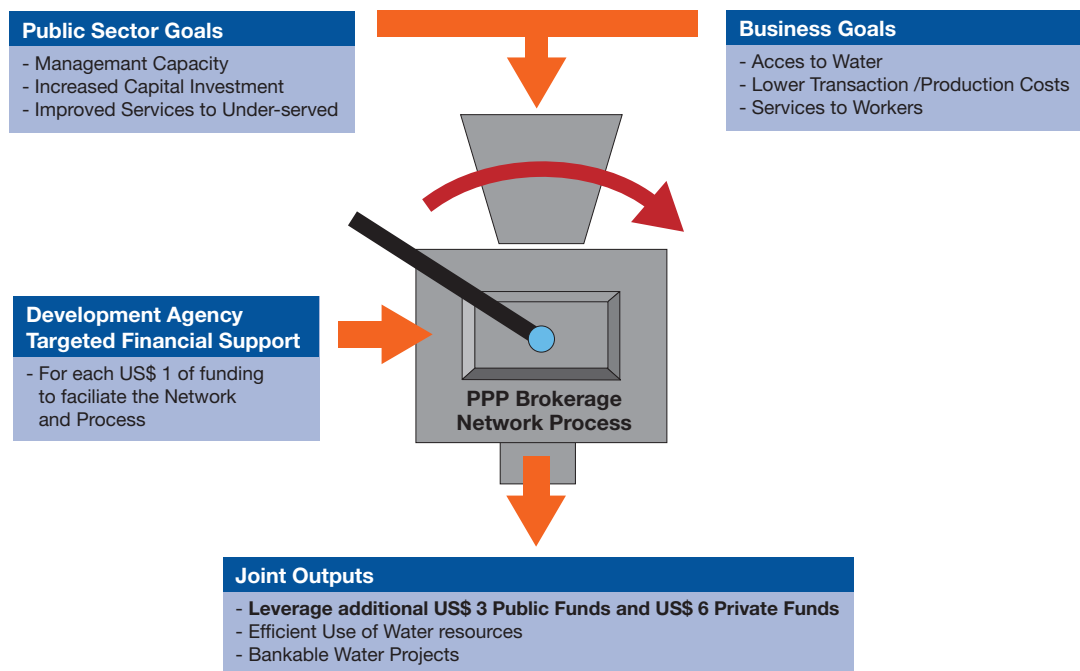
It is hard to think of a better arena for the use of targeted donor funding.

Moving forward requires building on the pilots and projects already on the ground and action by different stakeholders on a coherent, strategic global process. Two key actions may be singled out:

- **Establish a brokerage process** to get collaborative partnerships off the ground. While local conditions vary, the experience of existing cases shows that a key ingredient for success is a strong, informed, dedicated agency to educate, stimulate, monitor and help broker emerging partnerships.
- **Donors and international agencies** should focus more aid on leveraging market finance, build coherence and intensity among international bodies supporting PPPs, and establish focused, well-resourced brokerage capability for business-public water deals. More intensive research and knowledge development in PPPs is also required.

Nothing succeeds like success: the best teacher is success on the ground. The potential of these partnerships is evident: what is critically needed now is to change the mindsets of how we approach win-win solutions and create and accelerate breakthroughs in delivery

Figure 3: PPP Brokerage Network and Process



A Selection of the Potential Markets in Southern Africa



Zambia

Zambia is one of the most water abundant countries in the SADC region. Yet high levels of urbanization and the topography of the mineral wealth that is the backbone of the economy have meant that water supply is not unproblematic in what is being referred to as Zambia's "new copper belt" in the Solwezi district, North-West Province. Thirty exploration targets have been identified and a major new mine, the Lumwana Copper Project, started production this year. The minister of mines has established the goal of creating a vibrant linkage with the private sector contributing at least 20% of GDP over the next 20 years. Lumwana is a good start. Of an investment of US\$ 762 million by Equinox Copper Ventures (raised largely on the Toronto Exchange), US\$ 65 million is being devoted towards the establishment of a 6,000 unit township complete with water, power and transport infrastructure. Water services will also be extended to Solwezi municipality. **The new wave of mining developments has opened a large opportunity for further private investment in this sector.**

Namibia

Namibia is the most arid country in Southern Africa, with its water supply challenges exacerbated by the high price of uranium and the discovery of new viable fields. On the other hand, this also presents a major opportunity for private investment. The most notable undertaking is a desalination plant at Swakopmund, a joint venture between UraMin and NamWater, intended to service the new mine at Trekkopje, 65 km north-east of Swakopmund. This will be one of the five largest opencast mines in the world, with an indicated mineral resource of 18.4 million lbs (inferred 139.2 million lbs); it is now coming into production. The desalination plant will produce 40 million cubic metres per year (current consumption of Namibia's coastal towns is 12 million cubic metres) at a cost of US\$ 144 million. **NamWater recently announced that it is looking for investment partners to develop new water supplies for them.** Groups in Japan, Russia and Australia are among those who have expressed an interest in new uranium mining investment.

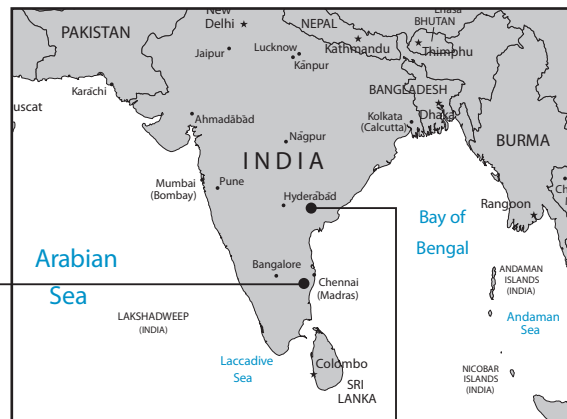
Tanzania

Tanzania provides a variant theme on the role of mining companies in collaborative partnerships for the provision of rural water supply. The Tanzanian government, to promote mining at an economic scale that could contribute to the national budget, allowed foreign investment into the remote, semi-arid Bulyanhulu district of Shinyanga province in 1994 in the form of Kahama Mining Corporation (KMCL), owned by Barrick Gold. As part of this agreement, a social development programme was initiated by KMCL – including housing, education, health and water supply services – to retain its mine employees. A multi-sector partnership was established between KMCL, a local private sector water services firm, two villages, the Kahama District Council via a dedicated steering committee, and service NGOs CARE International and AMREF. **The need for continuing brokerage to ensure that the laudable aims of the initial collaboration (to which all parties still subscribe) are realized has now resulted in a search for an agent to fulfil this role, with support from the wider donor community. The multiplier development effects for Bulyanhulu district have already led to wide political support for this PPCP.** Effective brokerage is now essential to keep this well-designed water supply scheme on track.

Botswana

As in Zambia and Namibia, the mining industry in Botswana, a largely arid country of Southern Africa, dominates the economy. Here too the leading mining firm Debswana provides water and electricity to the inhabitants of the mining areas. At Jwaneng, an interesting collaborative development has taken place with the local community and the public water authority. Debswana finances and provides skills training to the local community to develop and manage boreholes, pumps and water storage. Surplus water can be sold to the government for US\$ 0.163 per cubic metre, which then is purchased by Debswana at the national rate of US\$ 0.41. This gives a profit of 150% to the public sector, groundwater and goodwill to enterprise, and a clean source of water and modest means of income to the local community. **The planned development of the extensive coal-mining reserves in an arid and undeveloped part of the country provides a major potential for a substantial range of business-public partnerships in servicing the mines and building infrastructure.**

Indian Business Alliance on Water, two new states for phase two



Tamil Nadu

Tamil Nadu is at the confluence of the Indian Ocean, the Arabian Sea and the Bay of Bengal. In many areas, brackish seawater seeps into what were originally freshwater aquifers. It is one of the most urbanized states in India, with a total population of 60 million people (of which 55% are urbanized). The water scarcity in the state is attributed to the neighbouring interstate water allocation conflict, declining groundwater tables, reduction in the storage capacity of tank systems, recurrent drought, pollution threats to scarce water resources and growing conflict between different water using groups within the state. The state is witnessing interstate river water disputes with its neighbour. This has resulted not only in curtailment of water availability but also rising conflict over shared water resources.

As advocated by the national and state water policy, Tamil Nadu should have a basin-wise water resources development plan taking into account of the availability of surface and groundwater, as well as the demand for agriculture, domestic water supply, industries and livestock. **For augmenting supplies to cities and industries, alternative sources of water – such as recycling of municipal wastage – must be taken up on a large scale.**

Most of the industries in the state relate to power, sugar and food & beverages, to name a few. Over the years, groundwater in the areas where tanneries are located has become intolerably polluted. Thus, any sustainable solution has to ensure that the industry uses the water resources responsibly and adheres to recharge.

Andhra Pradesh

In Andhra Pradesh, stress on water resources has been exacerbated due to population growth, proliferation of industries, chaotic urban expansion and overall mismanagement of water. Some rivers that were once perennial sources of water are now dry for long periods of the year, inflows to many tanks are reduced; drinking water supplies in many towns and villages are becoming increasingly unreliable. What further exacerbates the problem is the continuous deterioration in water quality, which is a potential contributor to environmental as well health hazards. The ingress of salinity in certain parts of the state has made the groundwater unfit for human consumption.

The State Water Policy (SWP) focuses on ensuring the qualitative and quantitative availability of drinking water for human consumption, followed by fulfilling water demand for irrigation and industrial consumption. For improving the quality of surface and groundwater, the SWP calls for treatment of industrial and urban waste to the required standards before they are discharged. Similarly, special emphasis is accorded to catchment area treatment and watershed management. To harness flood water in the state, the policy highlights the creation of additional storage capacity in reservoirs.

The state is home to large-scale, heavy water-consuming industries – sugar, paper, cement, power generation, textiles, mining and metallurgical. **With the growth in industrial activities, the indiscriminate use of already-scarce freshwater may further aggravate the problem. There is considerable scope to develop projects in a partnership mode.** An attempt in this regard has already begun: in Hyderabad, the recharging of Pedda Cheruvu Lake and provision of drinking water in Bomminapadu village of Krishna district have added a new dimension in forging partnerships for water management in the state. The Visakhapatnam Industrial Water Supply Project (VWSP), is being executed under the PPP in the water sector.

Closing Note

The challenges of the water-related Millennium Development Goals (MDGs) require the engagement of all pillars of society, including private sector, government and civil society, to collaboratively leverage the finances to the sector and increase the capacity to develop successful partnerships.

As an organization committed to promoting and fostering equitable development, and to actively involve the private sector to achieve the MDGs on water, the Swiss Agency for Development and Cooperation has been a part of the work undertaken by the World Economic Forum's Water Initiative from the start. To achieve public-private collaboration on water while respecting economic growth, the environment and social targets, has been a pillar in our common work. We are now even more enthusiastic to see the first results emerging from the collaborative efforts from public, private and civil society sectors over the past years.

The document in your hands has revealed the potential of these multistakeholder networks and processes to develop and broker the right projects in an integrated and holistic manner that help bring economic and social development to water-stressed regions.

As both Jan Dell and Piers Cross allude to in the document, an important next step to maximize reach and scope of impact of this work will be to establish a well-resourced and dedicated brokerage process platform.

SDC is convinced of the value of these networks and commits to support a scale-up of this work, building on the Forum's water work in India and South Africa. We appeal to other development agencies to join us in building a coalition with public, private, civil society and inter-governmental partners to help conceptualize and implement such a scale-up strategy.

We see a new, innovative global brokerage vehicle for the water sector, engaging all partners to develop the right projects that deliver benefits to all stakeholders, and that will help shift the mindset on how we approach win-win projects for all.

We see the private sector as an integral part of this process and hope the World Economic Forum and its members will join us in this process ahead.

Sincerely,



Walter Fust
Director-General
Swiss Agency for Development and Cooperation
January 2008

"The NEPAD Business Foundation is more than 100% supportive of this water initiative."

Reuel J. Khoza, Chairman, NEPAD Business Foundation;
and Chairman, Nedbank Limited, South Africa

"No single solution can resolve the water issues; we have to work hand in hand – community, industry, government and people together. This model is an excellent alternative for managing water in Rajasthan."

Pratibha Patil, President of India