



**The United States Environmental Protection Agency (further U.S. EPA) welcomes the continuity of the agenda represented by the second Draft of the Forum for the 21<sup>st</sup> century and at the same time would like to present the following approach for the purpose of the international conference held on the 29<sup>th</sup> of November by the Forum for the 21<sup>st</sup> century:**

- ✿ The First Draft provided the Delegates with a basic guideline for the Forums main Global Water Issues, solution processes and different subjects that were meant to be agreed upon the conference on the 29<sup>th</sup> of November. After the evaluation of the Positions written by the Delegates, the U.S. EPA can gladly state, that this issue is addressed with very high concern within the participant countries and organizations.
- ✿ In accordance with the diversity of this problem as well as the nature of Forum participants, the priorities of each member differ. This is why we support the creation of the proposed Water World Committee (further WWC). Its democratic flow, own budget and repetitive meetings aimed to effectively deal with the differences in the agendas of this section could lead to rewarding, global, future solutions.

#### **Representation of the WWC-**

- ✿ We support the democratic flow of the committee, provided by the equal amount of seats and votes, and partially agree with the organization structure of the Committee described in the second Draft. The Forum included new parties into the decision-making process that are not represented by any delegate on the conference; therefore it is hard to assume their ability to participate on this project. Being aware of the possibilities the World Bank has to offer, we gladly promote this cooperation and would like to present some points that were agreed upon during our last project, in order to indicate the possible heading of the committee and the position of the U.S. EPA:
  - ✿ The GFSD Conference organized by our department and the World Bank Group facilitated a dialogue between OECD Members and non-Members on financing water and environmental infrastructure. The discussions at the conference paid particular attention to the needs of poor and vulnerable groups who may be adversely affected by increases in tariffs, and to the contributions that capital and financial markets can play in the provision of water services. The agenda has been structured around four main issues:
    - financing strategies for water and environmental infrastructure
    - ensuring access of poor and vulnerable groups to water and sanitation services
    - optimizing the role of national and local public budgets
    - mobilizing local capital and financial markets to improve loan possibilities
  - ✿ There is a possibility of losing the absolutely independent status of the WWC by having the general director appointed by the World Bank, because the functioning of the WWC would in some way have to copy the agenda of this global institution. The economic benefits gained by connecting the WWC with the World Bank will surely outweigh this



small flaw of the independent decision-making process, and that is an argument worth supporting this cooperation.

- ✿ By ensuring the possibility to create an advisory body for corporations, the committee could get valuable information, data and expertise from new sources. Including such global players into budget-planning could enhance their motivation to fund certain projects of the committee, although the U.S.EPA does not agree with a compulsory fee for transnational corporations. We shall describe our position on this issue in the Funding section of this document.

### Agenda

- ✿ Sharing the opinion with the Forum, we agree to leave all operational, functional, controlling and financial matters to the WWC. The main goal of the Committee should be enhancing financial transparency and giving detailed feedback, in order to effectively create the following year's priority projects and budget plans. It should serve as an advisor and consultant for local governments and should try to join as many similar global conferences and summits as possible, in order to broaden its field of administrative and organizational knowledge.
- ✿ Since all the proposals of the first Draft can not be dealt with this year, we would like to use this opportunity to express our priority in this matter:

Effective water distribution is among the top priorities of the United States Environmental Protection Agency, as well as the problem of aging water infrastructure. The key to a better distribution system is a functioning infrastructure, that is why we would first recommend funding a major maintenance of the old pipelines, to mend imperfection; so that new ones could be connected, and the least water would be lost or polluted. Pipelines serve as a long term solution, not only for domestic, but also for industrial purposes. Such an investment could boost foreign direct investments in the chosen areas, this way both the water issue and the economic poverty could be solved. The renovations should start in Sub-Saharan Africa, in countries that use the river Nile. The current political instability of Egypt combined with future worries connected with the overuse of this river on its upper part by Sudan and Ethiopia may lead to major conflicts. Laying the foundations of an effective water distribution system, could help prevent such unwanted events.

The issue with the second top priority is solar panel research followed by wastewater treatment in slums. A more precise description of our previously named intentions can be found in the first Draft, as well as our opinion on drilling water wells.

- ✿ We are prepared to discuss these opinions with the Delegates, this position is considerably flexible and can be influenced by sensible arguments of the member parties. This kind of priority setting mechanism is a way how the functioning of the committee could be organized, it represents the framework how the U.S. EAP thinks the WWC should set its annual goals



- ✿ The U.S EPA is prepared to support some legislation changes in certain countries in order to promote environmental improvement, only under the condition that such legislative procedures will not influence the flow of production of the corporations affected by these changes and that they will be implemented on domestic producers as well.

### Funding

- ✿ As previously mentioned, the U.S. EPA does not approve the initiative to impose compulsory fees on signing transnational corporations. The committees' projects may not be in accordance with the intentions of the corporations, and 2% of all earning is simply too much even for times before the crisis. Each signing corporation should bind itself only for a one-year period, with the possibility of further extension. The financial aid of the corporations should be regarded as an investment opportunity, when on demand and according to the invested amount, the corporation would get a certain number of votes, which it could use to influence process of next years budget creation.
- ✿ By requesting 1,5% of the entire GDP of a country, the Forum asked for 220 billion USD support from the United States. This amount nearly equals the forecasted expenditures for 2012 on Medicaid and the State Children's Health Insurance Program (SCHIP). 1,5 % of our country's Gross Domestic Product is too much, if we consider that the entire United States Agency for International Development gives away only 0.5% of the federal budget, and deals with a much wider spectrum of problems around the globe To further underline the matter i would like to refer to an OECD report from 2008 which calculated that the US spent about \$25 billion in foreign aid per year. The request refers to a 10fold increase, which is unimaginable. Secondly, the countries to which the committee would be aimed, could regard our help as another financial aid, from which it may not draw further conclusions. Therefore we propose, that the local governmental authorities should provide at least 25% of each project expenditure, with another 10% divided between the private sector, through Private Partnership Projects, non-governmental organizations and donors; leaving 65% of the total costs to be covered by the fund. Through the previously mentioned USAID, the environmental department could secure an amount of 250 million to 300 million USD for the committee to support its priority program of the previously proposed agenda.