

Cities and Urban Water Leakage

Participants discussed drivers and challenges regarding urban water leakage in light of the future water scarcity that will affect cities and countries globally regardless of their stage of economic development. Projections show that by 2030 50% of the world's population will live in regions with water shortage.

At the same time reductions in urban water leakage could provide up to \$170 billion in resource benefits globally by 2030 (McKinsey, 2012, 'Accelerating Green Growth through Public Private Partnerships'). The negative effects of scarce water resource impact societies socially, environmentally and economically and threaten to limit potential growth. Participants agreed that the issue is of great importance to both public and private sector, and that solutions need to involve both public and private efforts.

While the problems concerning water leakage are easily identified, the solutions are harder to pin down. Discussions raised the issue of how to best engage the private sector, such as performance based service contracts with utilities or other forms of public-private partnerships. The Participants discussed the need for pricing water as a resource and the subsequent challenges pricing entails concerning accessibility of water for poor people and the need for securing a degree of public control with the water utilities.

Participants agreed on the following actions and recommendations:

- **Political leadership:** The political role is essential, whether pushing ambitions through goal setting, bringing in efficiency standards, providing regulations, helping to forge partnerships by playing the role of an honest broker for PPPs, and linking issues of water savings with new business and pricing models.
- **Water management accountability:** Utilities should be made accountable for water loss and performance on their water management systems. Accountability needs to be implemented through regulations and by securing transparency

on water data.

- **Incentives:** There has to be incentives for utilities and long-term commitment to ensure that water leakage is addressed. This also requires the needed technical capacity both equipment and qualified personnel.

- **Community awareness and engagement:** Prices have to make sense locally. Even if poor people might be ready to pay for water, the prices have to be feasible. Some Participants suggested considering a new approach to the PPP model adding another P (people).

- **Suggestions for how to move forward:** Suggestions included: i) Engagement with the Water Resource Group to help identify which cities are getting ready for political ownership thus helping to make investments and goals more achievable. One option is to engage the C40 Cities network to increase political awareness and to encourage sharing of best practices among cities; ii) Pursue partnership with BRAC on how to address urban water leakage in Bangladesh; iii) Pursue partnership with Inter-American Development Bank on financing urban water leakage initiatives in Latin America; and iv) Engagement with the Danish Water Forum to establish accountability in water utility networks (benchmarking and good practice).

Moderator:

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Panellists:

Ida Auken, Minister of the Environment, Denmark

Fumiko Hayashi, Mayor of Yokohama

Carsten Bjerg, CEO, Grundfos

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