



High-level online event: Enhancing water security for better resilience to climate threats, 31 May 2022 - Event report

Organised by WaterAid and Coalition Eau, in partnership with the French Presidency of the European Union, this conference aimed at exploring and identifying opportunities to strengthen resilience to climate change and enable investments in climate-resilient WASH interventions, in the context of broader global challenges. It built on lessons from the <u>EU-AU summit</u> in February and the <u>World Water Forum</u> in March, and helped prepare for <u>COP27</u> in November, and the <u>UN 2023 Water Conference</u>.

This event brought together high-level representatives from the EU institutions, several EU member states and developing countries, as well as relevant civil society organisations, development banks, think tanks, representatives from the private sector and academic world. The overall event was moderated by San Bilal, Head of the Economic Transformation and Trade Programme, European Centre for Development Policy Management (ECPDM).

The conference was structured in four parts:

- A high-level opening panel
- A technical brief
- Three simultaneous roundtables
- A high-level conclusion

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1. Executive Summary

There was a great consensus among the high-level speakers who opened the event that **the climate crisis is a water crisis** ("there's either too little or too much water or it is too polluted"). We heard for instance from Madagascar about the accumulation of "drought, floods and cyclones one after the other". But, more importantly, there was also an agreement on the fact that **water security is critical to build overall resilience of societies**.

Several decision-makers mentioned the <u>Council conclusions on water in the EU</u> <u>external action</u>, adopted in November 2021, as a clear signal on the recognition of the importance of water and climate adaptation integration.

This event was also a milestone on the way to COP27 and the UN Conference on water next year. In that context, the invited high-level speakers, shared their priorities ahead of this March 2023 conference: strengthening water governance, taking a human rightsbased approach, building on synergies with other sectors, scaling-up WASH-led cross-sectoral approaches and move from political discourses to tangible actions.

The event aimed at identifying ways to unlock climate finance for water. The representative from Madagascar mentioned the need to **facilitate access to the different financial mechanisms** within the framework of the COP. Several initiatives were mentioned by high-level speakers:

- integration of WASH into national adaptation plans, participation to the Green Climate Fund and the Global Environment Facility with a focus on water and climate adaptation
- promotion of climate-resilient water resource management and efficient agricultural water management practices in partner countries
- innovative financing mechanisms (such as the Urban Water Catalyst Fund)
- making use of opportunities offered by blending and guarantees (European Fund for Sustainable Development +)

We need "**well-prepared and strategically purposed investment proposals**" said the European Commission representative. This is the aim of the <u>Resilient Water Accelerator</u> that was presented during the conference and ambitions to deliver and design attractive investment proposals for public and private funds to help ensuring access to WASH and managing climate risks.

The high-level panel was followed by a technical brief where two experts from Bangladesh and Australia shared their key concerns and recommendations on climate change impacts and how to address them. They demonstrated for instance the links between salinisation of water and women's reproductive health and made the case for strong climate-resilient sanitation systems. They called for **more prioritisation of WASH in the framework of climate action, for a greater role for local communities and systems' approach looking at investments, institutions, and redesigned infrastructure.** This event also aimed at answering the following questions: what are the key components of climate-resilient WASH programmes? How to ensure the WASH sector has access to climate finance? How do we build synergies across sectors?

Those were discussed in three different roundtables, which led to a consensus on the priorities and challenges:

- The priority number one is to ensure that communities currently lacking WASH services and exposed to climate risks have access to resilient services.
- But to achieve that, it is critical to understand the financing landscape, to look at investment complexities, capacity challenges, and how we can generate meaningful progress based on holistic and multisectoral approaches.
- Multisectoral and multi-stakeholders' approaches are not easy but there are incentives to building on them: that requires funding, political will and inclusion.

The roundtables' moderators shared three key recommendations:

- Resilient water and sanitation programmes go beyond infrastructure and enable to build communities' resilience. The donor community must invest in **enabling environment and governance** (capacity-building, planning, policies, financing) and in programmes that are risk-informed by local climate risks.
- For climate finance to reach the WASH sector, donors must **support technical** capacity and institutional governance of all the stakeholders and offer a range of financing models to support diverse types of climate-resilience interventions (grants, blending, guarantees, private finance, de-risking solutions).
- We must in priority **support women as drivers of sustainable development and** ensure cross-sectoral approaches at all levels.

The conference ended with a concluding panel discussion bringing diverse perspectives (civil society, developing countries and global health).

Firstly, there's a strong climate justice dimension into this discussion, with **communities on the front line of climate change paying the bill for a problem they did not cause**. We therefore need to pay attention to water resources AND water services which are key to capture, treat and distribute water, taking a human rights-based approach (affordability, accessibility, acceptability and quality).

Furthermore, it is critical to acknowledge that the **health and climate agendas are very much linked**: building communities' resilience to climate threats also means ensuring they get more resilient to health threats.

Finally, this conference also aimed at informing how the EU and European donors can most effectively implement their green deal and Team Europe Initiatives in a way that really help building communities climate-resilience. It was therefore useful to hear that Bangladesh and the EU are initiating a climate dialogue. The main recommendations from the final conclusion high-level panellists were the following:

- Policy-makers must integrate water into climate laws, nationally determined contributions, national adaptation plans and national budgets, with a focus on water management and access to services.
- There is a need to invest in **rainwater harvesting** both in the urban and rural areas, in a context of growing demand for water and urbanisation
- To build communities' resilience, including to health threats, we must get coherent action across sectors and co-create at local level, with communities. This must drive the upcoming <u>EU global health strategy</u>.

2. <u>High-level opening panel</u>

Introduction by Anna Nilsdotter, Chief Executive, WaterAid Sweden

Around 90% of extreme weather events are related to water – through droughts, floods or storms. So, the climate crisis is first and foremost a water crisis. But in addition, for people to be able to cope not only with climate change impacts, but also with pandemics and other diseases outbreaks, they need to have access to a reliable source of clean water during drought – plus a toilet and sanitation systems that can withstand flooding and a handwashing station to protect against illness.

So, what are the key components of climate-resilient WASH programmes? How to ensure the WASH sector has access to climate finance? How do we build synergies across sectors? Those are the questions we aim to reflect on today. We have gathered a wide variety of experts, policymakers, and representatives from the EU institutions, EU Member States, climate-vulnerable developing countries, the private sector and CSOs.

San Bilal (moderator): <u>During its presidency of the Council of the European Union, how</u> is France working with its European partners to strengthen the synergies between water and climate? What are the priorities that France and the European Union wish to focus on these issues at international level, particularly with a view to COP27 and the 2023 United Nations conference on water?

Phillippe Lacoste, Director for Sustainable Development, Ministry of Europe and Foreign Affairs, France:

This event addresses a central issue in France's development policy. Whether it is the degradation of biodiversity, the acceleration of climate change, or health and food crises, securing water resources conditions the sustainability of the responses we can collectively provide.

The preservation of water resources and the fight against climate change are two sides of the same coin. On the one hand, the profound modification of the water cycle under

the effect of climate change is leading to an intensification of extreme weather events, and the aggravation of the scarcity of water resources is a direct consequence, while in the same time, needs are constantly increasing. On the other side of the coin, the preservation of water resources and its integrated and sustainable management are key measures for adaptation to climate change. Ignoring water security would mean dismissing part of the necessary responses to reduce vulnerability and strengthen the resilience of our societies.

France is working with its European partners to prepare for the big 2023 water conference, a major milestone on the road to achieving SDG6. The work of the expert group on water, created under the French Presidency of the EU, has brought to light five central priorities for this conference: 1) strengthening water governance; 2) complying the human right to water and sanitation; 3) strengthening the synergies between water, climate change and energy; 4) achieving the Paris Agreement and food security; 5) moving from public policies to concrete and effective actions.

Beyond these major objectives, it is above all their concrete implementation that is important. The development of integrated water resource management, based on the consultation of all stakeholders, is essential to guarantee the sustainability of uses. Water, like the impacts of climate change, knows no boundaries. Anything that strengthens cooperation (e.g. basin organisations, existing legal instruments) must be generalised.

Finally, beyond the water sector, what matters for the French presidency is the mobilisation of all sectors (agriculture, energy, industry), as all of which hold part of the answers. There is a lack of financing for this sector and we hope to mobilise the development banks, the regional and agricultural banks.

This cross-cutting, multi-sectoral, integrated approach is implemented by France. Strengthening the security of water supply for all in a context of increasing pressure on the resource and growing crises due to climate change is the main priority of our international strategy for water and sanitation, launched in 2020. Through its participation in big multilateral funds such as the Green Climate Fund and the Global Environment Facility, France is putting water at the heart of climate change adaptation. We also hope to promote nature-based solutions and ensure links between sectors which are water users.

Moderator: <u>Germany has always been very active on climate change and water, what are</u> <u>some of your priorities and experience in trying to promoting WASH through your</u> <u>interventions?</u>

Dr Tania H Rödiger-Vorwerk, Deputy Director General for Global Health, Resilience and Equality of Opportunity, Federal Ministry for Economic Cooperation and Development (BMZ) Water security plays a critical role in improving the climate resilience of communities and ecosystems, and is key to achieving the 2030 Agenda. Climate change is most strongly felt through water, the climate crisis is a water crisis. There is increasing demand for water, as well as water pollution and inefficient water use. The global climate crisis can be reduced to the formula: too little, too much or too polluted.

Germany is a reliable donor in the field of climate finance. We are committed to

High Level Event: Enhancing water security for better resilience to climate threats





"Water security plays a critical role in improving the climate resilience of communities and ecosystems, and is key to achieving the 2030 Agenda. I urge us all to accelerate our efforts and act decisively to harness the potential of water for increased climate resilience!"

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promoting climate-resilient water management, making water our largest bilateral adaptation sector, with over 240 million euros in 2020 alone. We foster robust and flexible (nature-based) solutions to sustainably improve water security and climate resilience in our partner countries.

In Zambia, for example, BMZ and the EU are promoting climate-resilient water resource management and efficient agricultural water management practices in a region frequently affected by drought. Through the measures, 4.5 million people in the catchment area have benefitted from increased water security and improved resilience to climatic threats.

We are also ambitiously advancing the water-climate agenda at the international level: Germany supports the recently adopted EU Council Conclusions on water, which emphasize, the importance of integrating water-related climate change adaptation and mitigation measures into EU external action and funding. We welcome France's efforts to promote the links between water, climate change and a healthy environment during its EU Council Presidency.

Germany is also committed to actively shaping the political discourse on water and climate in the run-up to the 2023 UN Water Conference and beyond. Germany has organized the Bonn Water Dialogues in 2021 and contributed to various (high-level) conferences (COP26 and the 9th World Water Forum). Moreover, the topic of water in the context of climate-resilient and healthy development will also play an important role during Germany's G7 presidency this year.

Innovative financing mechanisms are an essential lever. We are developing the Urban Water Catalyst Fund as a global financing platform for urban water and sanitation utilities. It provides technical and financial support to implement efficiency, adaptation and mitigation measures in selected urban utilities. It creates synergies between financial sustainability and climate resilience and helps utilities mobilize sustainable financing.

I urge us all to accelerate our efforts and act decisively to harness the potential of water for increased climate resilience.

Moderator: <u>At national level, how do you integrate WASH and climate issues – what is</u> your national approach, and what support do you need?

Lovakanto Ravelomanana, Coordinator of the national office on climate change, Ministry of Environment and Sustainable Development, Madagascar

The issue of water is very important for Madagascar, which is one of the countries most vulnerable to climate change. Climate change is affecting both the quality and quantity of water, disrupting the water cycle, and causing a recurrent and worsening water shortage. There have been episodes of drought, in the south but also in the capital now. The rains arrive later and later, but when they do, they fall a lot, so we have floods. We have drought, floods and cyclones one after the other. Rising sea levels, deforestation and rainy periods affect water quality.

We have integrated water in the different framework documents, for example the nationally determined contributions that we will present at COP27 and we have finalised our national adaptation plan. We are counting on support from the different financial mechanisms within the framework of the COP (climate fund, adaptation fund, global environment fund). We hope that access to these funds will be facilitated. There are many cumbersome procedures, whereas actions on the ground are urgent.

When we talk about water, there is adaptation but also mitigation: when there are water shortages, it also affects the supply of electricity. You can't completely separate adaptation and mitigation.

Moderator: <u>EU programming exercise almost finalised, how have you integrated water in</u> those and how do you plan to increase effectiveness?

Marjeta Jager, Deputy Director-General of the Directorate-General for International Partnerships, European Commission

The French presidency and Germany have helped a lot pushing for the water agenda. We all have high expectations for UN Water Conference because, let's face it, the climate crisis is about water. More than 90% of disasters are water-related.

Water for us is the leading sector for adaptation action. Adaptation to climate change is about better water management, which is why we put is as a priority. We have plenty of water management on the Team Europe Initiatives. This is precisely



why the EU climate adaptation strategy speaks about the need to ensure the availability and sustainability of fresh water and climate resilience by 2025.

But what we really need is financing. Climate financing needs to be adapted to water needs and the Council conclusions of 2021 are key in this context. Not to mention the synergies between water, climate and energy diplomacy. On behalf of the EC, I can say we are completely committed to that – note the recent new commitment of EU's EUR100 million to climate adaptation.

We need to translate that into well-prepared and strategically purposed investment proposals when it comes to water. The EU programming exercise finished last December. On water, we will focus on 60 countries (3.7 B distributed on water). This trend is now being reinforced with the blending and guarantees – for the first time, we are going to use the guarantees when it comes to water financing, and we will have a specific water window, which is just open now until 12th July. We expect very good proposals from the water sector experts, with our advice, to really make a change. We would like all our programmes to systematically include climate resilient action, including water. For instance, our Nepal WASH actions really focus on rural resilience against climate and disaster risk, through a rights-based approach, serving human development and water. Please do contact our delegations for project design and implementation. We need to mobilise all actors to achieve SDG6.

3. Technical brief

Moderator: Could you identify some of the major challenges in nexus between climate and water – particularly access to drinking water and could you make some recommendations on what should be done to tackle challenges?

Dr Ainun Nishat, Water resource and climate change specialist, and professor emeritus of BRAC University, Dhaka, Bangladesh

I just completed the preparation of the National Adaptation Plan (NAP), that was supported by Green Climate Fund. We made sure to talk to all communities in Bangladesh, from all regions because there is a huge variation between the regions on water availability and climate change impacts. In the NAP document, the communities actual living conditions will be well reflected. Literature is very strong about climate change impacts on flood, drought, and sea level rise. Sea level rise bothers me more, as for a low, flat country this is an increasing issue, impacting people's daily life. The main impact of sea level rise (20/25cm in costal belt) has pushed the water level very high. In the non-monsoon months, it has come to the central part of Bangladesh.

The approach we have taken in the NAP is to get support for technical solutions to supply fresh water from the rivers. Immediately, we are pushing for the Government to store rainwater in the government-owned water pockets (like natural lakes) which have unfortunately been converted into fish farms. The moment you cultivate fish, safe water is no longer there. We need to convert them into water reservoirs, need to be protected (proposing to raise the height of dikes by another 2 metres), because we are going to

face stronger and higher storm surges. Last year, we had a drought in the pick of the monsoon. Flood and droughts impact drinking water supply, sanitation and health.

High salinity level in the coastal belt is affecting human health (hypertension, reproductive health of women is being affected). The Bangladesh government accepts that WASH must take priority, and local communities must take charge. The central government is very good in building reservoirs and damns but they must be managed locally.

Dr Juliet Willetts, Research Director and Professor for the Institute for Sustainable Futures, University of Technology Sydney (UTS-ISF)

Moderator: What do you see as the key links between sanitation and climate and could you bring the gender dimension into this.

Three things are needed to achieve climate resilient sanitation: increased investment, better equipped institutions, more robust and flexible infrastructure.

Often people find it harder to link climate to sanitation than they do to link climate and water. Research (Asia and Pacific) shows more faecal contamination following flooding or inundation of onsite systems, or when you have pit latrines which collapse into the ground, or when sewers get blocked, backflow or overflow (because too much or too little water), or when wastewater treatment plants on the coasts are inundated by sea level rise. Many people have returned to open defecation when toilets cannot be used because of climate events.

Turning to some of the solutions needed, first is investment. Sanitation sector is chronically underfunded. Estimate by UNICEF at global level: \$105 B/year of financing gap (without taking account of climate resilience). In terms of better-equipped institutions, we need stronger laws and regulation that are enforced (so that we don't end up with sludge dumped illegally into canal), clearer institutional mandate because sanitation often falls between the cracks, and coherent strategies which integrate disaster response and recovery and prioritise sanitation (e.g. in NAPs). Finally, we need to target responses to the most vulnerable. We know women often are affected worse: women walk further to collect water for toilets during droughts, and are more impacted when family members are sick. Women are more affected by disasters or may suffer from violence when communities are under stress. We need to target responses to address the needs of women and other groups. We need functioning accountability systems; we need ways that duty-bearers are going to be help into account. And we need to think about the infrastructures and change our design to better deal with risks, reduce water dependency of sanitation, consider water cycle in terms of circular economy: wastewater treatment and reuse, sealed septic tanks that do not overflow, need more public facilities for people to use when their home facility is unavailable.

Climate resilience for sanitation is possible if we have those 3: better investments, institutions, and redesigned infrastructure. But without these, sanitation systems will fail, and people health and environment will be compromised.

4. <u>Roundtables</u>

4.1 First roundtable: WASH-related climate adaptation programmes

Moderator: Jose Gesti, Senior Water and Climate Consultant at Sanitation and Water for All.

Objectives:

- To Identify common elements in the programmes presented
- To brainstorm on key components required to make WASH and climate adaptation programmes more effective in building climate-resilience.

Opening by moderator Jose Gesti, Senior Climate Adviser, Sanitation and Water for All (SWA) on Water, Sanitation & Hygiene (WASH) Related Adaptation Programmes:



Based on the figure above there are 3 eclipse areas that overlap. In the centre (black zone) people currently live in high-risk climate impact locations. Left grey zone represents billions currently lacking safely managed WASH. The overlap between black and grey areas are those who currently lack access to safely managed WASH services AND live in highly exposed climate risk areas – there is an urgent need for programmes that allow for the provision of new climate resilient WASH services for those people. We need to think who are those people, where do they live, and what are the specific climate hazards are they facing? Key questions to ensure we have suitable programmes.

We also need to identify people living without access to safely managed WASH even if they are not currently living in highly exposed locations to climate risks. For this group we need to see initiatives that build long capacity and improve governance to develop climate-resilient WASH services that contribute to long term community resilience and reduce Green House Gases.

The blue zone on the right represents the billions that already have access to safely managed WASH. They need adaptation programmes to ensure water conservation, use, and efficiency, build long-term resilience, and improve WASH systems.

Overlap between blue and black zones represents those that already have access to safely managed WASH services BUT are living in highly exposed climate risk. For them, we need to upgrade existing and highly exposed WASH systems. Practically, this means integrating climate change risk (including mitigation efforts) into the initial design the operation and the management of the existing infrastructure. This figure is helpful to frame our discussion today.

Overview on EU programming (2021-2027) by the Kevin Chretien from the EU Commission's Directorate General International Partnerships (DG INTPA) F2 Unit, water sector team.

DG INTPA has a new financing mechanism for the new programming cycle (2021-27) called the Neighbourhood Development International Cooperation Initiative (NDICI). 20% of funds will go towards human and social development (including WASH) and 30% will go to climate change objectives.

There is a renewed political commitment on water as we saw with the 2021 EU Council Conclusions on Water for External Action. More attention is also being paid to WASH as a human right.

DG INTPA operates at 3 levels:

- Local and national level access to WASH using a human development and humanrights based approach working with water operators in different countries. We break siloes in EU delegations by including water in social services provisions and other sectors.
- Regional basin level water management at bigger scale, support basin organisation and institutional empowerment e.g. Senegal basin approach supports the basin organisation to consider water, energy, food, and environment approaches at the same time. Also support to knowledge and research efforts e.g. via Centre of Excellence.
- Global conventions e.g. UNECE Water Convention to elaborate common institution frameworks between countries and political space to advocate and promote EU values related to water e.g. at the forthcoming UN Water 2023 Conference.

Delivering WASH services and climate resilience: DG INTPA works in 105 countries, 60 of which will work on water, 30 to improve basic WASH at local or large-scale levels to improve quality of provisions. Examples include Burkina Faso which has a €50 million programme to help national water policies and ensure rural areas cover basic WASH services. Bolivia is also a prime example with a150 million Euro program for IWRM at the watershed level, deal with sanitation in small communities and in urban settlements.

Christophe Buffet, French Development Agency – Climate & Nature Division, AdaptAction programme manager.

The latest <u>IPCCC report</u> showed that adaptation is under financed, too sectoral and fragmented, projects are at a low scale and a low level. We need inclusive approach between different visions, values, and interests.

<u>AdaptAction</u> is a multi-sectoral programme run by the French Development Agency launched in 2017 and is divided in two phases. The programme Adapt Action is a catalyst for climate finance.

- Phase 1 includes 30 million euros to go to 15 countries and regional organisation across Africa, and 70 million euros supporting multi sectoral actions, studies linked to governance, public policies, vulnerabilities, feasibilities for investment. This project is co-financed by the Green Fund for Climate and the EU. We have succeeded in leveraging the project by co-financing projects with the IFD up to 185 million Euros and hope to exceed the 1 billion euros mark as there are still projects under study. In addition, the programme brings much needed technical assistance. It creates an enabling environment the programme acts as a Laboratory for new kinds of support. The approach is adaptation as such but with inclusive analysis of vulnerabilities, especially in sectors where the French Development Agency maybe less present such as biodiversity, health and education, reduction of disasters, gender mainstreaming, and research. We are also working on a measurement tool for adaptation progress called 'Ad track' which we helped to finance.
- Phase 2 includes an additional 15 million euros to focus on 12 countries in Africa. This funding is more of an operational arm to understand, to plan, and invest in line with adaptation policies of the EU.

Our program provides examples of 4 water actions that go beyond sectoral approaches:

- The Madagascar eco system conservation project combines integrated water management systems and protection of resources with a focus on agriculture, water use, going beyond typical engineering approaches. This project also uses nature-based solutions.
- The Senegal feasibility study on demonstration project to improve sustainability watershed management with other NGOs working on water. "The Senegal feasibility study demonstrating how watershed management projects improve when NGOs collaborate."

- Mauritius supported the land drainage authority with training and co-drafting of a master plan on a more resilient drainage programme.
- Congo is currently finalising the study to have a steering plan for the drinking water supply for the city within the context of climate change. This study also accounts with the increasing salination of water and rising sea water level.

Hamani Oumarou, WaterAid Niger Country Director

In Niger we recognise the need to adapt to climate and change mind sets as we cannot continue business as usual. Niger communities are being hit very hard by climate change. Climate risk is very high and based on the SWA figure shared, Niger is in the grey zone (overlapping with the black zone).

WaterAid Niger chose 2 municipalities to focus on. One municipality has too much water flooding and an increase in disease due to unclean water. We carried out studies to engage communities on the work to be done. We urged communities to take part in initiatives to understand the risks and how to become resilient to climate change. We aimed to secure the water resources and empower the communities, so they understood the water resource management.

In the second municipality, ground water is vulnerable. Ground water needed to be protected so we used technologies to access clean and secure water supply.

To conclude my top recommendations are:

- We need to think about communities. We brought our national policies to the local level, always considering sustainability.
- All stakeholders must take part in initiatives. There are synergies between the communities and NGOs we work with. We need the private sector to also be willing to work with us.
- Planning is key! We need to implement initiatives at the local level.

Smita Rawoot, World Resources Institute, Urban Resilience Lead

There's no urban resilience without water resilience. Water resilience is important for human health, hygiene, environmental sustainability, and economic development. So many businesses and sectors are dependent on water use throughout the production life cycles. Water resilience is central. Here are 4 key components to building climate resilience in urban planning in the water sector

 Support risk-based planning in water sector- cities need capacity building, technical support to implement risk-based planning approaches to look at risks TO and IN the urban water systems. At city region scale, most cities are dependent on water sources outside of city boundaries, basin level, watershed, head waters. Cities as consumers of water must engage with resilience planning beyond their boundaries plus look at risks in the treatment systems that they manage.

- Enable multi-stakeholder processes and cross-sectoral approaches in water sector planning. Land use plans and economic development plans all impact water needs and systems within cities. Regulations impact how water gets used, polluted, how water extraction is regulated and other challenges in terms of water scarcity. There are many frameworks e.g. WRI used the City Water Resilience Approach Framework with partners to develop multisectoral plans in 6 cities in Africa. These need to be scaled and adapted across cities.
- Cities need to spatially prioritise investments where the risks are the highest and impact the most vulnerable communities. Cities must understand how water risks are spatially distributed and how water stresses and shocks impact socially economic vulnerable populations and assets that urban systems depend on. Cities' capacities to do climate modelling and risk analysis in a spatial context should be supported to enable cities to care for the limited resources they have for targeted adaptation strategies.
- The water sector is very underfunded. In Africa there is a US\$ 60 billion backlog of WASH infrastructure investment. We need funding instruments that will fund large scale infrastructure needs but also support green infrastructure, emerging solutions that are low cost, low carbon to build resilience, nature-based strategies that support flood risk mitigation and wastewater management. This requires climate finance, development finance plus sources from national and subnational actors i.e., taxes and tariffs in order to de-risk private sector investment in the water sector and promote blended finance strategies to scale investment for water resilience in cities and other regions.

Sol Oyuela, Global Director Policy & Campaigns, WaterAid UK

As shown in the <u>video</u> presented at the start of the event, we recognise that water challenges are too big for one organisation or sector to solve, it cuts across sectors, so we need to work together.

We need to plan together as sectors to deliver and design very ambitious investment proposals for public and private funds to help us ensuring access to WASH and managing climate risks. This is why WaterAid, together with other organisations, has launched the Resilient Water Accelerator.

We are trying to mobilise US \$20 million USD of funding to launch 6 projects to build and design programmes at country level. We are working hard in Bangladesh, Ethiopia, and Mozambique with a variety of partners including WRI, the Dutch and UK governments, the African Development Bank, and Arup; all under the Sustainable Markets Initiative which is an initiative that the the UK Prince of Wales launched.

Prince of Wales is WaterAid's President, and he is encouraging private sector to play a role in addressing the sustainability challenges. We encourage you to visit our website to read more about the accelerator and the incredible opportunity it presents.

Moderator Jose Gesti concludes the Roundtable with the following key recommendations:

- Resilient water, sanitation, and hygiene programmes go beyond infrastructure. We have the resilience of water, sanitation, and hygiene systems themselves, but then we also have the resilient programmes which build resilient communities.
- Donor community should be wanting to invest in an enabling environment: capacity building, technical assistance, strategic financing.
- Programmes should be risk-informed, risk analysis and planning are very important.
- Key point: Communities currently lacking access to these basic services, at the same time exposed to these climate risks, need to be prioritised. We need multi-stakeholder approaches.

4.2 Second roundtable: an enabling environment for climate-resilient WASH programmes: What are the barriers and how can they be addressed?

Moderator: Kathryn Pharr, Senior Policy Adviser for International Climate Action at WaterAid

Introduction by the moderator:

We're going to look at the enabling environment for climate-resilient WASH and key barriers and how we can address them. What do we need to do to mobilise donors and policymakers? We need to look at investment complexities, capacity challenges, and how we can generate meaningful progress based on holistic and multisectoral approaches. We need to understand the financing landscape.

Charlene Watson, Consultant, Climate Leadership Initiative and Research Associate, Overseas Development Institute

She presents the <u>ODI-Water Aid analysis of climate finance</u> that tried to get to the bottom of how much is being directed towards the water sector (as part of climate finance).

'Climate finance' has no universally agreed definition. And, given the scale of the climate crises, there is really no time to waste in ensuring that all finance works towards building climate resilience and reducing emissions.

If we first consider domestic and international, public and private finance, focussing on primary investments, Climate Policy Initiative (CPI) estimates that global total climate finance amounts to US\$ 632 billion in 2019/2020. Finance for mitigation remains significantly higher than for adaptation.

The water sector was estimated to receive US\$ 22 billion in 2019/2020. Much of which is tagged with an adaptation theme – 37% of adaptation finance or US\$ 17 billion went to water - with an additional US\$ 5 billion in water themes contribution mitigation or mitigation and adaptation combined.

Beyond a headline figure, there are some critical questions to be asked such as where the money is going and to what. These are questions that can only be answered by looking at the public finance data which is flowing from developed to developing countries that has relatively more transparency.

Considering bilateral data from OECD provider countries to developing countries, water sector commitments are about US\$ 10-12 billion in 2018. Several Asian countries are in the top recipients of international public finance for water (including for example hydropower), though much of this finance is repayable, around half of which is provided at market rates.

While few LDCs have accessed large volumes of international public finance for water, where they have, it has been more grant based. And in general, grants tend to flow to basic WASH and water policy and capacity building activities.

Large infrastructure for water resource management and water supply and sanitation, together dominated this international public climate-related finance; while rural and community-scale water and sanitation receives around a 10th of the total.

Three points to emphasize:

- There are many needy sectors, including water. We cannot wait for perfect information, for money to flow, but we do need to continue to build our understanding on the needs on the ground, the costs of these needs and the most appropriate sources, channels and instruments of financing – equity, guarantees – and we need to do this at pace: particularly for the most vulnerable countries and sectors of society;
- Strong flows of capital are underpinned by clear policies and strong institutions. The transitions we need to see today require systems change, whole of government approaches and all hands-on deck – all instruments and financial levers must be at play together and pushing in the same direction – this means our conversations must go beyond the flows of international public climate finance alone to encourage water security in light of a changing climate;
- Finally, new climate finance goal is discussed right now for post-2025 period: this community needs to work to input into that process. It is imperative that we work to clearly input into that process the important elements of that goal (on financial instruments, on who is the most vulnerable, for example), that will not only increase the scale of finance for climate action, but will be most effective and unlock co-financing from public and private actors, including in the water sector and beyond?

Evelyn Holland, Associate at SYSTEMIQ and speaks on behalf of the Blended Finance Taskforce

She presents the recent <u>report on mobilizing capital for water.</u> The problem for WASH systems is funding, there are a lot of needs and little funding, especially in low- and

middle-income countries. There's USD 200 billion annual funding gap, if that could be filled, there would be USD 500 billion benefits unlocked.

Many challenges explain why money is not flowing, such as, monetisation challenges (underpricing of water), affordability constraints, underdeveloped markets for sanitation, cost-related risks, high transaction costs, poor watershed management that externalizes costs, and government risks.

Specific strategies and mechanisms exist to overcome these obstacles:

- Companies are implementing profitable business models for previously underserved local communities.
- Innovative cost structures: e.g. Meridian Water example: fund-raising for water delegated funds to acquire new sewers as a route to aggregate smaller projects in emerging markets.
- Water case study: Kigali bulk water project in Rwanda, it worked because the government signaled water as a national priority for Rwanda.

All effective solutions require a high level of collaboration between public, private and philanthropic actors. We need providers of concessional capital to use it as catalytically as possible: whether it's about donors providing grants/technical assistance to cover upfront project development costs, or multilateral development banks or development financial institutions providing guarantees or philanthropists offering new models (innovation, scale-up new technologies, etc.).

Questions from participants:

You mentioned cost gaps: is this only in the water sector or in the climate change sector in general?

The report focuses on water in a broad sense (upstream water resources management, big water investments, sanitation, etc.). Of the missing USD 200 billion: 2/3 is for big water infrastructure, USD 30 billion for smaller-scale WASH, and USD 20 billion for water resource management solutions.

How can we enable local authorities to create climate-resilient WASH?

It's critical to get the money into the hands of those best placed to answer local questions (local authorities, communities, indigenous groups). Systems and processes exist to encourage local level access, but this is not good enough. People need to be encouraged to engage to design this new climate finance goal. We need right now to focus on the solutions: Does climate finance need to take more risks? Is there a role that philanthropists can play in getting the money in the hands of those groups? Or is it about much bigger transfer of technology and capacity (covered under Paris Agreement)? We need people to tell us what works best for them.

Patricia Castellarnau, Senior Economist, European Investment Bank

The EIB is referred to as the EU climate bank. A lot is being done on mitigation, but adaptation is lagging, so we're trying to accelerate there, in particular in the water sector. We have a long experience of supporting investments in the areas of water security and building people resilience (infrastructures, water reuse, drinking water supply, etc.). But we are confronted with barriers (institutional, technical, financial):

- Those projects are complex, need early engagement with partners, so there's a need for an institutional framework and strategic planning. And this is often failing.
- Lack of data: in project preparation and technical, there are failures in identifying predictable climate vulnerability.
- Public goods provision: Projects are often developed in fragile macro and fiscal environments, we need to look at all possible financial options for those, including blending. This is supported by the EU NDICI-Global Europe instrument.

Celine Robert, Head of the Water and Sanitation Department at the French Development Agency

When we talk about barriers, we must look at the demand side of financing and at the supply side of financing:

- Demand for finance: there is a need for a more credible demand for finance, with projects for sustainable infrastructure and services, adapted over the long term. This applies to all investors. For private investors, we must add on top the objective of financial profitability. In many contexts, including in developing countries, the governance, institutional framework and financial model are not well developed, and operators lack skills and capacity. Working to change this is the first priority, including for AFD and France. This must be a priority for States, it requires a lot of political will, it must be brought back into the political arena.
- Supply of financing: we must mobilise all available sources of financing, mixed financing, private finance, but it is difficult because of failures in terms of governance (mentioned above). We need to highlight public financing: in the framework of the Finance in Common initiative, AFD with the EIB or CAF (Development Bank of Latin America), has set up a <u>coalition of public banks</u> to highlight this public financing role: public banks have contributed to financing the sector, and there is an opportunity to develop their involvement even further.

It is useful to note that today, national public banks invest in the sector more for social and economic reasons, but not for climate issues. They do not perceive this as climate finance. The link between water and climate needs to be better demonstrated in order to achieve climate objectives.

(Note also the <u>Water Finance Climate Toolkit</u> published in June 2022 by the Water Finance Coalition)

Helen Laubenstein, Environment economist at the Organisation for Economic Cooperation and Development (OECD) In the OECD workstream on <u>enabling environment for water-related investments</u>, there are 2 challenges when it comes to financing of water-related climate action:

- Lack of cross-sectoral cooperation between water and climate (and food security, development, etc.)
- Lack of knowledge, data and methodology to assess climate and water risks, how they manifest on local level, and their evolution over time, especially when we are talking about water infrastructures that must last over time. This information is often missing in developing countries. It is essential to have this information to develop projects.

How to overcome these obstacles? Strategically linking water security/WASH objectives and climate change objectives, and other elements like environmental justice and poverty reduction, offers opportunities to maximise impacts. Women and indigenous communities are often both vulnerable groups and agents of change with a specific knowledge on water management.

Two recommendations:

1. We must better understand the water-related climate risks, in financial planning, in reporting, and in disclosure requirements.

2. There is a need for strategic cross-sectoral resilience planning and financing vehicles that consider various policy domains and the role of actors which are agents of change on the ground and who can contribute to climate resilience.

Mubiana Muyangwa. Head of Programmes, WaterAid Zambia

It is important to re-contextualise what we're discussing and look at resilient WASH as behaviours that deliver benefits in an evolving context despite climate injustice hazards. Barriers include:

- Legal framework at various levels
- Finances
- Capacity: at institutional level (formal and informal)
- Adaptation measures are often reactive rather than proactive
- We lack reliable and up-to-date information and evidence, risks assessments and scenario modelling.

How to address those? The 7 'ls': investments, incentives, infrastructure, innovations and inventions, institutions, inequalities, integration. These are the building-blocks of a climate resilient WASH.

Danielle Gaillard-Picher Senior Specialist, Global Processes at Global Water Partnership

There is a difference between how we think about this in terms of concepts and the reality on the ground, and this challenge cannot be underestimated. Therefore, systems approaches are essential. Three essential elements in order to progress:

- Financing for both hard and soft measures
- Good quality information, especially gender disaggregated data to make good decisions
- Supporting the emergence of political will and leadership

GWP is a partner to the <u>Resilient Water Accelerato</u>r which is looking at drastically increase finance for climate-resilient water sources through systems approach, in several different countries and based on providing evidence and identifying opportunities that will create multinational solutions and reach the most vulnerable.

GWP are also working on the <u>African Investment Programme</u> aiming to leverage 30 B for climate resilient water investments by 2030.

There is a lot going on in the information side of things: Water and Climate Coalition, Adaptation Action Coalition, Water and climate tracker supported by AGWA, and also an initiative with have been working on with UNICEF and Sanitation and Water for All, supported by FCDO to build on the premise to bring together WASH and integrates water resource management (IWRM) through multi-stakeholders change progress. It's being conducted in a number of countries (7 of them in Africa) over the next 3 years.

Need to mention also the role of women's leadership and the need for more gender transformative governance. Empowerment of women and girls depend on their access to WASH but also on access to all levels of policy dialogue and decision-making.

How do we get all these initiatives to work together to pull the rope in the same direction where water security can become a driver for cooperation? I would encourage you all to have a look at the concept of water alignment (presented at Stockholm +50).

Comments orally or in the chat:

- Cesar Kimbugwe (WaterAid): Blue Bonds focus on marine ecosystems could be extended to natural water sources, not just salt water to offer new sources of financing. Important for the climate finance goal to address capacity support gaps of state and non-state actors in accessing climate funds right from project conceptualisation, execution, impact measurement and knowledge transfer.
- Céline Robert (AFD): The funds dedicated to climate are quite limited, what is needed is to redirect the existing flows. Financial actors do not have the perception that financing water and sanitation will allow them to achieve climate objectives. If we ask a bank to do climate work, it will invest in energy, not in water. We need to change this perception; something needs to be built so that water and climate are associated in the minds of financial actors.
- David Boys (PSI): Fully agree that public banks need to up their game. Our concern is that the global focus on private investors, whether through blended

finance or other public guarantees for private profits will lead to the same or worse results of the 20 years wasted on public-private partnerships policies.

• Alok Majudmer (Simavi) : Climate financing is needed. But we also need equitable climate financing and also quality expenditure of finance.

4.3 Roundtable Three: Multi-sectoral approaches for successful water and climate programmes: How can we build on synergies between the water, climate, agriculture, industry and health sectors?

Moderator: Henk Ovink, Dutch Special Envoy for International Water Affairs

Objectives:

- Demonstrating that a vibrant water sector benefits many other sectors and that so far, soiled approaches have been detrimental for the water sector and beyond
- Reaching an agreement on the practical steps needed to ensure more crosssectoral approaches so that communities get more resilient to climate (and health) threats.

Opening question by moderator Henk Ovink: Water champions, why is water/WASH critical for other sectors and what do you expect from them?

Tanja Miskova, Water ambassador, Ministry of Foreign Affairs, Slovenia: Within the implementation of agenda 2030, we need to show other sectors how achieving WASH will help them achieve their objectives.

If we really want a cross-sectoral approach, we need the finance to underpin it. We need national budget to be restructured and programmes to be purpose-driven rather than sectoral.

Neglecting human development undermines our resilience. We need to climate-proof our development and cooperation policies. We have brilliant initiatives which do this, like the RWA. Moreover, the climate-water nexus is still not well understood, recognised, and financed. There is growing recognition, but not enough. We must improve inclusivity and put water clearly on the agenda of climate negotiations, Egypt is keen to do this at COP27. Meanwhile, maintaining the human rights-based approach is important.

Finally, governments should make good water stewardship mandatory, as we did with regulations on child labor. We need better mainstreaming of water within the UN system, like a UN global Water Champion to mobilise cross-sectoral finance. A way to do this would be establishing an UN special envoy for water.

Henk Ovink: A new <u>Global Commission on the Economics of Water</u> launched last week, in the framework of the Stern Report on climate change and the Dasgupta review on

biodiversity. This commission¹, convened by the Government of the Netherlands and facilitated by the Organisation for Economic Co-operation and Development (OECD), includes 3 researchers, the whole commission of mayors, and other experts. They will present a midterm of their report at next year's UN conference.

Lesha Witmer, Women for Water Partnership: If governments like Slovenia, France, Germany, Netherlands really incorporate other non-state actors in the deliberations, we might go a little bit faster forward.

It is incredibly important that we involve other stakeholders, but we don't make it easy for them. We are going to have a big conference in Dushanbe, one of the sessions is 'Out of the Water Box', and there we really try to connect to the ones who are not usually seen as the water sector. Usually, we approach big users and influencers in terms of finance – what we might need to do instead, is to approach them in terms of knowledge and involvement. It is not very nice to always ask them about money, while not acknowledging what they can actually contribute in terms of knowledge and expertise.

When it comes to gender: We are still neglecting 52% of the world population who can help us do better on water and have loads of expertise on the ground. Connecting to that is the financing issue – why can't we make sure that money is actually reaching the ground and helping local organisations to do their job. Acknowledge all the issues about administrative and formal procedures, but let's go beyond that because in the end we need global policy and for local organisations to do their job. For that, we must ensure finances reach the local level.

Henk Ovink: Inclusion, is indeed not easy, but a critical point. Quadrupling our funding will not be enough. Inclusion and opportunity are lacking. Solutions come from the ground-up, but without leadership which is across (not top-down), locally-led action stay just incidents rather than guidelines.

Second question by moderator Henk Ovink: Representatives of other sectors, what do you think water/WASH brings to your sector or why do you think your sector should pay more attention to WASH (do not harm)? What do you have to offer? What type of support do you need to better integrate WASH?

Thomas Opande, Lead Africa Energy Access Initiative Worldwide Fund for Nature (*WWF*): Working in the energy sector, water is very crucial. Particularly in Africa there are temperature increases which lead to water decreasing. In hydroelectric systems, we lack capacity during drought. For us, having a renewable energy system must be complemented by water security. Moving forward, it will be important to integrate water with renewable energy.

¹ It is co-chaired by Pr. Mariana Mazzucato, Professor in the Economics of Innovation and Public Value, University College London, Ngozi Okonjo-Iweala, WTO Director-General, Pr. Johan Rockström and Tharman Shanmugaratnam, Singapore Senior Minister.

From the energy sector, we bring a lot of planning and reduction in the water consumption, particularly water which is used for hydroelectricity.

Etienne Coyette, DG INTPA (European Commission) F3 unit, Sustainable agri-food systems and fisheries: Water is absolutely central for agriculture, and by extension for food security and livelihoods of farmers worldwide. We all know water is becoming scarce in many of our partner countries, so it is crucial that the agriculture sector is managing water resources more sustainability. It is not enough to pump the water to produce, we must think more globally at the level of the landscape or river basin, to ensure that water resources can recover from the extraction: for us, that is a clear priority if we want to move towards more sustainable food systems.

How are we trying to do this? The first thing I would mention is cross-sector approaches, like the Water Energy for Food Initiative (working in most Africa and many Asia countries), which is trying to foster innovation at the local level at the cross-points of water, energy, and food protection. Some of these innovations are already proving useful in the new context with rising food prices in some partner countries. Another approach we promote in the EU is agroecological approaches, so we can have a more integrated approach to the food systems in general, as well as climate adaptation and mitigation.

Henk Ovink: Water, energy, food not only as a nexus but as an innovation. What are the hurdles you come across?

Etienne Coyette: Many stakeholders have been used to focusing on specific actions. I would refer you to two last calls we made to EU delegations, which were focusing on landscape approaches. These raised a lot of interest. This shows there is a wider understanding of the need to take this cross-sectoral and integrated approaches.

Another is a need to change habits on water in agriculture. If you have been used to pumping water underground, you may need to change the way you use water in agriculture and design your agri-food system. Transformation of food products can be highly intensive in food and energy, so changing habits is important but sometimes difficult. That is why we often bet on innovators, because they can lead by example.

A third hurdle is of course the need for financial services to be accessible at the local level, for smallholder farmers, and to support the changes which are needed.

Henk Ovink: I think this will resonate across this panel, beyond the agriculture sector.

Third question: How to build on synergies across sectors and stakeholders for more resilience to climate and health threats? Successful good practices we can build on.

Marta Vargha, Head of the Water Hygiene Department in the National Centre of Public Health in Hungary: The aim of the <u>Protocol on Water and Health</u> is to protect human heath by protecting the water system. Climate change is a challenge to this. The Protocol provides a framework for identifying solutions. In its programme of work for 2020/2022, the protocol created a programme area (led by Italy) for addressing water and

climate change. One such programme area, is the safe and efficient management of water supply and sanitation, led by Bosnia & H and the Netherlands. The achievements within the Protocol are recognised at an EU level. It is directly recognised as a tool for advancing access to water in the member states. We believe the Protocol is unique for bringing actors together from across sectors and internationally.

Bjorn Qvortrup, Policy Officer on climate change, European External Action Service: In the Green Transition division, we are working closely with the European Commission on mainstreaming water-related issues and water diplomacy. Green diplomacy is needed not only to address climate change but also to meet migration and other issues. Water is a dual political issue – when we talk about conflict prevention, water is something that compounds conflict risks. The EU has significantly stepped up its diplomacy on water and climate change. The EU's commitment to water is reinforced by the Council Conclusions of late 2021. The UN 2023 Water Conference is a genuine opportunity to achieve concrete water actions at a global level, and the EU is taking a leading role.

Civil society has a fundamental role in this regard, as advocacy partner and technical expert on the ground.

Henk Ovink: Highlighting again the importance of addressing water from the geopolitical space. At the same time, there are opportunities to address water in its full complexity from the ground up.

Vidhisha Samarasekhara, Strategic Program Director – Water, Climate Change and Resilience, International Water Management Institute (IWMI):

IWMI has a strong track record in the integration of agriculture, climate change and water in our programs. As a 'research for development' organization one of the greatest challenges of our researchers is enabling change at scale and with impact. To achieve this our job necessitates that we conduct our science in close collaboration with our beneficiaries and that we ensure our science solutions are mindful of local context and capacity.

To meet this role, it is important for us to understand the landscape from the perspective of the 'users' and to seek to find solutions which aim to 'fill in the gaps' – aim to encourage non-siloed approaches and ways of working, and to foster stronger linkages and partnerships between agencies working on similar agendas and often with overlapping jurisdictions. The innovation in our scientific solutions is what brings agencies together and is therefore key to sustaining partnerships and engagement over the longer term.

Our role then is much more than just provision of science solutions – it is about being a trusted knowledge broker with a dedicated presence in the regions of our operations, working alongside and with our stakeholders in both the design and implementation of our research for development agendas across water/agriculture and climate change.

Michael Alexander, Global Head of Water, Environment, Agriculture Sustainability at Diageo:

About a third of our sites are in very water stressed countries. Diageo invests in WASH because WASH is the first step to unlocking the potential of the communities in which we work, and their climate resilience. Their climate resilience is our business resilience. This isn't philanthropy, it is business sense.

There is a very compelling business case for us to invest in WASH, and we do it because we see the relationships between our business and climate, energy, WASH, gender, poverty alleviation. Why do we do multi-stakeholder engagement? We aren't experts, we need to engage the right people – like <u>WASH4WORK</u>. And we also need to make other companies understand the importance of investing in WASH. We shouldn't be the ones to decide where to invest WASH, we must partner with the likes of WaterAid to know where to implement WASH on the ground. Critical to know what the business case is, and to partner with the right people so the solution is a democratic and inclusive one.

Additional contributions via the chat:

Mathias Toll (BMZ, Germany): promoting water-related climate resilience based on multi-sectorial approaches:

Enabling long-term resilience, requires looking beyond the "business as usual" approach. We need to find ways to manage and sustainably use water even under conditions of great uncertainty – this requires robust, flexible and cross-sectoral approaches! To this end, BMZ promotes various cross-sectoral approaches at a systemic level that consider water as an integral aspect of resilience:

- The Water-Energy-Food (WEF) Nexus promotes an integrated and holistic approach to ensuring inclusive water, energy and food security by fostering policy coherence and multi-sectoral cooperation at all levels to meet both human and natural needs. Since 2016, BMZ and EU (INTPA) have successfully cooperated in strengthening and mainstreaming the WEF Nexus approach on a global level and particularly in five regions (Latin America and the Caribbean, Middle East and North Africa, Niger Basin, Central Asia and Southern Africa) through the Nexus Regional Dialogues Programme.
- Climate change does not stop at any border. Therefore, national strategies must be complemented by transboundary approaches. As such, BMZ focuses on the cooperation with River Basin Organizations to improve transboundary water resource management. Moreover, we support the <u>Team Europe Initiative on</u> <u>transboundary water resources management in Africa</u> by joining forces with our partners in Europe and Africa. This initiative aims at promoting climate adaptation and resilience as well as biodiversity conservation while contributing to regional integration and conflict prevention.
- BMZ' One Health approach is based on the understanding that human, animal and environmental health are closely interlinked, with the availability of clean and safe

water playing a central role. At the same time, intact ecosystems are a prerequisite for functioning water cycles and thus central to water security as well as human and environmental health overall. To ensure the successful interaction of these areas, German development cooperation is fostering cross-sectoral approaches. To this end, the BMZ promotes nature-based solutions for intact ecosystems and supports the sustainable use of ecosystems services such as water.

 Moreover, in line with its initiative area "ecosystem restoration and nature-based solutions", BMZ focuses on the preservation and regeneration of wetlands and other ecosystems to reduce biodiversity loss and greenhouse gas emissions and to effectively counter the effects of climate change.

Conclusion by the moderator, Henk Ovink:

Today we have discussed a very important matter, particularly breaking those siloes in practice. We can only do this in a combined effort from the ground up, empowering and investing in women and girls first, and creating an environment which builds trust across partners to create opportunities for innovation. Only if there is a bottom-up approach, together with leadership from across (not top-down), embedded in policy and regulations and finance and across sectors, we can have resilient and sustainable solutions across locally-led actions. It starts with collaboration in communities and in both the public and private sectors. We have to bring these solutions, cases, to the UN conference. At the conference, we need scaling of WASH-led, cross-sectoral approaches.

5. Sharing conclusions from workshops

First roundtable: WASH-related climate adaptation programmes, moderated by Jose Gesti, Senior Water and Climate Consultant, Sanitation and Water for All (SWA):

Resilient water and sanitation programmes go beyond infrastructure: resilience of WASH systems (infrastructures and services) but then we also have the resilience that WASH brings to communities themselves. The donor community should be investing in enabling environment and governance aspects of WASH and climate resilience (capacity-building, planning, policies, financing) and then, in programmes that are risk-informed by local climate risks (risk analysis and planning). The first priority are the communities currently lacking those services, which are also exposed to climate risks: resilient programmes need to address those first, need to find who they are, address their needs: to do that, we need multi-sectoral approaches and building on cross-sectoral links to amplify impact of programmes.

Second roundtable: An enabling environment for climate-resilient WASH programmes: What are the barriers and how can they be addressed, moderated by Kathryn Pharr, Senior Policy Adviser for International Climate Action at WaterAid:

For climate finance to reach the WASH sector:

- Donors have to support technical capacity and institutional governance of all the stakeholders (local authorities, utilities, national governments, non-state actors).
- They need to offer a range of financing models to support diverse types of climateresilience interventions, thinking outside the box (blending, guarantees, private finance, de-risking solutions).
- And finally, the 7 'Is': investments, incentives, infrastructures innovation, integration, institutions, and inequalities.

Third roundtable: Multi-sectoral approaches for successful water and climate programmes: how can we build on synergies between the water, climate, agriculture, industry and health sectors, moderated by Henk Ovink, Special Envoy for international water affairs, Netherlands:

Our discussion alluded to one thing: multi-sectorality live among all, it is critic but does not always work in practise. Breaking siloes was a call to all and by all.

You find water in every sector but not easily managed, addressed and valued. You have to work from every sector with water sector and vice-versa: agriculture, energy, finance, etc.

We must put women first because they lag behind but also are drivers for sustainable development and security. Investing in water trickles down across every sector and SDG. Investing in women drives this investment further.

There must be a match with policy, finance, leadership, crosse-sectorality at all layers, and it has to move up and down. For that, money needs to reach the ground fast to build that enabling environment and cross-sectorality.

Netherlands is the co-host of the UN 2023 conference, which can help drive concerted and scaled-up action and replication around the world.

6. <u>Concluding panel</u>

Moderator: From your perspective, what are the most relevant recommendations and those that echo what's pointed out by CSOs?

Sandra Métayer, Coordinator, Coalition Eau

Currently, communities on the front line of climate change are paying the bill for a problem they did not cause. Climate change threatens the right to drinking water of the most vulnerable in poor countries or disaster-prone areas.

When we talk about water and climate change resilience, there are 3 dimensions we should consider: well-managed water resources, well-managed water services, well-managed water risks. But often the solutions put in place focus on water resources, and forget that we need services, to capture, treat and distribute water.

Yet water and sanitation systems are among our best defences against climate uncertainty. The development of essential water and basic services improves climate resilience, for example by providing access to water in times of shortage, reducing the risk of waterborne diseases during floods, or more generally by improving lives.

All governments - particularly in developing countries - must ensure that access to safe water, sanitation and hygiene is a fundamental element of strategies to adapt to the effects of climate change. This means: integrating water into climate laws, nationally determined contributions, national adaptation plans and national budgets, with a focus on water management and access to services.

Donors must significantly increase adaptation funding and make it accessible to those who need it most. Making this funding accessible to the least developed countries and vulnerable communities also requires grant-based adaptation funding, support for capacity building and expertise, and mechanisms to ensure access to funding by the poorest countries and local actors.

In conclusion, local actors and disadvantaged groups must be able to manage climate change adaptation measures and to have a say in decisions that directly affect their lives and livelihoods.

Moderator: <u>We mentioned that water was a cross-sectional issue, what are some of the recommendations related to the health dimension that you would take in board?</u>

Anders Nordström, Ambassador for Global Health, Sweden

Sweden is preparing for its presidency of the EU in 2023, working with Czech Republic and France. It will support what the EC has just announced on a new strategy for global health. It needs to go beyond covid.

I have been very much engaged on covid, have bene the head of the WHO office during the Ebola outbreak in Sierra Leone, I saw the importance of making sure that what we do goes beyond of managing the virus and seeing the vaccines as the only solution. We need access to good services and that include WASH. It's also critical to ensure we enable people to make healthy choices: the choices that people need to have to wash their hands, and they need to have access to water and sanitation.

Whatever we can do to prevent, the better: healthy food, good infrastructures. What can we get out of investment in non-health sectors: water and sanitation, infrastructures. We need to unlock the impact of other sectors investments on health. This is what I am getting back home to feed into the EU global health strategy.

We should incentivise: what's the tipping point allowing politicians and private sector to produce what's good for our health? In order to get coherent action across sectors, we need to co-create at local level, with communities, across sectors at city level. Many cities and communities are today speaking about the climate agenda but it should also be a

health agenda. Water dimension of that is something that we could put as a joining factor why we need to join dots between health and climate.

Moderator: What your take-away from this discussion both in terms of the strategy you want to follow and the kind of support you're looking for.

Mahbub Hassan Saleh, Ambassador of Bangladesh to the EU

I would emphasize one aspect: rainwater harvesting in the urban and rural areas. Historically, we had rainwater reservoirs in ponds and lakes. But they are depleting because of the pressure of the huge population we have and urbanisation.

Regarding the conversation with the EU, climate change and WASH should be priority areas in our conversation. In October last year, we agreed to initiate a climate dialogue between Bangladesh and the EU. Water is a burning issue and a fundamental right. We have too much or not enough water. Managing it would require finances. The Prime Minister has been vocal about the necessity of generating the 100 billion dollars needed per year to address the climate crisis and 50% should be spent on adaptation.

Moderator: <u>we discussed about increasing partnerships, finance, cooperation in an inter-</u> <u>connected manner and building on local dynamics. What are your main three key take-</u> <u>aways?</u>

Anna Nilsdotter, Chief Executive, WaterAid Sweden

I am amazed by the availability of solutions, ideas, knowledge. There is an urgent need to increase funding. I found our flagship initiative on the Resilient Water Accelerator really useful as an example on public-private finance opportunities. We heard examples from Bangladesh and Madagascar reminding us on the scale of the problems we are facing. We need to focus so much more on the needs of least developed countries and vulnerable communities, including women. Importance of local stakeholders taking the lead in their



local context. Water management is key, we need to improve water services and earlywarning systems.

This event took place in the context of a historic momentum for water, ahead of COP27 and the UN 2023 conference. It will also hopefully have informed how the EU and

European donors can most effectively implement their green deal and Team Europe Initiatives in a way that really help building communities climate-resilience.

7. Annexes

7.1 Participating organisations

EU institutions

- European External Action Service <u>EEAS</u>
 - Green transition division
 - EU Delegation to Moldova
 - EU Delegation to Mozambique
- European Investment Bank EIB
- European Commission
 - DG INTPA F.2 Water team
 - DG INTPA F.3 Agri-food systems team
 - DG INTPA South Asia desk
 - DG INTPA Sub-saharan Africa desk
 - DG INTPA Climate Change Facility
 - DG ECHO

EU Member States

- Ministries of Foreign Affairs of:
 - Denmark
 - France
 - Netherlands
 - Slovenia
 - Sweden
- Federal Ministry for Economic Cooperation and Development (BMZ) of Germany
- French Biodiversity Agency OFB
- National Centre of Public Health, Hungary
- Ministry of environment and climate, Belgium
- Ministry of Environment, Slovak Republic
- Permanent Representations to the EU
 - Czech Republic
 - Slovak Republic
 - Slovenia

Other governments

- Ministry of Foreign Affairs of Moldova
- Ministry of Environment and Water, Uganda
- Ministry of Water, Tanzania
- Ministry of Water, Burkina Faso

- Ministry of Environment, Guinea
- Agence de l'Environnement et du Développement Durable (Mali) AEDD
- Agence Malienne pour le Développement de l'Energie Domestique et l'Electrification Rurale <u>AMADER</u>
- Environmental Protection Agency (Ghana) EPA
- The African Ministers' Council on Water <u>AMCOW</u>

Other international organisations

- Organisation for Economic Cooperation and Development <u>OECD</u>
- United Nations Economic Commission for Europe <u>UNECE</u>

Development agencies and banks

- French Development Agency <u>AFD</u>
- Netherlands Development Organisation <u>SNV</u>
- Gesellschaft für Internationale Zusammenarbeit GIZ
- Kreditanstalt Für Wiederaufbau KfW
- Enabel
- Agencia Española de Cooperación Internacional para el Desarrollo AECID
- Agenzia Italiana per la Cooperazione allo Sviluppo AICS
- Swiss Agency for Development and Cooperation <u>SDC</u>
- African Development Bank <u>AfDB</u>

Think-tanks and institutes

- European Centre for Development Policy Management <u>ECPDM</u>
- Sanitation and Water for All <u>SWA</u>
- Global Water Partnership GWP
- World Resources Institute <u>WRI</u>
- International Water Management Institute IWMI
- International Institute for Environment and Development IIED
- University of Technology Sydney, Institute for Sustainable Futures (UTS-ISF)
- <u>SYSTEMIQ</u>
- <u>VITO</u>

Water operators

Dutch Water Operators VEI

CSOs and unions

- <u>Coalition Eau</u>
- WaterAid
- French Water Partnership <u>FWP</u>
- BORDA

- <u>Women for Water partnership</u>
- World Wildlife Fund WWF
- <u>Simavi</u>
- Climate Action Network <u>CAN Europe</u>
- Alliance for Global Water Adaptation <u>AGWA</u>
- <u>Action Against Hunger</u>
- WASH United
- Human Right 2 Water
- Public Services International PSI
- European Youth Parliament for Water EYPW
- International Water Association IWA
- Ghana's National Adaptation Project
- Wetlands International
- Ingeniería para el Desarrollo Humano ONGAWA
- Secours Islamique France <u>SIF</u>
- Premiere Urgence Internationale
- World Vision International WVI
- <u>CARE International</u>
- Join For Water
- Parlement National de la Jeunesse Burkinabè pour l'Eau PNJBE
- Association Ank Wili (Burkina Faso)
- Environmental Conflict Mediation and Women Development Initiative (Nigeria)
 <u>ECOMAWDI</u>
- Enda Pronat (Senegal)
- Alliance for African Women Initiative AFAWI
- Forêts et Développement Rural (Cameroun) FODER
- Académie de l'eau
- Fern
- Pionniers en Action pour le Développement Intégré à l'environnement PADIE

Companies

- <u>Diageo</u>
- Grundfos
- <u>Tetratechs</u>

7.2 Relevant publications

• WaterAid

Resilient Water Accelerator Case for Investment

Mobilising capital for water: blended finance solutions to scale investment in emerging markets

Programme guidance for climate resilient water, sanitation and hygiene

Just add water: a landscape analysis of climate finance for water

Coalition Eau

Call from the Butterfly Effect (international CSOs coalition) ahead of the UN 2023 conference

• IWMI-CGIAR

Ukama Ustawi: Diversification for Resilient Agribusiness Ecosystems in East and Southern Africa - CGIAR

<u>ClimBeR: Building Systemic Resilience Against Climate Variability and Extremes -</u> <u>CGIAR</u>

- OECD: Financing a Water Secure Future
- Water Finance Coalition: <u>Water Finance Climate Toolkit</u>

University of Technology Sydney, Institute for Sustainable Futures (UTS-ISF): <u>WASH</u>

• Published by Juliet Willetts (technical brief contributor):

Analysing the capacity to respond to climate change: a framework for communitymanaged water services

<u>Climate change vulnerability and resilience of water, sanitation, and hygiene services: A</u> <u>theoretical perspective</u>

Considering climate change in urban sanitation: conceptual approaches and practical implications (SNV and UTS-ISF)