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Statement

by

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at the

High level workshop on financing transboundary basin development

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Excellencies, Co-chairs, Distinguished Guests, Ladies and Gentlemen,

I am pleased to address you today on the occasion of the high-level workshop on financing transboundary basin development.

Transboundary lake and river basins cover nearly half of the earth's land surface and support the livelihoods of more than 3 billion people. Transboundary water cooperation and transboundary basin development therefore play a fundamental role in enhancing prosperity, regional integration, protection of human health and natural resources.

Through the SDG target 6.5 – Agenda 2030 has asserted the key importance of transboundary water cooperation to achieve SDG 6, namely access to water and sanitation for all. Beyond SDG 6, transboundary water cooperation contributes to the attainment of many other SDGs, such as poverty (SDG 1), food security (SDG 2), health and well-being (SDG 3), climate action (SDG 13), ecosystem protection (SDGs 14, 15) and peace (SDG 16).

The first report on transboundary water cooperation worldwide based on SDG indicator 6.5.2, which was recently published by UNECE and UNESCO, and will be presented tomorrow, shows that we are not on track to ensure that cooperation is operational in all transboundary basins.

Lack of financing is part of the problem.

Global estimates for financing needs for water-related investments to achieve the Sustainable Development Goal 6 on water range from \$6.7 trillion by 2030 to \$22.6 trillion by 2050. Investments are needed not only to build new infrastructure but also to maintain and operate existing facilities.

In shared basins, the transboundary context makes financing more difficult.

There are numerous challenges which hinder proper financing of transboundary water

cooperation and transboundary basin development. Existing funding sources are often limited, disperse, not well known or difficult to access. Many funding sources, both national and international, are primarily targeted to national and local projects. The benefits of investing in transboundary water cooperation and basin development are often not known or not recognized which complicates allocating funding for it at the national level, and beyond.

For an investor or a bank, transboundary approaches can bring additional risks to an investment project. These include additional complications due to the involvement of multiple countries, unclear legal responsibility and mandate for implementation, and the challenges of sharing upstream or down-stream benefits and commitments. For example, river basin organizations often do not have a sufficient legal status, resources and mandate to receive funds and investments.

The lack of sustainable funding models often prevents countries from deepening their cooperation and supporting basin development, even in developed countries.

At the same time, the transboundary context offers some risk-mitigation tools not available in single-country projects, especially when river basin organizations are in place: existing cooperation agreements between countries can reduce investment risks. Together, riparian countries can share risks and leverage additional resources. Cooperation can also help to locate measures and investments where they have the optimum effect and can best achieve their aims. This is clearly illustrated by flood protection measures.

But how can one create an enabling environment for such investments? How to mitigate risks and maximize benefits?

Legal frameworks such as the Convention on the Protection and Use of Transboundary Watercourses and International Lakes (Water Convention) serviced by UNECE, help create an enabling environment for investments.

The Water Convention increases the sustainability of cooperation projects and reduces investment risks, owing to the legally binding long-term commitments made by Parties and to

the continuous support for cooperation offered by the Convention's framework.

Since more than 25 years, the Water Convention provides a unique legal and intergovernmental platform for countries to exchange and benefit from each other's experience and good practice.

It is also a political platform to strengthen political will towards cooperation, and to advocate for the specific needs of transboundary cooperation.

Finally, it helps to develop common policy responses to emerging challenges.

The financing gap and financial sustainability is a common challenge to which countries have decided that the Convention should bring – at least part – of the solution. Financing transboundary water cooperation is therefore a priority in the future programme of work for 2019-2021 that will be adopted on Friday by the Meeting of the Parties.

Today's high-level workshop is a first step in this regard.

We will discuss sustainable funding models, existing international funding options and related procedures. We will also share experience about methods and approaches for prioritizing and securing funding for transboundary cooperation from national budgets.

During the workshop, discussions and exchanges will focus on financial needs related with information sharing, setting up and strengthening joint institutions; and infrastructure development.

And we will explore the different financial means available for meeting these needs and how to best mobilize them. These exchanges will be enriched by specific basin case studies from all over the world.

Our objective is that by the end of today, we will not only be more aware of the importance of enhancing the financial sustainability of transboundary water management but we will also

have learned from each other how to do so, from national, regional and international sources, including through the preparation of investment plans and financing strategies.

The main outcomes of the Workshop will be reflected in a Co-Chairs summary which will be presented tomorrow during the High-Level segment of the Meeting of the Parties. This document will provide the foundation for future activities under the Convention, including the global workshop on financing transboundary water cooperation planned under the Convention in 2020.

The funding gap for water can only be addressed by governments, financial institutions and the private sector together. In this regard, the impressive cooperation of partners in the preparations of this workshop is very promising.

I would like to thank the government of Kazakhstan for hosting this workshop as well as the other co-lead countries, Switzerland and the Netherlands, for their political and financial support.

Let me also thank the financial partners, namely the Asian Development Bank, GEF IW:LEARN, the European Investment Bank and the World Bank – and invite them to carry forward the conclusions of this workshop in their organizations and investments

We all have a role to play in raising awareness about this crucial topic and to make sure it gets the attention it deserves in the international fora. I hope that today's workshop will represent an important step in shaping the global discussion on financing transboundary water cooperation

I wish us all a fruitful discussion.

Thank you for your attention.
