

# Financing Transboundary Basin Development

UNECE High-Level Workshop “Financing Transboundary Basin Development”  
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at the occasion of the 8<sup>th</sup> Session of the Meeting of Parties of the UNECE Water Convention  
10-12 October 2018 in Astana, Kazakhstan



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**MEETING OF THE PARTIES  
TO THE WATER CONVENTION**  
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# Financing is an inherent dimension of cooperation and implementation of the Water Convention

- Financial resources are needed for the implementation of the Water Convention's provisions, including for example
  - Measures to prevent, control and reduce transboundary impacts (Art 2 and 3)
  - Implementation of monitoring programs (Art 4) and research/development (Art 5)
  - Establishment of cooperation mechanisms and joint bodies (Art 9)
  - Information exchange (Art 13) and warning and alert systems (Art 14)
  - Cooperation on existing and planned uses of water and related installations (Art 9)
- Financing is thus a key issue in transboundary water management in general and for implementing the Water Convention in particular
- Yet, it has so far often received limited attention in water management and policy

# Why do we need to better understanding the financing of transboundary basin development?

- Water sector is facing tremendous investment needs for
  - meeting the needs of growing populations and economies
  - achieving the SDGs
  - becoming climate resilient
- BUT: Investments in the water sector remain limited – especially in transboundary basins because of
  - financial capacity in many countries
  - public good nature of water and water management
  - limited commitments to financing
  - lack of bankable projects
  - lack of appropriate and/or innovative financing mechanisms

# When and where is financing needed?

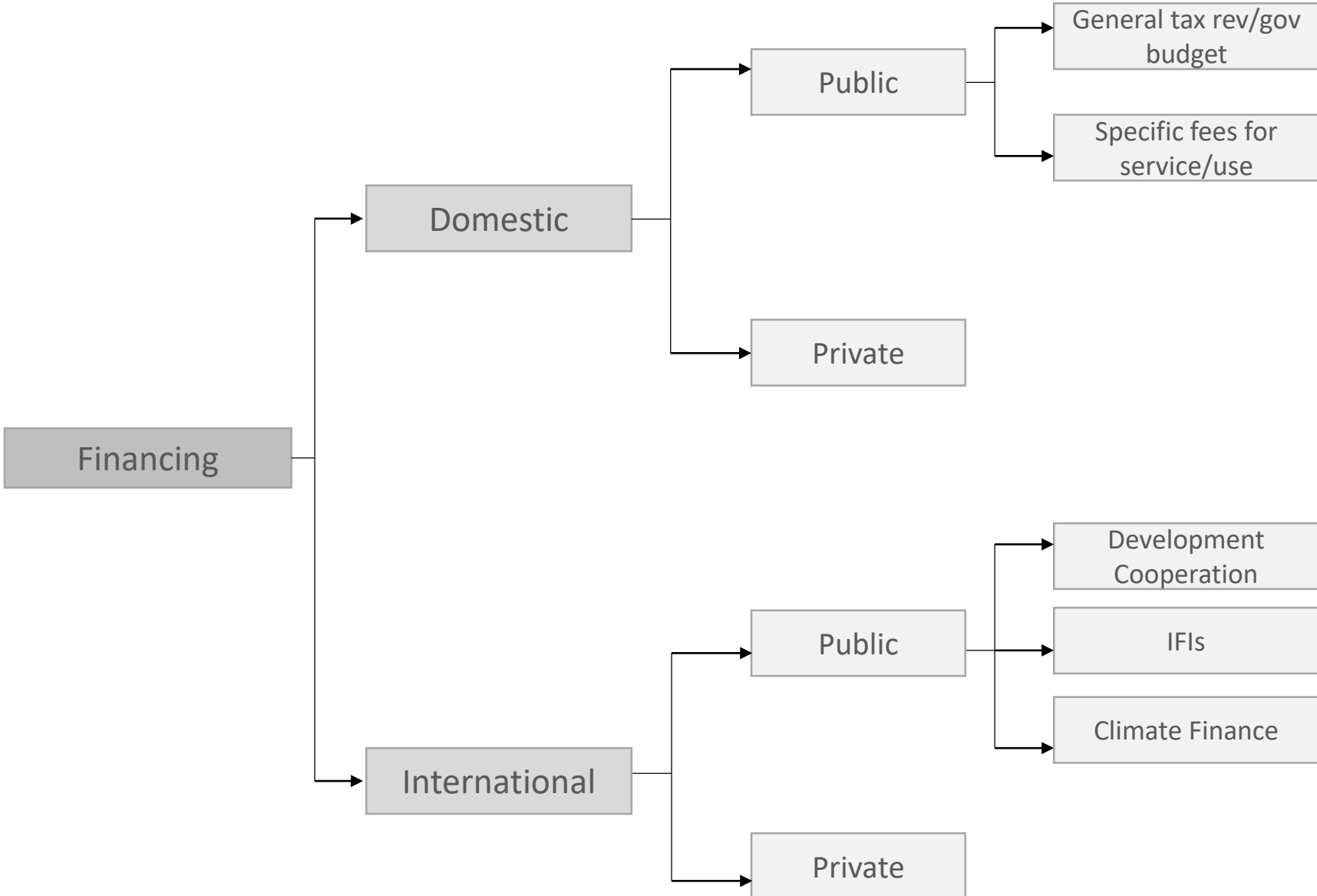
- Transboundary water management and development consists of different steps/dimensions during which financing is needed, e.g. for
  - Mediating/resolving disputes
  - Establishing cooperation mechanisms (treaties, basin organizations)
  - Developing and implementing basin management plans
  - Developing infrastructure
  - Operating and maintaining infrastructure
  - ...
- Can categorize into
  - Information
  - Institutions
  - infrastructure



# Where can financing come from

- Worldwide, ample sources of financing available, including
  - Government taxes (at different governance levels)
  - Collectively collected fees (import taxes)
  - Specifically collected fees (water-user fees, polluter fees)
  - Government loans
  - International loans and grants
  - Technical assistance through development cooperation
  - Private debt funds
  - Infrastructure funds
  - Climate financing and green bonds
  - ...

# Categories of financing sources



# Mapping financing needs against financing sources

	Information	Institutions	Infrastructure
Riparian states			
Development financing			
Private financing			





	Dispute resolution	Negotiation	Establishment of joint bodies	Operation of joint bodies	Joint basin planning and management	Basin management measures	Development of infrastructure	Operation of infrastructure
Direct financial contributions by riparian states				Member contributions to ORASECOM	Contributions to joint programs	Contributions to joint programs		
In-kind financial contributions by riparian states		Participation in meetings, travel		Buildings, services, staff, meetings, travel	Member contributions MRC programs	National implementation		
Development financing – loans and grants			Initial financing for joint bodies			Implementation of DRBMP		
Development financing – technical assistance			Capacity building for new institutions		Capacity building for basin mgt			
Process financing/ diplomacy	Mediation support, track II diplomacy	Track II diplomacy, negotiation platforms						
Private financing/ investments	Diplomatic engagement on GERD						Development of dams	
Public-private partnerships						Financing of Mekong dams	Joint investments	Dam operation through BOOT
Fees for services				Fees for data and information use			Water use fees	
...					MRC Secretariat fees for maps			

# Thank you!



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# Transboundary Financing Exercise

- Have a **look at the transboundary basin** to realise multiple uses and needs in and across the different countries that interact with each other.
- Discuss **how to make the most optimal use of the available funding** to ensure the most optimal transboundary water management, investment planning and implementation.
- **Place the monetary value at the different categories** in the table where you think it will benefit the transboundary development the most.

		Information	Institutions	Infrastructure
Domestic	Public			
	Private			
International	Development cooperation			
	IFIs			
	Climate funds			

