



Item 9

Facilitating financing of transboundary water cooperation (Programme Area 5)

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Context: Why focusing on this area of work



- Transboundary rivers, lakes and aquifers account for **60% of global freshwater flows**
- **Insufficient financial means**
- **40% of the world's population affected**
- **Limited consideration of cooperation benefits and general lack of riparian cooperation**
- **Need to create a financial incentive to cooperate, value water for peace**



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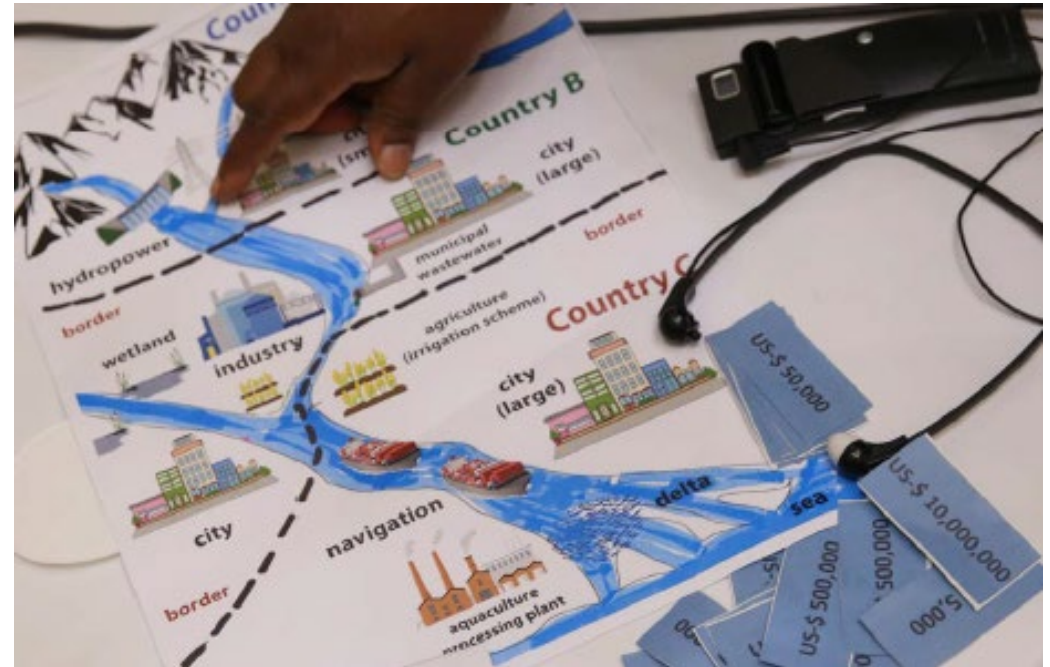
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1. Main achievements in this area of work



- Increased global awareness on the topic of financing
- Better understanding of funding and financing issues for RBO's, riparian countries and their projects
- Community for peer learning and exchange between basins, countries and (international) financial institutions built



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2. How was it achieved? Major milestones since 2019

- Co-Creation / Broad Partnership / Open Global Peer Learning and Exchange including experience from different regions of the world
- Key Milestones:
 - Building on the kick-off workshop 2018 in Nur-Sultan, MOP8
 - Special session at the Stockholm World Water Week 2019
 - Global Workshop on financing TWC in December 2020
- Flagship Publication (Sept. 2021)



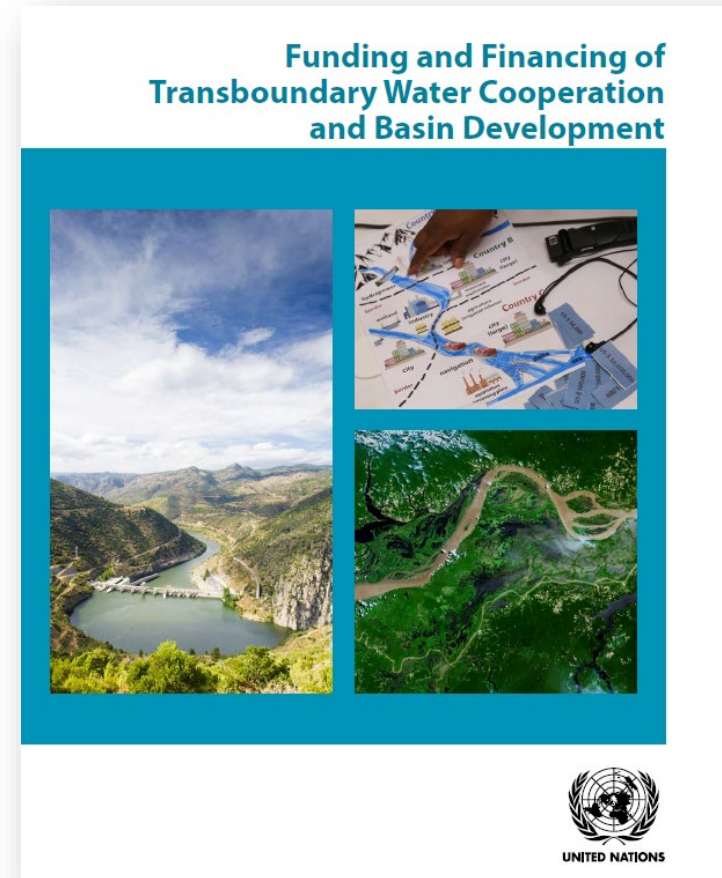


2. Flagship Publication 2021

“Funding and financing of transboundary water cooperation and basin development”



- Concept and scope of the publication developed through a consultative process since 2018, and
- Inspired from the outcomes of the virtual workshop on financing transboundary water cooperation and basin development was organized on 16 and 17 December 2020
- Content developed in cooperation with International Financial Institutions and other partner organizations, Switzerland, Senegal, The Netherlands, basin organizations, other international organizations, NGOs etc.



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2. Overview of issues covered by the Flagship Publication 2021



- Challenges in funding and financing processes and projects related to transboundary water cooperation and basin development
- Financial needs and opportunities associated with transboundary water management, cooperation and basin development
- Better understanding of concrete needs and resources available
- Target audience: water professionals, other sectors, finance professionals
- Detailed Conclusion and Key Takeaways



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Key Messages- Flagship Publication 2021



- Creating an **enabling environment** to mobilize resources is crucial and requires **legal and institutional frameworks** and **strong governance**
- **Domestic budgetary resources/member state contributions** are and should be the **primary funding source**; can be complemented by other public sources
- **Private funding and financing** can be **leveraged** to explore additional opportunities especially for infrastructure development costs
- **Innovative financial instruments** are currently being developed and can potentially offer **new opportunities**
- To access these different sources, **further capacity development and exchange of experiences**, especially across regions, is **required**



3. Lessons learnt for future work



- Continued open source sharing of knowledge and peer learning among countries, basins, financial institutions, developers, UN, civil society etc.
- Need to reach out beyond the water sector and to include other sectors, e.g. energy, environment more broadly, economic and finance sectors, and particularly the Finance Ministries
- Covid-19 Recovery / Building Back Better: Need to diversify financial resources mobilized for transboundary water cooperation and basin development



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4. Suggested future work in this area for 2022-2024

- Continue to raise awareness and facilitate knowledge-sharing on the importance of enhancing the financial sustainability of transboundary water cooperation and management;
- Support national authorities and joint bodies in shaping their strategies for mobilizing financial resources (Awareness tools specifically addressed to Ministries of Finance; targeted support to up to three basins, upon request)

Concretely, this includes:

- Continued global awareness raising through increased cooperation with financial institutions (e.g. ADB, AfDB, EIB, GEF, IDB, UNCDF, World Bank) and other relevant organizations (e.g. Disclosure Insight Action with CDP, OECD, SWA, WWF)
- 1 Global Workshop and up to 2 Regional knowledge facilitation, peer learning and capacity-strengthening workshops, based on basins' and countries' needs

Lead Parties: Switzerland and The Netherlands.

Ressource requirements: approx. 472'000 \$

Partners and donors



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and Cooperation SDC

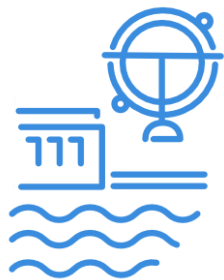


Ministry of Infrastructure
and Water Management



Senegal





Thank you

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For more information: <https://unece.org/environment-policy/water/areas-work-convention/financing-transboundary-water-cooperation>



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