Global workshop on funding and financing transboundary water cooperation and basin development

5-6 December 2023, Geneva

Palais des Nations, Room III

Information note

1. Background:

Transboundary waters cover more than 45% of the world’s surface and nearly half of the world’s population directly depend on the resources that these shared rivers, lakes and aquifer provide. A sustainable management and sound cooperation over these shared resources are crucial to ensure access to water, economic growth, and sustainable development.

The different elements and stages of the management and development of transboundary water resources, require funding. The current lack of sufficient financial resources for cooperation and management of these water resources can undermine their sustainable use and consequently regional stability and peace in transboundary basins.

Financial support can be differentiated between financing which refers to funds made available to pay for upfront capital costs that require repayment in the future and funding which refers to funds made available to pay for upfront capital or ongoing operating costs without a repayment obligation. Financing and funding options exist both at domestic and international levels and can be public or private.

The main challenges in funding and financing transboundary water cooperation processes and projects are related to the fact that they are often perceived as particularly risky (economic developments, political stability, etc.), especially in low- and middle-income countries. Furthermore, many countries face financial capacity constraints not making it easy to allocate already scarce public funds to transboundary water cooperation and basin development which is sometimes not at the top of countries’ priority lists. Finally, the benefits of transboundary water cooperation are often overlooked and there is a general lack of cooperation between
riparian states in many of the world’s basins, depriving the funding and financing of transboundary basin cooperation and development of its political and institutional basis.

Indeed, according to the second reporting exercise on Sustainable Development Goals (SDG) indicator 6.5.2 (UNECE/UNESCO/UN-Water, 2021), which measures the proportion of transboundary basin area operating with an arrangement for water cooperation, out of 129 countries reporting on the indicator, 76 indicated “resources constraints” as one of the main challenges faced with regards to transboundary water cooperation.

Understanding and managing the special risks and complexities of transboundary river basin projects is critical to prepare bankable project proposals that will attract public and private financing and funding partners. In this regard, putting in place an enabling environment based on strong legal and institutional frameworks and sound governance is key.

In recent years, the topic of financing and funding transboundary water cooperation and management has been considered at the global level, including in the Global High-Level Panel on Water and Peace’s recommendations on financial innovation for transboundary water cooperation, through the Global Environment Facility’s international waters related work, and, more recently, at the UN 2023 Water Conference where the issue of financing was identified as a transversal issue to enable the achievement of SDG 6 (including its target 6.5).

Subsequently, the Water Convention secretariat serviced by UNECE, together with Switzerland, the Netherlands and many other partners, started to work on the topic in 2018. This led to the creation of a dedicated workstream under the framework of the Convention, aimed at facilitating the financing of transboundary water cooperation and basin development.

In 2020, a global workshop on financing transboundary water cooperation was organized virtually in partnership with numerous partners, including IFIs, to discuss the various funding needs and potential financing and funding sources from the public and private sectors. Following this workshop, a publication entitled Funding and Financing of Transboundary Water Cooperation and Basin Development was developed, in collaboration with the different partners involved under this workstream, exploring the main challenges and opportunities related to the financing of transboundary water cooperation and basin development -featuring a number of case studies from around the world.

Three years later, in 2023, building on the work achieved so far, the Water Convention secretariat in collaboration with Switzerland, the Netherlands, Senegal, the Global Environment Facility (GEF), GEF IW:LEARN, the World Bank, the Asian Development Bank (ADB), the Inter-American Development Bank (IDB); the United Nations Capital Development Fund (UNCDF) and the Organization for Economic Cooperation and Development (OECD), is organizing a second global workshop on funding and financing transboundary water cooperation and basin development, to go one step further in building capacities of countries and RBOs on this topic by discussing more in details the existing financial mechanisms and strategies to access them also taking into account specific basins political, socio-economic and environmental contexts.

2. Objectives, topics and expected outcomes of the workshop:

The main objective of this second global workshop is to support countries and RBOs in further mobilizing funding and financing resources for transboundary water cooperation and basin development.

This will be achieved through interactive exchanges between the countries, RBOs, and the financing community. The financing community includes here governments (Ministry of Finance), International Financial Institutions

1 Global Environment Facility (GEF), GEF IW:LEARN, the African Development Bank (AfDB), the World Bank, the Inter-American Development Bank (IDB); the European Investment Bank (EIB), the Asian Development Bank and OECD
2 More information here: https://unece.org/environment-policy/water/areas-work-convention/financing-transboundary-water-cooperation
(IFIs), Climate Funds, bilateral donors, and private financiers (e.g. institutional investors, commercial banks, asset managers, impact investors).

More specifically, the workshop will provide a platform for:

- Countries and RBOs to share experiences, challenges and good practices in mobilizing financial resources for transboundary water cooperation, management and development activities from different sources - presenting financial strategies which could be replicated;

- Countries, RBOs and the finance community to exchange between each other and identify together how to further match basin’s needs with financing opportunities through roundtables and thematic interactive discussions enabling cross-learning, mutual understanding and networking;

- IFIs and private financiers (when relevant) to share information on their financing and funding priorities, financial mechanisms and requirements for countries and RBOs to access their financial support for transboundary water cooperation and management activities.

The theme and guiding questions for the workshop include:

- **How to mobilize public finance (domestic and international) for transboundary water cooperation and management activities?**
- **What types of private capital (both domestic and international) can be leveraged for transboundary water management related projects? How to access it?**
- **What are the existing de-risking instruments to support water related investments in transboundary setting?**
- **How can private investments decisions further consider transboundary water cooperation and basin development (e.g. by including transboundary issues into corporate risk assessment tools)**
- **What types of climate finance mechanisms support transboundary water management activities at basin level? How can countries and RBOs access them?**
- **What opportunities do innovative financial mechanisms bring to transboundary basins development?**

These different issues will be discussed and explored through different plenary and interactive formats including:

- **Panel discussion and case studies presentation** (from countries, RBOs and financiers) focusing on experiences of resources mobilization and support provided to transboundary water cooperation and basin development;
- **Thematic roundtables** aimed at discussing specific issues, challenges and good practices related to the financing and funding of transboundary water cooperation and basin development;
- **Market places** with **speed dating** opportunities aimed at providing opportunities for financiers to be available to speak about their existing financial mechanisms and answer potential questions from countries and RBOs. These marketplaces should enable them to further understand each other and identify common interests (match-making) and financing/funding opportunities.

The expected outcomes of the workshop are the following:

- Countries and RBOs’ capacities built on the financing mechanisms available to support transboundary water cooperation and water management activities.0 The financing community (both private/public) is able to further understand the funding and investments opportunities related to transboundary water cooperation and basin development;

- Countries and RBOs identify potential financial sources for their transboundary water cooperation and development related projects for possible future match-making by the 10th session of the Meeting of the Parties;
• Identify needs to be addressed, next steps and ideas for future activities under the programme area of the Water Convention (2025-2027) aimed at facilitating the financing and funding of transboundary water cooperation and basin development.

3. Partners:

The global workshop is co-organized by the Water Convention secretariat (serviced by UNECE) under the leadership of Switzerland (Swiss Agency for Development and Cooperation) and the Netherlands (Ministry of Infrastructure and Water Management) and in cooperation with Senegal (Ministry of Water and Sanitation), the Asian Development Bank (ADB); the Global Environment Facility (GEF); the Global Environment Facility International Waters Learning Exchange and Resources Network (GEF IW:LEARN), the Inter-American Development Bank (IDB); the Organization for Economic Cooperation and Development (OECD); the United Nations Capital Development Funds (UNCDF); and the World Bank.

4. Target audience and organization of work:

The workshop will be organized on 5-6 December 2023 in person in Geneva at conference Room III (Building A) and start on 5 December 2023 from 10.00 a.m. and end on 6 December 2023 at 6.00 p.m.

The workshop will include a high-level opening, a combination of panel discussions, presentations and interactive exercises and discussions.

The workshop aims to bring together more than 100 participants for mutual exchange and learning. The workshop is addressed to:

- Representatives of countries with shared water resources (from Ministries of water, environment, foreign affairs and finance);
- Representatives of RBOs and joint bodies;
- Representatives of international financial institutions (IFIs) and multilateral development banks (MDBs);
- Representatives of international and bilateral climate finance mechanisms;
- Representatives of the private sector, including companies, private banks, investment banks, pension funds, etc.;
- Representatives of UN entities, international organizations and NGOs working on financing (e.g. UNDP; UNCDF; UNEP Finance Initiative; Global Compact-CEO water mandate, World Economic Forum).

The workshop will be followed by the Eighth meeting of the Task Force on the Water-Food Energy Ecosystems Nexus under the Water Convention on 7-8 December 2023. Participants can attend one or both meetings.

For content-related issues regarding the workshop, please contact by e-mail: Ms. Diane Guerrier, diane.guerrier@un.org.

All workshop-related documents will be available on the meeting’s webpage in due course: https://unece.org/info/events/event/374657

5. Practical information:

To attend the workshop, please create an account in indico and register for the event using the following link by Friday, 24 November 2023: https://indico.un.org/event/1002266/

Please kindly find some links with instructions on:

1) How to create an indico account: https://www.youtube.com/watch?v=GeZuft5xQ4U

2) How to register for an online meeting: https://www.youtube.com/watch?v=WaEj3hShn6U

For assistance with registration and other organisational issues, please contact the secretariat by email: water.convention@un.org.
Eligible participants from countries with economies in transition and developing countries may apply for financial support to facilitate their participation in the meeting using the financial support request form attached to the invitation email. Requests for financial support should be submitted to the UNECE secretariat (water.convention@un.org) as soon as possible, but not later than 24 October 2023. No application will be accepted after this deadline. Only limited funding is available; participants will be notified by 2 November 2023 whether their application has been accepted or not.

Participants requiring entry visas should inform the UNECE secretariat as soon as possible. Since Switzerland is part of the Schengen Zone, obtaining a visa might take up to 5 weeks. Participants needing a visa are therefore requested to submit their application as soon as possible and initiate visa procedures at least four weeks before the meeting.

On their way to the meeting, participants should obtain an identification badge at the Pass and Identification Unit of the United Nations Office at Geneva Security and Safety Section located at the Pregny Gate, in front of International Committee of the Red Cross. Please allow at least one hour time for this.

Practical information on the Palais des Nations, as well as on transport and accommodation in Geneva, is available online: http://www.unece.org/meetings/practical.html and for badge collection: https://www.ungeneva.org/en/about/practical-information/pregny-gate-reopening . You can also find a map of the Palais des Nations here: https://www.ungeneva.org/en/about/practical-information/map

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