IWRM Action Planning Framework

Step-by-step guide for integrated water and climate planning

October 2024, version 2.0

This IWRM Action Planning Framework is intended to facilitate Stage 2 of the SDG 6 Integrated Water Resources Management (IWRM) Support Programme – IWRM Action Planning. The Support Programme aims to assist countries in identifying and overcoming their main water management challenges in the context of a changing climate, in order to accelerate progress towards water-related SDGs, and ultimately boost progress towards sustainable, climate-resilient development. The Support Programme assists governments in this process by using as an entry point **SDG indicator 6.5.1**, which evaluates the degree of IWRM implementation. This process is conducted in direct support of the official SDG monitoring and reporting processes.

Under the guidance of the UN Environment Programme (UNEP) and coordinated by the Global Water Partnership (GWP) and the UNEP-DHI Centre on Water and Environment, in collaboration with UNDP Cap-Net, the Support Programme brings together partners representing governments, civil society, academia and the private sector in the countries it assists. Its structures its assistance through three stages:

Stage 1 – Identifying challenges: Assisting UN Member States to monitor progress on SDG 6.5.1, by bringing together diverse stakeholders to collectively agree upon the country's main water management and climate-related challenges.

Stage 2 – Developing IWRM Action Plans: Supporting the formulation of high-impact multi-stakeholder action plans to address the main challenges identified, based on countries' needs, ambitions, priorities and capacities, as a shared commitment to move forward towards water security.

Stage 3 – Supporting implementation: Assisting countries to access the means of implementation of the IWRM Action Plans, through financial and technical assistance and access to other relevant resources and capacities.

A free and open online course on this IWRM Action Planning Framework is available in English, French and Spanish.

SDG 6 IWRM SUPPORT PROGRAMME

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Abbreviations

AF	Adaptation Fund
DAE	Direct Access Entity
ESG	Environmental, Social and Governance
FDI	Foreign Direct Investment
GCF	Green Climate Fund
GEF	Global Environment Facility
GWP	Global Water Partnership
IPCC	Intergovernmental Panel on Climate Change
IWRM	Integrated Water Resources Management
LDC	Least Developed Country
LTS	Long-Term Climate Strategy
MDB	Multilateral Development Bank
NAP	National Adaptation Plan
NDA	National Designated Authority
NDC	Nationally Determined Contributions
NPWI	Net Positive Water Impact
SDGs	Sustainable Development Goals
UNCT	United Nations Country Team
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
VWP	Valuing Water Principles
WASH	Water Sanitation and Hygiene
WMO	World Meteorological Organization

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1. Summary of the Framework

1.1 What is this Framework? And what is it not?

The latest version[1] of this IWRM Action Planning Framework is intended to be a clear and practical *how-to guide* presenting a non-prescriptive *process* that aims to assist countries in accelerating progress towards the achievement of their water-related targets in the context of a changing climate. Over 90% of the world's developing countries, in their Nationally Determined Contributions (NDCs), specify that they experience the majority of climate change impacts via water (e.g. drought, flood, changing precipitation patterns, accelerated glacier melt) and prioritise working on water-related actions to adapt to these impacts of climate change. Any progress towards a country's water-related SDG targets therefore requires taking into consideration the changing hydrological context due to climate change and the resulting challenges, while also taking advantage of the tremendous opportunity that water management and development provide for increasing a country's overall economic, ecological and societal resilience to climate change as well as reducing carbon emissions.

Each section of this Framework attempts to answer a common question in IWRM Action Planning, on which experience-based recommendations are provided. While Stage 1 of the Support Programme is closely aligned with efforts under the UN-Water Integrated Monitoring Initiative for SDG 6 (IMI-SDG6) to *monitor progress*, this Stage 2 Framework intends to guide countries in employing monitoring results to *accelerate progress* towards water-related targets, by developing multi-stakeholder responses to the main challenges identified through the monitoring.

This Framework is not intended to explain what IWRM is, to present a rationale for its implementation, to highlight its current status, or to share examples of IWRM implementation. It is assumed that the reader will be sufficiently well informed about these topics, although more information is provided on the links above, as well as in the Annex.

It is also assumed that the reader will be looking at **how to accelerate implementation of IWRM**, through the typical Action Planning process. For that reason, this Framework is intended to be a step-by-step reference material to guide the reader through the process, pointing to and complementing existing global guidelines and frameworks. The Framework is also a living document which will be periodically updated, based on the experiences of implementing this process in different countries. All feedback on this Framework is welcome (please contact us if you would like to share your views).

1.2 Who should use this Framework?

This Framework has been written with the following **target audiences** in mind:

1. The **Support Programme partners**, who assist national governments, in particular national SDG 6.5.1 focal points, in planning to accelerate achievement of their water- and climate-related goals, with direct financial and technical assistance.

[1] Different versions of this document have been in existence since 2017, when the Stage 2 process was first piloted. It has been periodically updated based on the experience from the twenty countries assisted so far.

2. The **SDG 6.5.1 focal points and relevant colleagues**, often located in the national line ministries in charge of water management or the environment. While the Action Planning process will be facilitated by nominated individuals specifically engaged for that purpose, SDG 6.5.1 focal points should understand the process being undertaken in their countries enough to be able to appropriately support it.
3. Another audience is **external support agencies**, be they multilateral or bilateral, who are seeking to support countries in the related areas, be that through the Support Programme[2] or through their own direct assistance.
4. While the Framework is best suited for use at the national level, it may also be relevant to **sub-national governments, river basin organisations, regional authorities** or any other body with the mandate for leading collective action towards water-related targets in the context of a changing climate, at the sub-national level.

Please refer to Section 1.7 to see what resources the Support Programme may be able to make available to directly assist countries, upon request and subject to approval, in conducting this process.

40% of countries reported low or medium-low implementation of IWRM in 2023. Action needs to be prioritised in those countries.

At the current rate of progress towards SDG 6.5.1, the world will not achieve sustainable water management until 2049

1.3 Why should you use this Framework?

This Framework provides a structured approach to addressing a country's key water-related challenges in the context of a changing climate, by building on the findings of periodic UN-led assessments of SDG 6[3]. Using the latest national reporting exercise on SDG indicator 6.5.1 as the entry point[4], Stage 2 of the Support Programme guides countries in formulating, through a multi-stakeholder process, actionable responses to a country's main water management and development challenges in the context of climate change (see Fig. 1). By incorporating insights from stakeholder consultations from Stage 1 of the Support Programme[5], the Framework supports the development of an **IWRM Action Plan** designed to be practical and ready for implementation. The Action Plan should contain a limited number of targeted actions which the national government and relevant stakeholders commit to support.

The Framework guides the process through which priority actions can be designed in response to the main national challenges, and that funding and financing opportunities are identified from a wide range of potential sources, including national public budgetary allocations, national and multinational private sector investments and international water and climate-related donors and financial mechanisms. It should be noted that 'funding' is ultimately where resources for water management will come from, be it from taxes, tariffs or transfers (what the OECD refers to as the 3Ts), whereas 'financing' is the way to bring these flows of money

[2] The Support Programme is open to discussing the possibility of greater collaboration with external support agencies, aiming to streamline respective country support efforts.
[3] The latest SDG 6 monitoring results for each country can be viewed here.
[4] The results of the national SDG 6.5.1 monitoring can be found here, including the full survey and country summaries for the 191 UN Member States that have reported on this indicator.
[5] Stakeholder consultation reports from countries assisted by the Support Programme can be consulted here.

upfront, to advance activities. It is in 'financing' actions from an IWRM Action Plan for example that the private sector may be interested in coming in, or where international climate finance mechanisms might be employed, to bridge the initial gap in public resources. The Framework offers a systematic way to ensure that diverse actions are effectively implemented, even when multiple funding sources and varying timelines are involved. The subsequent implementation of each of these actions, through Stage 3, may entail a different blending of funding sources, timelines and implementation modalities, depending on country contexts.[6]

Figure 1 The three stages of the SDG 6 IWRM Support Programme

1.4 What is an IWRM Action Plan?

An IWRM Action Plan[7] is a shared multi-stakeholder commitment to advance towards the country's water-related goals in the context of a changing climate, through an IWRM approach, containing a limited number[8] of priority actions[9]. These actions may be national, sub-national and/or transboundary in scope. They may focus broadly on diverse climate change impacts, or home in on any one particular impact, such as having a strong drought or flood focus. Since each country presents a different set of circumstances, there is no one-size-

[6] Depending on the nature and complexity of the actions defined in the Action Plans (Stage 2), more detailed preparatory work may be required prior to their full implementation, which should be considered under Stage 3. It should be noted that there is no set format for Stage 3 assistance from the Support Programme. This may be technical, in-kind and/or financial in nature, and may involve applications for further financial resources.

[7] While IWRM Action Plan is the generic global name for these products as used within this document, different names for this Action Plan may be employed in each country, according to each national context.

[8] While there is no formal limitation on how many actions the Action Plan may contain, it is suggested that around 8-16 may be ideal, those which have been prioritised as due to having a high degree of feasibility and potential impact within the agreed timeline. A separate "long-list" of other actions identified through the process may also be maintained for future reference.

[9] "Actions" in this document refers to ambitious opportunities to dedicate and engage time and/or other financial or non-financial resources to face given water- and climate-related challenges or sets of challenges affecting the country.

fits-all "recipe" for producing such an Action Plan, but there are some common elements that characterise it (see Box 1).

The Action Plan should not be a stand-alone document, separate from other planning frameworks. Instead, it should support national development plans and related thematic development plans and should draw connections with the existing policy framework for IWRM, the SDGs, National Adaptation Plans (NAPs), NDCs and other relevant frameworks, acting as a water-related connector between them.

To ensure that the Action Plan is feasible and focused on tangible opportunities, it should have a timeline, defined in accordance with the timeline of national planning instruments, although ideally it should be within the range of 3-5 years. The Action Plan should be the result of a balancing act between ambition and realism. *Ambition* because the actions included in the Action Plan should aim to be transformative, going beyond business as usual, and introducing innovative approaches (see Box 1). *Realism* because achieving integrated outcome-level results may take longer than the timeframe of the Action Plan, and the availability of financial resources may be one of the factors that defines the ultimate success of the implementation of the Action Plan.

Box 1: What makes an IWRM Action Plan different?

All countries have a series of sectoral plans focusing on different objectives which are more or less related to water. Unlike many such plans, an IWRM Action Plan uses an **integrated** approach to ensure that the actions defined maximise benefits and would not generate undesired trade-offs in different sectors. It employs **multi-stakeholder** engagement and thus increases buy-in, thereby increasing the implementation potential and sustainability of the actions defined. It aims to fully integrate **climate change** in the formulation and prioritisation of needed water actions, thus ensuring that water management systems are robust in the face of climate impacts, and also contribute to overall adaptability and resilience of the country's economy, populations and ecosystems. It is an **agile** process, which recognises the country's political economy, by defining a limited number of integrated actions with high potential for funding and impact. Finally, since it is based on national SDG 6.5.1 reporting, implementing its actions should generate **quantifiable** progress toward multiple water-related SDGs targets.

1.5 Why is using the SDG 6.5.1 indicator framework important for Action Planning?

Attaining the 17 SDGs set out in the 2030 Agenda for Sustainable Development requires an integrated and indivisible approach, which must address the interconnected nature of the economic, social and environmental dimensions of sustainable development. Water as a resource is a connector across every aspect of human existence, and is therefore pivotal to the achievement of all 17 SDGs. Implementing IWRM is a means of coordinating sustainable development and management of finite water resources across all uses and levels. With progress towards SDG 6 lagging, finding ways to address conflicts and trade-offs is critical to manage water in an efficient, sustainable and equitable manner, thereby supporting other development efforts. SDG indicator 6.5.1 on IWRM implementation supports

the achievement of many other SDG targets – including those on health, food security, poverty reduction, energy, climate, the environment, gender and peace[10], as well as all the other targets under SDG 6. Therefore, it should be used as a framework in IWRM Action Plans.

1.6 How long might the Action Planning process last?

Box 2: Innovation in the Action Planning process

As one of the five "accelerators" of the SDG 6 Global Acceleration Framework, innovation should be embedded in all efforts aiming to achieve progress towards SDG 6, including the SDG 6 IWRM Support Programme. Transformative change on water and climate will not be feasible without innovative data, governance, capacity development and financing schemes, as well as the adoption of new approaches and technologies. At its simplest level, innovation in this context may be defined as doing things differently and doing different things to achieve better results in water resources management. All stakeholders involved in the Action Planning process are encouraged to adopt innovative approaches, and an innovative mindset, whenever possible. If stakeholders are seeking examples of innovation, they may reach out to the Support Programme team for inspiration.

There is no fixed timeframe for implementing the whole Action Planning process, as this will be defined by the specific needs and circumstances in each country. However, based on past experience, it is anticipated that it may be completed in approximately 9-12 months[11]. An indicative timeline for this process can be found in Fig. 2. Please note that the preparatory period prior to the formal start of the process, including the formalisation of the request for support from the anchor institution(s)[12], concept development, and administrative and financial arrangements, etc., is not included in that estimation.

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9
Preparation									
Appointment of facilitator									
Setting up of task force/ coordination body									
Design/ confirmation of process and organisation structure									
Agreement on timeframe and scope of Action Plan									
Data gathering and preparation of baseline document									
Consultation and co-development									
1st stakeholder consultation (agree on main challenges, define longlist of actions)									
Process review and drafting of Action Plan									
2nd stakeholder consultation (prioritise and refine actions, validate scope of Action Plan)									
Feedback and refinement of Action Plan									
Validation and finalisation of Action Plan									
Formalisation									
Government endorsement of Action Plan									
Agreement on next steps, timeline, responsibilities, resource-sharing arrangements									
Definition of follow-up and monitoring process/ framework									
Resource mobilization strategy									

Figure 2 Approximate timeline to produce a national IWRM Action Plan

[10] UNEP (2024). Progress on implementation of Integrated Water Resources Management. Mid-term status of SDG indicator 6.5.1 and acceleration needs, with a special focus on climate change.

[11] It should be noted that the formalisation phase may take on a longer timeframe, according to the necessary political steps, which may be beyond the control of the team directly involved in the Action Planning process.

[12] The anchor institution is typically a Ministry responsible for water resources in the country (see Section 4.4).

1.7 What support is available for this process?

This methodology is provided open source, so that any national government or other stakeholder may follow it to conduct their own Action Planning process. In such cases, the Support Programme may be available to provide some technical and methodological assistance, and would appreciate being notified of the use of this methodology.

Countries seeking direct assistance through the Support Programme must complete a Stage 2 application process. This includes the request for support from the anchor institution(s) within the country, the completion and approval of a concept note and budget, and the formalisation of the administrative arrangements. Any financial support provided by the Support Programme will be channelled through GWP's network, namely its Regional Water Partnerships and Country Water Partnerships. The application process and criteria are available upon request from the Support Programme team.

Upon request, and subject to the availability of resources, the Support Programme may provide up to € 20,000 per country to facilitate the Action Planning process. It is expected that this process should also be co-funded through government budgets and/or locally leveraged funds, to at least the same monetary value as provided by the Support Programme. Such co-funding may be in-kind or in-cash and should be mentioned in the application process and reported after finalising the Stage 2 process. That implies that the overall budget for Stage 2 may be around € 40,000, although this varies according to each country's relative costs, whether the process is conducted through in-person and/or online means, the duration of the process, etc.

It is also to be noted that, with additional resources, a more robust process may be conducted, which might allow for a deeper baseline and root cause analysis, more significant stakeholder engagement, a more detailed action identification, cost estimation and prioritisation process, and a greater focus on resource mobilisation at the conclusion of Stage 2, thus allowing for an easier transition between Action Planning and implementation of priority actions.

2. Process description

Even though it is recognised that the Action Planning process should be conducted differently in the context of each country, and depending on regional support mechanisms which may also differ, what follows is a suggested process, as a starting point. This process has been defined based on the experiences from the first twenty countries[13] to develop Action Plans with the assistance of the Support Programme, plus that of other similar frameworks, in particular those outlined in the Annex.

2.1 What might the Action Planning process look like?

The following graphic is a suggestion of how the Action Planning process might be organised, in three phases, each of which is further outlined in the following sections.

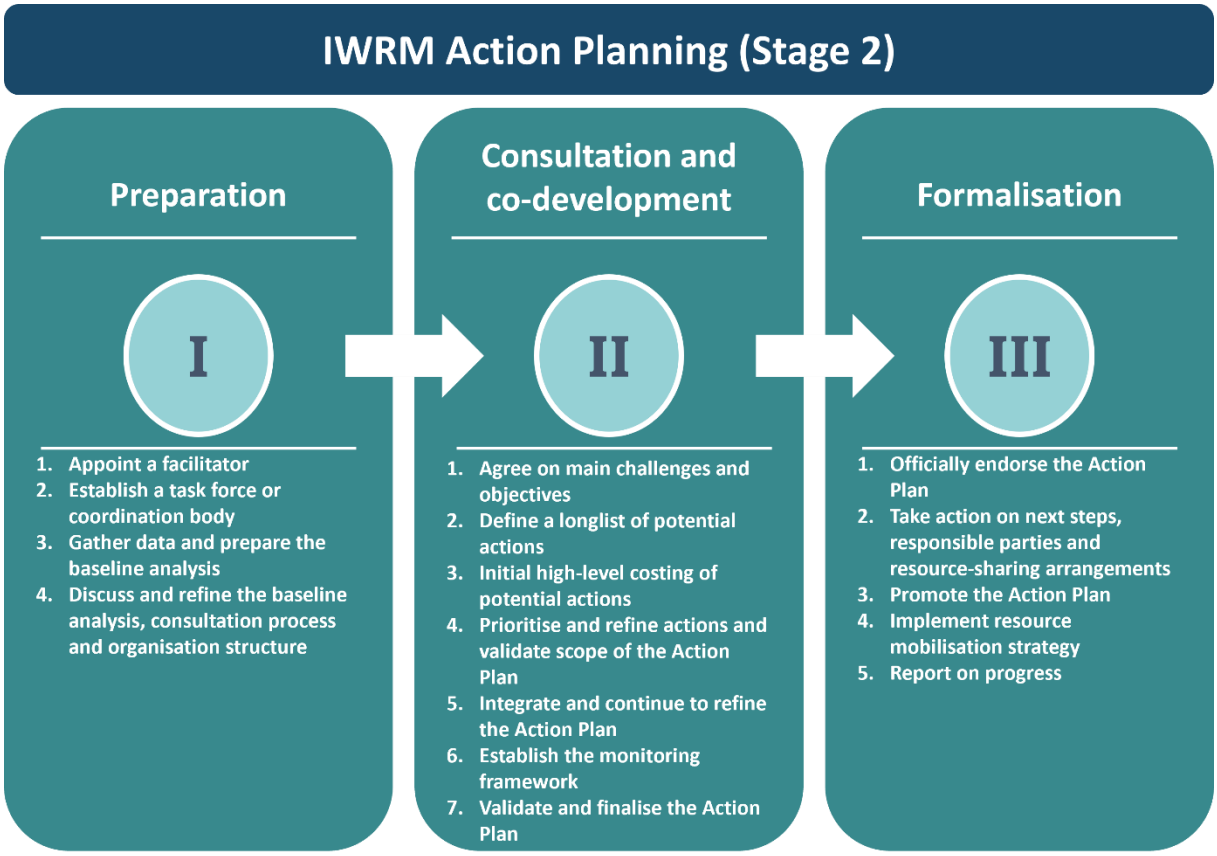

Figure 3 Suggested phases of Action Planning process

[13] The existing IWRM Action Plans may be viewed here, whereas the actions that are part of those Plans can be seen here.

2.1.1 Phase 1: Preparation

The preparation phase may typically involve the following four main steps:

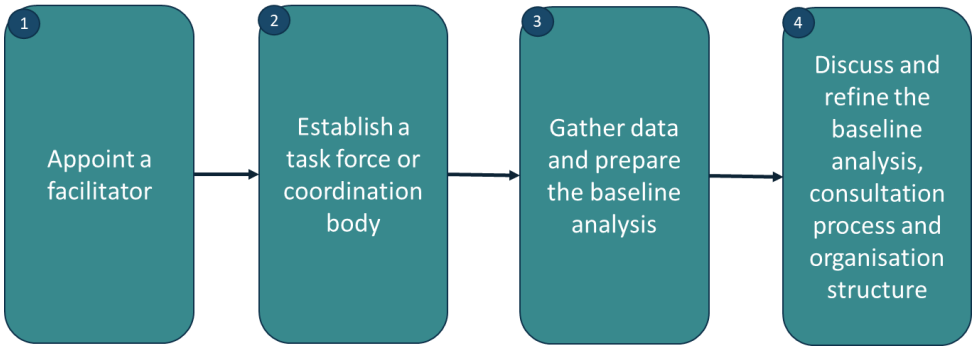

Figure 4 Preparation phase of the Action Planning process

1. **Appoint a facilitator**: Once the process has officially started, a process facilitator is typically appointed and hired by the GWP network in the country, to work closely with the anchor institution(s) and the GWP team. The facilitator is responsible for planning and implementing the stakeholder consultations, and leading the drafting of the IWRM Action Plan. The exact responsibilities and scope of work of the facilitator may vary from country to country. Template 2 provides a suggested set of terms of reference for the facilitator.
2. **Establish a task force or coordination body**: The anchor institution(s) might bring together and chair a task force or similar mechanism, to oversee the process of co-developing the Action Plan. If a relevant coordination body already exists within the country, it should ideally be used for this purpose, rather than creating a new one. Fig. 5 shows a suggested stakeholder organisation structure for the Action Planning process[14]. If a task force is formed, it should include a limited number of institutions (e.g. 6-9), such as the ministries of finance and planning, ministries responsible for climate change action, development partners, private sector coordination bodies and other relevant bodies on water management issues. Engaging such partners at this point should ensure their ongoing support throughout Stages 2 and 3.

[14] In some cases, the Stage 2 process has been successfully conducted in country without such as task force.

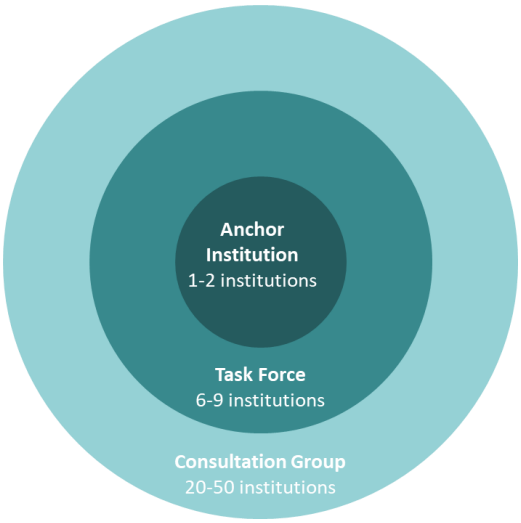

Figure 5 Suggested stakeholder engagement levels in the Action Planning process

3. **Gather data and prepare the baseline analysis**: The Action Plan should build on existing national plans, programmes, processes and priorities, to help ensure that the actions contribute to existing commitments, thus increasing resource efficiency and impact. To that end, a basic analysis should be conducted that facilitates a common understanding of the overall water-related development context, in light of the impacts already experienced due to climate change and those projected across different emissions scenarios, which should be summarised in a brief baseline analysis. This analysis may be prepared in a PowerPoint format, to ensure that it can be easily presented and digested at stakeholder consultations, recognising that not all stakeholders might be able to fully read a lengthy written report. Template 5 aims to facilitate that baseline analysis and should be adapted as needed.

   The baseline analysis should be shared with the Support Programme to facilitate its review and feedback. It should subsequently be presented to the task force for review and feedback (in the next step).

4. **Discuss and refine the baseline analysis, stakeholder mapping, consultation process and organisation structure:** The task force should discuss the baseline analysis prepared by the facilitator and provide feedback on the main challenges and opportunities and the potential scope and objectives of the Action Plan, among other related topics. In this step, the detailed list of stakeholders to be consulted (the consultation group) in phases 2 and 3 should be agreed upon, based on the stakeholder mapping (for which Template 6 may be used, as well as this tool). The list of stakeholders to be engaged in the process should include those that are relevant for technical, social and financial reasons, and there should be a deliberate engagement plan for all key stakeholders identified. More guidance on stakeholder engagement is available in Section 4 of this Framework. Finally, in this step the organisational structure for the rest of the Action Planning process should be agreed upon, and stakeholders should be invited to take part in the process, as agreed.

   The baseline analysis should be further updated as a result of this step, to be used as a reference during Phase 2 of the Action Planning process.

2.1.2 Phase 2: Consultation and co-development

The consultation and co-development phase might include the following steps, involving typically at least two multi-stakeholder workshops or consultations[15] with the consultation group, and several meetings of the task force in-between.

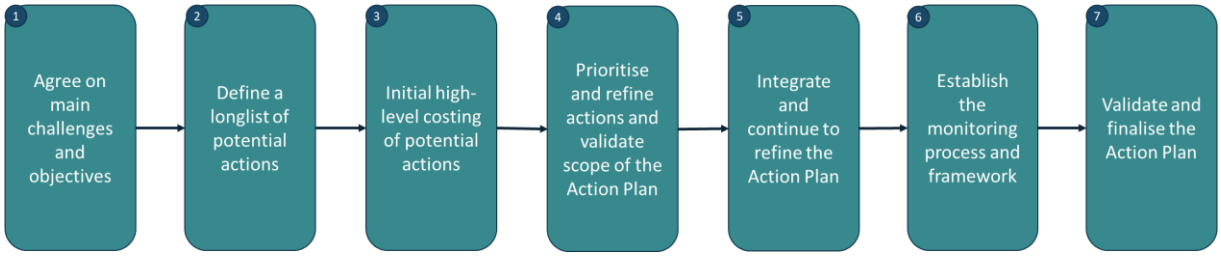

Figure 6 Suggested outline of the consultation and co-development phase of the Action Planning process

1. **Agree on the main challenges and objectives**: The baseline analysis may be presented and discussed at a first stakeholder consultation workshop, which should serve to gather feedback from different stakeholders on the main water-related challenges facing the country, including environmental, social, and governance (ESG) factors, climate and disaster risks, and potentially priority geographic areas, and potential objectives to respond to those challenges.
2. **Define a longlist of potential actions:** Usually in the same consultation workshop, after agreeing on the main objectives, a longlist of potential thematic and/or geographic actions in line with those objectives should be identified by participating stakeholders. At this point, those actions should be as specific as possible in their scope, to facilitation step #3.
3. **Initial high-level cost estimation for the potential actions:** After the identification of the longlist of potential actions, the facilitator should aim to conduct initial high-level cost estimations of potential actions to support further prioritisation, for validation by the task force. More guidance on this topic is available in Section 5.2 of this Framwork.
4. **Prioritise and refine actions and validate scope of the Action Plan:** A second workshop or consultation might be organised to prioritise and strengthen the potential actions, as well as to validate the scope of the Action Plan. This should involve defining which stakeholders may be able to commit resources towards the action opportunities. Furthermore, the potential ESG benefits and negative impacts of all actions should be considered, and trade-offs considered as needed. A more detailed explanation on the suggested scope and prioritisation of actions can be found in Section 5.
5. **Integrate and continue to refine the Action Plan**: Once the priority actions have been drafted, but before their formalisation, they should be shared with the Support Programme to facilitate feedback and experience-sharing between countries, and to identify additional opportunities to transition to implementation. The draft Action Plan should then be submitted to the task force for their further refinement and validation. Other stakeholders who have been involved in the Action Planning process might be invited to provide further input to and ultimately validation of the Action Plan at this

[15] Such workshops and consultations may be either in-person or online and may be diverse in nature (online virtual sessions, online polling, discussion fora, etc.), to facilitate broad and inclusive participation. More details on the use of virtual means of consultation are provided in Section 4

point, perhaps by electronic means. Such input should be considered and integrated whenever possible.

6. **Establish monitoring framework**: The Action Plan should contain a clear, structured method for monitoring, evaluating and communicating progress with all interested stakeholders. A successful monitoring structure will also ensure accountability for implementation of the Action Plan. Further guidance is available in Template 1. Countries are encouraged to use the opportunity provided by the periodic monitoring and reporting on SDG indicator 6.5.1 to follow up on the progress of their Action Plan. However, countries are also encouraged to monitor implementation of the Action Plan using either existing or newly designed processes and frameworks more suited to the priority actions, available resources, and other circumstances.
7. **Validate and finalise the Action Plan**: Once all feedback from stakeholders has been received and reviewed, the Action Plan should be finalised in close coordination with the members of the task force with a view to proceeding to its formalisation under phase 3. The Action Plan should at this stage include a clear definition of resource mobilisation needs, as well as an initial plan to mobilise the necessary resources.

Meetings of the task force may be required between stakeholder consultations to refine the process and review the input provided by different stakeholders to produce the draft Action Plan, using Template 1. The Support Programme team is also available for check-ins during this period, to support clarity in definition of the draft Action Plan.

The partners in the Support Programme are also available to provide input to the stakeholder consultation process. In particular, countries that are interested in the Support Programme's six priority themes (see Section 5.1) can request a presentation of opportunities related to that theme, with a view to further developing potential responses to those challenges.

2.1.3 Phase 3: Formalisation

The *formalisation* of the action Plan may involve the following steps.

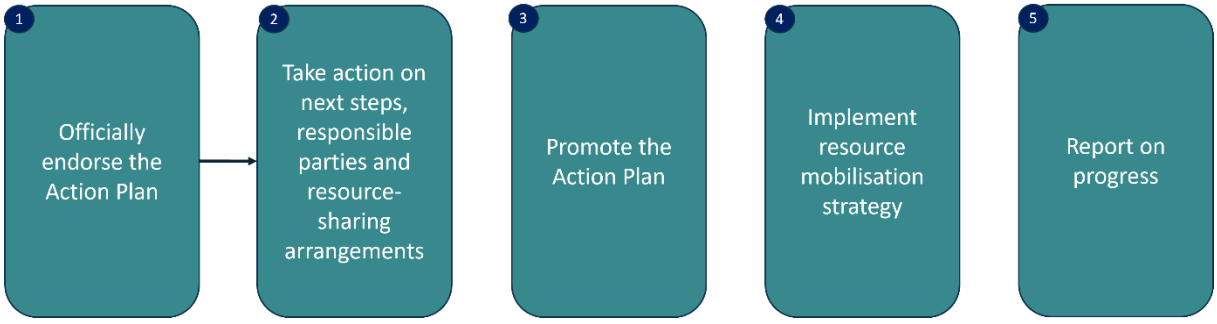

Figure 7 Suggested steps in the formalisation phase

1. **Officially endorse the Action Plan**: Following validation of the Action Plan by the task force and consultation group, it should be presented to the relevant national authorities at the appropriate level for formal endorsement. The degree of institutional formalisation required will depend upon the country, but may include formal approval at the ministerial level, publication through official government channels or gazettes, its formal adoption by interministerial bodies or other government platforms, or any other means that express political support for the plan. It may additionally be officially endorsed by other institutions, from the public sector

or not, that commit to supporting its implementation. Finally, the country may also consider registering it with international mechanisms for accountability on SDG 6-related commitments (see Box 3).

Box 3: Voluntary international accountability mechanisms

The national government of the country that has produced the IWRM Action Plan may also consider the possibility of registering it with voluntary international mechanisms, which may serve to increase accountability and follow up. For example the **Water Action Agenda** is "the collection of all water-related voluntary commitments to accelerate progress in the second half of the Water Action Decade 2018-2028 and second half of the 2030 Agenda." Alternatively, or in addition, Sanitation and Water for All's **Mutual Accountability Mechanism** is "a tool for partners to commit and hold each other to account for progress in achieving the SDGs' water and sanitation targets – as well as an opportunity to collaborate, learn and catalyze collective action".

2. **Take action on next steps, responsible parties and resource-sharing arrangements**: To ensure the implementation of the Action Plan, it will be necessary to initiate the different implementation modalities to take action on the next steps, including the responsible parties, and resource-sharing arrangements outlined in the Action Plan. This may involve the signing of additional Memorandums of Understanding, collaboration agreements or other contractual documents. The intention is that, as much as possible, the actions contained in the Action Plan should be funded for implementation as soon as the Plan is endorsed.
3. **Promote the IWRM Action Plan:** Once completed and endorsed by the anchor institution(s), the Action Plan should be shared with the Support Programme, which will post it as a full plan on its website, as well as posting the individual actions on the IWRM Action Searcher. If the Action Plan is produced in a language other than English, it should be accompanied by an executive summary in English.
4. **Implement resource mobilisation strategy:** Depending on the finance already mobilised for the implementation of the Action Plan, an additional resource mobilisation strategy may be required, aiming to ensure full implementation of all actions. Resource mobilisation is discussed more fully in Section 5.5.
5. **Report on progress:** The national government should report on and evaluate progress achieved towards implementation of the Action Plan on a regular basis, to the Support Programme, to national stakeholders, and to any other mechanisms to which it has committed (see Box 3 above for example).

3. Integrating climate considerations in IWRM Action Planning

3.1 Why should IWRM consider climate change?

Water and climate change are inextricably linked. Water is the main medium through which the effects of climate change are felt, in a way that transcends national or sub-national borders. By altering the water cycle, climate change affects the amounts, timing, and quality of water on which all social, economic and environmental objectives depend. Water-related impacts of a changing climate may include alterations in the basin water yield, annual precipitation, minimum base flow, basin water yield, and the probability of occurrence and magnitude of floods and droughts, among others[16]. These impacts of a changing climate through water in turn affect sectors which depend upon water resources, thus jeopardising sustainable development.

> "Using IWRM approaches – cross-sector, participatory management at the basin scale – in climate change adaptation efforts, presents a great opportunity to build resilience to climate change impacts."
>
> *Key message 3, Mid-term status of SDG indicator 6.5.1 and acceleration needs, with a special focus on climate change.*

Therefore, using an IWRM approach can boost efforts aiming to build resilience in multiple sectors, and to foster better adaptation to climate change. To achieve this objective, climate financing may be employed to implement coordinated water management and cross-sector climate resilience projects. Doing so would mean not just drawing connections between SDG 6 and 13, but also between the SDGs and the Paris Agreement under the United Nations Framework Convention on Climate Change (UNFCCC)[17].

Despite countries publicly prioritising this interconnection, as evidenced by 48 out of 52 countries having defined water as a priority sector for climate change adaptation through their NAPs[18], and the growing political attention at all levels for addressing climate change through water, progress towards transforming this momentum into tangible progress is uneven, with countries often prioritising immediate and near-term risk reduction rather than transformational integrated approaches.[19] The IWRM Action Plan produced under Stage 2 should support the definition and implementation of integrated solutions that transform this political will into tangible actions.

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[16] GWP (2019). *Addressing Water in National Adaptation Plans. Water Supplement to the UNFCCC NAP Technical Guidelines. Second Edition*, p 36.

[17] Other connections to the work undertaken under the Convention to Combat Desertification (UNCCD) and the Convention on Biological Diversity (CBD) may be possible through the Stage 2 process.

[18] National Adaption Plan Global network (2024). *Trends in Key Themes: Sector Integration* [accessed 7 June 2024]

[19] Intergovernmental Panel on Climate Change (2022). *Climate Change 2022: Impacts, Adaptation and Vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change* [accessed 7 June 2024].

3.2 How to identify entry points for incorporating climate considerations into IWRM Action Planning?

The response to climate change is organised through an array of formal institutional mechanisms, which may in every country consider water resources to a greater or lesser extent. The IWRM Action Planning process should look to complement and support existing climate change policy and planning processes at the very least, while desirably finding a linkage to these processes as appropriate. This will help to increase the effectiveness and the impact of the IWRM Action Planning process by enabling prioritised water-related adaptation or mitigation actions to be further advanced to being fully designed, funded and implemented as part of the countries' climate action priorities. National strategic frameworks at the country level include NAPs, NDCs and country-specific climate change-related policies or regulations. These are outlined in more detail below, but in general, IWRM Action Planning that is related to either increasing resilience or reducing emissions should consider how:

i) an IWRM-related action contributes to the conditional and unconditional targets, as well as country priorities, set in the NDCs;
ii) is aligned with the country National Adaptation Planning framework; and
iii) advances, considers or contributes towards existing country-specific climate policies and regulations.

At the national level, the IWRM Action Planning should seek appropriate linkages to the country's NAP formulation or implementation process and to the five-yearly updating or implementation of the country's NDC to the Paris Agreement. Particularly if climate finance is being sought to implement actions under the IWRM Action Planning process, then the consideration of UNFCCC and country-specific processes is critical.

> Nepal's IWRM Action Plan includes 20 priority actions, including focusing on integrating IWRM in climate change adaptation and mitigation plans and programs, and establishing at least one rainfall, snow and temperature station in each local government.

As part of the baseline analysis conducted during the Action Planning process (see Section 2.1.1), a review of existing national climate change literature and data should be undertaken, to ascertain the current status of knowledge on climate-related vulnerabilities and impacts, as well as future projections. Elements that may be considered include the country's NAP, NDCs, National Communications to the UNFCCC, national reporting under SDG 13 on Climate Action, and national climate change information systems or databases, if they exist, such as flood and drought early warning systems, national or basin-wide climate change projections, disaster risk reduction portals. Relevant climate change coordination bodies or agencies, national focal points to the UNFCCC and to the multilateral funds that comprise the Financing Mechanism of the UNFCCC (Green Climate Fund, Global Environment Facility, Adaptation Fund), and other relevant entities which should be engaged in the Action Planning process (see Section 4.2) can provide useful information on relevant data sources. Finally, the free-text responses to the five questions[20] in the national SDG 6.5.1 survey response from 2023, on how relevant aspects of water resources management and climate change adaptation/mitigation are coordinated, should specifically be reviewed.

[20] Namely 1.1c, 2.1b, 2.1e, 3.1e, and 4.1b.

Sectoral responses to climate change may also be a valuable source of information. For example, national plans and strategies aiming to achieve food security, energy production, urban development, rural prosperity, biodiversity conservation and economic growth, among others, may provide information on observed and projected water-related climate impacts (see Box 4). Such information may serve to identify additional stakeholders that should be engaged in the Action Planning process. The objective of the Action Planning process should be to identify potential supportive actions across these ongoing efforts, in a manner that is not duplicative.

Box 4: Key questions for analysing current and future climate scenarios

- What climatic patterns and climate scenarios are most important in terms of adaptation for water resources management?
- What risks does climate change hold for the water resources management and related sectors?
- What are major current water-related climate hazards? What is the country's vulnerability to these hazards?
- What is the estimated range of uncertainty for possible future climate scenarios?
- What are appropriate indices of climate- and water-related trends which could support water sector planning and decision-making?

(GWP, 2019, op. cit.)

When relevant national climate data are unavailable or present gaps, global analyses may be drawn upon. For example, the Aqueduct Water Risk Atlas Global Maps "provides GIS-based mapping tools to assess different indicators such as baseline water stress, inter-annual variability, seasonal variability, flood, and drought occurrence"[21]. The IPCC Working Group I has an Interactive Atlas containing "flexible spatial and temporal analyses of much of the observed and projected climate change information underpinning the Working Group I contribution to the Sixth Assessment Report, including regional synthesis for Climatic Impact-Drivers".

Additional resources include the World Bank Climate Change Knowledge Portal, which acts as a repository of readily-accessible data from climate projections from the Coupled Model Intercomparison Project phase 6 (CMIP 6), as well as a repository of other climate change-related data and information for each country. The World Bank also publishes Climate Risk Country Profiles that are produced on a rolling basis and present a snapshot of expected climate change impacts on countries that are under assessment. For specific climate forecasts considering hydrology, Climate Information provides site-specific climate projections using the Swedish Institute of Meteorology and Hydrology's (SMHI) World-wide HYPE model, alongside other projected climate change parameters.

The analysis of this information should help to identify observed water-related climate impacts and future climate-related risks (both thematically and geographically), the current response mechanisms, as well as gaps. Such impacts may be ranked, for example, by the magnitude of the potential impact, the probability of occurrence, the reversibility, and the urgency of action[22]. All of this information is to be included in the baseline analysis, and should be considered in strengthening the climate adaptation response through IWRM action planning.

[21] GWP (2019), op. cit., p. 36
[22] GWP (2019), op. cit., p. 47

3.2.1 NAPs

In 2010, the countries that are party to the UNFCCC established the National Adaptation Planning (NAP) process to enable Least Developed Countries (LDCs) to identify medium and long-term adaptation needs, and to develop and implement strategies and programmes to address those needs. The NAP is an iterative and continuous process involving formulation, implementation, and updating of the plan.

As of the end of November 2023, 142 developing countries were undertaking measures to formulate and implement NAPs[23]. If a country has an existing and recently defined NAP, the IWRM Action Planning process can add value by taking the water-related priorities in the NAP as a starting point, and advancing these priorities towards action on the ground in the framework of the implementation of the NAP, in alignment with mainstream national development planning processes. However, if the NAP is under production, under review or in the pipeline, there may be opportunities for synergistic development between the IWRM Action Plan and the NAP. The Action Planning process can contribute to defining priority water-related resilience-building actions in the NAP, which could subsequently be implemented with funding available for NAP implementation, for example through the GCF Readiness Programme.

The exact modality of linking the IWRM Action Planning will depend upon the country's current status in its NAP process, as well as what stakeholders perceive to be the biggest opportunities. GWP, in collaboration with the UNFCCC and partners, has developed the Water Supplement to the UNFCCC Guidelines for NAP formulation[24], which describes what entry points may be taken to integrate water into the NAP process, and can be a useful guide to the facilitation of the IWRM Action Planning process.

A few countries have also formulated water-specific Strategy and Adaptation Plans[25], which guide sector-specific (rather than general) approaches for integrating adaptation; however, this has not been systematically done, thereby offering the IWRM Action Planning process, taking a climate responsive lens, a specific opportunity to enter into the NAP process from a sectoral perspective. A Water Adaptation Action Plan or a Water National Adaptation Plan (Water NAP) offers the space to consider multiple emissions scenarios in the future; to conduct a systems-level vulnerability and climate risk assessment for climate change impacts via water; identify and prioritise among potential response options including costing them out; and articulating the additional cost imposed by climate change as compared to regular sustainable development approaches to the particular response. Such an approach to water adaptation planning may facilitate access to international climate finance to enable implementation of actions, as part of Stage 3 of the SDG Support Programme.

Through the GCF Readiness Programme, for example, countries may access up to USD 3 million to "facilitate the formulation of NAPs and other adaptation planning processes"[26], and once

[23] UNFCCC (web article). Consulted on October 6th, 2024.
[24] GWP (2019). Addressing Water in National Adaptation Plans. Water Supplement to the UNFCCC NAP Technical Guidelines. Second Edition.
[25] For example Saint Lucia's Sectoral Adaptation Strategy and Action Plan for the Water Sector (Water SASAP) 2018-2028.
[26] GCF (2023). Annex X: Readiness Strategy 2024–2027.

the NAP has been formulated, GCF Readiness offers a further USD 3 million per country to support NAP implementation.

3.2.2 NDCs

As defined under the Paris Agreement, NDCs encapsulate countries' national commitments towards climate change mitigation and adaptation. All parties to the Paris Agreement submitted their first round of NDCs in 2015 and are required to update their NDCs every five years, to increase the level of ambition[27]. A 2018 analysis of the first round of NDCs from 80 developing countries found that 89% of countries surveyed had prioritised investing in water infrastructure, institutions or governance, among their key climate actions, but only 10% of them had costed proposals that could be considered for funding[28]. Of the second round of NDCs submitted in 2020-2021, approximately 85 percent of NDCs from lower- and middle-income countries included a greater focus on water-related climate vulnerabilities and impacts than in previous iterations of their NDCs[29]. While that represented progress, only 16 percent of NDCs assessed in a 2023 analysis contained adequate detail about water and energy interactions.[30]

With the next iteration of NDCs due in 2025, there is an opportunity for the IWRM Action Planning process to **contribute to a country's updated NDC with integrated water-related actions for adaptation and mitigation**. If appropriate to the country context, the IWRM Action Planning could offer the NDC updating process a more specific definition of measurable water-related targets, in line with the countries' SDG 6-related priorities, thereby integrating SDG planning with adaptation and mitigation planning. Indeed, SDG 6 data may serve as a baseline for tracking progress towards achievement of a country's water-related measures in NDCs. To do so, UNFCCC focal points should be invited to take part in the IWRM Action Planning process from the beginning, and working groups or task forces for both efforts should be well coordinated.

3.3 What other tools may be used to integrate climate considerations into IWRM planning?

AGWA's Water Resilience Tracker for National Climate Planning is a "tool and diagnostic guide which supports the understanding and enhancement of water resilience in national climate plans", which has been implemented in a number of countries in Latin America, Asia, and Africa. It is specifically focused on national climate planners and policymakers, and allows them to explore synergies and trade-offs between multiple water-using sectors in their national climate planning processes.

The GWP-WMO Associated Programme on Flood Management and Integrated Drought Management Programme can provide tailor-made support on flood and drought risk, through their respective help desks, which draw on an authoritative network of organisations involved

[27] SIWI (2024). Putting Water at the Centre of Ambitious NAPs.
[28] GWP (2018). Preparing to Adapt: The Untold Story of Water in Climate Change Adaptation Processes.
[29] UNDP-SIWI Water Governance Facility (2023). Water in the Nationally Determined Contributions: Increasing Ambition for the Future. P. 2.
[30] UNDP-SIWI (2023). Op. cit. P. 3.

in these two climate extremes. For example, a Handbook of Drought Indicators and Indices and the APFM Tool Series are available as useful references.

The GWP-UNICEF Strategic Framework for WASH Climate Resilient Development provides guidance on how to ensure WASH infrastructure and services are sustainable and resilient to climate change risks, and how WASH can contribute to building community resilience to climate change. This Framework can be helpful to inform the IWRM Action Planning process to consider wider water resources management and development in an integrated manner with WASH services. UNICEF regional and country offices have been implementing the Framework at national and sub-national levels, and could be helpful to engage in the IWRM Action Planning process.

3.4 What sources of international climate finance are available to support IWRM Action Planning and Implementation?

There is a vast number of global and regional climate financing mechanisms in place. To leverage these financing mechanisms, it is important to understand how they work, before the IWRM Action Plan is developed. By doing this, actions may be defined in such a way that they are more likely to be appropriate to be supported by one or more of the financing mechanisms. The following pages aim to assist countries in navigating and prioritising some of the mechanisms that are most likely to be relevant. Below is an illustrative list of some of the main climate financing sources that may be used to finance Stages 2 and/or 3 of the Support Programme. Not all such sources will be feasible for all interested countries, so eligibility criteria, availability of resources in national quotas, and other criteria should be reviewed with relevant national counterparts. Support Programme partners may be able to provide some guidance on potentially relevant financing mechanisms in the context of each country (see Section 5.5).

3.4.1 GCF

As the world's largest multilateral fund that is dedicated to support climate change adaptation and mitigation, the Green Climate Fund (GCF) accelerates climate action in developing countries, offering "flexible financing solutions and climate investment expertise". Its current portfolio, as of October 2024, across 270 projects, was USD 58.7 billion, including GCF financing and co-financing. Water security is one of the cross-sectoral issues that GCF has defined for its synergistic opportunities across all eight of its result areas. To that end, it has defined a Water Security Sectoral Guide with two approved annexes focused on water project design guidelines. In the Sectoral Guide, the following cross-sectoral issues are addressed:

- **Water use efficiency**, including demand management; water conservation; circular economy; water efficiency technologies.
- **Preservation of water resources** (quantity and quality), including rainwater harvesting, groundwater protection; and managed aquifer recharge (MAR).
- **Wastewater management**: sewer network; wastewater treatment onsite, off-site, and decentralised wastewater; water re-use; water recycling.
- **Climate Resilient Water, Sanitation and Hygiene** (WASH) programmes.

- **Integrated EbM in flood management**, including permeable pavements, integrated watershed management[31].

The GCF Readiness and Preparatory Support Programme is "the world's largest climate capacity building programme for enhancing developing countries' access to GCF resources and financial instruments."[32] The GCF has defined for the 2024-2027 period the objective for its Readiness Programme to "strengthen country capacities and enabling environments for NDC, NAP, and LTS implementation, investment planning, and enhanced access to GCF resources. The GCF will strengthen direct access programming capacities to enable significantly increased Direct Access Entity (DAE) participation in GCF programming, and when requested by developing countries, help their financial institutions build capacities to integrate climate considerations into their investment operations".[33] Readiness for countries can be used for three broad objectives, each of which has a different weighting within GCF's broader Readiness portfolio. As outlined on the GCF's Readiness & Preparatory Support Programme site:

- **Objective 1:** The Readiness portfolio target is set at 30% to ensure fit-for-purpose support with building the foundations, such as strategic frameworks, coordination mechanisms for climate action, and direct access entities' support.
- **Objective 2:** The Readiness portfolio target is set at 60% to be clear about GCF's renewed focus on developing a results-driven investment pipeline and commitment to developing programming and implementation capacities and direct access.
- **Objective 3:** The Readiness portfolio target is set at 10% to provide laser-sharp focus on impactful and carefully crafted activities that maximise knowledge sharing and learning.

Countries can access Readiness support through NDAs, focal points, or through DAEs. As of the 2024-2027 strategy period, NDAs are expected to prepare programmatic approaches for the use of Readiness funds for their countries, with each country having access of up to US$7 million per country over four years – including support for the formulation of NAPs for countries that have not yet utilised their allocations from previous strategy periods. Countries may also request an additional US$3 million for NAP implementation if the previous NAP allocation has been exhausted. Details can be found in the GCF Initial Guide for Countries to Access Readiness Support.

For 2024-2027, the GCF Secretariat anticipates committing USD 500 million in grant-based Readiness support.[34]

3.4.2 GEF

The Global Environment Facility (GEF) is a multilateral family of funds with 18 partner agencies, which supports "developing countries' work to address the world's most pressing environmental issues". While it typically provides financial support to government projects or programmes, governments may decide on the executing agency, be that a governmental institution, a civil society organization, a private company or a research institution[35].

[31] GCF (2022). Water Security Sectoral Guide. Sectoral Guide Series. Yeonsu: Green Climate Fund.
[32] GCF (2023). Strategic Plan for the Green Climate Fund 2024–2027. P. 7.
[33] GCF (2023). Op. cit. P. 4.
[34] https://www.greenclimate.fund/sites/default/files/document/readiness-strategy-2024-2027.pdf
[35] https://www.thegef.org/who-we-are (accessed October 24th, 2024)

Thematically, the GEF organises its work around five focal areas – biodiversity loss, chemicals and waste, climate change, international waters, and land degradation. It aims to take an integrated approach to support more sustainable food systems, forest management and cities – all of which are issues for which water resources management is highly relevant. Over the past three decades, it has provided more than $25 billion in financing and mobilised a further $145 billion for country-driven priority projects[36].

The GEF provides guidance on how its projects work, including eligibility criteria, and the types of projects it supports, which may be:

- Full-sized projects (GEF project financing of more than two million US dollars);
- Medium-sized projects (GEF project financing of less than or equivalent to two million US dollars);
- Enabling Activity (EA): A project for the preparation of a plan, strategy, or report to fulfil commitments under a convention;
- Program: A longer-term and strategic arrangement of individual yet interlinked projects that aim at achieving large-scale impacts on the global environment.

It is possible to view the existing GEF project portfolio on its website, which can be filtered by country, focal area, funding sources and other criteria. Also to be noted that any project to be submitted for approval requires a Letter of Endorsement signed by the Operational Focal Point, which coordinates all GEF-related activities within any given country.

3.4.3 Adaptation Fund

Aiming to help developing countries that are particularly vulnerable to the adverse impacts of climate change to meet the costs of adapting to climate change, based on their needs, views and priorities, the Adaptation Fund (AF) finances proposal, project and pipeline preparation, as well as project and programme implementation. Submissions for all funding windows are accepted on a rolling basis. Its current 2023-2027 Medium-Term Strategy contains Action, Innovation and Learning and Sharing pillars, in addition to crosscutting areas in scaling up and locally-led adaptation.

Since 2010, the AF has committed over US$1.2 billion for climate change adaptation and resilience projects and programmes. The AF has also "pioneered Direct Access and Enhanced Direct Access, empowering countries to access funding and develop local projects directly through accredited national implementing entities"[37]. It also offers Project Formulation Grants to countries, through their accredited national implementing entities, to develop capacity in project preparation and design.

Guidance is available on how to apply for Project Funding from the Adaptation Fund. An interactive project map also shows where past project have been supported. To apply for project and programme funding, countries must submit proposals through an accredited institution, of which there are three categories: National Implementing Entities (NIEs); Regional Implementing Entities (RIEs); and Multilateral Implementing Entities (MIEs). Furthermore, only those institutions accredited by the AF may receive funding for adaptation projects. NIEs fall under the AF's Direct Access modality, enabling them to "directly access

[36] https://www.thegef.org/who-we-are (accessed October 24th, 2024)
[37] https://ndcpartnership.org/knowledge-portal/climate-funds-explorer/adaptation-fund (accessed October 23rd, 2024)

financing and manage all aspects of climate adaptation and resilience projects, from design through implementation, to monitoring and evaluation"[38]. Direct Access also allows developing countries to strengthen their capacity to adapt to climate change while building on local expertise.

3.4.4 NDC Partnership

The NDC Partnership serves as a neutral broker between the requests for country support and the members and partners, through transparent cooperation frameworks. In that way, it empowers collective action aiming to help achieve the Paris Agreement while advancing sustainable development. It is a global coalition which brings over 200 members, including more than 130 countries, developed and developing, and nearly 100 institutions.

The NDC Partnership Action Fund (NDC-PAF), with a current capitalisation of US$46.5 million until 2025, can provide resources for country requests to advance the implementation of NDCs and NAPs – including enhancing alignment between NDCs/NAPs and IWRM planning for member countries. By pooling funds and making them more readily available to countries, "the PAF ensures countries have better access to technical and financial resources and the widest possible range of Partnership members can respond rapidly to the needs of developing Country Members"[39].

The NDC-PAF process of requesting support through country letters is outlined on the NDC-PAF website. Members of the NDC Partnership can be viewed on the website, both country members and institutional and associate members. Requests made by countries can also be viewed on the country member pages.

[38] https://www.adaptation-fund.org/apply-funding/ (accessed October 29th, 2024)
[39] https://ndcpartnership.org/climate-action-special-initiatives/partnership-action-fund (accessed October 25th, 2024)

4. Participation and inclusion

4.1 Why should multiple stakeholders be engaged in the process?

Stakeholder engagement is an essential element of water governance in all. Engaging stakeholders becomes a critical factor for the success of governance approaches as it leads to increased stakeholder empowerment and more transparent planning and decision-making processes[40]. That is why stakeholders whose actions affect and are affected by water resources should be brought together in an open and constructive dialogue, aiming to generate broader and more systemic understanding of multiple perspectives they will lead to the development of more robust governance approaches aiming to solving priority challenges.

In the **multi-stakeholder consultations** organised through Stage 1 of the Support Programme in 2023, a total of 2,683 participants were engaged globally, in 67 countries (at an average of 41 per country). 92% of them felt that their opinions were heard during the consultations, and 85% were satisfied with how their views were reflected in the final SDG 6.5.1 surveys.

One of the critical success factors of the Action Planning process is the inclusion of various stakeholder groups throughout the process. That engagement might increase the 'buy-in' for the priority actions, result in a robust and inclusive Action Plan that considers the benefits and trade-offs of the different actions on the stakeholders who would be affected by them, and should thus lead to longer-term support for the implementation of the agreed plans and strategies. GWP has developed a useful sourcebook, based on its own experience and those of its partners, in terms of deploying Multi-Stakeholder Processes (MSPs) for IWRM.

4.2 Which stakeholders might take part in the Action Planning process?

To contribute to the drafting and formalisation of the national IWRM Action Plan, stakeholders relevant to the national context should be invited to take part in the consultation process, including in-person or virtual multi-stakeholder consultations, and whether that be in the task force or the consultation group. To ensure a broad, balanced and consensual set of water-related actions, it is suggested that the following stakeholders, from different sectors and levels, be considered as *potential* participants in this process (links are posted below where possible):

- **Central government authorities:** representatives from the main ministry/ministries responsible for water resources, as well as those from other government authorities involved in or with an impact on water issues (e.g. agriculture/livestock, forestry, energy, environment, tourism, urban planning, sanitation, finance, climate change, risk

[40] Hare, M., Letcher, R. A., & Jakeman, A. J. (2003). Participatory modelling in natural resource management: A comparison of four case studies. *Integrated Assessment*, 4(2), 62–72. doi:10.1076/iaij.4.2.62.16706

management, health, etc.). Ministries of Finance and of Development Planning (or equivalent) should also be invited to take part in the process, in a meaningful way.

- **Relevant basin, aquifer, protected area, and city-level authorities:** local governments, protected area representatives and organisations with responsibility for water resources management at the appropriate sub-national level, focusing on hotspots at the national level where political will and potential impact may be highest.
- **United Nations Country Teams (UNCTs) and entities in the country:** UN entities most relevant for sustainable development, the environment, social considerations and economic development. The global UNEP team is available to support connections that can be made with UNCTs, which should be fully engaged in the Action Planning process, aiming to ensure that the IWRM Action Plan is in line with the UN Common Country Analysis.[41]
- **Financial institutions/Donor community:** foundations, bilateral and multilateral cooperation bodies, regional and/or global development banks, embassies and other financiers with interest in water and climate issues. It is important to include these stakeholders from the beginning of the process, because of the need for (co-)financing to implement the Action Plan to be aligned with donor priorities.
- **Focal points UNFCCC and multilateral climate funds**: line ministries in charge for climate change planning and action in the country, those in charge of managing inter-sectoral national climate change processes, such as national focal points for the UNFCCC, national coordinators for the NDCs and NAPs, the National Designated Authority (NDA) for the GCF, focal point for the GEF, and Designated Authority for the Adaptation Fund and other relevant stakeholders from the climate community (see Section 3).
- **Those in charge of transboundary water issues:** including representatives of official government bodies and/or coordination mechanisms that deal with transboundary aquifers or river basins, such as the Ministry of Foreign Affairs and transboundary river basin organisations.
- **National focal points for other water-related SDG targets and indicators**: government officials named focal points for each SDG target and indicator related to water (not just under SDG 6). Contact details for SDG 6 focal points should be available through official government channels, may be obtained from the UN-Water International Monitoring Initiative website, or can be provided by GWPO upon request.
- **Academic and scientific community:** national, local or international academic institutions, universities, research institutions, think tanks and other bodies with relevant information, studies, data and analyses on different aspects of the country's water resources and climate resilience.
- **Civil society**: non-governmental organisations, community groups, water user associations, environmental organisations, citizen science initiatives, and/or farmer organisations focusing on water resources and climate resilience.

[41] For example, UNICEF implements the GWP-UNICEF Strategic Framework for WASH Climate Resilient Development at country level, and could be strategic in integrating WASH with water resources management and development in the IWRM Action Planning process.

- **Business and industry:** companies with a significant environmental, social and economic footprint, which provide innovative water solutions and/or have a stated interest in water issues, be they from the beverage, food, mining, energy, paper, consumer products, tourism and/or other related sectors. This may also consider institutional investors, the insurance sector, philanthropic foundations and associative groups that represent the private sector. Please refer to **Box 9** below for more details on private sector engagement.
- **GWP partners in your country**: GWP's partners represent a range of different stakeholders concerned with IWRM, from different sectors. The list of registered partners in each country, and their contact details, is freely available for consultation.
- **Cap-Net partners in your country**: water-focused capacity development networks and organisations.
- **Gender advocacy groups:** limiting participation in water resources management based on gender can often result in unfair and self-perpetuating impacts on the lives of women and men which may, in turn, lead to further forms of marginalisation, reducing access to productive resources. Identifying and engaging gender-based organisations in IWRM can mean that opportunities and benefits of water-related actions are equally available to both women and men. Section 5.1 describes some of the tools available to advance in gender mainstreaming. Considerations should be given in the Action Planning process to fair participation of both genders, aiming to define and gain support for gender-transformative actions.
- **Vulnerable groups, including indigenous peoples:** institutions and organised groups representing the rights, interests and perspectives of vulnerable groups, as defined in the SDG 6.5.1 survey. It is particularly important to hear the voice of indigenous peoples, given that the land they traditionally occupy is estimated to contain most of the world's remaining biodiversity. It is important to note that consultation(s) may need to accommodate languages other than the predominant national language to allow for the meaningful participation of representatives of indigenous communities.
- **Young people:** young people are a force for positive change in matters of sustainability. Engaging young professionals[42] in the Action Planning process can increase the quality and relevance of water- and climate-related initiatives, policies and programmes, as they can provide innovative information, ideas and solutions. Youth organisations engaged in water or sustainable development can be a good starting point for identifying the best participants. Young people are not a homogenous group and can include a range of backgrounds such as researchers, civil society, indigenous tribes, entrepreneurs, and young water professionals. See GWP's Youth Engagement Strategy for more information.
- **Environmental lawmakers:** depending on the potential scope of interventions in the Action Plan, relevant parliamentarians/legislators that lead on environmental/water issues may be invited to take part and contribute to certain parts of consultations,

[42] Several organisations have their own definitions of "youth". GWP recognises youth as young people aged 15-35, whereas the UN typically considers youth as being between the ages of 15 and 24. According to the GWP Youth Strategy, "young professionals" refers to recent graduates under the age of 35 who have some work experience.

giving a perspective on the possibilities of improving the legal frameworks for water resources.

4.3 How can an effective multi-stakeholder process be designed?

The Support Programme reviewed and analysed the documentation on the multi-stakeholder processes (MSPs) for SDG 6.5.1 monitoring in the 61 countries supported through the Support Programme in 2020. Consultation modalities included in-person, online and hybrid forms. The in-depth analysis with case studies is available here. A policy brief highlights the main factors that increase the legitimacy of MSPs and includes some considerations and recommendations to take into account for all consultation modalities, presented in table 2.

Table 1 Four criteria for procedural fairness in stakeholder consultations

Criterion	Recommendations and good practices
Stakeholder inclusion	• Ensure sectoral diversity by including representatives from different sectors and ministries and take into account different sub-sectors that are included within the IWRM survey (e.g. gender, transboundary water issues, the private sector, vulnerable groups). • Ensure geographic diversity to reflect that decisions are made at various levels (local, basin, regional, national, and international). • Ideally participants should include representatives from public bodies (such as state ministries and regional water authorities), civil society, the private sector, and non-governmental organisations engaged in WASH activities. • Participants should also be diverse in terms of gender, age groups, ethnic groups, and traditionally marginalised groups
Procedural fairness	• Ensure that every participant has relevant information before engaging in the consultation process. Send information in advance and be available prior to and after meetings for questions and clarifications. • Strengthen the capacity of traditionally marginalised groups to empower them to participate effectively. For example, pre-workshop meetings can be organised for 'non-experts' to become familiar with technical terms and jargon. • Consider longer workshop events and/or engagement periods, as this may provide more opportunities for stakeholders to raise their issues and priorities during discussions. However, understand that that this could have detrimental effects on inclusion, since some stakeholders may not be able to commit to the amount of time requested.
Consensual orientation	• Create an environment geared towards consensual orientation by using various methods to increase group cohesion, e.g. trust-building exercises, focus group discussions followed by feedback sessions, or creative problem structuring methods such as

	abstraction and visioning exercises or those based on Liberating Structures. • Consider holding workshops over several days rather than a few hours or longer consultation engagement periods to give stakeholders more time to share their views and build a sense of mutual understanding and trust.
Transparency	• Make available the data and documents that express, in sufficient detail, the different stages of the consultation, highlighting debates and scoring in a fair manner. • Share the agenda in advance, take minutes of the meetings, note who took part, communicate the meeting outputs and share summaries of the discussions, including what was said, by whom, and how the scores were compiled. • Use tools such as satisfaction surveys, in addition to general feedback sessions, to understand the strengths and weaknesses of the consultation process and how they can be made more effective.

4.4 What roles and responsibilities might stakeholders have in the process?

In designing the Stage 2 process, it is important not just to identify stakeholders that might be invited to take part in the process, but also to consider *how* they might take part, including ensuring that all stakeholders are given voice in the process, following principles of procedural fairness (see table 1). Table 2 suggests different roles that stakeholders might play during the Action Planning process, and their corresponding responsibilities, according to their interest and relevance. The definition of roles should be done in full transparency, to ensure accountability of each group and of the stakeholders that are part of it.

Table 2 Suggested stakeholder roles in the Action Planning process, and their responsibilities

Actor	Role/responsibility
Anchor institution(s): 1-2 government institution(s), potentially including the ministry or agency with a mandate for SDG 6.5.1	• overall ownership and leadership of the process, to create meaningful interlinkages with the broader SDG/development objectives and ensure the actions can contribute to ongoing processes • coordination of the task force and consultation group, other governmental institutions and ongoing processes in the country and/or regions • chair(s) of the task force • formal convener(s) of any consultation workshops • should ideally commit budgetary and other resources to support the Action Planning (Stage 2) process and the implementation of some of the actions contained in the Action Plan (Stage 3)
Task Force:	• oversees the preparation of and validates the IWRM Action Plan

6-9 key national stakeholders	• provides input to the definition of water- and climate-related challenges and response strategies • approves the consultation process, stakeholder engagement mechanisms • may contribute financially to the Action Planning process and/or the implementation of some of the priority actions
Consultation group: 20-50 relevant stakeholders	• is invited to review and provide feedback where appropriate on the baseline analysis, providing input to the framing of the main water-related challenges and opportunities • provides input to the possible actions to address those challenges and overall direction of the Action Plan • contributes to the prioritisation effort aiming to finalise the definition of these actions • looks to synergise its own activities, studies and analyses with the priority actions, to support implementation
SDG 6 IWRM Support Programme: UNEP, GWPO, UNEP-DHI, Cap-Net	• coordinates knowledge exchange between countries and reporting on lessons learned • develops and delivers bespoke knowledge and methodological materials to support country actors • (when requested and available) allocates catalytic funding to support Stage 2 activities • (when requested and available) provides technical and/or in-kind contributions on any of the Support Programme's six priority themes • reviews and provides feedback on the list of baseline analysis, the prioritised actions and draft Action Plan • promotes the finalised Action Plan through its communication channels
GWP: Regional or Country Water Partnerships (as applicable), potentially supported by appointed facilitator	• liaison between the SDG 6 IWRM Support Programme and anchor institution(s) in the country • identifies and mobilises key stakeholders and coordination structures • prepares and organises workshops or other stakeholder consultations • recruits and manages external support, such as facilitators or other consultants • supports the overall process and development of the Action Plan • connections with other GWP initiatives and programmes

4.5 How can virtual tools facilitate inclusive and participatory multi-stakeholder processes?

Consultations may take place through several in-person, virtual or hybrid means. Given that in-person consultations have long been the standard, below are some recommendations that may be used as inspiration for the design of online stakeholder engagement processes.

Options for online interaction

The following online tools may be combined in the most appropriate way for your country.

- **Written inputs**: this may involve asking stakeholders to provide written contributions in addition to formal consultations. An e-mail address or simple online form may be used to collect ideas from a greater number of participants.
- **Focus groups**: smaller online stakeholder group workshops could be organised to discuss certain aspects of the process. This might be a short, focused session or a series of sessions to consolidate shared understandings and move towards consensus, ideally using videoconferencing software.
- **Discussion fora**: key matters may be put to consultation by a broader public, perhaps through a pre-registration process. This can allow a deeper dive into key aspects that can foster a shared understanding between a larger number of participants.
- **Online polling**: quantitative and qualitative feedback from a larger group may also be received through online polling. This may be particularly useful for the prioritisation process. Online polling may reduce biases inherent in in-person voting.
- **Online consultation(s)**: Online workshops or consultations may be organised to build on inputs provided through several of the mechanisms listed above. Online workshops or consultations may be held over consecutive days, if required, and should be shorter in duration than in-person workshops. If circumstances permit, it may be possible for hybrid schemes to be organised, some individuals participating in person, while others do so online.

Possible online meeting platforms and tools

A brief list of some possible communication platforms and tools is provided below. Government departments and individuals may have their preferred platforms, and there is no need to adopt new platforms if effective or known systems are already in place. The involvement of facilitators specialising in the use of such tools might be beneficial.

- Two people or small groups: e.g. telephone, MS Teams, Skype, WhatsApp, Telegram, Zoom, Google Meet, Facetime, etc.
- Online meetings/workshops (with or without video): e.g. MS Teams, WebEx, GoToMeeting, Zoom, Google Meet or social media live streaming (e.g. Facebook, LinkedIn, or YouTube Live).
- Online polling: e.g. Survey Monkey, Menti, Google Forms, Kahoot, Pollev, Slido.
- Discussion fora: e.g. Facebook, LinkedIn, IWRM Action Hub.
- Shared brainstorming: Miro, Google docs.

5. Prioritisation, cost estimation and resource mobilisation

5.1 What themes might be considered?

Since water resources touch upon every aspect of human existence, and countries' water- and climate-related challenges are diverse, there is no set menu of actions that stakeholders might focus on in their Action Planning process. Prioritisation of actions should be guided by results of SDG monitoring, NDCs, NAPs, National Biodiversity Strategies and Action Plans (NBSAPs), national disaster risk reduction strategies, as well as other frameworks, and should employ an integrated approach, considering the four dimensions of IWRM[43] to achieve holistic results. Indeed, up to mid-2024, the 20 countries assisted by the Support Programme in Stage 2 had defined 320 actions, focusing on many different areas of water management.

The **geographical scope** of potential actions may be at one of three different levels, as required to face the challenge identified in the most appropriate manner:

- national,
- sub-national and
- transboundary,

While actions defined at the national level may principally require horizontal coordination with national level bodies, dealing with potential sub-national priorities requires vertical collaboration with other levels of government and coordination bodies such as river basin organisations. Sub-national actions, for example at a state/province, basin, city or municipal level, may also be a greater opportunity for alignment with the private sector (see **Box 9**). Finally, transboundary actions, be they focused on groundwater or surface water, require a coordinated definition and implementation with riparian countries, and may aim to achieve progress towards SDG indicator 6.5.2, which focuses on the proportion of transboundary basin area with an operational arrangement for water cooperation.

Of the 320 actions defined by the first 20 countries assisted through the Support Programme:

- **62.6%** were defined at the national level,
- **32.7%** were sub-national, and
- **4.8%** were transboundary.

Based on the analysis of the existing actions defined by the first 20 countries, the potential for generating greater impact, and the mandates and areas of expertise of its core partners, the Support Programme has defined **six priority themes**, on which it may be able to provide complementary guidance and support in the Stage 2 and/or 3 processes. Those themes are:

- **Climate change adaptation**. The Support Programme partners may be able to assist countries in drawing connections between their IWRM, NAP and NDC processes, as well as guiding them through the process to access climate-related funding sources (see Section 5.5 for more details).

[43] The enabling environment; institutions and participation; management instruments; and financing.

- **Biodiversity**. UNEP, as the custodian agency for SDG 6.6.1 on freshwater ecosystems, has access to technical expertise which allows priority geographic and thematic areas for attention to be identified, as well as methodologies that allow potential solutions to be clarified. UNEP and GWP have also developed a methodology to help countries advance towards SDG 6.6.1, and are piloting that approach in a number of countries.
- **Disaster risk reduction**. Climate change leads to increasing frequency and intensity of both floods and droughts. Through their joint Integrated Flood Management Programme and Associated Programme on Flood Management, GWP and the World Meteorological Organization (WMO) operate two Help Desks which provide technical assistance on integrated approaches to deal with those two extremes.
- **Gender**. The Support Programme has developed a series of analyses and tools aiming to guide countries in their efforts to mainstream gender in water, including a study on key bottlenecks and enablers to mainstreaming gender in water resources management, and a gender checklist for monitoring purposes. Furthermore, GWP's Gender Action Piece provides actionable recommendations on how to enhance gender mainstreaming in water.
- **Water quality**. As the custodian agency for SDG indicator 6.3.2 on ambient water quality, and the host of the World Water Quality Alliance, UNEP has access to technical expertise and tools that allow countries to identify challenges and opportunities to advance in improving water quality, building on SDG monitoring.
- **Food security**. It is estimated that, globally, around 70% of freshwater withdrawals are allocated for agriculture. In partnership with organisations such as the Food and Agriculture Organisation of the United Nations (FAO) and the World Food Programme (WFP), the Support Programme is seeking to support integrated planning towards water and food security.

5.2 How may actions be prioritised?

Key to the success of the Action Plans is the prioritisation of appropriate actions to address water-related challenges, which should be both ambitious and realistic. Whichever criteria are defined, they should take into account national priorities and conditions, and should include climate vulnerabilities and risks. While each country is free to define its own prioritisation criteria, Fig. 8 suggests a simplified set of four criteria, in which the priority actions would be those in the centre of the Venn diagram. One suggested means of transparently engaging stakeholders in this prioritisation process is to use a simple spreadsheet (see also table 3) or online voting system (see Section 4.5) for participants to rank the potential actions against these criteria (or others of the country's choice). Those scoring above a pre-defined total (for example 75%), or alternatively the top 8-12 actions, may be selected as the priority actions to be included in the IWRM Action Plan.

Figure 8 Potential action prioritisation matrix

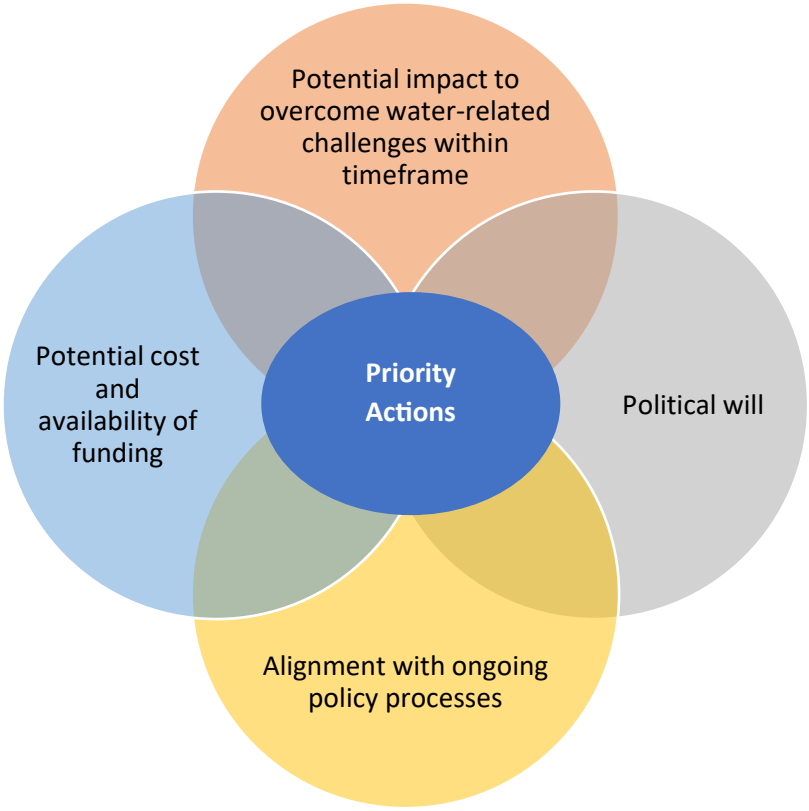

Table 3 Potential action prioritisation spreadsheet

Potential Actions	Potential impact	Political will	Alignment with ongoing processes	Potential cost and availability of funding	Total (Sum of scores per action)
	(Score for each action: 1-10, 10 being the highest)				
Action 1					
Action 2					
Action 3					
…					

The four suggested criteria are hereby defined:

- **Potential impact:** This criterion aims to highlight those actions that are likely to constitute significant responses to the country's main water- and climate-related challenges as reported through the SDGs and other frameworks. By basing this criterion on monitoring frameworks, the measurable impact of such actions may be quantified.
- **Political will:** Those actions that already have popular and/or high-level support at the national, sub-national and international level will be more likely to be successfully

implemented, since increased political will can remove some of the obstacles that might otherwise hinder success, including facilitating access to financing and funding and other means of implementation.

- **Alignment with ongoing processes:** When prioritising actions, it is essential to align them with existing commitments in NAPs, NDCs, NBSAPs and other frameworks, in order to ensure coherence between climate adaptation, biodiversity conservation and water management efforts. Actions that build on prior commitments across these frameworks would allow for greater optimisation of resources, avoiding duplicative efforts, and enhancing the overall effectiveness of such actions.
- **Potential cost and availability of funding:** Based on a high-level exercise to estimate costs, which focuses on identifying the orders of magnitude of funding and/or financing needed to implement potential actions, as well as the prior knowledge of funding and/or financing sources potentially available to support the implementation of the Action Plan, it should be possible to identify actions that would be both cost-effective and that would likely be able to access sufficient resources to enable their full implementation.

It is recognised that such a process is subjective, as it is based on the expert opinion of participants in the consultation process, and such opinions may even differ between experts. The importance of conducting this process in a transparent manner is therefore paramount, to ensure broad acceptance of the results, and that all stakeholders can get behind the actions that are prioritised by the group, even if their proposal was not one of those prioritised.

When prioritising actions, it is suggested that the Valuing Water Principles (VWP, see box 5) may be regarded as inspiration. Using the VWP has been shown to build trust across multiple stakeholder groups, by identifying and using shared values between participants. Such an approach may highlight actions that could have greater long-term impact, because they are generated from a process with greater stakeholder buy-in. GWP has developed specific tools to facilitate the prioritisation process, based on the VWP. Please contact the Support Programme team if you would like to know more about these tools.

Box 5: Valuing Water Principles (VWP)

The VWP, adopted by the United Nations High-Level Panel on Water in 2018 may be taken as a starting point when prioritising potential actions:

- Recognize and embrace water's multiple values
- Reconcile values and build trust
- Protect the sources
- Educate to empower
- Invest and innovate

GWP has developed a set of tools on how to apply the VWP in practice, see here, as has the Valuing Water Initiative, see here. One example is the constellations exercise, which is an excellent ice-breaker in a workshop. Please write to the Support Programme team if you would like to find out more.

5.3 When should the cost of implementing actions be calculated?

Actions included in the IWRM Action Plans should be high-level multi-stakeholder commitments, which can be broken down into a series of outputs and interventions. To be effective, those actions should be appropriately costed, at two points in the process:

a. An initial *high-level cost estimation*, for the purpose of prioritisation (see Section 5.2). At this point, the estimation should define the order of magnitude of the action, for example if it be in the range of tens of thousands or millions of dollars. This may be a back-of-the-envelope appreciation, based on the cost of similar actions.

b. A more *detailed cost estimation* of the actions once they have been prioritised for inclusion in the IWRM Action Plan[44], ideally with potential sources of financing identified. While it is recognised that precise cost estimations may be difficult for some actions, every effort should be made to ensure that actions are costed as realistically as possible, to ensure a realistic cost of the Action Plan.

The total cost of implementation of the actions included in the Action Plan should include both in-kind and financial contributions, both those from public budgets and from other external funding sources. Existing public financial commitments may be used as a means of leveraging those additional external resources (see Box 6 for an example). Doing so not only has the objective of contributing to the IWRM Action Plan, but is also a valuable skill to acquire for other purposes.

Box 6: Example of Panama's Action Planning process

In 2021-2022, with the assistance of the Support Programme, Panama defined its IWRM Action Plan to include 35 relevant actions, with a price tag of USD 14 million for full implementation. The government of Panama has committed USD 3.23 million from its national budget to support implementation of the Action Plan. The Support Programme is assisting the government to leverage other financial contributions towards the total cost of implementation, including through the private sector and through the GCF.

5.4 How can the cost of implementing actions be defined?

The process to assess the cost of implementing each action may include the following three phases and sub-phases:

[44] The high-level total cost of the Action Plan and the cost for each action should be included in the body of the Action Plan. The detailed cost estimations for each output and activity underneath each action might be included in Annex to the Action Plan.

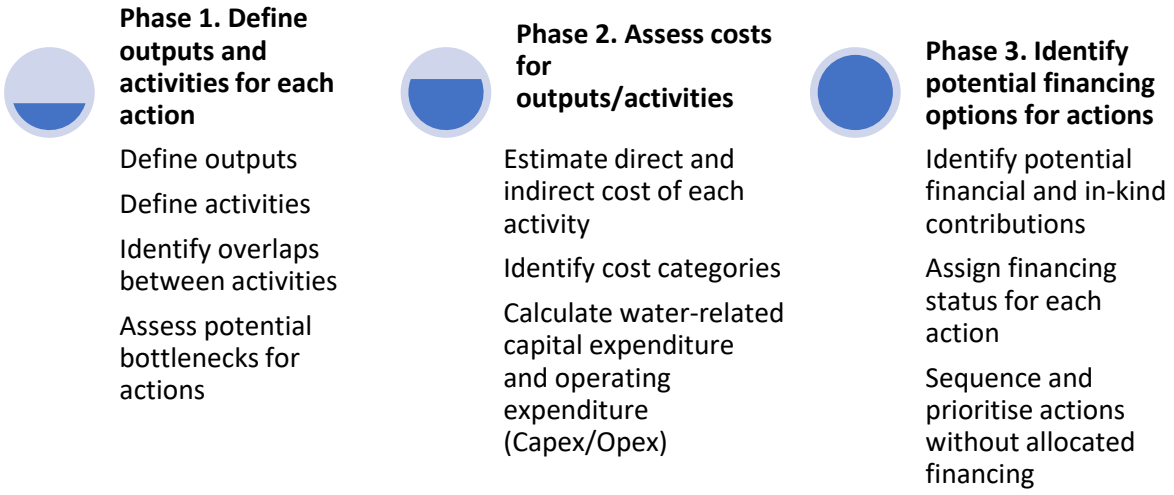

Figure 9. Example of breaking down an action into components for cost assessment.

Template 7 presents a visualisation of the detailed cost estimations of one illustrative action, broken down into two outputs and eight activities, which have been costed with direct and indirect costs, using the logic above. In that example, the funding status and sources have been suggested. This approach allows for flexibility for resources to be applied at the level of the action, of the output and/or of the individual activities, depending on the level of interest of potential funding sources. To be noted that, since not all activities might be implemented by the same entity or funded from the same source, different indirect costs may apply.

Tunisia's IWRM Action Plan contains 13 priority actions, with a total cost of 31.8 million Tunisian dinar (approximately 10.3 million USD), including setting up a transboundary water coordination platform, operationalising a drought management approach, improving knowledge and monitoring techniques on groundwater reserves, and setting up a water sector investment programme.

It should be noted that the cost of the actions may in some cases be compared to the cost of *inaction*. Indeed, in a business context, some studies place the cost of increased risks through continued inaction five times higher than the cost of taking specific actions to reduce that risk[45]. Calculating the cost of inaction for the public sector in water management is a difficult task, which has not been commonly quantified. However, in WASH, the financial return on investment of every $1 invested has been calculated at between $1.32 and $2.05 for an average return, and between $5.11 and $9.04 on the high end.[46]

[45] For example CDP (2021). A Wave of Change. The role of companies in building a water-secure world.
[46] WaterAid (2022). WASH Benefits Accounting Framework. A Standardized Approach for Estimating and Valuing the Multiple Benefits of Corporate Investments in Drinking Water, Sanitation and Hygiene Access.

5.5 How can resources be mobilised in support of Action Plans?

Since the actions defined in the Action Plan may not be fully funded from national public resources, and additional resources will likely be required, it is suggested that a high-level resource mobilisation strategy be developed, aiming to ensure the full implementation, and potentially maintenance, of the Action Plan. It should be noted that implementation of actions that can be initiated should start as soon as possible, even if funding for implementation of the whole Action Plan is not available.

Ultimately, as defined by the OECD, investments in water may be through the "3Ts" – tariffs, taxes and transfers[47]. However, potential funding sources for the implementation of an IWRM Action Plan may include "classical" water funding mechanisms, as well as those related to climate change, biodiversity conservation, sustainable development and other related mechanisms in which the Action Plan might focus on achieving progress. In that sense, potential sources of finance for the IWRM Action Plan include the following, noting that the ideal financing of an Action Plan may require blended finance options that bring together several of the following[48]:

1. **Domestic funding mobilisation**, which could in turn be used to leverage or de-risk external financing, some of which may require earmarking of existing funds or match funds. It may also be necessary to advocate for the allocation of new and/or additional funds from the national and/or sub-national public budgets, and/or increase the availability of financial resources through efficiency in resource allocation. However, domestic resources, in the broad sense, may include government budgets, national banks, national microfinance institutions, local governments, national-level institutional investors (such as pension funds), private water-using companies based in the country and the earmarking of pollution and mineral resource taxes (see **Box 7**).

> 60% of countries reported in 2023 through SDG 6.5.1 that they had ineffective revenue raising to turn water laws, policies and plans into practice.
>
> 70% of countries reported insufficient funding to cover their IWRM implementation needs at basin, aquifer or sub-national levels.

2. **External financing mobilisation**, including accessing global financial instruments and bilateral official development assistance (ODA), philanthropy, multilateral climate funds (e.g. Green Climate Fund, Global Environment Facility, etc.) or multilateral and development finance institutions (e.g. World Bank, International Monetary Fund, Regional Development Banks, etc). Foreign Direct Investment (FDI) may also be applicable, as may other innovative financing mechanisms (see **Box 2**), such as impact

[47] OECD (2009). Managing Water for All. An OECD Perspective on Pricing and Financing.
[48] See How-to-Mobilise-USD30-Billion-Annually-to-Achieve-Water-Security-and-Sustainable-Sanitation-in-Africa-New-York-Version-21-March-2023.pdf (aipwater.org)

investments, green bonds, water funds, water credits, debt swaps for nature or climate, decentralised finance (DeFi) and others.

Box 7: Funding Matchmaking Initiative in Kenya

The Support Programme assisted the Kenyan authorities to support implementation of their IWRM Action Plan through the Funding Matchmaking Initiative, which went further in defining one of the priority actions from that Plan, developing an incentive-based mechanism for Private Sector support to IWRM. As part of that support, a priority watershed was identified, the upper Athi river catchment, where four investment packages were defined, consisting of 16 projects, to which the Kenyan authorities committed a total of 15.45 million USD as match funds. These investment packages were presented to potential private sector partners, aiming to leverage additional investments from the private sector to the same value as the public allocation.

As mentioned in Section 3, one of the potential sources identified for the implementation of IWRM Action Plans is international climate finance, potentially both for mitigating and/or adapting to climate change through water. Such funding may contemplate various sources, mechanisms, and tools to help countries transition to low-carbon and climate-resilient pathways. Climate finance is guided by international agreements such as the UNFCCC and the Paris Agreement (see the UNFCCC Climate Finance Data Portal).

Key multilateral financing mechanisms for climate change include the Global Environment Facility (GEF), which hosts the Special Climate Change Fund (SCCF) and the Least Developed Countries Fund (LDCF), as well as the GCF, and the Adaptation Fund established under the Kyoto Protocol, the Pilot Program for Climate Resilience (PPCR), and the NDC Partnership Action Fund. The European Union contributed EUR 28.5 billion in public finance to support climate action in developing economies. Multilateral Development Banks (MDBs) also play a crucial role by providing loans, grants, and equity actions, as well as technical assistance to help design and implement climate projects. MDBs often use blended finance instruments to attract private sector actions for climate projects[49]. See also climate finance opportunities (global and regional sources of climate finance, focussing on urban areas, 2021).

Several bilateral donors financially support climate adaptation, such as the International Climate Initiative (IKI) of the German federal government, which offers thematic and country calls, as well as medium and small grants. The United Kingdom government has also committed billions in climate funding. Including embassies of traditional bilateral donors in the Action Planning may be a relevant means of aligning priority actions with these funding sources.

[49] For more information, please refer to the MDBs' shared statement on climate finance.

Box 8: Tools for increasing investments in the water sector

The IWRM Action Hub is a global knowledge platform that supports stakeholders in implementing IWRM by facilitating the sharing of knowledge and expertise from diverse implementation experiences. Among the core pillars of IWRM is finance, a critical component for ensuring the sustainability of water governance systems. To address the financial challenges faced by water management, several strategic approaches can be adopted. These include optimising the use of existing financial resources and assets, minimising future investment requirements and tapping into additional sources of finance. The IWRM Action Hub offers a range of tools to help actors build a strong case for water investments. The following tools provide more guidance on diverse funding structures and mechanisms:

- Building a Water Investment Rationale
- Evaluating Water Investments
- Strategic Financial Planning
- Water and Climate Finance

Private resources may be a complementary means of financing the implementation of the Action Plan (see **Box 9**). It should be noted that the private sector is a broad category under which a range of different institutions operate, each with their own business logic. Therefore, it is not possible to define a single approach that might be attractive to the whole private sector. Furthermore, the private sector may contribute to the Action Planning process in many ways, with expertise, with accelerated and more flexible processes, and with a critical business sense, in addition to potential financial support to relevant actions that meet both the public good and their own requirements. For the private sector to contribute to implementation of an IWRM Action Plan, it is likely to require clear metrics and a granular understanding of impacts.

It is suggested that, in all cases, private sector engagement in the IWRM Action Planning process should go hand-in-hand with the public sector, for example through public-private partnerships, leveraging corporate investments in water resilience projects, and incentivising companies to contribute to climate adaptation initiatives. In this way, in addition to supporting the achievement of the Action Plans, national governments may also be improving their score on question 2.1 (d) in the SDG 6.5.1 survey, related to “private sector participation in water resources development, management and use”.

Box 9: Private sector engagement

In the Action Planning process, it is important to engage the private sector as one of the stakeholders, both at the level of bodies that may represent a group of companies, such as Chambers of Industry, offices of the UN Global Compact or of the World Business Council on Sustainable Development, as well as selected individual foundations, corporates, philanthropies and investors that have a specific interest in water issues. By engaging the private sector under a collective action logic, the potential thematic and/or geographical actions that are defined through the Action Planning process may be assumed to represent the interests of both the public and the private sectors, which may facilitate co-financing opportunities. IWRM Action Plans may be an attractive opportunity for private companies to meet their Environmental, Social and Governance (ESG) goals, internal corporate targets on access to water, water quality or quantity, including potentially Net Positive Water Impact (NPWI).

It should be noted that the private sector may be particularly interested in the basin level, in line with their NPWI targets, although the national-level enabling environment is also likely to affect any such basin-level activities, thus making a business case for the private sector to get involved in the national Action Planning process. For example, the Water Resilience Coalition has defined 100 priority basins for collective action, which may be a good starting point for engaging the private sector in any given country.

Furthermore, companies may be motivated to contribute to the IWRM Action Planning process through financial disclosure mechanisms, such as CDP's water survey and annual report, the work of the Taskforce on Nature-related Financial Disclosures (TNFD) and the Task Force on Climate-related Financial Disclosures (TCFD). The Valuing Water Finance Initiative is also aiming to engage large companies to value and act on water as a financial risk, driving large-scale change to better protect water systems, and has already engaged over 100 institutional investors with over USD 17 trillion in assets under management to this end. All of these efforts aim to drive corporates towards greater disclosure of the impacts of their extractive activities, with the ultimate aim of compelling actions that mitigate those impacts through remedial action.

Annex: Useful links to further guidance

On water investments and financing

- Altamirano, M.A., de Rijke, H., Basco Carrera, L., Arellano Jaimerena, B. (2021). *Handbook for the Implementation of Nature-based Solutions for Water Security: guidelines for designing an implementation and financing arrangement*.
- Green Climate Fund (2022). *Sectoral guide Water Security*.
- Green Climate Fund and NDC Partnership (2023). *GCF/NDC Partnership Climate Investment Planning and Mobilization Framework. Consultation draft*.
- GWP (2023). *Finance for water security through an IWRM approach*.
- GWP (2023). *Developing Finance Plans to Accelerate Progress on Water Resources Management*.
- ODI (website). *Climate Funds Update*.
- OECD (2009). *Managing Water for All. An OECD Perspective on Pricing and Financing*.
- OECD (2019). *Making Blended Finance Work for Water and Sanitation: Unlocking Commercial Finance for SDG 6, OECD Studies on Water*.
- UNECE (2021). *Funding and Financing of Transboundary Water Cooperation and Basin Development*.
- UNECE (2023). *How to Accelerate Funding and Financing of Transboundary Water Cooperation and Basin Development? Opportunities and Challenges*.
- World Bank (2023). *Scaling Up Finance for Water: A World Bank Strategic Framework and Roadmap for Action*.

On climate alignment

- AGWA (2024). *Water Tracker for National Climate Planning*.
- GCF (2022). *Water Security Sectoral Guide*.
- GCF (2023). *Technical Annex-Part 1: Water project design guidelines*.
- GCF (2023). *Technical Annex-Part 2: Applications of the Practical guidelines for designing water-climate resilient projects in IWRM, CR-WASH, and Drought and Flood Management*.
- GWP (2018). *Preparing to Adapt: The Untold Story of Water in Climate Change Adaptation Processes*.
- GWP (2019). *Addressing Water in National Adaptation Plans. Water Supplement to the UNFCCC NAP Technical Guidelines. Second Edition*.
- GWP (2019). *The Untold Story of Water in Climate Adaptation. Part II: 15 Countries Speak*.
- GWP (2022). *WASH Climate Resilient Development. Strategic Framework*. 2022 edition.
- NDC-SDG Connections (website). *SDG 6 – Clean Water and Sanitation*.
- SIWI (2024). *Putting water at the centre of ambitious NDCs*.
- UNDP-SIWI Water Governance Facility (2023). *Water in the Nationally Determined Contributions: Increasing Ambition for the Future*.
- UNEP-DHI (2022). *Blending Water Management and Climate Change Adaptation Approaches*.

On multi-stakeholder engagement

- GWP (2022). *The MSP Sourcebook: A Guide for Multi-Stakeholder Partnerships in Water Management*.

On the status of SDG 6.5

- Country reports on SDG 6.5.1 (IWRM Data Portal).
- National stakeholder consultation reports (SDG 6 Support Programme website).
- UNECE, UNESCO and UN-Water (2024). *Progress on Transboundary Water Cooperation: Mid-term status of SDG Indicator 6.5.2, with a special focus on Climate Change*.
- United Nations Environment Programme (2024). *Progress on implementation of Integrated Water Resources Management. Mid-term status of SDG indicator 6.5.1 and acceleration needs, with a special focus on climate change*.
- Various authors / years. Regional reports on the status of implementation of IWRM.

On the global status of and accelerating progress towards SDG 6

- UN-Water (2020). *SDG 6 Global Acceleration Framework*.
- UN-Water (2023). *Blueprint for Acceleration: Sustainable Development Goal 6 Synthesis Report on Water and Sanitation 2023*.
- UN-Water (2024). *Summary Brief: Mid-term status of SDG 6 global indicators and acceleration needs*.
- UN-Water (various years). *SDG 6 Acceleration Case Studies*.