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Financing Water Security



THREE SOLUTIONS FOR SECURING WATER AND SUSTAINING GROWTH

Going from *economic growth* to *sustainable development* is the political imperative of our time. To do that, leaders must deliver on water security. **What does it take?**

EVERYONE AT THE TABLE

The 2030 Agenda for Sustainable Development calls for an “all-of-society engagement and partnership” to bring about the large scale transformational change needed to address the world’s challenges. This inclusive participation is particularly important for solving water problems, most of which stem from the demands of competing users. Water is *everywhere* – in food, health, energy, migration, jobs, poverty, climate, and disaster relief. Business as usual – a fragmented approach with each sector acting unilaterally – means we will need *three planets* worth of water!

The Global Water Partnership (GWP) cheered when the 2030 Agenda adopted a Sustainable Development Goal (SDG) on water: SDG 6 – “ensure availability and sustainable management of water and sanitation for all” – *and* included a specific target for the implementation of integrated water resources management. That target of the integrated approach (working across sectors) is now a global political commitment. A water secure world requires all users around the table, a multistakeholder approach of the kind heralded by the last of the 17 SDGs: “Revitalize the global partnership for sustainable development”.

Partnership and inclusion are prerequisites for ensuring relevant and implementable solutions to complex water problems.

MONEY

“Water crises” has been among the top-ranked global risks for the past several years in the World Economic Forum’s Global Risks Report. The 2017 report said, “...changing weather patterns or water crises can trigger or exacerbate geopolitical and societal risks, such as domestic or regional conflict and involuntary migration, particularly in geopolitically fragile areas”. Even though the Paris climate agreement did not make an explicit connection between climate breakdown and water, the link is a no-brainer. Which probably explains why water is the most-cited priority sector in Nationally Determined Contributions (NDCs) to the Paris agreement.

The New Climate Economy report estimates that to prevent the worst impacts of climate breakdown, net additional investment of USD4 trillion will be needed (USD270 billion per year, a mere USD36 per person). The UN Environment Programme’s 2016 Adaptation Finance Gap report suggests that annual adaptation needs will be in the range of USD140–300 billion by 2030, rising to USD280–500 billion by 2050.

We know that not all this money is going to come from public funding. Fortunately, CEOs from a range of industries have stepped up their efforts to address climate breakdown, making commitments to decrease carbon footprints and engage in sustainable resource management.

The communities most in need of financing require support in *identifying and preparing projects for investment*, especially for adaptation. The challenge is to ensure that the notion of ‘bankability’ is all-encompassing enough to include the poorest of the poor. For example, since 2014, GWP has helped secure EUR19.5 million in climate financing for vulnerable communities in Africa. The implementation of the resulting investment plans has the potential to protect nearly 74 million people from water crises.

With its new programme to meet the water-related SDGs, GWP is extending its support to develop investment plans to finance implementation of the NDC roadmaps. To close the water adaptation financing gap, countries will be assisted in preparing proposals for submission to international climate funds, such as the Adaptation Fund and the Green Climate Fund.

NOT ONLY MONEY

At an event on ‘Financing SDG 6’ in Stockholm, Sweden, on 29 August 2017, the Executive Director of the Green Climate Fund, Howard Bamsey, said that the funding needed to achieve water security exists, but warned that the private sector “...will not invest until the water governance is right, from policy development to law and regulation, down to local governance arrangements”.

He could not be more correct. Water problems are usually problems of management or governance – water policies, legal frameworks, and institutional capacity. Even if all water problems are local, the solutions are similar: cross-sector cooperation, informed stakeholders, reliable information, competent institutions, transparent decision-making, and benefit-sharing. These governance solutions are called the ‘enabling environment’. *Financing the enabling environment* and all that constitutes sound water management is the best insurance policy for speeding up the achievement of a water secure world.

Strengthening institutions and actors to solve water problems not only creates an enabling environment for investments, but also provides a safe space for businesses to sustain their water management strategies and value chains. Investments in water security are uniquely catalytic – a leverage point to alleviate poverty, improve access to clean water and sanitation, protect ecosystems, and enhance climate resilience for fragile communities in a way that is gender and socially inclusive.

Water is the cornerstone of human health and economic development. If managed poorly, water is an obstacle to development; if managed well, it enables development and brings prosperity and peace.

ACKNOWLEDGEMENT

This article was prepared with the expertise of the Global Water Partnership, an international network of 13 Regional Water Partnerships, 58 Country Water Partnerships, and over 3,000 partners in 183 countries. The GWP network is committed to the sustainable development and management of water resources at all levels.

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