RAISING AMBITIONS ON THE ROAD TO COP25

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HIGH-LEVEL STRATEGIC WORKSHOP ON WATER AND CLIMATE

OUTCOMES DOCUMENT





The World Water Council is an international multi-stakeholder platform organization, the founder and co-organizer of the World Water Forum. The Council's mission is to mobilize action on critical water issues at all levels, including the highest decision-making level, by engaging people in debate and challenging conventional thinking. The World Water Council, headquartered in Marseille, France, was created in 1996. It brings together over 300 member organizations from more than 50 different countries. www.worldwatercouncil.org

#ClimatelsWater is an ongoing effort, forming a coalition of more than 70 partners from around the globe to speak with one voice for water. Our objective is to reach out to the climate community at every level for better consideration of water issues and incorporation of water within the action plans of the Paris Agreement, since it is not mentioned explicitly. www.climateiswater.org

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ACKNOWLEDGEMENTS

The High-level Strategic Workshop on Water and Climate associates key advisory partners and participants:

African Development Bank; Alliance for Global Water Adaptation; Arup; French Water Partnership; German Corporation for International Cooperation; Global Water Partnership; Green Climate Fund; India Water Foundation; International Water Management Institute; International Institute for Applied Systems Analysis; Ministry of Environment and Natural Resources of El Salvador; Ministry of Planning and development of Trinidad and Tobago; Ministry of Agriculture & Lands of Grenada; Ministry of Environment of Cambodia; Ministry of Environment of Angola; Ministry of Environment of Cambodia; Pederation of Water and Sanitation Services of Chile; NDC Partnership; Principles for Responsible Investment; Stockholm International Water Institute; WaterAid; Women for Water Partnership; World Resources Institute.

BACKGROUND AND OBJECTIVE

Water management is increasingly recognized as a component of climate change adaptation. For those countries belonging to the United Nations Framework Convention on Climate Change that have submitted adaptation commitments, 80% acknowledge water, Countries recognize the need for water to be addressed both as a potential risk as well as a means for solutions at the national, basin, local and project scale levels.

Despite all this, formal acknowledgement within the Paris Agreement of water's crucial role as a connecting resource in climate change adaptation and mitigation is missing. The water community possesses vast experience, knowledge and skills in the management of natural resources, which can assist Parties to fulfill their commitments through integrated and resilient water resources management.



To bridge this gap, the High-level Strategic Workshop on Water and Climate "Raising ambitions on the road to CoP25" was held in Bonn on 13 June 2019. Its primary goal was to mobilize and encourage a range of political and institutional stakeholders from both the water and the climate arenas to exchange and work together to assure the continued and improved long-term visibility of water within climate discussions, stressing the necessity to implement national plans and strategies to deliver on commitments.

Based on the richness and quality of the discussions, a solid step was taken towards this aspiration, by first learning to speak each other's language. Multi-stakeholder roundtable discussions provided the opportunity to examine each country's situation with regard to water and climate change and advocate for affording greater attention to water solutions within the parties' adaptation communication and Nationally Determined Contributions (NDCs), in view of their anticipated updates in 2020.



KEY MESSAGES

- Water and climate are still perceived as two separate fields subjected to two different languages and narratives. Unfortunately, water is not yet recognized as a cross-cutting solution, but, on the contrary, it is more often seen as a risk by the climate community. The water community should, together, build on the momentum generated for water to shift the perception of water from a risk to an opportunity, demonstrating how resilient water strategies are key to achieving climate-related goals.
- A misalignment persists in translating national policies and plans into local implementation as a result of the lack of integration and harmonization at multiple levels – national, regional and local. Bottom-up consultation processes should be encouraged, and climate action should be incorporated into the mandates of implementing agencies to improve alignment and coherence between national and local levels.
- Access to funding for investment in water infrastructure for climate preparedness should be facilitated. To answer these needs, capacity building measures must be enhanced and an enabling environment guaranteed through good governance and strong institutions that would follow the project life cycle from its drafting to its implementation. At the same time, potential beneficiaries need to be made aware of and understand new financial instruments in order to be able to seize those opportunities.
- The NDCs represent a key entry point for water and climate financing. Very often, cooperation and communication are lacking between ministries responsible for water and those with the mandate of drafting the NDCs. This calls for better regulations, improved governance, strengthened institutions and reinforced communication efforts.
- Robust science-based data are essential for constructing "climate rationales' for action by national governments and institutions, especially in developing countries. New ways of sharing knowledge and long-term commitment in support of capacity development and technical assistance should be encouraged.



PANEL TRANSLATING CLIMATE STATEMENTS INTO ACTION: WATER AS A CROSS-CUTTING SOLUTION

SPEAKERS:

- Luna Bharati, Principal Researcher-Hydrology and Water Resources, International Water Management Institute (IWMI)
- Alejandra Stehr, Director EULA Center, CoP25 Scientific Committee
- Thibaud Voïta, Head of Knowledge Products, NDC Partnership

FACILITATOR: Betsy Otto, Global Water Program Director, World Resources Institute (WRI) RAPPORTEUR: Jennifer Fernando, Program Officer, French Water Partnership (FWP)

Water is the major resource through which climate change impacts are felt by society and connects sectors – from energy to agriculture. It is essential not only for basic needs and ecosystems, but for producing food and energy and supporting livelihoods, as well as for industrial production.

At the same time, water-related strategies can empower the synergies between NDCs, national development plans and the Sustainable Development Goals, balancing the complementarity between adaptation and mitigation solutions. Therefore, systematically integrating efficient and sustainable water resource management into climate adaptation and mitigation strategies provides valuable solutions to Governments for the implementation of the Paris Agreement.

As reported by the UNFCCC, floods and droughts are the climate hazards most commonly identified by countries in their NDCs. The top sectors prioritized in national adaptation efforts such as agriculture, infrastructure, ecosystems and energy are all intimately linked to water availability. However, according to the NDC Partnership, water "only" represents just over 5% of the requests for support.

Panelists agreed that a big gap persists in translating national policies and plans into local implementation. There does not seem to be enough effort nor political will to correct this misalignment, which is often a result of the lack of engagement and harmonization at multiple levels - national, local and regional. Establishing consultations and bottom-up processes can improve the quality of national programs and plans while creating a sense of ownership at the local level that can make multi-level exchange easier. Panelists also stressed the need to incorporate climate action into the mandates of implementing agencies to improve alignment and coherence between all levels of action.

Local communities often feel the impacts of climate change through increased uncertainty of water availability. The strong social component of vulnerability was pointed out, since disadvantaged and marginalized populations are impacted the most by climate change, given their weak adaptive capacities. In this context, increased resilience is mainly realized via water management strategies. The link between forests, water and climate was stressed as an effective way to protect water sources.

Finally, quantifying the cost of inaction can be used as a lever to raise awareness among governments and policy-makers about the need for climate action sooner rather than later. Unfortunately, political cycles and investments can be a hinderance to establishing long-term climate change and adaptation measures. Identifying the risk component of investments while highlighting how these investments can be compatible with strong economic performance, however, will allow the shift of the climate story on water to move from a threat to an opportunity.

Listen to the session here: <u>youtube.com/WaterCouncil/videos</u>



PANEL WATER FINANCING: A VEHICLE FOR GETTING THINGS DONE

SPEAKERS:

- Gemma James, Head of Environmental Issues, Principles for Responsible Investment (PRI)
- Daniela Krahl, Senior Policy Officer, Water Division, Federal Ministry of Economic Cooperation and Development (BMZ)
- Alastair Morrison, Senior Water Sector Specialist, Green Climate Fund (GCF)

FACILITATOR: François Brikké, Senior Network Specialist, Global Water Partnership (GWP) RAPPORTEUR: Ingrid Timboe, Policy Director, Alliance for Global Water Adaptation (AGWA)

According to the <u>SDG 6 Synthesis Report</u> on <u>Water and Sanitation</u>, the world is not on track to reach sustainable Development Goal 6 (SDG 6) on Water and Sanitation by the 2030 deadline. Billions of people lack safe water, sanitation and handwashing facilities. Investment needs for financing water security, including water infrastructure are colossal: global estimates range from USD 6.7 trillion by 2030 to USD 22.6 trillion by 2050.

The global financial system contains plenty of capital seeking investment opportunities. At the same time, the finance community is mobilized and dynamic, not only through multilateral funds but also through innovative bilateral and national tools and financial products.

Moreover, investment in climate-resilient water systems today will enable exponential savings by avoiding damages incurred in the long run. On the other hand, challenges remain about how to scale up funding and develop "waterproofed" mechanisms to finance infrastructure and bridge the bankability gap. An important distinction should be made between public climate financing by bilateral or multilateral donors and broader climate funds. Other instruments, like guarantees and insurance, are also available. These different financial flows towards the water sector for climate readiness need to be channeled through different approaches. For public climate financing, a clear and specific justification for how funds are being used is required, in addition to the need-based explanations typically used in conjunction with blended finance and structured bonds. In both contexts, the quality of project proposals is fundamental.

In short, a diversity of financial mechanisms is available, and investors need to be aware that these opportunities exist in order to mainstream these innovative financial instruments and provide funding for projects on the ground. Currently, most countries are requesting grants, whereas donors and contributors are more typically offering blended solutions. This creates misalignment and a dispersion of efforts.



Access to funds was also highlighted as another key issue. It is fundamental to clearly demonstrate the so-called "climate rationale" for water projects in order for them to access funding reserved for climate change adaptation and mitigation projects, improving the resilience of communities as well as reducing carbon emissions. Climate rationales must be supported by robust science-based data.

While green bonds are increasingly frequent, action supporting mitigation measures is often favored over adaptation, which is more easily linked to water. To make investors more willing to invest in waterrelated projects, water should be continually emphasized as one of the components of physical climate risks. Organizations like the Climate Bonds Initiative are currently working on adaptation principles to better estimate the cost of risk, based on robust science-based metrics. and establish related interest rates accordingly. The Task Force on Climate-related Financial Disclosures (TCFD) also offers opportunities

to start the discussion on how companies and private actors evaluate physical risks and encourages them to disclose their investments related to their evaluations of those risks and opportunities.

The NDCs represent a key entry point for water and climate financing. Very often, cooperation and communication are lacking between ministries responsible for water issues and those in charge of drafting the NDCs. This calls for stronger political and social enabling environments, meaning better regulations, improved governance, strengthened institutions and reinforced communication efforts.

Listen to the session here: youtube.com/WaterCouncil/videos



REGIONAL ROUNDTABLES

After the insights gleaned from the first two sessions, the discussions continued through two parallel regional roundtables, one on Small Island Developing States and another on Africa.

The roundtable discussion focused on water and climate from a country perspective, evoking what can be done to reinforce these interlinkages concretely, especially in view of the NDC update before CoP26 in 2020.

Each country representative shared a water focused experience, being a best practice, an implementation strategy, or an obstacle to be overcome based on the guiding questions below. In addition to the contributions of country representatives from Grenada, Trinidad & Tobago, Angola and Zimbabwe, representatives from Chile, the Ethiopian Embassy in Germany, Bhutan and Cambodia shared their perspectives.

The main insights and solutions from the Regional Roundtables were presented in the closing panel on how to overcome implementation barriers.

GUIDING QUESTIONS:

- How is water addressed in your national commitments?
- How can stakeholders help you to strengthen the role of water in your national commitments, especially including it in a strong adaptation component in view of the upcoming NDC update?
- What are the main obstacles you face in addressing these issues? (data quality, finance access, capacity building?)
 Which type of tool would be useful to overcome those obstacles?
- From a regional perspective: what are the commonalities and differences?

REGIONAL ROUNDTABLE 1 - SIDS

SPEAKERS:

- Kishan Kumarsingh, Ministry of Planning and Development, Trinidad & Tobago
- Trevor Thompson, Ministry of Agriculture, Grenada

CHAIR/FACILITATOR: Lesha Witmer, Advocacy Director, Women for Water Partnership RAPPORTEUR: Martin Kerres, Advisor Water and Climate Change, Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ)

ROUNDTABLE 2 - AFRICA

SPEAKERS

- Cecilia Silva Bernardo, Head of Climate Change Vulnerabilities Department, Ministry of Environment, Angola
- Kudzai Ndidzano, Climate Change Compliance Officer, Climate Change Management Department, Zimbabwe

CHAIR/FACILITATOR: Osward Mulenga Chanda, Division Manager, Water Development and Sanitation Department, African Development Bank (AfDB)

RAPPORTEUR: Yoshihide Wada, Acting Water Program Director, International Institute for Applied Systems Analysis (IIASA)

CLOSING PANEL OVERCOMING IMPLEMENTATION BARRIERS: PRACTICAL INSIGHTS AND SOLUTIONS

RAPPORTEURS/SPEAKERS:

- Jennifer Fernando, Program Officer, FWP
- Ingrid Timboe, Policy Director, AGWA
- Martin Kerres, Advisor Water and Climate Change, GIZ
- Yoshihide Wada, Acting Water Program Director, IIASA

CHAIR/FACILITATOR: John Matthews, Executive Director and co-founder, AGWA

The final dialogue of the day commenced by acknowledging that water and climate are still perceived as two separate fields, using two different languages and narratives, and that water is not yet recognized as a crosscutting solution. Overall, water and waterrelated adaptive strategies seem to be poorly addressed within countries' NDCs and would benefit from greater efforts toward implementation action. This poses a challenge to raising ambition towards a 1.5°C world through the five-year NDC cycle, encouraging countries to present more ambitious targets by 2020, when current targets are already not on track.

On the other hand, this moment in time represents a great opportunity to build momentum with the general public and a younger generation that is more sensitized to the current and future impacts of climate change. The urgency for governments to take action can effectively be better heard through a greater inclusion of all stakeholders.

In addition, a more holistic and integrated approach should be promoted, conveying the message that water is not only a risk but an opportunity and an enabler for sustainable development and economic growth. As such, water is positioned as a cross-cutting resource and common thread in various international frameworks, from the Paris Agreement to the Sendai Framework on Disaster Risk Reduction to the 2030 Agenda.

From a financial point of view, one of the main challenges for countries, especially developing countries, is access to funds through quality proposals and, when it comes to water-related projects, how to demonstrate the so-called "climate rationale." To answer these needs, capacity building measures must be enhanced, and an enabling environment guaranteed through governance and strong institutions that would follow the project life cycle from its drafting to its implementation. The financial landscape is rapidly evolving. Innovative finance mechanisms, co-finance and blended financial solutions are emerging but not necessarily mainstreamed.

Reports from the regional roundtables offered insight into country specificities.

The two SIDS representatives emphasized the challenges of old infrastructure (leakages), limited awareness, finite land resources, and the difficulty of relocating communities in the case of extreme events. Adding to this, tourism, while important to the local economy, also drains freshwater resources. These issues have become exacerbated due to climate change impacts, translated by less total precipitation and less water availability, but more extreme events. Consequently, climate change is now seen as a security threat in Trinidad and Tobago. It is problematic for countries that are particularly prone to natural disasters, especially for SIDS, to disentangle disaster risk from climate change, especially in their long-term strategies. However, it was suggested that stakeholders could actively support collaborative solutions through data collection, technical assistance, and capacity development.

The two SIDS representatives, however differed in the fact that Trinidad and Tobago did not include an adaptation component in their NDC submitted to the UNFCCC, whereas Grenada included both adaptation and mitigation commitments, identifying water as a top priority. The reason for this lies within the complexity of measuring and reporting on adaptation measures within the Paris Agreement structure.

While the SIDS discussion emphasized their isolation, the discussion among African representatives conversely underlined their interconnectedness. Indeed, water resources need not only to be managed cross-sectorally within national borders, but also across nations though a transboundary approach, creating integration across multiple levels of action for implementing the NDCs. Related to this, panelists also agreed to pursue more flexible financial mechanisms that take into account basin approaches.

The operationalization of climate-smart practices in agriculture to adapt to climate change impacts and increased temperatures was also stressed. Soil salinity and groundwater salinization pose additional challenges to agricultural water availability.





In addition, outdated hydropower or multipurpose infrastructure that did not sufficiently anticipate potential variation is unable to deal with the decreased water availability, causing further stress in some areas.

All participants agreed that capacity development is a key issue, in part since technical support for the implementation of projects and water resources assessments are often outsourced, hampering the full ownership from countries and their local communities. Panelists called for a longterm commitment to address this. The lack of reliable data and future projections, in addition to new ways of sharing knowledge, were also pointed out as obstacles to be overcome.

In the closing exchanges, participants recalled an urgency to build momentum for water within the climate space. It was felt that existing and alternative entry points should be leveraged, such as on food security through mechanisms like the Koronivia Joint Work on Agriculture or through the intersessional Climate Change Conference (SB50), which would take place the following week in Bonn.

A viable forward-thinking strategy, therefore, should propose measures for addressing risks and threats that reflect how essential and relevant water is to climate change strategies and communicate those common key messages to countries widely as well as other to other stakeholders inside and outside of the climate community.

Listen to the session here:

youtube.com/WaterCouncil/videos

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Espace Gaymard 2-4 Place d'Arvieux 13002 Marseille - France

Phone : +33 (0)4 91 99 41 00 Fax : +33 (0)4 91 99 41 01 wwc@worldwatercouncil.org

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