

Annexe 1 : Contribution to the interactive dialogue concept notes

Theme 6 : Investments for Water: Financing, technology & innovation, and capacity building.

1. Status and trends

This concept note should focus on how to address the considerable financing gap in water and sanitation through improved management efficiency, improved cost recovery, better targeting of the use of subsidies, adequate water pricing and ensuring a sustainable, innovative, and inclusive additional and diversified sources of funding. This must go hand in hand with fostering the effective use of existing funding and financial instruments, and mainstreaming sustainable water management into all policy areas.

Investments in water and sanitation bring high economic and social benefits, given the environmental, climate and health-related risks of poor water management. Therefore, investments must be planned in an integrated manner, by addressing all components of the global water cycle and all stages of water and wastewater management. Based on future climate scenarios and water-related risk assessments, water priorities should start from demand reduction, water-efficiency, reuse measures and in last resort diversifying the sources of water through desalination (based on renewable energies and sustainable management of brines).

Investments in efficient governance of the sector and management of the operations (e.g assets management, costs management or digital monitoring), the deployment of effective tools to better target the use of subsidies, and the development of adequate cost recovery and water pricing strategies are critical to improve the efficiency and effectiveness of the sector.

Investments should also promote nature-based solutions, which provide cost-effective and long-term benefits for water security, climate adaptation and biodiversity.

The dialogue could highlight sustainable financing models such as France's water agencies system, ensuring continuous and solidarity-based funding through "polluter-pays" and "user-pays" principles.

2. Challenges and emerging issues

This dialogue should aim to increase the understanding and assessments of how water-related risks can translate in financial risks, in the context of climate change,

environmental degradation and growing water demands, as a key component to ensure sustainable investments in water in particular from private sectors or national and multilateral development banks etc.

The debate around technology and innovation needs to focus on those technologies that increase efficiency of a sustainable water-use and management and have the best leverage regarding implementation and deployment. This could touch upon various areas, such as the combination of grey and green infrastructure, nature-based solutions and technologies based on the “Do no Significant Harm Principle”. It is equally important to consider the needed time and investment for capacity building for water professionals and to align with climate and environmental goals while contributing to resilient societies and human rights.

3. Solutions

This dialogue should also recall that adequate and inclusive local governance of water, based on participation of all sectors and actors, supported by coherent and integrated water planning and multi-sectorial policies at the national level, are essential to provide an enabling environment for water investments. The OECD Water governance initiative through its principles and work on finance would be an important partner.

It should also call for human right approach in governing, financing, and implementing water resilient, in order ensure equal and universal access to water and sanitation, as well as a multi-stakeholder approach to ensure appropriate local governance in the implementation of technologies and non-technical approaches. It should encourage fundings, from private and public sources, to cover the needed workforce capacity, the improvement of the operation and performance of existing systems, and the development of nature-based solutions.

Financing mechanisms should dedicate a share to capacity building and institutional strengthening, ensuring inclusive and durable outcomes.

The dialogue should promote transparent and sustainable finance aligned with climate and biodiversity goals.

The dialogue needs to put forward diverse options for sustainable financing, including devising efficient and well targeted subsidy schemes, improving cost recovery, developing adequate water pricing, in addition to promote solutions from both private and public sources of funding.

Globally the Conference need to contribute to stimulate dialogue and exchange of knowledge, information and data between different multi-sectoral scientific, technical and professional networks, in coherence with national water planning, and needs expressed locally.

4. Recommendations and conclusions

The concept note could include the following recommendations:

- Promotion and development of new public-private cooperation to ensure:
 - Diversification of funding sources.
 - Practice sharing on appropriate water-pricing, which will not compromise the human right to safe drinking water and sanitation.
 - Scaling up investments in cost-effective and sustainable nature-based solutions and climate-resilient infrastructure
- Supporting and scaling up initiatives enabling coordinated approach at national level on water and sanitation access and resource management, to catalyse coherent investments (with national development banks, public-private partnerships, SWA head of state initiative etc).
- Scaling up coalitions supporting technology implementation in water governance, policy and planning (for instance on the use of spatial technologies, water efficiency technologies, digitalisation etc)
- Encouraging integrated national water investment frameworks linking finance, planning, climate change and biodiversity objectives.
- Promoting transparency and accountability in water finance through shared reporting standards.
- Promote solutions to adequately implement the global acceleration framework for SDG6 (financing, data and information, capacity development, innovation and governance).

5. Guiding questions

- How can local and national stakeholders better understand and address the factors contributing to financing and service delivery gaps, such as enabling environments, sector governance, cost recovery, water pricing, effective and well targeted use of subsidies and local capacity?
- How can the development of adequate water-pricing by local and national stakeholders be facilitated?
- How to ensure an overview of available water resources and existing infrastructure, for actors to adequately identify national water priorities and develop a cross-sectoral water-planning adequately?
- What are the constraints on the ground for implementing the innovations needed locally?
- How can an inclusive, gender-responsive, and human-right based approach be ensured in national water planning and investments?
- How to support the financial sector and donors in identifying the national needs in an integrated manner and to ensure the adequate coordination between these investments?

- What support can provide the UN resident coordinator to bridge the gap between the various needs in the water-sector?
- What are the information needed to better assess the financial risks in water-investments?

Theme 1 : Water for People: The human rights to water and sanitation, including for those in vulnerable situations, for healthy societies and economies;

Recommendations and conclusions that should be included in the concept notes:

- The Conference should provide clear recommendations on the fulfilment of the human rights to water and sanitation, supported by a reliable methodology for monitoring progress. Particular attention should be given to WASH in healthcare facilities, schools, and public spaces, with clear recommendations on improving the long-term management, operation, and maintenance of these services, with a focus on women, girls, and most vulnerable populations.
- The Conference should encourage particular focus on WASH in humanitarian and fragile contexts, in a humanitarian-development nexus, in order to link short-term responses to longer-term development. It should call for support of initiatives aimed at strengthening compliance with International Humanitarian Law and International Human Rights Law and the delivery of humanitarian outcomes such as the WASH Roadmap and its Call to Action.
- This dialogue should underline the importance of building on existing frameworks and tools such as the WHO EURO/UNECE Protocol on Water and Health.

Theme 2 : Water for Prosperity: Valuing water, Water-Energy-Food nexus, advancing integrated and sustainable water resource management, wastewater and water-use efficiency across sectors, and economic and social development;

Recommendations and conclusions that should be included in the concept notes:

- The Conference should promote a global water cycle approach to drive prosperity, reinforce commitments to water efficiency, sobriety and encourage the preparation of national plans for water supply and sanitation services. In particular it should promote River Basin Management Plans and sustainable, fair and transparent allocation models, based on concertation process of all actors at the basin level.
- Safe water reuse in agriculture, energy production, industrial processes must be at the heart of integrated water resource management. Desalination, new

technologies and digitalization should be shared and scaled as part of integrated water management.

- Sustainable food systems need to be showcased as a major opportunity for global water resilience, stressing that sustainable agriculture and forest management contribute significantly to increase water and climate resilience, mitigating droughts and floods.
- Comprehensive and sustainable water finance frameworks at both global and national level should be developed and implemented to ensure resilient, inclusive and equitable water systems.

Theme 3: Water for Planet: Climate, Biodiversity, Desertification, Environment, Source to Sea, Resilience, Disaster Risk Reduction;

Recommendations and conclusions that should be included in the concept notes:

- On adaptation and mitigation, the Conference should encourage countries to share best practices on water and sanitation integration in NAPs and NDCs, and aim to develop guidelines on water management in the context of climate change, such as those developed under the EU Water Framework Directive and the UN 1992 Water Convention. Recommendations should be linked with the work of the Baku Dialogue on Water for Climate Action launched at COP29.
- On disaster risk reduction, the Conference should encourage countries to reiterate their commitments and support to the Sendai Framework for Disaster Risk Reduction and the UN Secretary-General's Early Warning for All by 2027 initiative, especially for droughts and floods.
- On biodiversity, countries should be called upon to reiterate or take new commitments under the Freshwater Challenge launched at the UN 2023 Water Conference and to scale up the initiative in synergy with the activities of relevant MEAs, including CBD, Ramsar and the Water Convention
- On monitoring, indicator 6.6.1 should be promoted to track the extent of freshwater ecosystems. Hydrological observatory systems, based on resilient digital public infrastructures (DPI) and partnerships should be advanced with initiatives such as the Global Climate Observing System, Global Drought Observatory, the Global Flood Awareness System, HydroSOS, the One Water Vision, GEMS/Water and others
- On source-to-sea approaches, countries should share best practices based on existing guidance, such as the UNECE Water Convention Guidance Note on implementing the source-to-sea approach.

- On nature-based solutions, best practices and positive investment and business cases should be promoted and shared, highlighting cross-sector positive impacts and alignment with the UN Decade on Ecosystem Restoration.

Theme 4 : Water for Cooperation: Transboundary and International Water Cooperation, including Scientific Cooperation, and inclusive governance;

Status and trends to be highlighted in the concept note:

- The Conference should stress that the only possible response to the global water crisis lies in transboundary and international water cooperation and related political commitments. The application of informed sustainable management and inclusive governance of water resources across sectors, and the realization of the human rights to water and sanitation, can only be achieved if countries cooperated. Shared waters are managed most effectively within a well-established legal framework such as a River or Lake Basin Organization or a joint commission, based on the principles of international water law, including the 1992 Convention on the Protection and Use of Transboundary Watercourses and International Lakes (Water Convention), the 1997 Convention on the Law of the Non-navigational Uses of International Watercourses (Watercourse Convention).

Recommendations and conclusions that should be included in the concept notes:

- The Conference should provide the momentum for the announcement of new accessions to the UN Water Conventions (1992 and 1997) increasing the number of parties to the Convention in all regions of the globe.
- It should also encourage signature of new transboundary agreements on water to be presented during the UN 2026 Water Conference.
- It should aim to engage science to help expand the evidence base on benefits of transboundary water cooperation, and raise awareness on the benefits of the ratification of the UN Water Conventions (1992 and 1997), leading to further accessions after the Conference.
- The Conference should aim further mobilization of financing mechanisms and innovative financial instruments to support transboundary water cooperation and science-policy interfaces, including by involving existing partnerships and coalition such as the Transboundary Water Cooperation Coalition launched at the UN 2023 Water Conference, the Global Network of Women in Water Diplomacy, and regional capacity-building programs, for instance on the WEF E nexus.

Theme 5: Water in Multilateral Processes: SDG 6, the 2030 Agenda and beyond, and global water initiatives;

Recommendations and conclusions that should be included in the concept notes:

- The Conference should aim to :
 - Provide suggestions and a proposed timeline for establishing] regular UN conferences on water with negotiated outcomes.
 - Propose to set up a (GA)Working Group of MS which will draft a proposal for the establishment of a UN intergovernmental process on water with regular UN Water Conferences in line with Interactive Dialogue 5 conclusions including by considering to carry these conclusions through by submitting either to UNGA or to MS during the UN Water Conference 2028 a negotiated resolution or declaration in the follow-up to the Conference. This task force should rely on the existing like-minded groups to generate wide cross-regional support for political guidance on follow-up.
 - Provide UN-Water a status of UN Office for Water.
- The Conference should also support further dialogue between the UN Special Envoy on Water with other UN Special Envoys and Special Rapporteurs on devising effective ways for mainstreaming freshwater issues into other global processes.
- This dialogue should also promote meaningful civil society involvement and call for clearer complementarity between global water initiatives and forums to strengthen implementation and engagement.