



RESILIENT WATER ACCELERATOR

OVERVIEW

As climate conditions for millions of people become more severe it is vital that we accelerate financial flows to the communities who need it most to ensure they have access to safe water fit for the future.



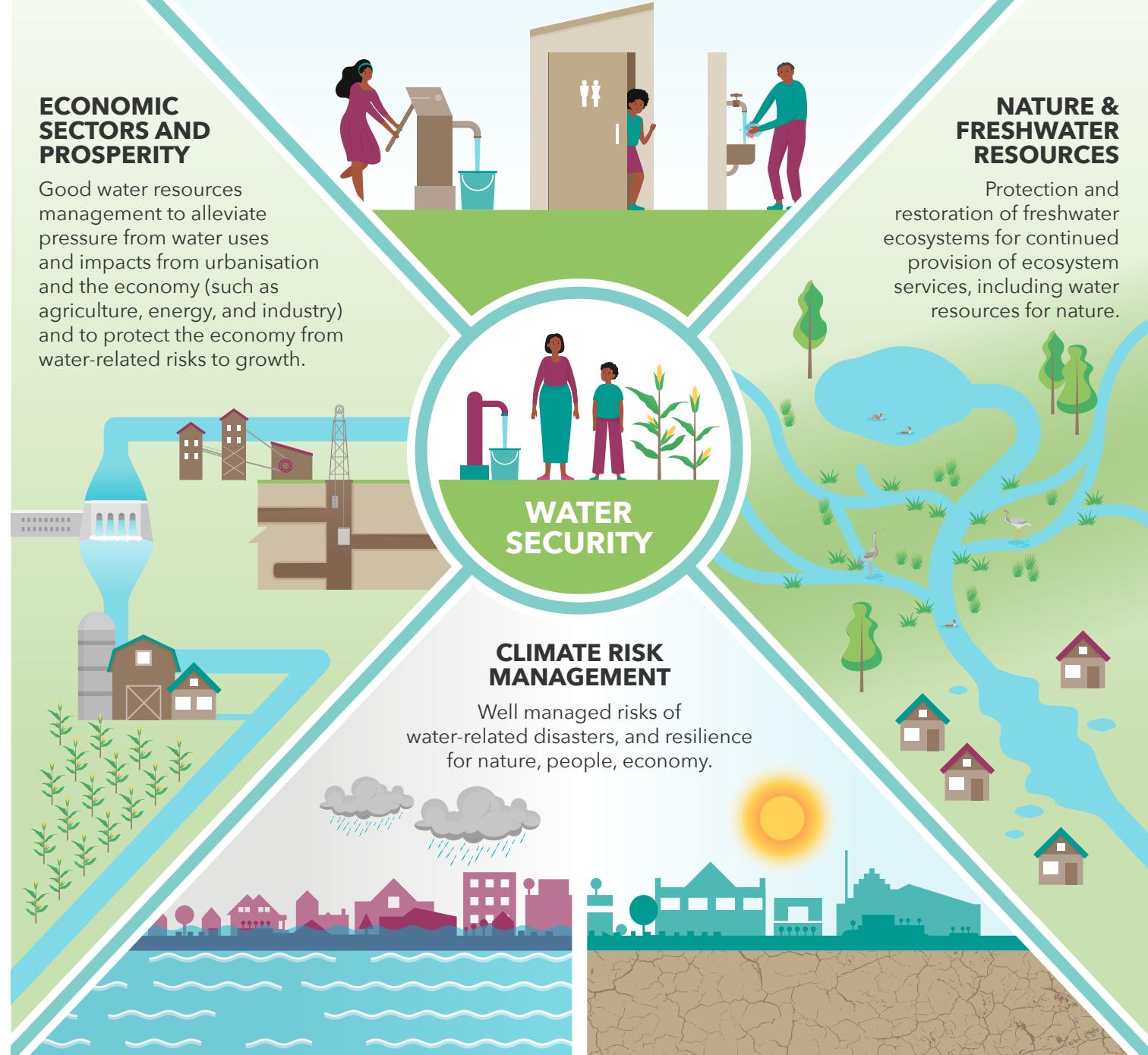
WaterAid/Basile Ouedraogo

CLIMATE ACTION IS NOT MEETING URGENT NEEDS OF THE MOST VULNERABLE

Climate change is happening and happening now; around the world, the people on the front lines of climate change—who are impacted the hardest—are the ones who have done the least to cause it. This includes the two billion people who at present don't have a source of water they can rely on. Changes to water resources are how communities most often experience climate change, and whether they have or do not have access to safely managed water affects every aspect of their lives and determines how well they will be able to cope with the impacts of climate change.

DOMESTIC WATER AND HUMAN WELL-BEING

(1) Inclusive and reliable access to sufficient quantities of good quality water for basic human needs, (2) safely managed sanitation and (3) good hygiene, to fulfil basic human rights and ensure social-economic inclusion.





WaterAid/ Tom Greenwood

Water resources are already under increasing threats, from pollution from agriculture and industry, from over-abstraction of aquifers and rivers, and changes to the natural and physical conditions of freshwater ecosystems; and all these threats are multiplied by climate change. Rains come at unexpected times and often not when needed: in some areas this can be long punishing dry seasons followed by flash floods, and in others it means rain instead of snow, with the result that water is not naturally stored for the spring. Floods, droughts, and other natural disasters can be crippling to human settlements and ecosystems: crops fail; livelihoods dry up; opportunities for getting out of poverty disappear; and education becomes a distant dream, particularly for girls. These impacts coupled with unsustainable management of water resources significantly undermine resilience against climate change impacts, for people, businesses and nature.

WHERE CLIMATE FINANCE FOCUSES

Total climate finance*
USD 681 BILLION

Public climate finance
USD 306 BILLION

Public transfers
USD 70 BILLION

Adaptation
USD 30 BILLION

Water
USD 12 BILLION

WASH
USD 700 MILLION

100%

45%

10.3%

4.4%

1.8%

0.1%



* Public & private climate finance, tracked, including energy efficiency

CLIMATE FINANCE TO DATE HAS NOT FOCUSED ON ADAPTATION OR WATER.

5%

Only 5% of all climate finance* focuses on adaptation.

2%

Less than 2% of all climate finance* focuses on water projects.

However, at present, despite the scale of the threat to water supplies and vulnerable communities – identified by water, WASH (water, sanitation, hygiene) and climate sectors alike – and the need for an urgent response, adaptation and even more so water have not been prioritised globally. Vulnerable communities, who have no carbon emissions to speak of, are in vital need of climate support, and yet out of total global climate finance flows both private and public (USD 681 billion in 2016), less than 5% (roughly USD 30 billion per year in 2017/18) is spent on adaptation, as demonstrated by the 2020 landscape analysis of climate finance for water, *Just Add Water* report.¹ In addition, this report also reveals that 86% of the finance offered for climate adaptation within the water sector takes the form of loans, of which around half was non-concessional or provided at market rates.

While flows to adaptation overall are nowhere near the levels we need to see, less than 0.1% of all climate finance goes to basic water and sanitation. While climate finance alone cannot close the funding gap, it has the potential to provide a significant boost in investment for effective adaptation of water sector and water poor communities to catalyse the urgent action on building climate resilience.

¹Mason, Nathaniel et al. (2020) *Just Add Water: a landscape analysis of climate finance for water*, ODI, WaterAid; available at: washmatters.wateraid.org/sites/g/files/jkxoof256/files/just-add-water-a-landscape-analysis-of-climate-finance-for-water.pdf (accessed: March 2021).

WHAT NEEDS TO CHANGE?

The twin challenges that need to be addressed:

- How do we align programmes to tackle systemic water issues?
- How do we break down barriers to the finance needed to do this vital work?



While international donors have a role to play in ensuring resilient investments and increasing capacity for assessing and reducing climate risks, we need to see greater prioritisations from all governments, and recognition that ultimately only national governments can and should lead these interventions. However, even with political prioritisation, there are a number of barriers to building effective climate resilient water programmes that would successfully tap into private and public climate finance.

These include:

- Lack of localised data of climate vulnerability, which requires significant technical and academic capacity, which is also often lacking;
- The challenge of bringing different sectors with different priorities together to grapple complex issues of climate change and water security; and
- The challenge of navigating complex climate finance architecture - that can lack transparency - as well as the processes for accessing other sources of funding.

Countries most in need of climate finance often lack the capacity to generate comprehensive climate proposals. These programmes cannot be sustainably created and maintained without capacity at local levels where people are already living with climate change. They need to have data or analysis to assess threats and make proposals; they need to have strong institutions to support long term approaches, and partnerships to deliver on cross-sector, multi-level threats.

It is clear we need urgent, systemic action in the water sector to adapt to the diverse impacts of climate change. This action must be based on a holistic understanding of all relevant drivers such as water pollution from sewage spills, over-abstraction from unsustainable agriculture, extreme events due to climate change, and lack of access to clean water.

THE RESILIENT WATER ACCELERATOR

In March 2020 HRH Prince of Wales launched what would become the Resilient Water Accelerator - attracting climate finance to ensure water security for communities most impacted by climate change and to transform their prospects. As a task force of the Sustainable Markets Initiative, the Resilient Water Accelerator is a coalition of non-profits, experts and donors sparking a transformational approach to overlapping environmental crises.

The vision and commitment of the Accelerator is to **attract climate finance for climate-resilient water security programmes and crowd in further investment that will boost resilience for at least 50 million vulnerable, water-stressed people in low- and middle-income countries.**

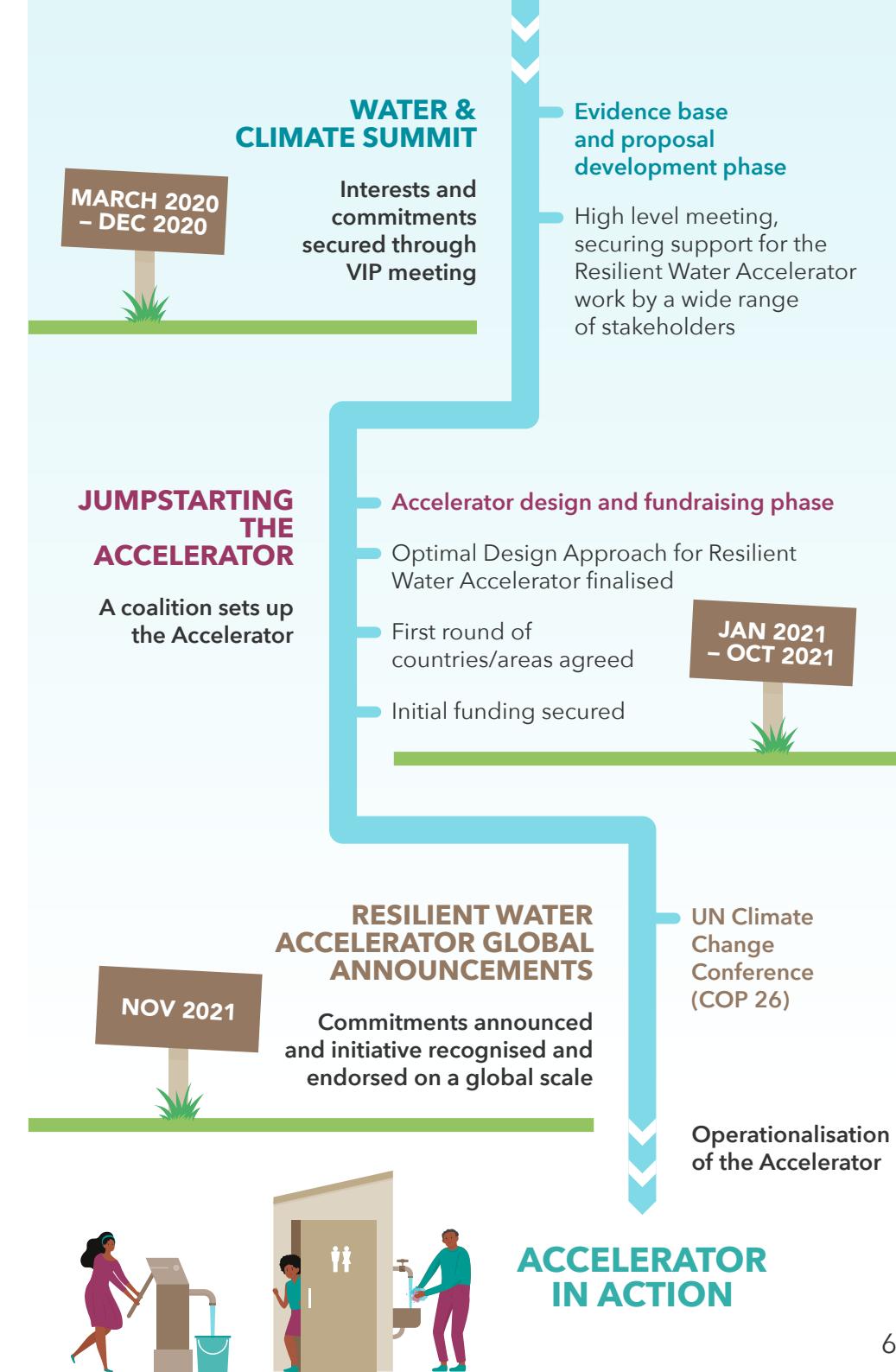
We plan to achieve this through investing in project preparation to **generate high-quality, resilient, and low carbon programming for protecting water resources and improving access to water services in these areas.**

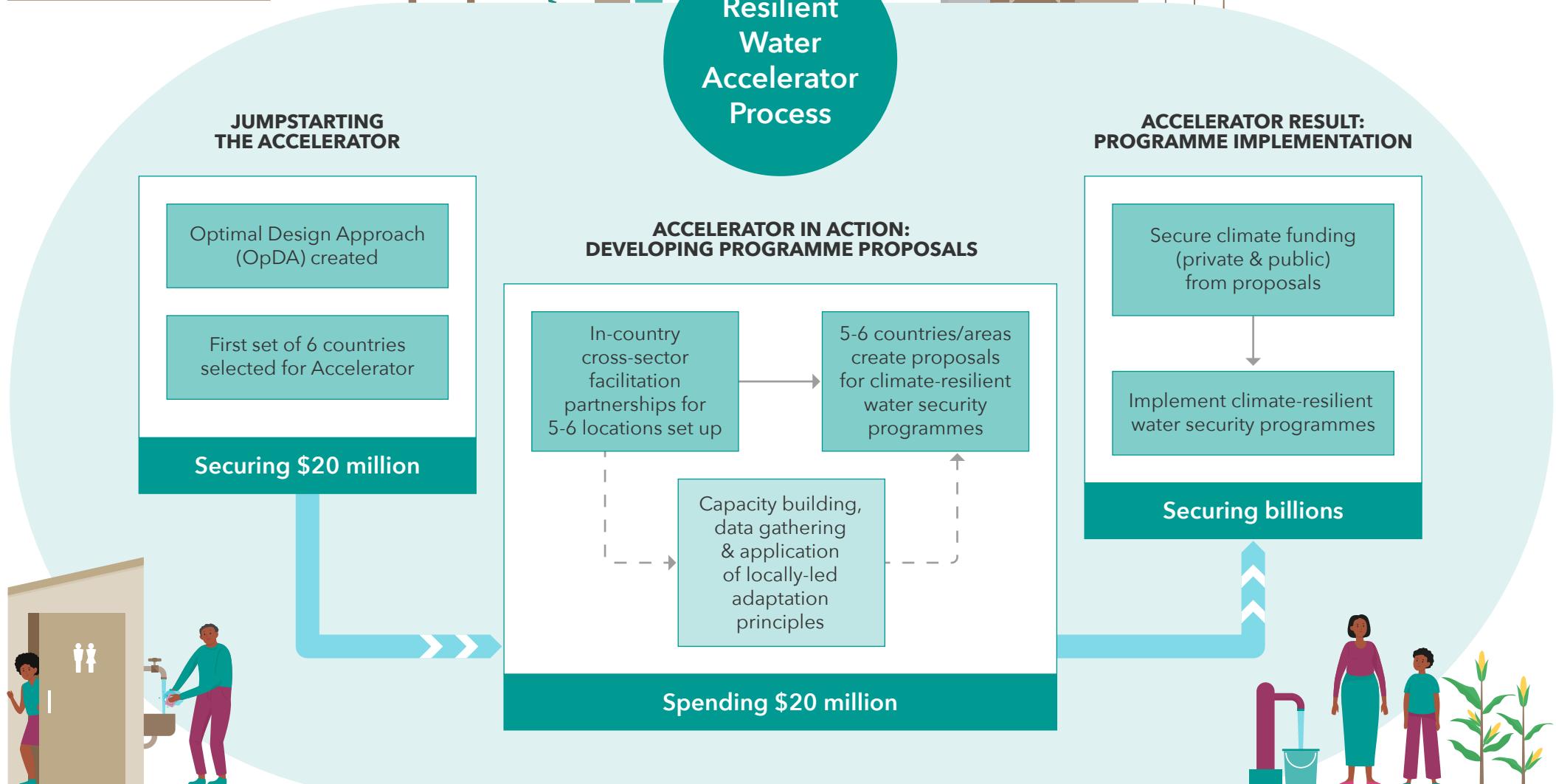
The Accelerator meets the twin challenges of aligning climate programmes with systemic water issues and breaking down barriers to climate finance through **three key phases**.

1. Jumpstarting the Accelerator: Both **securing initial funding** required to generate programme proposals and selecting the next batch of countries to work in. In 2021 this phase is inclusive of developing the Accelerator framework including an **Optimal Design Approach (OpDA)** for preparing resilient water security programmes.

2. Accelerator in Action: Developing Programme Proposals -the **International Accelerator Consortium** helps **dedicated in-country facilitation partnerships** use OpDA to prepare funding proposals including necessary data and analysis assessments.

3. Accelerator Result–Programme Implementation: Once climate finance is secure, in-country partnerships implement their programmes. The Accelerator will conduct monitoring, evaluation and learning, as we seek to replenish funding and develop further programmes.





By early 2022 the Resilient Water Accelerator will have:

- 1.** Established governance and funding models, and published an Optimal Design Approach and key principles for climate-resilient water security programme design.
- 2.** Secured funding pledges (at least USD20 million) that will support the first round of 5-6 countries in developing their comprehensive funding proposals for climate-resilient water security programmes.
- 3.** Secured commitment from a range of governments, donors and agencies to develop and support the funded programmes with local partners. These partners will help expand the ambition and scope of the Accelerator as work progresses.



WaterAid/Chileshe Chanda

Accelerator in Action

The Accelerator will assist in-country, cross-sector partnerships to access the funding required to develop programme proposals which secure climate finance for communities facing climate related risk. It will provide partnerships with an Optimal Design Approach, global expertise and capacity building. Successful funding proposal preparation is the key to securing climate finance, which is why this is the step the Accelerator focuses most closely on with the aim of having additional cohorts of countries working with the Accelerator in the future.

The Accelerator offers countries the chance to use billions of climate finance help millions in their most vulnerable communities adapt and prosper in the face of climate change. The Resilient Water Accelerator is unique for its holistic, systemic focus on water security to encompass water for nature and freshwater resources, for domestic use and human well-being, for climate risk management, and for economic sectors and prosperity. It recognizes that targeted finance and well-designed bottom up, participatory programmes need to go where they are needed most - to support communities to adapt to the impacts of climate change and thrive.