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.
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.

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.
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, only 5% (roughly USD30 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.  

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, climate finance flows to basic water and sanitation are even smaller; at present they form a very small part of the public, international finance for climate change (around 1%). 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.

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WHAT NEEDS TO CHANGE?

The twin challenges that need to be addressed now are:

~ 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 at WaterAid’s Water and Climate Summit, a high-level group led by HRH The Prince of Wales, pledged to work towards boosting available finance for climate-resilient water programmes through the Water and Climate Finance Initiative. The Accelerator was established as the practical outcome of the Initiative and has since brought together multilateral institutions, national governments, donors, private sector, and NGOs from water, climate and finance sectors. It will build an optimal approach to secure climate funding for a pipeline of comprehensive water security programmes that incorporate sustainable water management, disaster risk reduction, water infrastructure and services, and protect nature while adapting and mitigating climate change for the most vulnerable.

The principle aim of the Accelerator is to generate high-quality, resilient, and low carbon programming for protecting water resources and improving access to water services in a way that boosts resilience for at least 50 million vulnerable, water stressed people in low- and middle-income countries.

In the coming years the Accelerator will work on the following pillars:

1. Develop an optimal approach for programme development to improve access to climate finance;

2. Support dedicated in-country facilitation partnerships - bringing together key experts and impacted sectors and communities, at local and national level, particularly from the WASH, water and climate sectors.

3. Build up knowledge and analysis of climate threats to water security on the ground; and

4. Secure climate finance from appropriate sources to ensure implementation of a pipeline of programmes for the most vulnerable.
Barriers to accessing climate finance

Systemic water challenges coupled with climate change impacts

Challenge

Low capacity for programme development and implementation
Lack of integration between different sectors
Lack of data on climate variability and risks

APPROACH DESIGN PHASE

Optimal approach for programme design
6 locations selected to test the approach

Securing $20 million

PROGRAMME DEVELOPMENT PHASE

In-country cross-sector facilitation partnerships for 6 locations set up
Capacity building, data gathering & application of locally-led adaptation principles

Spending $20 million

6 programmes to boost water security and secure climate finance developed

IMPLEMENTATION & PROOF OF CONCEPT PHASE

Approach scaled-up
Climate funding (public and private) for 6 programmes secured

Securing billions

Resilient Water Accelerator

6 programmes implemented
By 2022 the Resilient Water Accelerator will have:

1. Delivered an optimal design approach for creating applications for climate resilient water programmes, including for fast-growing areas such as secondary cities, that can secure climate finance (using millions to access billions) to deliver comprehensive water security.

2. Secured funding (at least USD20 million) that will support the development of such comprehensive programme applications in 5-6 locations in climate vulnerable countries. This initial funding to access climate finance will be supported by a landscape mapping of existing financial flows to the water sector. This will show where climate finance is getting through and where there are outliers in terms of sources of finance.

Implementation and Proof of Concept

The implementation phase of the Resilient Water Accelerator will officially begin at UN Climate Change Conference (COP26) in November 2021. The launch will start the two-year implementation process of working with local partners and national governments in selected locations to create data- and assessments-driven climate-resilient water programmes that can be used to apply for climate financing.

The approach delivered under the Resilient Water Accelerator will be designed with scalability in mind, and its implementation through initial programme development in 5-6 locations experiencing water stress and climate impacts will demonstrate its feasibility. The aim is for initial programmes to have secured climate finance for their implementation, and would show the benefits of funding for this type of facilitative and holistic programme design, stimulating significantly higher levels of this early funding and ensuring more and better programmes in the medium term. This early intervention making millions available now, will be able to attract billions for implementation of comprehensive proposals that take a systems-based multi-sector approach to resilience, while fostering community adaptation capacity and long-term water security.