WATER
TRENDS IN NDC PARTNERSHIP SUPPORT
MAY 2024
INTRODUCTION

This Insight Brief analyzes requests for support the NDC Partnership has received from developing country members that are related to water. It identifies trends related to country requests and support offerings, informing how the Partnership can refine and scale up needed support for water-related initiatives.

DEFINITIONS USED IN THIS ANALYSIS

**Water**: Collection, conservation, and recovery of water resources, including watershed management, efficient water use, liquid waste management and accessibility to potable water, among others.

WATER REQUESTS: FACTS AND FIGURES

A total of

**631 REQUESTS FOR SUPPORT HAVE BEEN SUBMITTED BY 50 COUNTRIES ON THE TOPIC OF WATER**

(10% OF ALL REQUESTS CIRCULATED THROUGH THE NDC PARTNERSHIP)

<table>
<thead>
<tr>
<th>Fully supported requests</th>
<th>27%</th>
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<tbody>
<tr>
<td>Partial support, indicative support, or no support</td>
<td>73%</td>
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ABOUT INSIGHT BRIEFS

Insight Briefs are analyses developed by the NDC Partnership’s Support Unit, members, or its partner institutions to share insights into thematic issues based on requests received by countries and the support provided by the Partnership. The following Insight Brief, based on NDC Partnership data, addresses requests related to the Water-Climate Nexus and provides recommendations on how to strengthen support to countries.

This Insight Brief was developed and prepared by the NDC Partnership Support Unit.
Water requests are nearly evenly split between projects and technical assistance requests, reflecting a strong need for project support as compared to overall requests for support received by the Partnership (which heavily focus on technical assistance).

Most water-related requests are adaptation-focused or cross-cutting, whereas only 10% focus on mitigation efforts. By comparison, when looking at all requests to the NDC Partnership, there is a near even split across adaptation, mitigation and cross-cutting.
Waste, agriculture and energy are key sectors reflected within water requests, representing important co-benefit opportunities at the climate-water nexus, however the response rate to waste-related requests is disproportionately low. In addition to conventional sectors, other thematic support areas are critical to action in the water-climate nexus. These areas are presented below.
Water, Sanitation and Hygiene (WASH)

WASH is a central element of climate adaptation, ensuring that “water and sanitation services and hygiene behaviors and facilities can withstand and be sustained during and after climate-related disasters” (UN WATER). Of the country requests for support presented above, 32 relate to WASH. Activities include: promoting sanitation, health facilities, and social services; protecting against waterborne diseases; and improving availability of clean drinking water. An additional 39 requests for support have been submitted by countries which focus on sanitation or hygiene but do not mention water specifically.
Disaster Risk Reduction (DRR), Flood and Drought Management

DRR is an integral part of development and is closely related to water resilience by reducing societal exposure and vulnerability to natural disasters such as droughts and floods (UN DSDG). Of the country requests for support presented above, 138 relate to DRR. Activities include safeguarding against extreme events, diversifying livelihoods, ecosystem management and resilience building for water basins, and managing water supply. 19 requests directly mention floods, while 13 mention droughts. A previous analysis of DRR-related requests to the NDC Partnership found water to be one of the most common sectors among all DRR-related requests, including requests to improve infrastructure resilience in response to floods and droughts.
Many water requests focus on developing MRV or M&E systems, including links to disaster risk reduction. In addition, the response rate to Developing Bankable Projects and Pipelines requests is much lower than other activity types, even though they make up by far the most common type of request. Additional activities and strategies relevant to the water-climate nexus are presented below.
Integrated Water Resources Management (IWRM)

IWRM recognizes that water resources are highly interconnected with other social, economic, and environmental factors, and that holistic management of water is essential for sustainable development (UNDESA). Of the country requests for support presented above, 19 mention IWRM directly. Activities include producing IWRM policies and frameworks, establishing IWRM agencies, developing data management systems for IWRM implementation, and improving stakeholder participation in IWRM. Certain activities like developing strategies and monitoring and evaluation (M&E) systems are key components of IWRM. 86 of the country requests above involve enacting strategies, while 111 relate to M&E systems, reflecting broader links to IWRM.
Long-Term Low Emission Development Strategies (LT-LEDS)

Long Terms Strategies (LTS) and LT-LEDS are important vehicles of the Paris Agreement, supporting the goal of a just transition to net zero emissions by mid-century (UNFCCC). Only 2 of the water requests for country support presented above are related to LTS or LT-LEDS. One of these requests explicitly seeks to improve an LT-LEDS document, including modeling adaptation scenarios in the water sector. The other request is for an embedded advisor to support both LTS implementation and resource mobilization for water projects.
84 out of 168 partners (50%) have provided support to at least one water request. The top 12 partners (by percent of water requests supported) are shown here. Governments are also leading a significant share of support needed themselves in the water space (15% of all water requests).
ADDRESSING BARRIERS TO INVESTMENT IN THE WATER-CLIMATE NEXUS

Water management and informed decision-making around water resources are critical to achieving the Sustainable Development Goals (SDGs) and ambitious climate action. A dependable water supply is vital for many economic sectors, including agriculture, energy, and waste. The ‘water-climate nexus’ is defined as the point at which water interacts with other critical sectors, such as irrigation for agriculture or water use for energy production. Prioritizing water-climate nexus investment as a political and economic choice offers numerous co-benefits, such as boosting productivity, job creation, and economic growth. It also helps build climate resilience and ensures a sustainable water supply for future generations. Despite these benefits, there exist several key barriers to investment in the water-climate nexus, which are summarized below:

› **Capacity and communication gaps** limit the integration of water work with existing climate finance processes. Historical silos between water and climate activities continue to have ongoing impacts, even as water is increasingly mainstreamed in climate planning and as water stakeholders seek to access key climate funding mechanisms like catalytic and concessional financing. Capacity and knowledge gaps persist on how to access climate finance, utilize climate data, and build a climate rationale for water projects. When water projects do receive support, improved communication of these successes is critical to reflect ongoing efforts and build momentum for further action.

› **Large scale bankable water projects** require a level of investment and technical expertise that can serve as a barrier to implementation. Many country requests related to water – such as water treatment plants and wastewater management – are “big ticket” investments with high upfront costs, and this can limit capacity to fund project startup. Further, the strong emphasis on bankable projects among water requests necessitates a project skillset which may differ from that of many funding partners – particularly those who primarily focus on providing technical assistance. Further work is required to better leverage existing climate finance mechanisms to improve sustainable flows of resources to these bankable water projects. These factors may help explain the low response rate to bankable projects requests shown in the Activity Type chart above.

› **Limited understanding around the linkages between water and mitigation** stymies efficient investment, and this can be addressed through improved integration of NDCs and WASH. There are substantial emissions connected to waste and sanitation, and these effects are not always fully captured in NDCs. Mainstreaming WASH approaches in NDC planning and implementation represents an opportunity to capture mitigation and resilience benefits in tandem across water activities. This approach also necessitates a strategic shift within WASH communities to better integrate a climate focus into WASH activities.

1. These barriers and solutions were identified through the NDC Partnership’s March 2024 Thematic Partner Discussion, which brought together experts from across 21 organizations on the topic of the water-climate nexus.
Conventional economic modalities do not adequately capture the scale of water activities, which are both long-term and crosscutting in nature. While water is traditionally classified as a sector in economic and development programming, experts often find such categorization limiting and prefer to approach water as a broad crosscutting action area. IWRM recognizes the interconnectedness of water activities, but improved policy coherence is required to mainstream IWRM across sectors in a climate context. Long-term horizon integration, including through utilization of an adaptation pathways approach and inclusion of water in LTS and LT-LEDS, can help overcome this barrier.

Investing in water management should not be viewed as a cost but rather as an opportunity for development. By leveraging NDCs as an entry point for water action, countries can catalyze a holistic approach to climate and development planning. Although water is an important entry point for mitigation and adaptation action, the investment case is not always straightforward, and attracting the private investments needed represents a barrier. Integrated challenges require an integrated solution. Further application of these challenges and potential ways forward specific to the water-climate-food nexus are summarized in a white paper produced by the NDC Partnership and the International Fund for Agricultural Development (IFAD).

Way Forward

Addressing the challenges around water integration lays the groundwork for countries to identify, cost, and prioritize critical investments to implement their NDCs. As countries respond to the results of the Global Stocktake process and prepare for the next round of NDC updates in 2025, there is an opportunity to catalyze ambition raising and investability together. Tapping into nexus approaches is only going to become more critical as practitioners further elucidate the interconnections between water and climate, the opportunities they bring, and the innovative investments that are needed.