

CONCEPT NOTE

11th Roundtable on Financing Water: Regional meeting on the EU's Eastern Partnership (EaP) Countries

30-31st May 2024, Brussels

The Roundtable on Financing Water

The Roundtable on Financing Water is a global public-private platform established by the OECD, the government of the Netherlands, the World Water Council and the World Bank. It draws upon political leadership and technical expertise, with the ambition of facilitating increased financing of investments that contribute to water security and sustainable growth. It brings together the finance and water communities to share information on recent and future developments of common interest. Specifically, the Roundtable aims to:

- Raise the profile of financing water on the international political agenda and within the investment community;
- Identify and overcome the barriers to further investment in water security and growth;
- Push the boundaries of traditional thinking about financing water-related investment; and
- Promote impactful ways of financing water-related investment;

The Roundtable engages a diversity of actors – governments and regulators in the Global North and the Global South, private financiers (e.g. institutional investors, commercial banks, asset managers, impact investors), development financing institutions, bi-lateral donors, international organisations, academia and civil society organisations – focused on finding novel ideas and solutions.

Since its creation in 2017, the Roundtable has met 10 times, around specific themes and regions. The regional meetings provide an opportunity to refine and share knowledge of water financing needs and capacities in the region. They also enable the characterisation of regional issues (e.g., infrastructure resilience in the Americas; mobilising commercial banks in Asia; developing a taxonomy of green investments in Europe). They are an opportunity to mobilise regional actors around shared issues or lines of action. The regional meetings covered:

- [Europe, co-organised by the European Investment Bank \(virtual meeting, December 2020\)](#)
- [Asia, co-organised by the Asian Development Bank \(Manila, November 2019\)](#) and
- [America, co-organised by the US government and the Inter-American Development Bank \(Washington, June 2019\).](#)
- [Africa, co-convened with the African development Bank \(Abidjan, November 2023\).](#)

The thematic meetings provide an opportunity to discuss evidence-based analyses on specific themes at the global level, benefiting from input from leaders and experts of the topics. The thematic meetings included:

- [agricultural water, co-convened with the UN Food and Agriculture Organization \(FAO\)](#) and
- [water and climate action, with the U.S. Government, including the U.S. Department of State and the U.S. Environmental Protection Agency \(EPA\).](#)
- The [ninth meeting of the Roundtable on Financing Water](#) – co-convened with UN-Water – was a stepping-stone towards the UN 2023 Water Conference. It helped define the role of financing for the Water Action Agenda.

The regional meeting on EaP countries (Brussels, 30-31st May 2024)

Rationale

The 11th meeting of the Roundtable on Financing Water focuses on the EU's Eastern Partnership (EaP) countries: Armenia, Azerbaijan, Georgia, Moldova, and Ukraine. It sheds light on needs and opportunities to accelerate investments into water in line with EaP priorities. Environmental and climate resilience and promoting fair and inclusive societies are among the key objectives of the EaP's post-2020 agenda, which includes specific targets related to improving air and water quality. A far-reaching Economic Investment Plan underpins this agenda, which aims to mobilise EUR 17 billion in investments by 2027. The meeting covers water supply and sanitation, water resources management, and water-risk management, as well as adaptation to climate change.

The distinctive regional context and its implication for financing water are also central to the analyses and discussions, including the increased exposure to climate change risks, the impact of Russia's war of aggression against Ukraine, and the EU accession processes for Ukraine and Moldova, candidate status for Georgia, as well as partnership agreements by all EaP countries with the European Union. EaP countries are working on aligning with the EU *acquis* on water management - including the Water Framework Directive - and move towards river basin management planning. As investment backlogs and other barriers are tremendous and the application of economic instruments is weak, the meeting focuses on policy, strategic planning, economic regulation, economic instruments and mobilising finance efficiently, including through strengthening the enabling environment for investment in water security.

Expected participants

The 11th meeting of the Roundtable on Financing Water brings together a wide variety of actors from the water and finance communities to incentivise efficient water-related investment in EaP countries. It gathers leaders and representatives from governments (in particular from the EU and EU Member States), public and private investors, financial institutions, development banks, water utilities, regulators, international organisations, commercial banks, and others. It provides countries with an opportunity to highlight policy reforms undertaken at the national level, which have facilitated investments for water security and identify remaining priorities.

Thematic scope

The thematic scope of the 11th meeting will include the following themes.

<p>Water-related financing needs and opportunities</p>	<ul style="list-style-type: none"> • Assessment of the financial gap to reach European Union requirements and SDG 6 • Lessons learned from implementing the Economic Investment Plan (EIP) for the EaP and identifying future public and private financing opportunities for the water, energy, and land-use nexus in EaP countries. • Implementation of the next investment phase towards unlocking up to 17 billion Euros of public and private investments over the 2021 - 2027 period through the Economic and Investment Plan (EIP) for the EaP countries. • Experience with environmental funds for water management in EaP countries • Financing Programmes of Measures for River Basin Management Planning
<p>The enabling environment for investment in water security</p>	<p>This theme will examine current opportunities and barriers at the national and regional levels to attract and maintain investment in water security. It could encompass:</p> <ul style="list-style-type: none"> • The national public Investment Framework and its impact on attracting investment in water-related sectors. • Water Policy Frameworks for water resources management, water and sanitation service delivery in urban and rural areas, and irrigation. This includes policies, investment plans, economic regulation, water data availability, economic instruments, contract arrangements, access to finance, and the capacity levels of water service providers and service authorities. • The framework for developing sustainable and bankable projects in-country and the relevant instruments for its effective implementation. • The contribution of other economic sectors to water security, including tools to translate water security strategy into action.
<p>Transboundary water management</p>	<ul style="list-style-type: none"> • Lessons learned from the concluded and upcoming agreements on River Basin Management Plans (Armenia, Georgia, Moldova, Ukraine). • Financing mechanisms for transboundary cooperation.
<p>New trends and developments</p>	<ul style="list-style-type: none"> • Financing Nature-based Solutions (NbS) and benefits of incorporating “green” solutions into programmes of measures

Analytical work

The analytical work which will inform the Roundtable discussions will include the following:

- Highlights of the review of the enabling environment for investment in water security in EaP countries.
- Assessment of the financing gap and available finance from International Financial Institutions and bilateral donors to fund improvements in water security in EaP countries and transboundary basin.
- Analysis of cost-effective Nature-based Solutions in the water sector in EaP countries.
- Analysis on the reform of instruments to mobilise domestic finance for water in the EaP countries.
- Four Working Papers on the Economic Aspects of Implementing the EU Water Framework and Floods Directives:
 - Water investment planning and financing
 - The implementation of the Polluter Pays Principle
 - The economics of water scarcity

- Cost recovery
- OECD (2020), Financing Water Supply, Sanitation and Flood Protection: Challenges in EU Member States and Policy Options, OECD Studies on Water, OECD Publishing, Paris, <https://doi.org/10.1787/6893cdac-en>.

Modalities

The event is co-convened by the OECD and the European Commission, in partnership with the government of the Netherlands, the World Water Council and the World Bank. Other partners are most welcome, such as regional partners, development banks and other organisations.

The 11th Roundtable on Financing Water will take place on 30 and 31 May 2024. A save-the-date with the exact dates will be sent by the end of March. It will last between 1 and a half and two days. The event will be held in-person (by invitation only) and online.

Thematic background notes (see list above) will inform and support the discussions. Background documents, video recordings and a summary of the results will be available on the OECD website.