

Future of humankind needs bold economic thinking and new governance on water, says global group of experts

Chaired by Professor Mariana Mazzucato, WTO Director-General Ngozi Okonjo-Iweala, Professor Johan Rockström and Singapore Senior Minister Tharman Shanmugaratnam, a newly launched Global Commission on the Economics of Water will redefine the way we value and govern water for the common good. It will present the evidence and the pathways for changes in policy, business approaches and global collaboration to support climate and water justice, sustainability, and food-energy-water security.

Davos, 25 May 2022 — Water is the first casualty of the climate crisis. Extreme floods, droughts and water stress together are already affecting billions of people. In the absence of urgent and effective responses, they will get worse as a result of climate change, over-extraction of water, pollution and water injustice. Improving how water is managed globally is critical to mitigating the climate crisis and averting growing social and economic disorder, mass migration and conflicts. Yet, water is almost totally absent from the global policy stage.

“The consequences of our collective neglect and poor governance of our water resources will most impact poor people all over the world who will suffer from inequity of access and ensuing water related conflicts. This is already happening in many countries with significant loss of lives and livelihoods,” said Ngozi Okonjo-Iweala.

Humankind relies on water for its food, for its cities, its industry, for health and for energy. Rainfall variability is growing, extreme water events are becoming more intense and more frequent. Combined with fast-growing pressure on water supplies, this has made existing policies and governance of water obsolete. “We are rapidly changing the global hydrological cycle, due to climate change and ecosystem degradation,” said Johan Rockström. “This is threatening human wellbeing, the global economy and the resilience of societies in the face of rising shocks.”

A new Global Commission on the Economics of Water was launched today at the World Economic Forum Annual Meeting in Davos following a two-day workshop in Geneva. Co-chaired by Mariana Mazzucato, Ngozi Okonjo-Iweala, Johan Rockström and Tharman

Shanmugaratnam, this group will develop the new thinking on economics and governance required to lead countries out of the current impasse. The Global Commission is composed of 17 experts, community leaders and practitioners from a broad range of science, policy and front-line practice expertise from all regions of the globe. Collectively, they will provide an independent review of *The Economics of Water: An Agenda for the Common Good*.

“The dysfunctions in markets today are not an accident, they are the result of decisions that we have taken in business and governments. If every person on the planet is to have access to enough safe water at an affordable cost, we must govern our economy in a radically different way,” said Mariana Mazzucato.

The Global Commission will design solutions that go beyond simply fixing market failures. “What is needed are purpose-driven private-public partnerships on a scale that has never been attempted before, to mobilise finance, invest in innovations and deliver access everywhere to affordable, safe water,” said Tharman Shanmugaratnam.

Completing the sustainability trilogy that began with the Stern Review on the economics of climate change and the Dasgupta Review on the economics of biodiversity, the Review by the new Global Commission will provide a fundamental reassessment of the way we manage and value water, and its intrinsic role in addressing climate change and other global challenges. The independent Global Commission is convened by the Government of the Netherlands and facilitated by the Organisation for Economic Co-operation and Development (OECD).

The Global Commission’s first report will be published to coincide with the UN’s 2023 Water Conference and inform the launch of a “Pact for Voluntary Commitments”. The two-year project will deliver an action agenda to spur change globally, among governments, local authorities, industry, finance, multilateral institutions and non-state actors.

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ABOUT THE GLOBAL COMMISSION

Commission Co-chairs

- Mariana MAZZUCATO, Professor in the Economics of Innovation and Public Value at University College London (UCL); Founding Director of the UCL Institute for Innovation and Public Purpose (IIPP); Chair of the World Health Organization Council of the Economics of Health for All; Author of Mission Economy: a moonshot guide to changing capitalism.
- Ngozi OKONJO-IEWALA, Director-General, World Trade Organization (WTO); Former Minister of Finance, Nigeria; Former MD, World Bank; Co-Chair, G20 High Level Independent Panel on Financing the Global Commons for Pandemic Preparedness and Response (2021)
- Johan ROCKSTRÖM, Professor in Earth system science University of Potsdam; Director of the Potsdam Institute for Climate Impact Research; Co-chair of the Earth Commission of the Global Commons Alliance; Member European Investment Bank (EIB) Climate and Environment Advisory Council; and the EU Mission board on Climate Adaptation.
- Tharman SHANMUGARATNAM, Senior Minister, Singapore; Chair, G20 Eminent Persons Group on Global Financial Governance (2017/18); Co-Chair, G20 High Level Independent Panel on Financing the Global Commons for Pandemic Preparedness and Response (2021)

Commissioners and Lead Experts

- Quentin GRAFTON, Professor at the Crawford School of Public Policy, Australian National University; Chair holder of UNESCO Chair in Water Economics and Transboundary Water Governance
- Joyeeta GUPTA, Professor at the Faculty of Social and Behavioural Sciences, University of Amsterdam; co-chair of the Earth Commission of the Global Commons Alliance
- Aromar REVI, Director of the Indian Institute for Human Settlements; Co-Chair of the UN Sustainable Development Solutions Network (SDSN); member of the Ubuntu Advisory Board of United Cities and Local Governments (UCLG), Coordinating Lead Author of the IPCC Assessment Reports 5 and 6

Commissioners

- Yvonne AKI-SAWYERR, Mayor of the City of Freetown, Sierra Leone
- Alicia BÁRCENA IBARRA, Former Executive Secretary of CEPAL, Chile
- LaToya CANTRELL, Mayor of the City of New Orleans, USA

- María Fernanda ESPINOSA, Foreign Minister of the Republic of Ecuador
- Arunabha GHOSH , CEO of the Council of Energy, Environment and Water, New Delhi, India
- Naoko ISHII, Executive Vice President and Director, Center for Global Commons, University of Tokyo
- Juan Carlos JINTIACH, Advisor of the Coordinator of Indigenous Organizations of the Amazon Basin, Ecuador
- Inge KAUL, Senior Fellow, Hertie School, Berlin, Germany
- QIU Baoxing, President of the Chinese Society for Urban Studies
- Mamphela RAMPHELE, President of the Club of Rome, South Africa
- Ismail SERAGELDIN, Founding Director of the Bibliotheca Alexandrina, Alexandria, Egypt

Advisers

- Richard DAMANIA, World Bank, Chief Economist, Sustainable Development Vice Presidency
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- Daniel ESTY, Hillhouse Professor of Environmental Law and Policy, School of the Environment and Clinical Professor of Environmental Law & Policy, Yale Law School
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- Abebe SELASSIE, IMF, Director of the African Department