

Preface

The importance of water security to broader economic development and resilience is increasingly internationally recognised, as reflected by the annual G20 Dialogue on Water as well as the preparations for the 2023 UN Conference on Water; the first of its in kind in nearly 50 years. Investments that contribute to water security span a range of essential infrastructure systems to deliver clean drinking water, reliable sanitation and to manage water resources and water risks. They deliver substantial benefits across multiple policy agendas, notably food and energy security, urban development, public health and education. The COVID-19 pandemic has also starkly demonstrated the importance of ensuring access to safe water, sanitation and hygiene as a critical element of reducing the transmission of infectious diseases.

The economic case for investments in water security is robust and with climate change and other drivers exacerbating pressure on water systems, the value of investments in resilience is further heightened. Economic losses related to water insecurity are estimated to include USD 260 billion per year from inadequate water supply and sanitation, USD 120 billion per year from urban property flood damages, and USD 94 billion per year of water insecurity to irrigators. At the same time, the global costs of achieving SDG 6 on water and sanitation exceed USD 1 trillion per year, or 1.21% of global GDP. Yet, financing flows have long remained well below identified levels of need. The world is not on track to meet the SDG 6 and lack of financing is well-recognised as a major impediment.

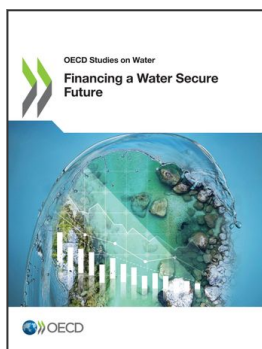
The analysis presented in this report confirms that addressing the financing challenge requires more than calls for increased funding. It requires accelerated and concerted action on multiple fronts to: (1) make the best use of existing assets and finance, (2) strengthen the enabling environment for investment, (3) pursue strategic investment planning to ensure resilient investments in the context of uncertain future climatic conditions, and (4) mobilise additional sources finance from various public and private sources. Policy makers and financiers can seize new opportunities that arise from growing interest in sustainable finance, such as the development of taxonomies for sustainable activities, green and blue bonds, as well as increased policy impetus and investor appetite to align finance with environmental ambitions.

These findings draw on analytical work and discussions at the Roundtable on Financing Water; the only dedicated forum on financing water at the international level. Since its establishment in 2017, the Roundtable has engaged several hundred policy makers and practitioners to mobilise the full range of sources of finance to contribute to a water secure future. The release of this report provides a strong foundation for new initiatives such as the OECD Global Observatory on Financing Water Supply, Sanitation and Water Security, which will provide a dedicated knowledge hub to share good practices and support peer-to-peer learning.

We hope you will find this report inspiring. We encourage you and all stakeholders to join us to advance this agenda to scale up financing for water security and sustainable growth.



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