



Finance in Common

19 October
2021


**ROME PUBLIC
DEVELOPMENT
BANKS STATEMENT
ON FINANCING WATER
AND SANITATION**

Water
Finance
Coalition

19 OCTOBER 2021

ROME PUBLIC DEVELOPMENT BANKS STATEMENT ON FINANCING WATER AND SANITATION IN ORDER TO REACH WATER-RELATED SDGS AND FOSTER ADAPTATION TO CLIMATE CHANGE AND BIODIVERSITY PROTECTION

We, Public Development Banks (PDBs) and Associations of PDBs engaged within a Water Finance Coalition and gathered in Rome in the context of the second edition of the Finance in Common Summit, acknowledge that PDBs have a crucial role to play in enhancing financing for water and sanitation, in order to reach water-related SDGs as well as foster adaptation to climate change and biodiversity protection.



We are saddened by scientific evidence in particular Intergovernmental Panel on Climate Change's (IPCC) scientific evidence and 6th Assessment Report that shows that the greatest risks of global warming relate to water, as well as by the fact that billions of people are still lacking safely managed access to water and sanitation – a departure from achieving United Nations (UN) Sustainable Development Goal (SDG) 6— and with major impacts on livelihood, health, biodiversity and gender equality. Moreover, the covid-19 pandemic has given us a brutal reminder of the criticality of such basic services.

We position our engagement in support of the Human Right to safe water and sanitation, the Sustainable Development Goals, the United Nations Water action decade for 2018-2028, the Paris Agreement on climate change, the future post-2020 Global Biodiversity Framework to be adopted at COP15, the Addis Ababa Action Agenda on Financing for Development, the PDB Social Investment Coalition and the Finance in Common initiative. The Finance in Common initiative aims at recognizing and incentivizing all Public Development Banks (PDBs) in the world to act together as a system and unleash their full potential in the current crisis, with the objective of increasing investments consistent with the sustainable development goals (SDGs) and the implementation of the Paris Agreement, to strengthen the means of implementation and revitalize the global partnership for sustainable development.

We confirm the crucial role of PDBs, whether National, Regional, Multilateral Development Bank or Development Finance Institution, in the achievement of the water-related Sustainable Development Goals (SDGs), especially SDG 6 “Ensure availability and sustainable management of water and sanitation for all”, as well as in contributing to climate change goals and biodiversity protection.

We call all PDBs, national and local governments, international development partners as well as all stakeholders to strengthen dialogue and collaboration to mobilize and promote public and private financing for water and sanitation. It requires the following main actions and implies the goals listed below: to improve financial and economic regulations, identify ways to strengthen PDBs mandates; mainstream water-related issues in PDBs strategies, especially as a way to fulfill human development and climate change adaptation and mitigation objectives; foster PDBs' best practices and expertise in the water sector; increase PDBs water sector range of financial tools; and address inefficiencies of the water and sanitation sector to support investments.

We are gathering regularly within a Water Finance Coalition following a Call for action launched jointly by Agence Française de Développement (AFD), Development Bank of Latin America (CAF), European Investment Bank (EIB), World Bank (WB) and Sanitation and Water for All (SWA) in the framework of the Finance in Common Summit of November 2020. This coalition is an opportunity to build knowledge and share good practices in order to facilitate increased involvement of PDBs in water and sanitation issues.

We consider the 2021 Finance in Common Summit, the Glasgow COP 26, the Dakar World Water Forum and UN Conference on the Water Action Decade to be held respectively in 2021, 2022 and 2023 as important milestones for our collective effort to enhance access to water and sanitation for all and decisive steps to increase our collaboration.

LIST OF SIGNATORIES

- Association of Development Financing Institutions in Asia and the Pacific (ADFIAP)
- Latin American Association of Development Financing Institutions (ALIDE)
- African Development Bank (AfDB)
- Agence Française de Développement (AFD)
- Asian Development Bank (ADB)
- Banco de Desarrollo de America Latina (CAF)
- Banco de Desarrollo de Minas Gerais (BDMG)
- Banco Nacional de Obras y Servicios Públicos (BANOBRAS)
- Banque Ouest Africaine de Développement (BOAD)
- Cassa Depositi e Prestiti (CDP)
- The Council of Europe Development Bank (CEB)
- Corporación Financiera de Desarrollo S.A. (COFIDE)
- The Development Bank of Southern Africa (DBSA)
- European Investment Bank (EIB)
- FONPLATA - Banco de Desarrollo
- KfW Development Bank
- Inter American Development Bank (IADB)
- Instituto de Credito Oficial (ICO)

IN PRESENCE OF :

- CDG Capital
- Sanitation and Water for All (SWA)
- United Nations Children's Fund (UNICEF)
- United Nations Office for Project Services (UNOPS) – Ethiopia Hub

We call for the following goals and concrete outcomes:

GOAL 1: STRENGTHEN THE WATER FINANCE COALITION COMMUNITY TO PROMOTE PEER LEARNING AND SHARING BEST PRACTICES AND LESSONS LEARNT FOR WATER AND SANITATION FINANCING

- Outcome 1.1:** Actively collaborate to promote peer learning, to share best practices as well to build knowledge and lessons learnt for water and sanitation investments.
- Outcome 1.2:** Share knowledge and experience between domestic and international PDBs and explore concrete cooperation opportunities.
- Outcome 1.3:** Create a network of PDBs and develop synergies with existing networks of PDBs to support discussions.

GOAL 2: CONTRIBUTE TO REORIENT FINANCING TOWARDS CLIMATE AND BIODIVERSITY COMMITMENTS AS WELL AS COVID-19 CRISIS RECOVERY THROUGH SUSTAINABLE WATER RESOURCES MANAGEMENT AND ACCESS TO WATER AND SANITATION SERVICES

- Outcome 2.1:** Develop our capacity to measure the percentage and volume of our total funding towards water and sanitation and communicate our results on a regular basis.
- Outcome 2.2:** Promote water related investments contributing to climate adaptation and mitigation commitments as well as biodiversity protection objectives.
- Outcome 2.3:** Explore the opportunities to factor water footprint and exposure to water-related risks assessment in investment decision process.

GOAL 3: EXPAND DIALOGUE AND COLLABORATION WITH A BROADER GROUP OF STAKEHOLDERS TO INCREASE FINANCING TO WATER AND SANITATION

- Outcome 3.1:** Sensitize and help governments to enhance the role of their national PDBs in financing water and sanitation, promoting a clear and effective regulation for the water and sanitation sector and implementing sectoral reforms.
- Outcome 3.2:** Interact with other stakeholders to build a better understanding of their expectations regarding PDBs interventions in the water sector, in terms of strategic orientations, priority areas of intervention, geographical priorities or short-term issues to address.
- Outcome 3.3:** Regularly present the coalition's progress in the framework of international events such as the World Water Forum or the COP processes.




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