

30th Economic and Environmental Forum
Concluding Meeting

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Session 2, Mr. Jaffer Machano, Global Programme Manager, Municipal Investment Finance, United Nations Capital Development Fund (UNCDF)

The Blue Peace Financing Initiative: How to use innovative financing and digitalization for water cooperation and sustainable development

30th OSCE Economic and Environmental Forum

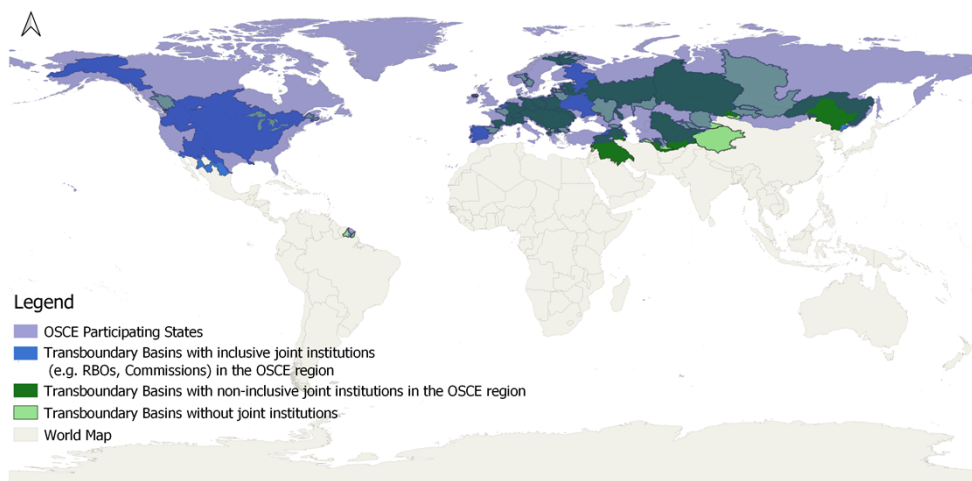
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Transboundary Basins in the OSCE Region

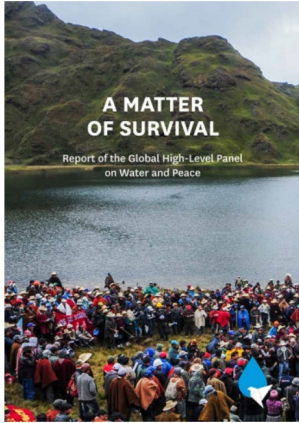


* 24 out of 119 total transboundary basins are only partly in the OSCE Region

Data Source: OSCE, TFDD Spatial Database, TWAP Data Portal, QGIS
World Map
Date: 25/08/2022

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Genesis of Blue Peace and Challenges Addressed



Missing the Peace Dividend & System Failure

Water

Challenges

- Water is one of the most important economic resources
- By 2050, more than 50% of the world's population will live in water-scarce regions
- Local Governments play a key role in water governance (water service delivery to urban planning). But LGs ability to carry out their competencies is limited.
- **Over 280 transboundary basins & close to 300 transboundary aquifers, but still a huge gap in terms of legal frameworks and transboundary institutions**

Funding

Challenges

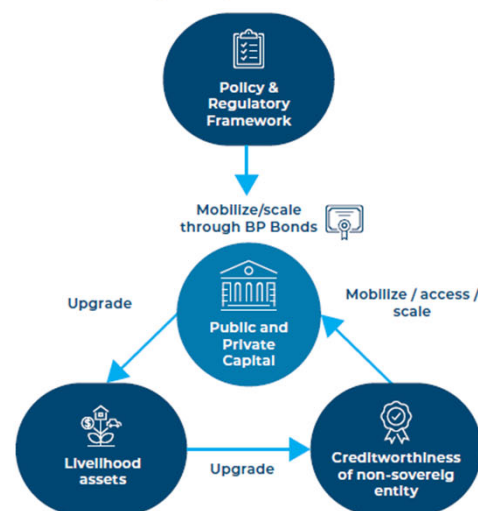
- Water insecurity costs the global economy US\$ 500 billion annually (GWP)
- **Less than 3% of overall climate finance goes to water related projects** - none to transboundary projects (IISD)
- **Currently the global capital flows to sovereign states. RBOs & Local Governments have no direct access to the international capital markets**
- Water-related services are often not sufficiently valued, resulting in a poor record of cost recovery for water-related investments and lack of adequately valuing the benefits of cross-sectoral cooperation

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Vision & Theory of Change

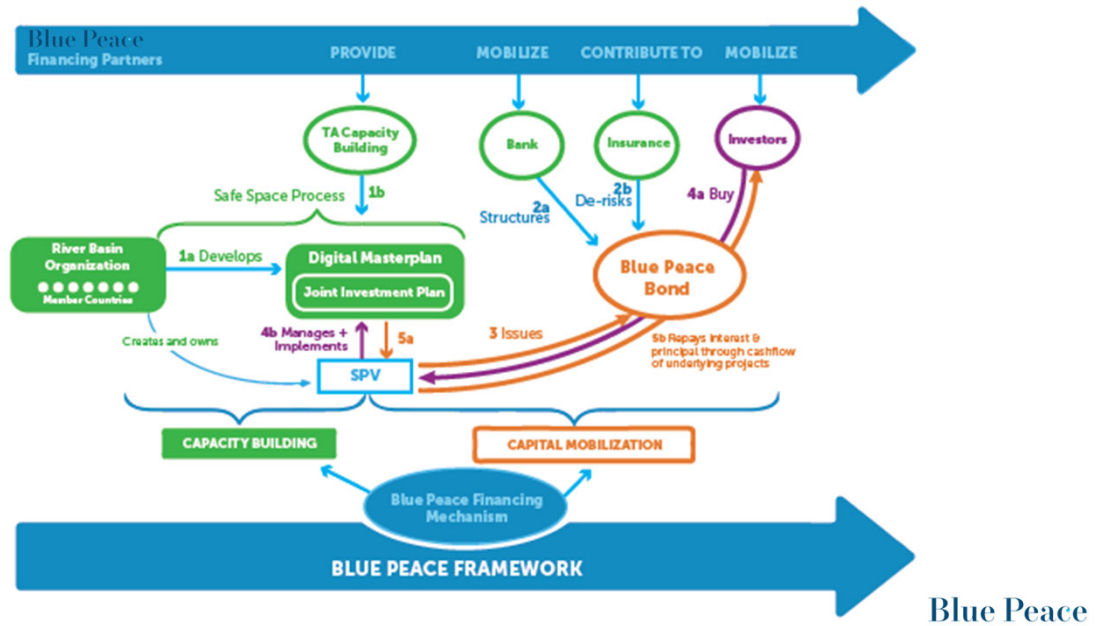


Catalytic capital transforms



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How does it work for River Basin Organizations (RBOs)?



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Pilot in West Africa:
The Gambia River Basin Development Organization (OMVG)

Organisation pour la mise en valeur du fleuve Gambie (OMVG) /Gambia River Basin Development Organization

Creation:1978

3 Hydrographic Basins of 118 000 km²: Gambia (66%), Koliba-Corubal (21%) and Kayanga-Geba (13%)

+40 years of success in fostering transboundary collaboration between countries: Gambia, Guinea, Senegal, Guinea-Bissau

Existence of a formal legal and institutional framework for water resources management



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Example of a Digital Joint Investment Plan - Indicative Pipeline of Projects

Energy / Hydro Power



Opportunity

- Electricity access rate is still low: between 12% -65% (WB, 2012-2016) and average power costs are expensive.
- Project sites closer to the OMVG interconnected network.

Projects Pipeline: Digan, Kourawel, Fello-Sounga, Saltinho, etc.

Drinking Water



Opportunity

- Lack of reliable and sufficient water system / reservoirs / wells specially in rural / dry areas.

Projects Pipeline: hydro damn surroundings, municipalities.

WASH / Women Economic Empowerment



Opportunity

- Peacebuilding on through water kiosks
- improve water access for local
- Creating income source for women

Projects Pipeline: Freetown, Mayinkineh, Rokupa, Dworzark, Lumley, etc.

Forestry / Ecotourism



Opportunity

- Rich wildlife and biodiversity sites which are protected.
- Mismanagement/poor protection against nature degradation.

Projects Pipeline: Natural parks in the respective countries.

Agriculture / Irrigated Land



Opportunity

Agriculture remains a key factor for accelerating inclusive economic growth and diversification. Agriculture accounts for more than 60% of the workforce in the OMVG region, most of them, poor rural farmers.

Projects Pipeline: Integrated irrigation with hydro damns.

Market / Storage Facility / Terminal Station



Opportunity

- Cross-border cities & markets are strategically situated.
- Consumer staples markets where essential goods are traded constantly.

Projects Pipeline: Quebo, Farafenni, Koundara, Dioabè, etc.

Transport / River Navigation System



Opportunity

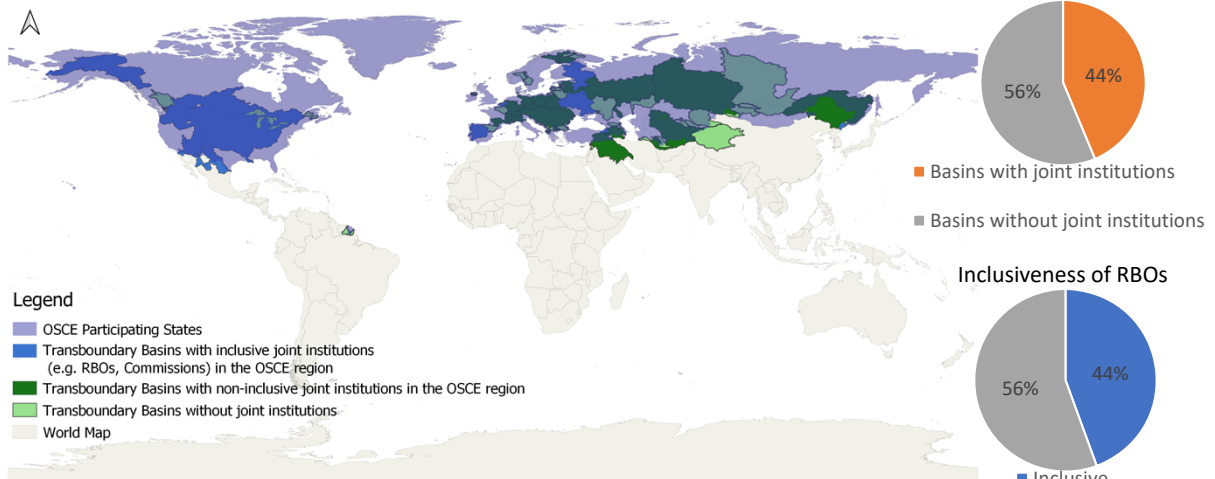
- Navigable river inland with a huge potential for ecotourism.
- High demand & production of products from silviculture agriculture and fishery resources.

Projects Pipeline: The Gambia River Navigation System.

KEY PORTFOLIO FEATURES:

- Projects capex: \$1-2 billion
- Income generating activities
- Strong environmental & social impact
- Well diversified
- Fully digitalized
- Contributes to sustainable management of natural resources, environmental protection and rehabilitation

Relevance of Blue Peace Financing Initiative for OSCE Region



* 24 out of 119 total transboundary basins are only partly in the OSCE Region

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41% of world's transboundary basins are in the OSCE region

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The Blue Peace Index - the beginning of Blue Peace Financing Frameworks

The Blue Peace Index examines the extent to which countries and basins are managing their shared water resources in a sustainable, equitable and collaborative manner, based on 5 categories:



Policy and legal frameworks

Are national and international policies in place to protect water resources?



Institutions and participation

Do the necessary mechanisms for collaboration exist and are all stakeholders engaged?



Water management instruments

Are water availability and pollution measured and disaster risks monitored?



Infrastructure and financing

Is funding to develop water resources available from national, international and private sources?



Co-operation context

Are water resources under pressure, and does the political and socio-economic context support co-operation?

Source: <https://www.thebluepeace.org/>

The Blue Peace Index will be used as basis to develop an Impact framework, a Blue Peace standard as well as a Blue Peace Financing "Readiness" assessment tool.

-> The Blue Peace Financing Initiative will be taken to the next level and become a multistakeholder global initiative

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Thank you for your Attention!

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