

**Marrakech  
Partnership**



**UNFCCC COP 27**

**Outcome Document**

**Action Event:**

**“Catalyzing Innovative Finance for  
Strengthened Water Resilience in  
African Cities Implementation Lab”**

Marrakech Partnership for Global Climate Action

Monday, 14 November 2022

15:00-16:30

Organised by the World Resources Institute (WRI) and the High-Level  
Champions

# MPGCA “Thematic”: Water Funds Implementation Lab

## Section 1 - Action Event

### Key Messages:

Water is essential for social, environmental, and economic sustenance and wellbeing, yet investments in water resources and infrastructure are lagging. Africa is today the least urbanised, yet most rapidly urbanising continent in the world. This unprecedented growth in the continent’s cities is resulting in accelerated increase in the demand for water, in its already water-stressed cities. There is a huge gap in funding and financing in the water sector in sub-Saharan Africa (\$66 billion backlog and \$ 9-\$14 billion needed annually to secure water resources).

This 2030 Implementation Lab served to elevate many innovative financing solutions that are being developed by state and non-state actors to address the gaps in water and sanitation and water resources financing in Africa, showcasing new and emerging catalytic financing instruments such as the ACWA Fund (5B USD), the Africa Water Investment Program (30B USD), the Water Unite Impact Fund (10M USD) and the Resilient Water Accelerator (20M USD), Nature4Water Facility (20M USD), the Development Bank of Southern Africa (DBSA)'s Infrastructure Investment Fund (5B USD), the Resilient Communities Investment Fund (10M), Rwanda Green Climate Fund- FONERWA (247M USD), Meridiam's TURF fund (290M USD), among others.

This gathering presented an opportunity for climate leaders to discuss the barriers and opportunities to establish cooperative relationships between emergent funds. The audience deliberated how the various funds and funding instruments could work together and deliver impactful climate resilient water finance that prioritizes local government needs, centers the most vulnerable and ensures a water-resilient future for all. The session also brought together these funds and facilities along with city government in 3 countries (South Africa, Rwanda and Ethiopia) to challenge and discuss how the dots between these different initiatives could be connected so that the sum of all these efforts is greater than the parts.

### Outcomes:

1. *Endorse and drive action aligned with the Marrakech Partnership Climate Action Pathways*

This implementation lab served as a platform for the launch of the [African Cities Water Adaptation Fund \(ACWA Fund\)](#), that is one of the Sharm-el-Sheikh Adaptation Agenda initiatives. The event also showcased other innovative financial instruments for water resilience such as the [Water Unite Impact Fund](#), the [Nature for Water Facility](#) and the [Resilient Community Impact Funds](#). The session highlighted the element of finance that is a critical enabler to achieve the MP Climate Action Pathway for Water, as well as the COP27 Presidency's AWARE (Action for Water Adaptation and Resilience) Initiative. Additionally, the session re-emphasized the critical

importance of urban water resilience, aligned with the COP27 Presidency's SURGE (Sustainable Urban Resilience for the Next Generation) Initiative.

2. *Generate Convergence around campaigns, Race to Zero, Race to Resilience breakthroughs*

The Water Funds Implementation Lab identified key issues to unlocking financing for urban water resilience, first by highlighting the multiplicity of financing instruments already established across the world. Zeroing on Africa, the lab highlighted the strength of partnerships, such as the [African Cities Water Adaptation Platform \(ACWA Platform\)](#) (a growing continental coalition of 23 partner cities and organisations). In addition, the session highlighted the growing ambition to meet the Race to Resilience goals, with the ACWA Fund for instance aiming to leverage \$5B in private finance to enhance water resilience for 29 million people in 100 African cities by 2032, while saving about 137 million cubic metres of water and creating about 69,000 jobs.

3. *Strengthen the quality and depth of dialogues and collective action between non-Party stakeholders and governments*

The Water Funds Implementation Lab brought together diverse public and private financial institutions, city governments and Party stakeholder voices to achieve a rich discussion on challenges and opportunities for financing urban water resilience. A key outcome from the discussion was that collaborative action between financial institutions (both public and private), and city stakeholders (including vulnerable communities, city governments and partner organisations) can be a catalyst for accelerated and effective finance, such as through the [ACWA Platform](#) that is the technical assistance facility for the ACWA Fund.

4. *Demonstrate action and evidence of transformation across diverse parties of the NPS community*

The [ACWA Fund](#), that was launched during this implementation lab was formally endorsed by the continental African Water Investment Programme, the European Investment Bank, the Ministry of Foreign Affairs (Kingdom of the Netherlands), SouthBridge Group & Kigali Investment Financial Centre were announced during this event. The event also showcased other innovative financial instruments for water resilience such as the [Water Unite Impact Fund](#), the [Nature for Water Facility](#) and the [Resilient Community Impact Funds](#).

## Section 2 - Progress and Outlook

### Overview of progress in 2022

Over the past year (2022), African nations and stakeholders have increasingly agitated for the elevation of the resilience agenda in climate discourses, at the level as mitigation. In the continent that is the least urbanised, yet most rapidly urbanising region in the world, the most significant climate risks with African cities have been water-related. For this reason, two of the COP27 Presidency's initiatives (the AWARE and SURGE Initiatives) have highlighted the urgent need to build water resilience, enabled by robust financing mechanisms.

There has also been a growing consensus this year (2022) that well designed blended finance instruments have the potential to transform the financial landscape for improved infrastructure in the continent's cities. For this reason, the [ACWA Fund](#) that was launched during the implementation lab, was highlighted as one of the Sharm-el-Sheikh Adaptation Agenda initiatives. This was also the first year that water made it to the cover text of any COP decisions, a transformative moment.

## Section 3 – Action during 2023

**Unlock finance.** Work to attract actual funding commitments to the ACWA Fund, for immediate implementation of transformative urban water resilience projects in at least 2 African cities, for piloting before COP28. Support cities to begin to develop a pipeline of bankable urban water resilience projects that are ripe for financing.

**Accelerate collaborative action.** Promote more radical collaboration between non-state and party stakeholders, that translates to transformative action to build water-resilient African cities.

**Ensure quality in implementation.** Tracking implementation of the initiatives launched at COP27, to show action-based progress in at least 2 African cities, by COP28.