2026 UN Water Conference
8–10 December 2026, Abu Dhabi, UAE

Beyond International Development Aid: Partnerships for Water Security and Climate Resilience

2026 UN Water Conference — Abu Dhabi, 9 December 2026 8:15 to 9:15 – Room Bahar 2, Oasis

Proposed by	Permanent Mission of Spain - AECID, in cooperation with FCDO (UK), GIZ (Germany), and SWI (Switzerland)
Conference	2026 UN Water Conference, 8–10 December 2026, Abu Dhabi, United Arab Emirates. Side event: Day 2, Wednesday 9 December 2026, 08 15 to 09.15, Room Bahar 2, Oasis
Relevant theme(s) of the dialogues of the UN Conference	Investments for Water; Water for Prosperity, Water for Cooperation; Water for Planet; Water for People
Format	Side event, keynote followed by one moderated roundtable of bilateral cooperation agencies, closing with the launch of the Joint Statement

1. Background

International cooperation on water is being reshaped. Some bilateral donors' water budgets have contracted severely while others have grown, alongside a broader shift in the principles, priorities and instruments used to deliver water cooperation, and in the mechanisms through which bilateral agencies, multilateral development banks (MDBs) and partnerships coordinate and implement together. Across all of this, the shared test is whether cooperation becomes more effective, delivers greater impact, draws on a wider range of instruments, and engages society more directly — with stronger coordination among actors needed throughout. This side event looks at that shift along three connected fronts: **how priorities are changing, how financing instruments are evolving, and how implementation mechanisms are adapting to deliver on them.**

Changing priorities

Water is a central engine for development, climate adaptation and the achievement of human rights. Progress on Sustainable Development Goal 6 (clean water and sanitation) underpins outcomes across health, education, gender equality, food security and economic growth. Water security is also critical for delivering the Sustainable Development Goals, the Paris Agreement and the Kunming-Montreal Global Biodiversity Framework, and water insecurity carries systemic risks for growth, resilience and security: the annual economic value of water

and freshwater ecosystems is equivalent to around 60% of global GDP (WWF, 2023), while water-related risk is estimated at 7–9% of global GDP (NGFS/Nicola Ranger, 2023).

This progress remains uneven: rural, remote and marginalised populations continue to face the widest gaps in access to safe water and sanitation, and closing this gap is inseparable from the protection of the Human Rights to water and sanitation, recognised by the UN General Assembly. Renewed international cooperation must place these rights, and the reduction of inequalities in access within and between countries, at the centre of the changing priorities. These rights should be the guiding framework for all the financing and partnership models, so that no population is left behind because of financial or geographical constraints. This includes gender equality, cultural appropriateness and, in Indigenous territories.

Alongside these priorities, water security is taking on a broader and more urgent meaning. The Munich Security Report 2026 addressed water for the first time as a significant geopolitical risk in its own right, reflecting a documented increase in water-related conflict events globally. Water infrastructure is also increasingly targeted directly which prompted the European Parliament's June 2026 resolution calling for water governance to be treated as a strategic, diplomatic and security priority within the EU's external action, or through cyberattacks on water utilities' operational technology, a risk category that industry threat-tracking data shows rising sharply. Taken together, these developments considerably broaden what "water security" needs to mean for development cooperation actors, beyond the resilience and adaptation framing addressed above.

These same shocks are also cross-cutting with the humanitarian mandates many bilateral agencies hold alongside their development remit: drought remains one of the most direct drivers of acute food insecurity and famine risk, and flooding is an established trigger of large-scale population displacement. This places climate and water-security risk squarely within the Humanitarian-Development-Peace (HDP) Nexus that donors increasingly use to frame their work, and echoes the way some agencies already treat water cooperation as an instrument connecting development, climate and humanitarian action rather than three separate mandates. Water, in this sense, is increasingly the single entry point capable of tying the humanitarian, development and peace pillars together, with direct implications for both climate resilience and international security.

Evolving financing instruments

Bilateral agencies are reorienting their financing model toward catalytic and blended-finance mechanisms — guarantees, non-sovereign loans and private capital mobilisation. AECID, through the Water and Sanitation Cooperation Fund (FCAS), exemplifies this shift toward catalytic financing mechanisms: its €815 million in Spanish grants has mobilised €2.6 billion in total investment (a 3.2x multiplier), combining grants with loans from the IDB, FEDES and the European Investment Bank, alongside delegated EU funds (LAIF) — illustrating the sector's shift from pure grant-giving toward blended, multi-actor financing. This shift also raises a distributional question: catalytic and blended instruments are structured to attract investment where returns are plausible, which can leave rural populations, informal settlements and the most vulnerable — where private capital finds no commercial case — reliant on a shrinking pool of grant-based aid. Ensuring aid continues to address inequalities

within countries, and reaches those private capital will not, is a central test of whether this financing shift delivers on its promise. Blended finance should therefore complement, not replace, public investment, the fiscal base of tariffs, taxes and transfers (3Ts) and non-reimbursable grants, which remain irreplaceable in dispersed rural areas, peri-urban settlements and marginalised communities where there is no financial return.

This development framing was reinforced at the Fourth International Conference on Financing for Development (FfD4, Sevilla, 30 June–3 July 2025), where the Compromiso de Sevilla committed signatories to work towards tripling multilateral development bank lending, applying blended finance and de-risking instruments, and mobilising private capital to help close the annual financing gap for the Sustainable Development Goals — recognising public development banks as a key bridge between global goals and country-level priorities. Bilateral development agencies and the European Union have a distinctive role to play in this financing architecture. Across all these instruments, a recurring test is how international aid is designed to support and reinforce nationally-owned priorities and strategies — a principle at the heart of aid effectiveness commitments and reaffirmed in the Compromiso de Sevilla.

Global Gateway, the EU's flagship strategy for external investment, illustrates the growing importance of this synergy of instruments in practice. Under Global Gateway, the European Fund for Sustainable Development Plus (EFSD+) combines EU grants, European Investment Bank (EIB) loans and guarantees backed by the Neighbourhood, Development and International Cooperation Instrument (NDICI). Global Gateway packages respond to the differentiated bankability and water-security conditions of each region, rather than applying a single global instrument. Similar models are emerging outside the EU: the Inter-American Development Bank has led five of the ten commercial debt-for-development swaps executed globally to date, converting sovereign debt into commitments to invest in water resilience, extending blended, currency-hedged water and climate finance region-wide.

Implementation mechanisms

Beyond the financing instrument used, a related but distinct question is through which institutional channel a bilateral or multilateral water programme actually reaches the ground, and this channel choice is itself evolving. Recurring implementation models include routing funds through international or local NGOs and, increasingly, engaging local and national civil-society organisations, municipalities and other subnational and local governments, and community-based organisations directly under the wider “localisation” agenda — a shift reinforced by the Compromiso de Sevilla’s explicit commitments to strengthen subnational finance and expand local and regional governments’ direct access to development resources — reflecting a broader shift toward engaging society itself, and not only national government counterparts, as a partner in delivery, oversight and accountability, with philanthropic foundations and private-sector actors likewise moving beyond a purely financing role to take on increasingly proactive implementation responsibilities alongside NGOs; a bilateral donor delegating implementation and risk-sharing upward into a multilateral development bank rather than managing disbursement itself; the reverse arrangement, EU delegated cooperation, in which the European Commission entrusts implementation and the management of EU budget funds to a member state’s own bilateral agency, often within the wider “Team Europe” framework through which EU institutions and member states pool

resources around joint initiatives; the choice between maintaining a permanent in-country office network and relying instead on national counterpart institutions to carry out functions a donor's own field presence would otherwise perform; and an emerging model of cross-institutional consortia, in which a bilateral donor, one or more specialist firms or research institutes, and one or more NGOs or multilateral bodies jointly design and deliver a single programme. None of these models is straightforwardly superior to another, and several donors are visibly combining more than one at once.

Whatever the channel, the water challenge is not solved only by mobilising more capital or building physical infrastructure. Strengthening public institutions, the autonomy and capacity of public and community water operators, and local capacities deserves equal weight: blended finance is only sustainable where local institutions are able to manage and maintain services. Measuring this progress requires going beyond counts of infrastructure and beneficiaries.

A further, complementary coordination channel operates at the level of the implementing agencies themselves rather than between donor and multilateral bank: the Practitioners' Network for European Development Cooperation, created in 2007 and currently comprising 23 members representing 16 EU Member States plus the United Kingdom, brings together the main European bilateral and financial cooperation agencies (including AFD and GIZ) to harmonise practice, strengthen joint EU crisis response and identify new approaches to implement together; AECID has been a member since its creation and chaired the network from May 2019 to May 2020.

This side event aims to examine what this evolving range of implementation channels means for bilateral agencies more broadly. Taken together, these shifts in priorities, financing instruments and implementation mechanisms raise a common question for the sector: as the aid, climate and security context changes, how should bilateral donors and MDBs shift priorities, and choose the channels through which they deliver?

2. Objective / Issues to Be Addressed

This side event will bring together the bilateral cooperation agencies of Spain, France, the United Kingdom, Germany and Switzerland, together with the European Commission, to examine how international water cooperation is changing across three connected dimensions — its priorities, its financing instruments, and the mechanisms through which it is delivered — with a shared focus throughout on making cooperation more effective, delivering greater impact, engaging society more directly, and strengthening coordination among the growing range of actors and instruments involved.

Changed priorities

- How the principles of water cooperation are changing, and how priorities — including Human Rights, climate resilience, water security, inequalities, water-related conflict risk, and the humanitarian caseloads (drought-driven food insecurity, flood-driven displacement) that overlap with all of the above — are being redefined. How the Human Rights to water and sanitation — with particular attention to rural populations

and to reducing inequalities in access within and between countries — should anchor this redefinition as a rights-based floor as financing models evolve.

- How–water security — including transboundary disputes, the protection of water infrastructure in conflict, and cybersecurity risks to water utilities — should be integrated into bilateral cooperation strategies, and by whom, including its overlap with agencies' existing humanitarian mandates in famine and displacement response.

Instruments of financing

- How bilateral development agencies and the EU can position water as a driver of development results linked to SDG 6 and the Compromiso de Sevilla — through synergies among grant financing, blending, guarantees, private-sector mobilisation and alliances with development banks.
- How a regional approach — following the model piloted through Global Gateway and by regional development banks — can help bilateral agencies and MDBs design innovative instruments that deliberately combine grants and financing (blending, guarantees, de-risking and debt-for-development swaps) to match the bankability and water-security conditions of each region, rather than relying on grants or loans alone.
- How bilateral agencies and MDBs ensure that international aid is structured to support and reinforce country-owned priorities and strategies.
- How bilateral agencies and MDBs can align their financing instruments and programme cycles with countries' own long-term national water sector plans and basin or resource strategies, as well as wider water security and climate resilience strategies — which typically look decades ahead — rather than with short project cycles, so that international aid reinforces national water planning.

Implementation mechanisms

- How the choice of implementation channel — engaging NGOs, local or national civil-society organisations, municipalities and other subnational governments, and community-based organisations directly under the “localisation” agenda, delegating implementation to a multilateral development bank or from the EU into a bilateral agency, maintaining a permanent in-country presence or relying on national counterparts, or assembling a cross-institutional consortium, improves international aid impact but also how it engages society and builds local legitimacy and accountability.
- How the regional model piloted through Global Gateway — bringing EU institutions, bilateral agencies and regional development banks together within a single regional architecture — can inform implementation mechanisms more broadly, independent of the specific financing instruments it uses.
- How bilateral agencies and MDBs can concretely engage in the different collaboration modes the World Bank Group’s Water Forward sets out — facilitating country-led compacts, catalysing institutional reform, contributing directly to implementation, and providing targeted finance — and whether this framework adequately captures

the full range of contributions donors can make, including Human Rights, water resilience, water diplomacy and conflict prevention.

- How bilateral agencies and MDBs can give institutional strengthening — public institutions, the autonomy of public and community water operators, and local capacities — the same weight as financing and infrastructure, and how progress in water governance can be measured qualitatively (for example through SDG indicator 6.5.1), beyond counts of infrastructure and beneficiaries.

3. Points of Discussion / Guiding Questions

Roundtable guiding questions

The session is built around one agency roundtable, with interventions of 3–5 minutes per agency on the following questions:

- **Multiply impact:** What concrete benefits has your agency gained from coordinating with other donors or instruments (delegated cooperation, joint programming, blended finance), and where do you see room to go further?
- **Reach further:** How does your agency combine different financial instruments (grants, loans, guarantees), not only within its own toolkit but also together with other international actors, to reach further?
- **Protect gains:** What opportunities do you see for cooperating with other agencies to protect water-security gains already achieved against conflict or climate-driven shocks?
- **Looking ahead:** Beyond this session, what would most help deepen cooperation: a shared platform, a joint instrument, alignment with a common framework, or something else?

The points below provide further background for the agencies' interventions.

A. Changed priorities

On objectives and priorities

- "Water resilience" is emerging as a funding category with Germany, the UK and the EU now using this language explicitly. For donors who haven't yet adopted this framing — is this a substantive shift in what you fund, or mainly a relabeling of existing programming?
- Water is increasingly named as a driver of interstate conflict. Should conflict prevention and water security, in a broader sense, become an explicit objective of water cooperation, or is that better left to specialised actors?
- As financing shifts toward blended and catalytic instruments, how can bilateral agencies and MDBs ensure the Human Rights to water and sanitation remain the baseline — particularly for rural populations and other underserved groups who are least likely to be reached by commercially-oriented instruments?

- Drought-driven famine and flood-driven displacement already sit within many bilateral agencies' humanitarian mandates, alongside their development and, increasingly, security objectives. Should we treat climate/water security and humanitarian response as one coordination challenge rather than three separate conversations?
- Water cooperation should move beyond the traditional North-South donor model towards more horizontal and triangular governance, with philanthropy, the private sector and NGOs taking on increasingly proactive implementation roles alongside States. Is this shift already visible in practice, and should it change who bilateral agencies and MDBs consider their primary partners?
- As financing models become more complex, how can cooperation agencies systematically integrate gender equality, cultural appropriateness and the free, prior and informed consent of Indigenous Peoples into the design and implementation of water programmes?

On water security and conflict prevention

- The Munich Security Conference's February 2026 "Spotlight on the Geopolitics of Water" session called for a security-oriented approach to the water-energy-food nexus. Should bilateral development agencies treat conflict prevention and critical-infrastructure protection as part of their core mandate, or does this risk crowding out their development identity?
- The European Parliament's June 2026 resolution calls for water governance to be recognised as a strategic and security priority within the EU's external action. What would it mean, in practice, for bilateral agencies and MDBs to build this into existing water programming rather than treating it as a separate diplomatic track?
- Cyberattacks on water utilities are rising sharply, yet responsibility for this risk sits awkwardly between development, security and critical-infrastructure communities. Who should be coordinating on this, and is there a role for bilateral development cooperation?

B. Instruments of financing

On instruments and financing

- Multilateral development banks are increasingly betting on blended finance and private-capital mobilisation to close the financing gap. Are bilateral donors following that same path, or is there a comparative advantage with grant-based, public financing?
- Catalytic multipliers vary across funds — some MDB facilities report ratios several times higher than others. What is actually driving that difference — risk appetite, instrument mix, or country context?

On development finance, the EU and private sector mobilisation

- The Compromiso de Sevilla commits signatories to work towards tripling multilateral development bank lending and scaling up blended finance and private-capital mobilisation. How is this concretely being materialised?
- The EU's experience with EFSD+ and Global Gateway blending offers one model for synergy among instruments. What can other bilateral donors and MDBs learn from it, and where does it fall short?
- The G20's Independent Expert Group has recommended MDBs target a private-capital mobilisation ratio of at least 7:1 by 2030, yet the OECD's own 2025 Blended Finance Guidance concedes the instrument "has not scaled as rapidly as hoped" and remains "a cottage industry". Is blended finance, as currently designed, genuinely suited to water at the scale the Compromiso de Sevilla envisions, or does the sector need instruments purpose-built for its harder bankability profile, and better safeguards against simply subsidising investment that would have happened anyway?
- Blended and catalytic instruments are designed around commercial or quasi-commercial returns, which structurally favour bankable urban or peri-urban contexts. What is the role of grant-based, public international aid in reaching rural areas, informal settlements and the most vulnerable populations — the water investments least likely to attract private capital — and how can financing architectures ensure these populations are not left behind, and that aid continues to address inequalities within countries, as the sector shifts toward blending?
- What concrete role can alliances with regional and national development banks play in scaling water investment, and how should development agencies engage the private sector without diluting a rights-based approach to water?

On the regional approach and innovative instruments

- Beyond blended finance in its current form, what new instruments — combining grants, guarantees, debt-for-development swaps and technical assistance in a single package — would development agencies need to design and pilot together with MDBs to make water investment bankable at scale?
- Global Gateway and the regional blending facilities being rolled out in the Caribbean and Sub-Saharan Africa suggest that a regional, rather than a single global, architecture is what makes innovative combinations of grants and financing workable in practice. Should coordination platforms and bilateral donors adopt this regional logic more explicitly, and what would that mean for how country-level initiatives are grouped and resourced?
- National water sector plans and river-basin strategies are typically built on multi-decade horizons, while donor financing instruments and programme cycles are often much shorter. What would it take for bilateral agencies and MDBs to design instruments and programme cycles that align with, and reinforce, countries' own long-term water planning?

C. Implementation mechanisms

- NGOs and local civil-society organisations remain the primary implementation channel in many fragile or low-governance settings, yet the "localisation" agenda's targets for direct local funding remain largely unmet. Beyond cost and reach, what would it take for bilateral agencies to treat direct engagement with local and national organisations as a goal in its own right, recognising that localisation is about who makes decisions, not only who delivers, — strengthening societal ownership and accountability?
- The Compromiso de Sevilla commits signatories to strengthen subnational finance and expand local and regional governments' direct access to development resources. What would it take for bilateral agencies and MDBs to channel more water financing directly to municipalities and community organisations?
- Maintaining a permanent in-country office network offers continuity and direct relationship management, but at meaningful fixed cost and exposure to budget-driven closure, while relying on national counterpart institutions is typically cheaper but depends on their technical and fiduciary capacity. How should bilateral agencies decide where to sit on this spectrum, and does the right answer vary by country or by programme?
- Cross-institutional consortia — combining a bilateral donor's catalytic contribution with specialist firms, research institutes, NGOs or multilateral bodies around a single programme — are emerging as a potentially more replicable model than either full in-country delivery or full delegation to a multilateral bank. What would it take to scale this model deliberately rather than treat it as an ad hoc arrangement?
- Blended finance is only sustainable where local institutions can operate and maintain services. How can bilateral agencies and MDBs measure and reward progress in water governance and institutional capacity — for example through SDG indicator 6.5.1 or regional initiatives such as CODIA — and not only infrastructure built and beneficiaries reached?

4. Format

- **Welcome and framing (5 min):** sets out the session's core argument: no single agency's budget can close the water-financing and water-security gaps alone, and impact depends on how well agencies and instruments work together, with the Joint Statement as the mechanism for that coordination. Speaker: Host Ambassador.
- **Keynote: Three shifts in international water cooperation (10 min):** reaching further by combining financing instruments, multiplying impact by combining delivery channels, and protecting gains already made. Speaker: European Commission (TBC).
- **Agency roundtable: benefits and opportunities of cooperation (40 min):** interventions of 3–5 minutes by Spain, France, the United Kingdom, Germany and Switzerland on the three guiding questions, including Monica Corrales, Director of Sectoral, European and Multilateral Cooperation, AECID, and Rachel Kyte, UK Special Representative for Climate, or Andre Collen, Deputy Director, Energy and Climate Directorate, FCDO. Moderated by Juliet Willetts, UN Special Rapporteur on the human

rights to safe drinking water and sanitation (TBC), followed by a "looking ahead" round moderated by Josefina Maestu, Advisor, Advisory Council of the Water and Sanitation Cooperation Fund (FCAS), AECID.

- **Closing remarks and next steps (20 min):** key insights and launch of the Joint Statement and other joint initiatives. Speakers: Monica Corrales, Director of Sectoral, European and Multilateral Cooperation, AECID, and Juliet Willetts, UN Special Rapporteur on the human rights to safe drinking water and sanitation.

5. Target Audience

Member States, cooperation officials, World Bank Group and MDB representatives, European Union and development finance institutions, diplomatic delegations, implementing NGOs, private sector, academia, humanitarian actors, and water-security / conflict-prevention specialists.

6. Expected Outcomes

- A Joint Statement signed by the convening agencies at the close of the session and open to further endorsement by other bilateral donors and MDBs — centred on the need for more effective, higher-impact water cooperation, delivered through a wider range of instruments, deeper engagement with society, and stronger coordination among actors — on adapting to the new aid, climate and security context, to be published shortly after the Conference.
- A concrete proposal, or set of proposals, on which implementation channels — NGO and localisation routes — including direct channels to municipalities, subnational governments and community-based organisations —delegation to or from multilateral development banks, in-country presence versus reliance on national counterparts, or cross-institutional consortia — bilateral agencies and MDBs should prioritise going forward.
- Clarification of how co-financed or delegated bilateral contributions can be recognised and tracked across the range of implementation channels now active in the sector, including EU delegated cooperation and bilateral funds managed through multilateral development banks.
- A shared understanding of how water security — including conflict prevention, critical-infrastructure protection and cybersecurity — and its overlap with agencies' humanitarian mandates on famine and displacement, should be reflected in future bilateral and multilateral water programming.
- A set of proposals for innovative, regionally-tailored instruments that deliberately combine grants and financing, building on the Global Gateway experience, for bilateral agencies and MDBs to pilot together.
- A shared understanding of how to give institutional strengthening and governance outcomes the same weight as financing and infrastructure, including common approaches to measuring progress (for example SDG indicator 6.5.1).

7. Follow-up

The lead organizer(s) will share a short summary of the discussion and engage partners in follow-up discussions to advance concrete coordination proposals raised during the session, and carry the key messages into the wider international architecture on water, including Rio Convention COPs, future UN Water Conferences and discussions on the post-2030 sustainable development agenda.