



STRATEGIC PLAN AND BUDGET FISCAL YEAR 2018 -2023

Approved by 2030 WRG Governing Council June 12, 2017

Updated by 2030 WRG Steering Board on Sept 27 and Dec 15 2017,
based on decisions by Governing Council

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1. INTRODUCTION

Water security and water crises remain a top global societal risk of the World Economic Forum, featuring now for the last seven years. The challenge of water resource security has not abated since the 2009 Charting Our Water Futures report that set the scene for the 2030 Water Resources Group (2030 WRG).

Today, 4 billion people live in river basins where consumption of water exceeds available supply for parts of the year. It has been estimated that 45% of global GDP is at risk due to water scarcity by 2050. 75% of all jobs globally depend on water either heavily or moderately according to the 2016 United Nations World Water Development Report.

It is for these very reasons of an increasing challenge in the water security space that the 2030 WRG was created as an effort to promote innovation in the water resources agenda. This included the innovation of harnessing pre-competitive public-private collaborations and innovation to support governments in their water resource decision making through “pooled expertise and insight”; and to organize these collaborations into new kinds of nimble and flexible institutions to support government decision making, such as the national MSPs of 2030 WRG.

It is clear that since 2009, firstly with the World Economic Forum providing its platforms to help find a proof of concept for the 2030 WRG innovation, and then since 2012 in its first phase of hosting at the IFC/World Bank Group, 2030 WRG has indeed proven to be a nimble, innovative and effective new initiative for the water resource community. Over 500 partners and constituents have been mobilized into 10 operational national MSPs, with a range of tangible impacts emerging as a result. The national No Drop Program in South Africa and the state-wide irrigation efficiency programs in Karnataka, and private sector-linked climate resilient agriculture program in Maharashtra, as well as new economic incentives for water resource management in Mongolia and Peru are good examples of innovative, large scale public-private water resource initiatives that the MSPs of WRG have catalyzed, which otherwise would not have emerged. In almost all of the 2030 WRG countries of operation, the evolution and emergence of the national MSP itself now as a permanent, formally recognized entity to help the Government in its water resource management strategies is a good example of how 2030 WRG is also capable of helping governments create a “systems change” on national water resource management.

The partners of 2030 WRG now wish to scale up activities in Phase 3 2018-2023, in line with meeting SDG goals on both water resource management (Goal 6) and in the provision of innovative global public-private-civil society partnerships in delivering the SDGs (Goal 17).

2. BACKGROUND

At the World Economic Forum's annual meeting in 2008, groups that included representation from the United Nations, individual governments and companies as well non-governmental organizations were urged to give the issue of water security and its geopolitical and economic implications a higher global profile. This helped stimulate existing initiatives and develop new economic analytical tools, done on behalf of an informal consortium of companies and IFC. This consortium called itself the 2030 WRG and its report, "Charting our Water Futures," was launched in October 2009.

In the period 2010–12, interest shifted from defining the issue of water security and its implications to finding solutions and practical action for alleviating its impact. At the Forum's annual meeting in 2010, a new action-focused phase of 2030 WRG was launched and a goal was set to demonstrate in three countries how this new global partnership could encourage governments to accelerate reforms and manage sustainable water resources in order to benefit long-term development and economic growth. The partnership would provide best-in-class economic analysis, convene interested stakeholders and offer access to global best practices from business, academia, and the public sector to find solutions. Jordan, Karnataka State in India and Mexico initially asked to participate and after 24 months Mongolia and South Africa were also keen to join the initiative. 2030 WRG was able to add value by establishing partnerships with the countries in question and real results were achieved, such as; Mexico's national water strategy titled "2030 Water Agenda", Jordan's revised "Water for Life" strategy, India's "National Water Resources Framework" in support of the Five Year Plan 2012-2017 by the National Planning Commission.

In South Africa, the needs were different than in the countries we had previously worked in. The Government wanted us to focus on developing concrete programs that could be scaled up in order to address the increasing gap between demand and available supply of water. A new model for collaboration was established that bring public, private, civil society and experts together to develop proposals for such programs, the "Strategic Water Partners Network" which is chaired by the Department of Water Affairs and co-chaired by SABMiller on behalf of the private-sector. The experience in South Africa became an inspiration that has influenced the subsequent work in other countries of our operation.

It was also a goal to make the 2030 WRG a part of the broader global architecture within which more partners could collaborate on water resource issues. At the Forum's annual meeting in 2011, a decision was made to move the 2030 WRG to IFC and to intensify the work that it already had underway in order to add momentum to its efforts. 2030 WRG entered this new phase, hosted by IFC, in July 2012, to run through June 2014, during which it was expected to expand its portfolio of government partnerships from five to eight or more. In June 2014, a new

Strategic Plan and Budget was approved at an extraordinary meeting of the 2030 WRG Governing Council, covering the period until June 2017, with a focus on a continued expansion of the program, and a stronger focus on developing concrete programs that will be implemented by other partners and stakeholders in the respective countries.

Today we are working in 13 countries and states; Bangladesh, India national level and State of Uttar Pradesh (India), State of Karnataka (India), State of Maharashtra (India), Kenya, Mexico, Mongolia, Peru, South Africa, Tanzania and Vietnam. Recently the Steering Board has decided to start engagements in the State of Sao Paulo (Brazil) and in Ethiopia.

3. THE WATER RESOURCE CHALLENGE

a. The Global Challenge

Over the past 50 years, the world's population has doubled and global gross domestic product (GDP) has grown tenfold. Agricultural and industrial outputs have boomed, with more than 70 percent of the world's water abstraction occurring in the food value chain, and cities have grown exponentially. These trends have put global water resources under ever-increasing strain. They have also had dire consequences for the world's population. Water scarcity affects more than 40 percent of the global population and is projected to rise. Over 1.7 billion people are currently living in river basins where water use exceeds recharge. More than 80 percent of wastewater resulting from human activities is discharged—untreated—into our rivers and oceans.

If countries maintain a business-as-usual approach to managing water, we can expect a 40 percent gap between freshwater supply and demand by 2030. A collective response is needed to close this gap and address the world's growing water crisis. And it is needed now.

Water scarcity and the economy

The World Economic Forum has ranked water as one of the top three global risks for the past five years. This ranking is based on the views of a thousand leaders from business, academia, international organizations, and civil society outside of the traditional water sector. The world is starting to realize the critical role water plays in our development, our economies, and for the ecosystems on which we all depend.

As governments in water-stressed regions seek to grow their economies, they need to decide how to manage competing demands for water in cities, agriculture, and energy production. At the same time, increased climate variability and demographic pressures such as urbanization are placing more stress on the system.

A large part of the projected demand for water in 2030 will be for increased agricultural needs. Agriculture already accounts for 70 percent of total average water consumption worldwide. By 2030, food production will have to increase by 50 percent to meet the needs of a growing population. The International Energy Agency projects that water demand for energy generation and production will increase by 85 percent by 2035.

Many regions of the world are already water stressed due to population and economic growth. In some regions, this has already, and will increasingly so in the future, lead to political and social tensions with increasing risks for conflicts. People, and in particular young men, who see no possibility to provide livelihood opportunities for themselves or for a family, and no sustainable future as for example farmers, can be more inclined to be attracted to other

sources of income and livelihood that involves large-scale transboundary migration, or worse, crimes and violence against other citizens or against the state.

A recent report by the International Food Policy Research Institute projected that 4.8 billion people—more than half the world’s population—and about half of global grain production will be at risk due to water stress by 2050. The study also found that 45 percent of total GDP (\$63 trillion) will be at risk due to water stress by 2050. That is one and a half times the size of today’s entire global economy.

These projections are primarily driven by inefficient use of water in many sectors of our society, weak management and governance of water resources, and the effects of climate change, which are already becoming increasingly evident, in particular through greater seasonal variability in water availability and droughts. In the 2016 World Bank report, “High and Dry: Climate Change, Water, and the Economy,” the estimate is that growth rates could decline by as much as 6 percent of GDP by 2050 in the most vulnerable regions due to water-related effects on agriculture, health, and incomes.

The report also warns that reduced freshwater and increased competition for resources could cut water availability in cities by two-thirds by 2050, compared with 2015 levels.

Although water scarcity is a major risk to global economic stability, the water sector is severely underfunded, particularly in developing countries. The lack of clarity on the true economic and financial cost of water means that investors are reluctant to invest in the sector, and, more importantly, businesses, farmers, and households lack sufficiently strong signals and incentives to use water more efficiently and productively. Moreover, the low economic value attributed to water limit development of innovative, market-based solutions for new technologies as well as delivery mechanisms by the private sector.

In order to address the growing water challenges, there is a need for an increase in financing to the sector. According to World Bank (2016) projections, the investment needs for meeting the SDG targets for water are pegged at \$114 billion each year between 2015 and 2030. While existing funding channeled to the sector falls well short of this target, current private sector financing for water is also severely limited, pegged at less than 8% according to some estimates. In view of constraints to public funding, a stronger focus is needed on addressing the financing gap through private sector investments, which requires the design of innovative financing mechanisms, risk sharing instruments, and blended finance models.

b. 2030 WRG, the Sustainable Development Goals and Climate Change

As a unique public-private-civil society initiative, the 2030 WRG can make a significant contribution to delivering the Sustainable Development Goals (SDG) on water in the countries where we work, but also to other SDGs that depend on water. Much of the work that 2030 WRG and our partners are planning or already implementing is also very relevant for the challenges related to adaptation to the effects of climate change, as related to water.

WRG facilitates open, trust-based dialogue processes to drive action on water resources reform in water stressed countries. We bring together a diverse range of partners to mobilize, redirect and unlock the transformative power of private as well as state resources to deliver on each country's key sustainable development objectives.

In relation to the SDGs, although our work directly addresses Goals related to Clean Water and Sanitation (SDG 6) and Partnerships for the Goals (SDG 17), we will also contribute in various ways to the Goals to End Poverty, End Hunger and Ensure Good Health but is also relevant for other SDGs such as Sustainable Cities, Protection of Marine Environment and Terrestrial Ecosystems. Our programs to produce more food with less water, cleaning up of rivers, improving treatment of waste-water and industrial effluents are all relevant examples in this respect.

SDG6: Sustainable water resources, water and sanitation for all

Within the specific Goal on Water, Ensure Availability and Sustainable Management of Water and Sanitation for All, our ongoing work is relevant for several targets. Our programs to reduce municipal water-leakage and reduce pollution are relevant for target 1 on Access to Safe Drinking Water, our work related to waste water treatment is important for target 2 on Sanitation and Hygiene, Target 3 on Improved Water Quality and Reduced Pollution will also be addressed by these programs, as well as in programs related to water use in irrigated agriculture. Several of our programs on industrial and agricultural water use are important for the implementation on target 4 on Water Use Efficiency. Several programs in our countries also include policy oriented results, such as on water tariffs for industrial water use, licensing of groundwater abstraction, specific programs on river basins and new and innovative financial solutions for investments in water infrastructure which all are important for target 5 on Improved Water Resources Management. Different programs to reduce abstraction of water or reduce pollution will be relevant for target 6 to protect water related ecosystems

We have indicators to monitor and measure our results such as on reduced fresh water abstraction and reduced discharge of untreated waste/polluted water. While our engagements do have significant ancillary benefits to other SDG's which is important, our current results

matrix do not measure these results. Following are ways how our WRG engagement relates directly to other SDG's.

SDG17: Partnerships

A successful sustainable development agenda requires partnerships between governments, the private sector and civil society. These inclusive partnerships are built upon principles and values, a shared vision, and shared goals. Partnerships are fundamental to the way 2030WRG works. By convening high level stakeholders from the public sector, industry and civil society, we create platforms that can tackle all aspects of complex water resources challenges.

SDG1: End poverty, SDG2: Zero hunger, SDG 11: Sustainable Cities and Communities

Water scarcity, poor water quality and inadequate sanitation negatively impact food security, livelihood choices and educational opportunities for poor families across the world. Many of these are marginal and subsistence farmers, extremely vulnerable to the impacts of water shortages.

500 million small farms worldwide (mostly still rain-fed) provide food to much of the developing world. 2030 WRG is working to expand irrigation to small farmers, guaranteeing their markets and making finance available to all.

Millions more people live in poverty in city slums. Suffering from inadequate water services, they are forced to pay far more for water than others. We work to improve the management of urban water services, using incentives and innovative financing to make the provision of services more efficient, more durable and more equitable.

Other SDG's where WRG might contribute are for example SDG3: Good health and wellbeing, SDG 5: Gender Equality, SDG 8: Decent work and Economic Growth, SDG 13: Climate Action and SDG 15: Life on land.

Adapting to the effects of climate change

The overall objective of the 2030 WRG is to help countries increase their water security by reducing the long-term water demand/supply gap and improving their water resources management. This gap is often caused by overconsumption of water and lack of proper management, but it can also increase as a result of climate change.

We focus on work that will contribute to climate change adaptation in the water sector. Several of the programs we are developing within the area of agriculture in countries such as India, Kenya, Tanzania, South Africa, and Peru will help address the effects of climate change. Other programs, such as economic incentives for more efficient use of water in Mongolia and Peru, will have long-term effects that will also help to address these challenges. In many countries, water storage capacity is low, making them extremely vulnerable to changes in rainfall patterns. This is a focus for parts of our work in Kenya, Tanzania, and Maharashtra (India).

In future, we will increase our focus on programs that can help countries mitigate the water-related effects of climate change.

4. 2030 WRG's VISION, MISSION AND OBJECTIVES

a. Vision, Mission and Objectives

Vision: A World with Water for Growth, People and Environment.

The Vision Statement is an expression of what we want to achieve; a world with sufficient and safe water, to support both economic growth, the needs of people (in particular people living in poverty and other vulnerable or disadvantaged groups), and the needs of ecosystems, both terrestrial and aquatic. This is a reflection of all three pillars of Sustainable Development, but also a prerequisite for achieving most of the Sustainable Development Goals. The Vision Statement also implicitly alludes to the difficult situations many Governments find themselves in, having to make tough choices between different uses of water, and the various trade-offs that might be necessary if water is not used in a sustainable way.

Mission: We help countries achieve water security by 2030 (SDG 6), by facilitating collective action on water between government, private sector and the civil society (SDG 17).

Water security is defined as the capacity of a population to safeguard sustainable access to adequate quantities of acceptable quality water for sustaining livelihoods, human well-being, and socio-economic development, for ensuring protection against water-borne pollution and water-related disasters, and for preserving ecosystems in a climate of peace and political stability (UN-Water, 2013). We believe this definition captures what the objective should be in the countries where we work. 2030 WRG's emphasis on closing the gap between future demand and available supply of water fits very well into this definition. As described in other chapters of the strategic plan, our focus is on the water resource related aspects of the SDG 6, not on the water supply and rural sanitation aspects. We state that we will help the countries as a whole, but understand that any engagement can only come as a result of a formal invitation by and commitment from the Government. Furthermore, we highlight the role we play in facilitating collective action towards water security by all parties involved in a country. No actor alone has the ability to solve the challenges at hand but by working together in developing and implementing strategies, policies, plans and programs, much more can be achieved.

The work of the 2030 WRG will be guided by two overarching objectives:

- Increase global awareness amongst decision makers about the role of water for their economies, people and environment.

- Help decision makers to take action for efficient, productive and sustainable use of water and to close the gap between water supply and demand in their countries, contributing to the implementation of SDG 6.

The first objective addresses the need for a better understanding of the critical role of water for all aspects of human life, and for ecosystems. This objective is guiding our work both as an international actor, raising awareness globally, but also our work in individual countries where we operate. The first aspect will include participating in various international events, inside and outside of the traditional water sector, but also development of knowledge products targeting an international audience. The second aspect will result in hydro-economic analytical work in the countries where we operate, thereby bringing new information to the water sector, but also informing actors outside of the traditional water sector about the challenges and opportunities at hand.

The second objective is focusing on our work in countries, where there is a strong focus on action resulting in concrete impact on the ground aiming at closing the gap between demand and supply of water and to using the available water resources in a more efficient, productive and sustainable way.

Our approach to achieve this is by providing the evidence based analysis mentioned earlier, and by making MSPs operational and results oriented. There will also be emphasis on making these truly representative and inclusive so that diverse groups, including women and people living in poverty, participate actively in the deliberations and put forward their views and recommendations. Finally, we will also play a facilitating role in getting different actors who can help in the implementation of plans, programs and projects involved in the work, such as development banks, financial institutions, donors and other actors willing to play an active role, besides those who already are involved in the MSP such as government, private sector and civil society.

b. 2030 WRG's Value Proposition

“2030 WRG brings transformative change to water resources management and financing by convening national multi-stakeholder platforms and structured processes -- including key public decision-makers, concerned private sector champions and civil society representatives -- who catalyze sustainable, rational, economics-based solutions to closing the water supply demand gap and contribute to the implementation of SDG 6”.

The 2030 WRG is unique public-private-civil society collaboration and transformative initiative, designed to catalyze action on water resources reform within water stressed countries or provinces in developing economies. The 2030 WRG structures processes where leading public sector decision makers can engage with major water users from the private sector and civil society leaders and trigger a change in their desire and momentum for collective action on sustainable water resources management. We help to develop clear, compelling and actionable economic information on the water challenge for non-expert decision-makers. Furthermore, we help to establish structured multi-stakeholder and locally-owned processes to help the government and long-term development partners use the impulse created by 2030 WRG's intervention to take policy reforms or public-private programs or financing; the ultimate aim of such reforms and/or actions is to close water demand/supply gaps.

Raising awareness through analysis: By invitation the 2030 WRG develops actionable economic-focused information on water resource issues for the government of the water-stressed nation or province, building on existing stakeholders' work, and communicating it in a compelling manner for non-specialist decision makers across the public and private sectors, thereby enhancing understanding of the scale and economic urgency of the water challenge and creating an impulse for collective action on water and water-related sector (such as energy and agriculture) transformation.

Triggering momentum through convening: The 2030 WRG has a unique ability to leverage its partners' multi-stakeholder networks of influential private sector companies, development agencies, international organizations and civil society champions and engage them with national and provincial decision makers in structured, transparent processes and dialogues on the vital role of water resources for economic growth, so as to trigger a collective desire and momentum for delivering policy or regulatory reforms, programs and financing for sustainable water resource management

An enabler of transformation by others: The 2030 WRG does not position itself as a long term development partner in water sector reform, nor does it implement itself the projects, programs or reforms which it helps to trigger. Rather, through its expertise in raising awareness, catalyzing a climate for change and establishing structured multi-stakeholder processes and dialogues that engage water professionals with influential economic, political and civil society actors to help make the change happen, 2030 WRG creates the impulse and the conditions for international or local implementing agencies to take forward important policy reforms, programs and projects.

c. 2030 WRG's Strategy of Interventions

Theory of Change

The need to understand how decisions are being made in a country, and how the work of 2030 WRG fits into the political economy of that country is crucial for the work of 2030 WRG. This was also highlighted in the external evaluation of 2030 WRG during the spring of 2014. During the autumn of 2014, 2030 WRG developed a generic Theory of Change for its work, based on the concrete experience on the ground from the several countries where it was operating at that time. It presents all the various steps that we and the MSPs need to go through in the countries, and the relationships between those steps, in order to achieve the desired impact: reduced water gaps and improved water resource management.

With this generic model of Theory of Change, we thereafter developed a revised results metrics for 2030 WRG, which in a simplified way presents the various key steps that need to be taken in a country: the input we provide to the process, and thereafter the desired Output, Outcome and eventual Impact (See Chapter 12).

At the core of the Theory of Change are still the three basic elements of ACT, as described below. The Theory of Change has earlier been presented in Semi-Annual Reports to the 2030 WRG Governing Council, and is available for those interested.

The 2030 WRG approach is based upon the need to "ACT":

The 2030 WRG's approach to structuring engagement and dialogue in a partner country is based upon the need to "ACT": Analyze – Convene – Transform. The model and approach has been refined through 5 years of practical experience applying the model in 10 countries across Africa, Asia, and Latin America, and informed by the key findings of two external evaluations.

Analyze: Building on existing data and water resource information, the 2030 WRG works with existing actors to jointly develop analytics to enhance the understanding of the scale and urgency of the water challenge to support better decision making. The analytics can take various forms depending on the needs of the country and are used to underpin the discussions

during the convene stage. Often these are Hydro-Economic Analyses (HEA) to emphasize economic aspects over engineering considerations that typically are dominant in the sector. The analytics are packaged in an actionable and compelling manner to mobilize new actors – in particular non-water sector decision makers in government, major water users, and the broader private sector – to engage in the structured dialogue processes, and to trigger action. Critically important is the process of building on existing work, and engaging local stakeholders in the development of the analytics from the outset to ensure local ownership takes root. While the intention is not to produce a comprehensive study equal to that of a long-term development partner-led project, a Peer Review Board will assess and ensure the quality of the analytics produced. The composition of the Peer Review Board will reflect a balanced mix of water resource, economic, financial, business sector, and environmental expertise. The aim of the Peer Review Board is to vet and qualify the comprehensiveness and accuracy of data (in whole or in part) so that future discussions are tempered by what are assumed to be varying levels of confidence.

Convene: The objective of establishing an MSP or process, is to deliver through the T in the ACT (Analyze-Convene-Transform) approach, the Transformation or the concrete policies/programs/projects/ financing mechanisms that will be implemented on the ground. Therefore, we will have to be flexible when it comes to exactly what shape and form it will take, the important thing is the outcome of the process, not that the process itself follows a particular format or scheme.

A stakeholder mapping, in order to better understand who the critical actors are in a country, and what their roles are, is one of the first steps we take. This will enable us to set up an active and inclusive MSP with all relevant stakeholders in the country.

2030 WRG will work with governments to make these platforms inclusive, i.e., they provide for adequate and effective participation of groups, such as women, people living in poverty and disadvantaged ethnic groups that are often excluded from such deliberations. Effective participation will require not only a seat at the table but also the capacity of the groups to articulate their views and positions in the dialogues. 2030 WRG will not necessarily work directly on such capacity building but will collaborate with, and leverage the expertise of, other actors who specialize in advocacy capacity building of disadvantaged groups if and when needed.

2030 WRG will ensure that transparency and any conflicts of interest issues generated by this arrangement, including perceptions of such conflict, are appropriately addressed and mitigated. Throughout the implementation process, the convening power of the core partners of 2030 WRG will be brought in to help generate the support, resourcing and awareness for the program that national stakeholders require.

The preferred outcome is that we have an agreement with the Government to set up a formal MSP, which would have a steering board managing the work, different working groups developing concrete proposals in the different fields that the platform has prioritized, etc. All these groups should ideally be co-chaired jointly by the public and private sector or by civil society. If a formal structure cannot be established, due to prevailing political economy, a more informal MSP could be put in place during the initial country/state engagement, again with

representation of relevant actors. The determining factor with regards to if we would “count” such a process as being established is the level of commitment from the Government, private sector and civil society to that catalytic process, for instance through co-branding of events or publications. We will not consider a series of workshops, organized by ourselves only, as an established MSP.

The role of the 2030 WRG in this process will be as facilitator, by our staff from the secretariat and by our local representatives in each country, to provide input from international expertise and/or examples from other countries (if required), to act as secretariat for the platform/process and to make sure that the discussions move ahead and generate the concrete outcome that is needed, in the form of proposals in different areas. The drive to move things forward is coming from the members of the platform/process.

Transform: 2030 WRG is not an implementing entity in itself. We do not have the financial resources to finance or contribute to the implementation of the various programs and projects that will be developed by the MSPs. However, we can play an important role in facilitating contacts with all the potential actors that can support the implementation, if required as a neutral and trusted advisor to government and other stakeholders. Having catalyzed project and policy ideas through the 2030 WRG analytics, and structured convening, the transformation and implementation is then taken forward by long-term development partners and other water sector professionals or in the form of PPPs or other forms of blended finance mechanisms.

We cannot simply wait for the investors to come to us, instead we have to turn the tables, and work with relevant partners to create the markets and the potential projects for investments, and also find the sponsor that can be interested in investing. To change markets in countries, we sometimes have to change policies, rules and regulations, and for that we need to work closely with the Government in that country, but often also with the World Bank or with other regional development banks or bilateral donors engaged in that space. We need to leverage their collaboration on the policy side and also look at how concessional finance can be a part of the solution in order to leverage the private sector financing.

Some projects/programs could have the form of PPPs, where our role would primarily be to facilitate the process, and possibly also make sure that if there is a need for an external financial institution, such an institution is brought into the process. Other programs can require stronger support from various actors, if it is a program primarily operated or implemented by the public sector, our partners from the World Bank, regional development banks or donors could become part of the implementation, or if it is a program/project which involves the private sector, our colleagues in IFC or other financial institutions could get involved. Many can become part of the implementation process. Our ambition is to see the proposals to an end, as far as our resources and abilities allow.

It is important to recognize that each step in the ACT approach described above forms one building block to the structured process and dialogue, and that 2030 WRG recognizes there is no “one size fits all” solution. The ACT approach is flexible, can be non-linear, and iterative,

allowing for a tailored engagement and sequencing to meet the specific needs of each country and the stakeholders.

5. FUTURE DIRECTION AND SCOPE OF THE PROGRAM

a. What Should the Program Look Like in 2023?

2030 WRG will balance a moderate expansion of the program with maintaining the quality of the work in existing countries, leading to 25 countries/states covered by 2023, on average increasing with 2 countries ¹per year.

2030 WRG approach is valid, relevant and efficient when addressing water resource management challenges in most countries (depending on the commitment, willingness and capacity of both public and private actors). However, we realize that we will never be able to cover all countries ourselves. In addition, we have no ambition to monopolize the 2030 WRG approach, on the contrary we want it to be replicated, adapted and implemented by others. Therefore, **the goal is to create a portfolio of countries that is substantial enough in total numbers and widespread enough both with respect to geographic and climatic regions as well as socio-economic and political contexts, to serve as inspiration and examples for others to follow.** We believe that 25 countries/states is a realistic size of such a portfolio of countries to generate that effect, if distributed as indicated above.

Different regions:

The countries will represent different geographical regions of the world. We therefore will seek engagement also in the Middle East and Northern Africa and the Sahel region as well as in Central Asia. The focus will primarily be on water scarce countries/states, but can also include countries that are primarily affected by increasing pollution or where water is available but where competition over the resource has become an obstacle for development and growth. (See Chapter 5.b Country Selection)

Different models for funding ²of our work:

Different models of financing, and different levels of engagement from our side are possible:

- **Entirely financed and executed by 2030 WRG (as today)** but with higher or lower level of ambition and engagement. Countries can have different levels of ambition when it comes to our own engagement and support to the country. For some countries (a smaller country, or a country with challenges in one particular sector/area, or a country where some kind of established collaboration between the public/private/civil society already exist) we will have a lighter touch of engagement from our side, whereas other countries (bigger

¹ The Governing Council, in its meeting on June 12, 2017, agreed on a 12-month hiatus (FY 2018) for expansion into new countries, to allow for a smooth transition of 2030 WRG from IFC to the WB Water GP before any new country engagements would begin.

² Funding and financing in this context is only referring to the costs for the operation of the MSP as such in a country, including costs for hiring of consultants for different analytical work etc. Not for the implementation of the various programs that come out of that work, which is always financed by someone else.

countries, several challenges, little experience of working across the public/private/civil society divide) would require a stronger engagement from our side.

- **Entirely financed by someone else but executed by us** on a full cost recovery basis (ex: by a government in a developed country, or a donor with a specific interest in one country). Some donors might not be interested in supporting the global work of 2030 WRG in all countries through the multi-donor trust-fund, but rather have a specific interest in supporting our work in a specific country (similar to what some companies are doing today).

A government in a developed country might also be interested in having our support in implementing our approach in their country (still country selection would have to go through the Country selection process, see Chapter 5.b). If so, this also needs to be on a full cost-recovery basis, and financially ring-fenced from other activities in 2030 WRG. The decision will be made on a case by case basis by the Steering Board.

- **Phasing over responsibility for funding and implementation to others.** During this phase of our work (2018-2023) the goal is to make several of the countries self-sufficient when it comes to their own financial stability, as is already the case in South Africa, where local companies and institutions are providing financial support, and 2030 WRG is only contributing with 150 000 USD annually. Additionally, as platforms and agendas mature, WRG 2030 will also increasingly encourage country institutions to take on the implementation responsibilities, allowing WRG 2030 to expand its catalytic interventions to other countries.

Results in countries:

The results will be measured at different levels with indicators, such as:

- **Output:** Number of Hydro Economic Analysis conducted, Increased information in countries about the need for action, Number of priority areas proposed to MSP, etc.
- **Outcome:** Increased awareness in countries about the need for action, Value of budgets allocated / reallocated for implementation by third party, number of discreet projects, programs, reforms, financing mechanisms under implementation by third party, increase in coordinated and collaborative action, etc.
- **Impact:** Fresh water abstraction expected to be avoided (cubic meters per year), discharge of untreated waste/ polluted water expected to be avoided (cubic meters per year), improved water resource management policies and governance, etc.

After 2023:

Our goal is that 2030 WRG's approach is mainstreamed. After 2023, when we have reached the level of approximately 25 countries in our program, we do not believe there is a need to further expand the number of countries. Instead (provided that there would be a continuation of the 2030 WRG program in some form) we should continue to maintain the operation in those existing countries if they so wish, with increasing financial support and ownership from within

the country, and decreasing support from the 2030 WRG global program. Instead we should focus on encouraging other actors to adopt the “2030 WRG approach” for multi-stakeholder processes in countries/states, thereby increasing the overall portfolio of countries that apply this approach, with the ultimate goal of mainstreaming that approach in all aspects of water resource management by all actors in as many countries as appropriate.

b. Country³ Selection

FACTORS INFLUENCING COUNTRY SELECTION

Since the establishment of the 2030 WRG the process to engage in a new country has always been strongly demand driven⁴. This will continue to be the case under the new Strategic Plan. 2030 WRG will always require a clear expression of interest from stakeholders in the country, and most importantly from the government of that country, in the form of letters of interest and subsequent legal agreements, usually in the form of Memoranda of Understanding.

Experience, however, has also shown that the selection and subsequent effectiveness of 2030 WRG engagements depend on a range of other factors, in addition to host country interest. A country scoping process has therefore evolved, taking into account factors conducive to success, as well as other important considerations, as a basis for the Steering Board to assess and endorse potential new country engagements. These factors, and the scoping process, is described below, and will become a formal part of the new country selection process from FY18 onwards.

Factors conducive to success of 2030 WRG model⁵

Based on previous experience, the secretariat has identified the following as the key factors determining the probability that 2030 WRG engagements will lead from convening to implementing, and ultimately to successful transformation:

- Degree of current or future water scarcity: country engagements are more effective when water scarcity is more severe, or where it is likely that the effects of climate change or other influences will result in increased water scarcity, and is therefore seen as a critical issue amongst many stakeholders, including the private sector;
- Scale of private sector: 2030 WRG has been able to have a more substantial convening impact when there is greater depth in the domestic private sector, especially in water-intensive sectors;

³ Country in this context does also include states or equivalent administrative units in Countries with Federal systems (such as India and Brazil) or where the Country will be a too big unit to work on (potentially China etc.)

⁴ In practice, this has generally entailed verbal or written expression of interest from government following exposure to 2030 WRG at global or regional events

⁵ The 2030 WRG Steering Board will discuss and agree on the respective weighting between the different criteria listed below.

- Economy size: 2030 WRG engagements have generated greater immediate impact in larger lower-middle income and emerging economies with a significant level of private sector and financial market development⁶;
- Population size: larger countries have tended to offer opportunities for larger scale interventions, and hence impacts;
- Experience with multi-stakeholder processes: countries where the government has some established precedent and a clear interest in multi-stakeholder engagement have proven more conducive⁷;
- Civil society engagement: 2030 WRG engagements have in many cases been able to move more quickly towards implementation where active civil society participation and capacity exists;
- World Bank Group strategic alignment: engagements have proven more effective where there is strategic alignment and a clear value addition for 2030 WRG from the perspective of World Bank and IFC teams working on water resource issues in the country. If that alignment is strong, it will help us develop important synergies with the World Bank Group on issues such as development of blended finance mechanisms for the implementation of programs and bringing the private sector onboard in the solutions, but also for the broader understanding of the political economy in the country.

Additional selection factors

In addition to the above, other considerations remain important in selecting where to expand 2030 WRG country engagements:

- Regional balance: country selection will continue to consider the importance of balancing engagements across regions;
- Income level: the 2030 WRG network of countries will continue to include a strong weighting towards lower income (“IDA” classified) countries.

COUNTRY SELECTION PROCESS

The trigger for commencing due diligence for a new country engagement may be an expression of interest by the country government in question, or a deliberate effort by the 2030 WRG secretariat to identify potential prospects. In both cases, the process beginning with an

⁶ This however will continue to be balanced with the need to maintain a substantive level of engagement in lower income (IDA) countries. In order to have a relative strong portfolio of lower income (IDA) countries, any engagement in a middle-income country could be conditioned with a certain level of co-financing from various stakeholders, including the Government itself, whereas for lower income countries the financing of an engagement would be primarily within 2030 WRGs own budget. Middle income countries can also be moved to the phase of engagement where the responsibility for funding and implementation is taken on by others (see Chapter 5.a “Phasing over responsibility for funding and implementation to others”).

⁷ This will include an assessment of interest and commitment both at ministerial but also technical levels.

assessment of the factors described above, based on a mix of secondary data gathering and informational interviews. Together these allow for an assessment of key development indicators; hydrological context; political economy; and wider enabling environment⁸ and potential risk issues. This includes both a desk phase, and in-country scoping:

Desk Phase

1. A preliminary shortlist of potential new countries is composed based on explicit country requests, partners' discussions and indications of interest, and alignment with World Bank Group strategy.
2. Initial desk research assesses these countries, focusing on water resource, economic, and private-public-civil society context. The review of relevant data and reports is based on literature, press, and internet searches⁹;
3. Interviews, by phone (consulting with many of our partners either based in the region or with relevant local knowledge) or in person¹⁰ (especially with IFC and WB colleagues based in DC), support the assessment of opportunities and risks for engagement;
4. Based on the desk work and interviews, scores are assigned across the categories described above. Countries are then compared based on their final scores;
5. A scoping report summarizes the analysis and submits recommendations of where conditions look most appropriate for new 2030 WRG engagement(s);
6. The report is presented to the 2030 WRG Steering Board, who endorse the proposed countries put forward for in-depth scoping.

In-Country Scoping

In order to confirm interest and viability of a 2030 WRG engagement in the countries endorsed by the Steering Board, a stakeholder mapping is conducted to identify key actors, in close collaboration with 2030 WRG global partners who provide important country-level contacts and entry points. A 2030 WRG team then conducts an in-country scoping mission to meet these local stakeholders, to confirm the level of demand for engagement, to understand in more depth the challenges and opportunities in the local water sector, and identify potential thematic focus areas. This phase is completed with the formal expression of interest by the Government¹¹, as well as the formal approval of the new country engagement by the 2030 WRG Steering Board.

⁸ This includes, for example, a review of relevant indices such as Doing Business, Government Effectiveness ranking in the World Development Indicators, etc.

⁹ Such as FAO's Aquastat database, WRI's Aqueduct website, WB-IFC Country Partnership Strategy documents, and other relevant sources.

¹⁰ During the due diligence analysis for Latin America, for example, 2030 WRG consulted with 24 key partners, WBG staff and select external contacts (such as industry contacts recommended by 2030 WRG partners)

¹¹ Experience has shown that 2030 WRG engagements are more effective and sustainable where any formal EOIs and subsequent agreements come from an overarching department of the government (e.g. Prime Minister's Office), rather than solely from the ministry responsible for water.

WBG STRATEGIC ALIGNMENT

Given the hosting of the 2030 WRG within the World Bank Group, a crucial aspect of the country selection process is to ensure alignment, coordination, and communication with other teams within the World Bank Group. This includes: ensuring alignment with the relevant Country Partnership Framework¹²; ensuring the support of the relevant World Bank Country Director and IFC Country Manager; and ensuring effective communication and outreach to the relevant technical staff from IFC and the World Bank already working on water resource issues in the country. In practice, consulting widely with relevant specialists as part of the upfront interviews helps to promote this coordination, provides 2030 WRG with an understanding of existing WBG water projects and investments, and ensures that there is an opportunity to complement and add value to existing efforts.

¹² The Country Partnership Framework is the guiding strategic document which outlines the potential scope of engagement between the World Bank Group and its client countries.

c. Expected Results, and How to Measure them

Proposal

The focus will continue to be on **closing the gap between demand and supply of water by 2030, and contributing to better water resource management.**

- We will put a strong emphasis on work that will **contribute to adaptation to climate change from a water perspective,**
- We **prioritize development of proposals for policies and programs that can have a substantial impact** on the water challenges in a country, and their management rather than discrete projects with limited reach and impact.

At the end of the current funding phase, we anticipate to have about 20 programs “under implementation” in the countries where we work. We expect a new country to start delivering programs that can be implemented two years after the establishment of our work there.

We therefore estimate that by 2023 we will have between 80 and 120 programs under implementation, depending on how successful we are and how efficient the MSPs are in the different countries. This is based on the assumption that a country will produce up to 1.0 program/year respectively, once fully operational.

We will work on **thematic priority areas** such as innovative finance/blended finance instruments, prioritization of Water Infrastructure Investment, economic incentives and other governance related areas as well as sectoral thematic foci such as agri-water financing, mining, municipal leakage, recycling and reuse of waste-water and industrial effluents, etc. Other thematic areas such as sanitation, access / last mile water service delivery, data collection, capacity building are not our core business. However, if there are other actors that would like to support the development of work in those areas, they could still do so within the framework of the MSP, without our support.

2030 WRG will continue to follow the logic model for results achievement, monitoring and evaluation.

Country level targets will be set based on the level of maturity of a country program in the 2030 WRG approach with a clear differentiation between new countries versus countries with operational MSPs. A new country program is expected to deliver concrete outcomes two years after its establishment.

Rationale

Results Achievement

- **What macro results do we want to achieve?**

The main macro goal of 2030 WRG's work is a **reduction in the long-term water demand-supply gap** and improved water resources management.

A strong emphasis is put on work that will contribute to adaptation to climate change from a water perspective, both with regards to country selection, prioritizing countries that are vulnerable, and also prioritizing programs in countries that help address the challenges related to adaptation to climate change from a water perspective. Priority will be given to **proposals regarding policies and programs that can have a substantial impact** on the water challenges in a country, and their management rather than discrete projects with limited reach and impact.

To track intermediate results associated with these goals, the slightly modified logic model for 2030 WRG's operation will be used, as per the framework below, due to the following reasons:

- Incremental results: Framework tracks evolution of initiatives and incremental results from concept to execution (inputs, outputs, outcomes, impacts)
- Different Result Areas: Model accounts for different types of results (e.g. governance, financing, improved collaboration and awareness of water issues)
- Alignment with A-C-T: Framework follows 2030 WRG's core Analyze-Convvene-Transform approach

- **What results do we want to achieve in-country?**

Thematic Results: We recommend for 2030 WRG to actively support MSPs to advance work streams based on certain selection criteria:

Areas of Ongoing 2030 WRG Experience/ Thematic Focus Areas: This approach recommends a focus on thematic areas where 2030 WRG has built a track-record and aligns directly with 2030 WRG's macro objectives. This can potentially include "thematic packages" that 2030 WRG delivers in a country, such as:

- Improved water resource management policies and governance (Pricing, Incentives, Water Stewardship, Prioritization of Water Infrastructure investment)
- Increased cost-effective water storage
- Industrial Water Management / Mining
- Increased Agricultural Water Productivity
- Reduced discharge of untreated/polluted water (including Urban Wastewater (Policies and PPPs), Non-revenue Water

- River Rejuvenation
- Blended and or Innovative Financing

In order to facilitate results achievement and considering proposed expansion of 2030 WRG's program, global/ regional thematic leads on these topics will be appointed who can help with cross-country knowledge and best practice sharing.

Results Indicators

The results of the program in a country when it comes to the development of programs, etc. is measured by the following Results Areas (See Chapter 12: Results Metrics):

Output:

- Hydro-economic analysis conducted
- Increased information about the need for action in country
- Priority agendas developed for MSP

Outcome:

- Improved awareness of the need for action by key decision makers
- Inclusive, transparent and sustainable MSPs established and operational
- Priority agendas approved by MSP
- Proposals (Concept Notes followed by Full Proposals) approved by MSP
- Preparatory arrangements for implementation of proposals formalized by third party (implementing entity)
- Projects, programs, reforms, financing mechanisms under implementation by third party (implementing entity)
- Improved water resource management policies and governance

Impact:

- Investments into infrastructure/technology by third party
- Reduced fresh water abstraction (i.e. increased efficiency)
- Reduced discharge of untreated waste / polluted water
- Increased agricultural water productivity
- Increased cost-effective water storage

d. Financing and Implementation of Programs in Countries

Proposal

In line with 2030 WRG's core expected outcomes of (a) large-scale programs for investments in infrastructure and technology, (b) demonstration projects to pilot innovative approaches, and (c) policy/ regulatory reform, 2030 WRG will catalyze funding from a combination of **public sector, private sector, and donor/ multi-lateral agencies** through appropriate **financing mechanisms**.

We feel 2030 WRG has a unique value proposition of crowding in private sector financing and developing blended finance instruments in the water sector, considering its hosting within the World Bank Group, which can act as a key differentiator for our work. This sub-chapter highlights both the potential funding expected to be mobilized, as well as the sources of possible financing.

1. **Estimates of Potential Funding:**

- Based on the assumption of a 2030 WRG program covering 25 countries by 2023, where in 20 countries we will have fully functional MSPs that generate programs, we feel a realistic estimate for potential funding mobilized for the overall program is **\$500 million/ year¹³** (averaging **\$25 million per year per country**). Cumulatively, the estimated amount of mobilized funding since inception of the 2030 program could be in **the order of \$2-2.7 billion¹⁴ by 2023**.
- These numbers represent **investments in infrastructure, technology and/or large-scale change in practices**.
- Since countries differ in size and mobilization potential, and some countries are more policy/ governance-focused, the proposed combined financing mobilization potential of \$500 million/ year assumes large-scale funding requirements in some countries, which are balanced with smaller funding needs in other countries. The number is also arrived at based on current funding mobilized.

2. **Sources of Financing**

Sources of financing will vary by **types of interventions** to be funded. The table below provides an overview of sources of funding and extent to which such sources may contribute indicatively towards financing of 2030 WRG-catalyzed initiatives.

¹³ Indicative number only, intended to serve as an estimate

¹⁴ Based on following projections: \$254 million to date (Karnataka/ Maharashtra); \$200m in 2017; and annual increase of \$50m

Sources of Funding	Proposed for New Strategic Plan ¹⁵	Nature of Current 2030 WRG Engagement with Funders – Select Examples
Multi-laterals and Development Finance Institutions ¹⁶	15%	Ongoing conversations on programs (e.g. Bangladesh Delta Plan engagement with World Bank, Green Climate Fund for Maharashtra Cotton program etc.)
Commercial Financial Institutions	15%	Financing arrangements identified for Karnataka sugarcane drip (e.g. SBI, RBL, Canara Bank)
Government Budgets	50%	Engagement with national/ state governments for funding through MSPs (From Governments own budget or with support from other donors/MDBs etc.)
Private Sector/ PPPs ¹⁷	15%	Discussions with various private sector players for agri- and wastewater PPPs (e.g. Karnataka, Maharashtra, Ganga, Bangladesh, South Africa, Peru)
Bilateral donors	5%	Outreach through Global Governing Council
Total	100% (\$500 million/ year by 2023)	

Rationale

The proposed funding split assumes **higher contributions from the market** (30% from financial institutions and private sector), accounting for (a) the role of private sector in PPPs, (b) business model-based solutions with robust payback structures, and (c) sound financial structuring for blended finance instruments (e.g. smart subsidies to unlock private sector financing).

Examples of different funding sources for the implementation of different programs are found in Annex 1.

Process to Access Funding

Building upon the above table, key process steps for 2030 WRG to catalyze funding from different funding agencies include:

(1) **Multilateral Development Banks (“MDBs”) and Development Finance Institutions (“DFIs”):**

¹⁵ Current funding unlocked includes primarily government budget allocations (e.g. Karnataka sugarcane drip initiative), with minor contributions from private sector (e.g. agri-water PPPs)

¹⁶ World Bank, ADB, IFC, GCF, IFAD, EBRD, IADB, AfDB etc.

¹⁷ Target includes also indirect funding from Financial Institutions mobilized via PPP Special Purpose Vehicles or corporate balance sheets

- Early engagement with MDB/ DFI Country Offices, including facilitation of structured dialogues between government and MDBs/ DFIs, to integrate funding requirements into MDB/ DFI Country Strategy and programs
- (2) **Commercial Finance Institutions:**
 - Initiation of engagements with potential funders at the very early stages of program conceptualization, in order to build risk mitigation strategies for commercial bankers into the design of programs
 - Articulation of the business case for water sector investments to attract commercial funding
 - Participation of commercial banks in work-stream working groups
- (3) **Government:**
 - Inclusion of the Ministry/ Department of Finance in the MSP
- (4) **Private Sector/ PPPs:**
 - 2030 WRG role as catalyst of PPPs through a two-fold approach of (a) working on the enabling environment for PPPs, and (b) developing an engine for systematically identifying and executing PPP transactions, wherein private sector finance can be channeled.¹⁸
- (5) **Bilateral Donors:**
 - Alignment of donor strategy areas with 2030 WRG global/ regional/ country strategy (e.g. gender, climate change)
 - Demonstration of leverage on donor funding with other sources of funding, particularly private sector

The 2030 WRG Secretariat will be expanded to include Water Finance experts, including proposed secondments from Dutch donors, to support the process of unlocking finance.

Results indicators

The Results of the program in a country when it comes to resource mobilization for water sector transformation, etc. is measured by the indicator ‘Investments Generated’¹⁹ (See Chapter 12: Results Metrics):

¹⁸ For example, in Karnataka, the work-stream on Wastewater Reuse is supporting a policy to promote the reuse of treated wastewater, which includes the formation of a Transaction Center for identification of PPPs on wastewater reuse. 2030 WRG’s role of identifying transactions and pre-feasibility assessments will be followed by transaction advisors (including potentially IFC PPP) taking over the leadership of individual transactions, in order to trigger private sector participation and finance.

¹⁹ Definition: financing for investment into water-related infrastructure and technology committed by investors / financiers committed, including investments made under proposals developed by MSP as well as investments made possible by reforms and financing mechanisms originating from MSP.

Going forward, the secretariat will apply a more differentiated approach to results monitoring, in particular to track the amount of non-governmental resources mobilized for the water resources sector. This is expected to result in following sub-indicators:

- a) Financing mobilized from **Multi-laterals and Development Finance Institutions**
- b) Financing mobilized from **Commercial Financial Institutions**
- c) Financing mobilized from **Government budgets**
- d) Financing mobilized from **Private Sector (including PPP and CSR)**
- e) Financing mobilized from **Donors**

We also have the ambition to measure the confidence investors have in the water resource management system in the country, and thereby their potential willingness to invest. This would require a survey amongst these stakeholders that we have not yet developed at present.

e. Cooperation with Partners

At the country-level, 2030 WRG currently engages with approximately 500 different partners from across the government, private sector and civil society. Engagement with these partners will continue through the country MSPs, which are each adapted to the needs and priorities of the country in question. In addition to these core country partners, there are four groups of partners that cut across areas of 2030 WRG engagement:

Key Implementing Partners: increased engagement

This group could include organizations such as the International Water Stewardship Program (IWASP), The Nature Conservancy, WWF, and the Alliance for Water Stewardship (and its implementing partners), as appropriate. These organizations are present on the ground in many of the countries in which 2030 WRG is active. They each have close alignment and in many cases similar objectives to 2030 WRG, but are not formal members within the 2030 WRG governance structure.

To date, collaboration with these organizations has evolved on an organic and case-by-case basis, taking advantage of alignment and synergies where they exist. For such partners, the value proposition to engage rests on 2030 WRG's network of business and government leaders, through which increased interest, attention, awareness and/or resources can be mobilized for partner programs in country. In addition, the 2030 WRG MSP can catalyze new "pre-endorsed" program concepts for implementation.

For example, in Africa the 2030 WRG and IWASP have jointly developed a range of initiatives, including the Kilimanjaro Water Stewardship Platform and the Kenya Industrial Water Alliance, leveraging both the 2030 WRG convening power with IWASP's project development and implementation capacity. In Peru, 2030 WRG and AWS are working closely to improve water productivity in the agricultural sector. In many other cases, 2030 WRG's convening and catalyst role has enabled partners to carry forward initiatives developed through the MSP.

For the upcoming planning period, proactive efforts will be made by 2030 WRG to engage with these key implementing partners as early as possible in new country engagements, in order for synergies, partnerships and co-funding opportunities to be realized from the outset. As has been the case to date, subsequent collaboration will inevitably develop on a case-by-case basis, depending on the alignment between partners' country programs and priorities resulting from 2030 WRG convened MSPs.

For partners where collaboration is anticipated across several countries, MOUs or similar agreements will be encouraged where possible at a global level, to help embed relationships and define comparative advantages, in order to smooth in-country collaboration.

Knowledge Partners: increased engagement

This group includes organizations such as the World Resources Institute, International Water Management Institute, UNESCO-IHE, SIWI and others in the water-knowledge space. To date, 2030 WRG has put in place an informal network of knowledge partners, linked to specific countries or projects. Under this new strategic plan, this will evolve into a more formalized process. Specifically, 2030 WRG will establish a “Global Knowledge Partners Group” that can be drawn upon for advice on specific knowledge challenges resulting from 2030 WRG global or country level dialogue. One existing thematic example is regarding financial solutions for investments within agricultural water, but other areas such as mining and water, reuse/recycling of wastewater, etc., also have potential to be developed.

These thematic networks of knowledge partners will be established at a global level, but closely linked to relevant issues that needs to be addressed in 2030WRG countries. Hence, a specific focus will be on relationships with knowledge partners that can provide both global level expertise on particular thematic issues, but also support in countries.

For such knowledge partners, the value proposition for engagement with 2030 WRG is the opportunity to access a diverse portfolio of practical programs, projects and reform initiatives where their knowledge can be applied, further research conducted, and new ideas explored on the ground. Furthermore, 2030 WRG platforms will provide opportunities for knowledge partners to disseminate the results of their work more widely.

Global Convening and Advocacy Partners: continued engagement

This group includes organizations and partnerships such as the CEO Water Mandate, the World Business Council for Sustainable Development, the World Economic Forum, SIWI, World Water Council, and Global Green Growth Forum. Here, 2030 WRG will continue to leverage existing global platforms and major forums to interest new categories of private sector leaders and government actors in the 2030 WRG model. For such partners, 2030 WRG in turn provides a diverse network of organizations and individuals, as well as practical examples and case studies that can enrich global forums and discussions.

2030 WRG Members: continued engagement

This group includes all members of the 2030 WRG Governing Council. Many members of this group represent an extension of the implementing partner category. As such, continued attention will be paid to proactively involving country teams in the national MSPs from the outset so they can identify their potential contributions to the implementation of various programs, projects or policy reforms. Experts from 2030 WRG member organizations will also play a critical role in the selection of new countries, as described in the country selection chapter.

A specific case is the World Bank Group. Given the extensive country presence and expertise, World Bank colleagues can be instrumental in different phases of the work of 2030 WRG. This includes, for example: benefiting from in-depth country knowledge during the initial stakeholder mapping and analysis of water challenges; helping to bring relevant stakeholders onboard in the MSPs, based on their connections across government (WB) and private sector (IFC); and finally, in implementation, where the financing capacity of the World Bank Group can be invaluable in delivering on projects developed via the MSPs.

Over previous years, 2030 WRG has deepened engagement with colleagues within the WBG in various ways, including via greater participation in national MSPs, greater bilateral engagement with individual country and thematic experts, and also through the internal WBG Advisory Committee. This will continue to be a priority for the new strategic planning phase.

In sum, therefore, with the 2030 WRG partnership now maturing, a continued but more formalized and concerted approach to partner engagement is proposed post-2017. In particular, 2030 WRG will increase and where possible formalize collaboration with key implementing partners and knowledge organizations, in order to cement its positioning as a catalyst for implementation of credible and innovative solutions.

6. GOVERNANCE OF 2030 WRG

a. Global Governance of 2030 WRG

Proposal

The Governing Council and Steering Board should continue to have a balanced composition of stakeholders, but should increase the number of seats for potential new funding members:

- Bilateral donors (up to 8 in GC, 4 at present)
- The Forum and private sector companies or foundations (up to 10 in GC, 5 at present)
- Development Banks, including WB and IFC (up to 5 in GC, as at present)
- Other Intergovernmental organization, non-governmental organizations, civil society and academia (up to 11 in GC, as at present)

The Steering Board is elected by the Governing Council, and should have a “balanced representation from relevant stakeholders, representing the composition of the Governing Council”. We propose that it maintains the number of members it has today (up to 15).

Rationale

At present we have a good balance in the Governing Council and Steering Board between representatives from private sector, Governments and Intergovernmental/Multi-lateral and International organizations and Civil Society. That balance needs to be maintained in order to have a rich and balanced discussion about the development and implementation of our program. It also ensures that different solutions will be explored when we develop concrete programs, policies and projects on the ground that consider economic, social and environmental aspects of those interventions in a sustainable way.

In order to make room for more potential funding members of 2030 WRG, we do however believe that it is necessary to increase the number of allocated seats for such new members from bilateral donors and private sector companies. We do not believe that this increase will change the balance we have today.

b. Risks and Mitigation

This sub-chapter is to be developed when the decision about future hosting has been made, in collaboration with the new hosting organization. **We propose that the Steering Board can approve the appropriate procedures** in order to put various kinds of risk mitigation measures in place at a later stage (calendar year 2018).

c. National/State Governance, the role of MSPs

As earlier described in Chapter 4.c “Convene”, the national MSPs are key to the work of 2030 WRG. Their Steering Boards make the decisions regarding what programs should be implemented in the country, or what policies should be developed or changed, etc. We seek to get an MOU agreed with the Government soon after the engagement in the country has started. This MOU would typically outline the general composition of the MSP, the focus areas of the different working groups as well as the governance structure, including the establishment of a Steering Board for the platform.

It is our ambition to make sure that the Steering Board has a balanced composition of the three main categories of stakeholders we engage; public, private and civil society. We would also normally seek a co-chairing arrangement between the government and the private sector of civil society for the Steering Board, and if possible also for the working groups.

The Steering Board should decide on overall priorities and direction of the work, where after working groups develop the different proposal for programs, policies rules and regulations, etc. as appropriate. The Steering Board should approve of the proposals before any steps are taken to implement them, in order to ensure an open and transparent discussion between the various stakeholder groups of the pros and cons of the respective proposals.

The 2030 WRG secretariat has an important role to play as facilitator of the process in the MSPs and has the possibility and responsibility to make sure that proposals that are developed with our help and contribution meets all the relevant standards with regards to environmental and social safeguards, etc.

What is described above is the generic model for our engagement with governments and with MSPs, and is also what is implemented in most countries/states. There are however exemptions, since the local context and the local political situation differs between countries. Peru and Bangladesh are examples where the Government has taken a very formal approach with regards to the establishment of the MSPs, and where the Prime Minister and President themselves have taken an active part in the decision about the work-program and the establishment and composition of the MSPs. The different states in India is on the other side of the spectrum, with more informal MSPs at this stage, but where plans for making them more formally agreed in MOUs etc. are under way.

d. Guiding Principles

Water management issues are seldom purely technical, to be solved by engineers. Political decisions must be made, involving economic considerations and social and ecological impacts must be considered. There are risks involved and the 2030 WRG holds itself and its partners to demanding principles of inclusive equity, transparency, and accountability.

Inclusivity

The first step for the 2030 WRG is to identify legitimate stakeholders in water resources policy and to make sure that their interests are represented through a fair and transparent process. In policy discussions over water resources, the 2030 WRG eliminates the risk of inequity through inclusion. To establish the credibility and legitimacy of MSPs, we seek to involve all relevant water resource stakeholders at the national level. Stakeholder mapping exercises will be an integral part of the design of new MSPs or strengthening of existing platforms. As noted in our strategic plan, “the 2030 WRG will work with governments to ensure that the dialogue platforms are inclusive in their composition and functioning, i.e., they encourage adequate participation by groups that are often excluded from such deliberations due to their gender, income class or ethnicity.” 2030 WRG will make effective use of technology to enhance inclusivity.

We develop codes of conduct for our chairs and participants in MSPs to make sure that all stakeholders, especially those representing minorities and vulnerable groups, have an equal say around the table. We shall adapt existing tools for assessing inclusivity of dialogue processes and periodically apply them in our country programs.

Transparency

Much of 2030 WRG’s work involves compiling data, analyzing information and proposing solutions. Sometimes, by accident or intent, access to information can be suppressed and that can adversely affect outcomes, especially if discussions take place behind closed doors without a record of what was shared.

2030 WRG avoids this risk by ensuring that our work remains absolutely transparent, including lists of participants and agenda topics. Transparency also guides our networking. We adhere to the CEO Water Mandate’s “Guidelines for Responsible Business Engagement in Water Policy,” and expect our partners to do so as well. We believe that individuals and groups simply perform differently, and more effectively, if they know that their words will be heard and their actions are visible.

We also believe that data-sharing by different players help stakeholders take informed decisions. Thus, we shall not only ensure that data generated through 2030 WRG activities are widely shared (subject to any legitimate confidentiality requirements) but also help create an environment of trust where different stakeholders are willingly to share their data with others.

Accountability

There is no one path to water security and the process of finding solutions must be guided by countries’ individual needs. But for any solutions to be legitimate and lasting, individuals must be held accountable for the decisions that are reached.

Accountability rests on many shoulders in the case of decision-making about water security. The recently developed 2030 WRG Code of Conducts includes our secretariat, MSP chairs,

personnel on temporary assignment and corporate and non-corporate members. These parties, collectively referred to as the 2030 WRG actors, share this code with those whom we engage at the country level to: (a) disclose the principles and rules governing our actions; and (b) encourage similar behavior when contractual or other relationships do not allow us to require such processes.

Integrity

2030 WRG provides opportunity for corporate and non-corporate actors to engage in water supply, demand, and governance debates at high levels of government. That can give rise to risks of perceived and actual policy capture, concerns about access to privileged knowledge and data and even anti-trust issues among corporate actors.

2030 WRG has established a framework of governance for itself and for all parties that we engage in water security discussions. The 2030 WRG holds itself to the highest standards of integrity, ethical behavior and good business practices and expects its counterparties to meet these standards. Our due diligence process will identify, examine, and document integrity risks in potential and existing engagements and evaluate the risk in order to decide whether to proceed or instead to report suspected fraud or corruption in World Bank Group-financed projects or in the administration of WBG business directly.

Results Indicators

Implementation of the Guiding Principles above is primarily measured through the Outcome Results Area “Inclusive, transparent and sustainable MSP established and operational” which has 6 results indicators of which one is a stakeholder survey.

e. Gender Strategy

With 2030 WRG moving into a new phase, this is an opportune time to reflect upon what has worked well and to identify areas of improvement. We believe that an area that warrants further attention, as the program matures and expands, is gender. In alignment with SDG 5, 2030 WRG will thus continue to promote inclusive MSPs where women and men share responsibility for, and access to, water resources.

Proposal

2030 WRG will reinforce the positive impact of its work on women, with three proposed aspects in focus:

1. A gender perspective is to guide the initial analysis in new 2030 WRG countries: specifically looking at the issue of how women are affected by water resources challenges both related to water quantity and quality, herein engaging stakeholders to identify specific water constraints that may affect women particularly (e.g. water quality in a specific region) and potential solutions to address the same.

2. A gender perspective is to be represented in 2030 WRG's MSPs: giving voice to women e.g. through key networks/organizations (where possible) to ensure a more inclusive process that incorporates women's views and encouraging equal opportunities for leadership irrespective of gender. Convening inclusive platforms already lie at the core of 2030 WRG's modus operandi and this will be reinforced drawing upon existing examples, such as the appointment of the Director of the Bangladeshi Business Women Association in 2030 WRG's Bangladesh Steering Board.

3. A gender perspective is to be applied under the implementation of 2030 WRG programs/initiatives: to reduce the risk of unfair biases that are disadvantageous to women looking at the impact of 2030 WRG's work. One example could be to ensure equal access to financial instruments for efficient irrigation (whereas single women households should have the same access as others) and ensuring that water-related technology efforts are equally accessible to women, etc.

Since the 2030 WRG operates in countries with disparate needs in the water resources space covering countries in Africa, Asia and LAC, the gender dynamics on the ground differ substantially if we compare e.g. Kenya and Mongolia. The water resources-related issues faced by women, for instance in terms of how they are affected by water scarcity or water quality issues, and the potential solutions to address the same, differ substantially in our countries. As a consequence, a context-sensitive approach will be needed in developing targeted in-country activities in alignment with above guidance on 2030 WRG's efforts on gender.

Similarly, a step-wise approach is recommended with specific activities targeting themes and technical working groups of relevance. Herein, priority would be given to areas with potential high-impact for women e.g. cotton production in India rather than, say an industrial wastewater technology working group, where the gender entry point is not as evident.

Rationale

Overall, women in developing countries are heavily dependent on water resources for their livelihoods, and for ensuring the health of their families. Gender-based water-use challenges often include issues related to women not being able to access water permits, for instance for irrigation purposes. By ensuring a more sustainable and efficient management of water resources across sectors, marginalized groups including women would benefit. Women are now increasingly recognized as central in managing and safeguarding water resources. Having said that, cultural and structural barriers still hinder women's participation in key fora of relevance to managing water. This is often referred to as the gender gap in water management leadership which is evident at both national-, municipal-, and local levels, as recent studies indicate that women are rarely given the opportunity to partake in decision-making around water resource policies and strategies etc. To narrow this gender gap and achieve inclusion in water management, institutions need to represent the interests of all individuals - women and men - who rely on this shared resource.

The Gender Strategy of the World Bank Group spans the period 2016 - 2023 and lays out the direction for the WBG to make the next stride on gender. It marks a shift from an approach of

mainstreaming gender in all operations, to a more strategic and targeted one that focuses on identifying and closing gender gaps. It emphasizes measurable results based on data and evidence of what works and raises the bar and positions the WBG to be a more effective actor in tackling specific gender gaps. It has generated higher ambition for policies and operations. In support of the Gender Strategy, the Water GP has developed a Follow-Up Note that identifies actions that it can promote to close gaps between females and males, towards the goal of improving outcomes in the four priority areas identified in the Strategy. In the context of these commitments, the recent WB report *The Rising Tide: A New Look at Water and Gender* identifies priorities and approaches that should guide the future work on water and gender that will be of high relevance also for the implementation of the 2030 WRG Gender Strategy. In this work, 2030 WRG will draw upon existing knowledge and ongoing work within the WBG as far as possible.

2030 WRG thus recognizes the importance of women having an equal voice and opportunity to contribute to – and benefit from – sustainable water resources management. By continuing to create inclusive MSPs, 2030 WRG will encourage women’s participation, to leverage their knowledge around water and to support joint decision-making. As suggested, we propose three areas of focus, through which 2030 WRG can both contribute to a better understanding of gender dimensions of water resources management in the countries where we engage, as well as to give voice to women through our MSPs alongside proactively applying a gender perspective to ensure women also benefit from our work.

The gender analysis that will be done in new 2030 WRG countries, should identify whether, why, where and how gender issues are relevant, as well as how appropriate measures could be designed to address this, through the MSP at hand. This would support our efforts on the other two aspects, since the analysis would preferably outline; a) how a gender perspective could be applied throughout the MSP’s work e.g. by identifying women networks to be invited; and b) ways of measuring/reporting on the impact of our work on women given the country context at hand. This would further include a recommendation regarding potential key ‘flagship’ work streams that could be of particular relevance from a gender perspective, which could be used as inspirational examples demonstrating the value of concerted gender efforts in 2030 WRG programs.

As for existing country partnerships, 2030 WRG will encourage women participation in the MSPs, noting that the success of our work hinges upon having the right champions engaged in our countries, irrespective of gender. 2030 WRG will ensure that women are given a voice through representative women networks with a clear mandate, where this is preferred. Similarly, 2030 WRG will apply a gender perspective in implementing its initiatives in the countries where we work. New initiatives and programs will be scrutinized to ensure that the impact will not be gender-biased or skewed in any way. Herein, equal access to key water solutions will be the guiding principle and efforts will go into defining how this can best be monitored. Naturally, this will build on existing efforts as 2030 WRG has already incorporated gender in its M&E framework. This includes monitoring of women representation in MSPs as

well as a qualitative assessment of the ‘inclusiveness’ of the dialogue platforms i.e. analyzing the power of voice of various groups with particular emphasis on women. In addition to this, 2030 WRG will further look into the possibility of including gender in the 2030 WRG stakeholder surveys that are being planned, as this could help provide fundamental input to a baseline on gender.

Financial implications

The 2030 WRG secretariat will make sure that the above aspects related to the implementation of the gender strategy is included in the work in the respective countries. Developing a thorough gender strategy with a methodology for gender analysis in new countries, alongside a monitoring system of gender indicators, as well as implementing activities in targeted technical working groups/countries, will have cost implications. Specific analytic work on gender will also require funding set aside within the budget for new country scoping, as part of the initial hydro-economic analysis that 2030 WRG normally conducts in the first phase of engagement. When more detailed budgets for work in countries will be developed the 2030 WRG secretariat will make sure that these aspects are included

Results Indicators

As part of the review of results indicators for Improved Water Resource management policies and governance (see Chapter 12), new results indicators that captures in particular aspects 2 (MSPs) and 3 (implementation of programs) above has been identified and included in the Results metrics, and also followed as part of the general M&E procedures.

To some extent it is already covered in the Outcome Results Area “Inclusive, transparent and sustainable MSP established and operational” which has 6 results indicators of which one is a stakeholder survey and one is also measuring the participation of women in the MSPs.

7. COMMUNICATION, OUTREACH AND ADVOCACY

We aim to

1. increase the visibility of our work (global/regional/national) amongst relevant existing and new stakeholders
2. pro-actively profile our global partners, and advocate the role of the private sector in sustainable water management
3. tell more and better stories from the field
4. raise awareness about our efforts to provide solutions in this space
5. contribute to an increased understanding of water management challenges

We will develop a comprehensive strategy that will be two-fold:

(1) Focusing on global efforts and

(2) Amplifying our regional and national efforts through regional strategies.

- We will incorporate a pro-active media strategy: building and nurturing relationships with key influencers who drive water stories in the media
- We will develop consistent messages (stories, interviews, blogposts and Op-Eds) around the positioning of our work, role of the private sector in sustainable water management, MSPs, and key thematic areas of our work in feature stories, videos, advertorials, and a range of relevant corporate collateral.
- We will leverage partner networks and amplify our reach so that it will resonate with key stakeholders through a wider reach
- We will strengthen our regional and national communications focal points who will be tasked with the coordination and implementation of the regional and national strategies. The communications focal points will be increasingly become an integral part of the operational team, involved in the process of stakeholder mapping, risk analysis, and the ongoing stakeholder engagements.
- We will create more opportunities to showcase, disseminate/publicize and exchange the knowledge products generated from our country engagements, including in national as well as international meetings. This will add to the effort that 2030 WRG is seen as a credible and neutral entity with a certain authority in our strategic areas of work. The data will also be used to inform media professionals and policy makers among others.

Rationale

It is necessary to adapt our thinking and approach to communications, outreach and advocacy as an opportunity to influence the national, regional and ultimately global water agendas. An improved narrative is a joint effort between leadership, operational teams, and the communications team.

As our own portfolio of countries continues to grow we will seek opportunities for others to adopt the “2030 WRG approach” in their own operations. It will be increasingly important to find ways to reach out and disseminate our results, thereby creating an increasing interest by others to do so, jointly with us or on their own.

Pro-actively engaging with our global partners is essential in drawing out the stories that will also inspire and engage the regional and national stakeholders. Leveraging our partners’ networks of media professionals, private sector and local entrepreneurs, banks, community organizations, etc. backed by our global network of partners/sponsors will help lead the call for action in the country, leading to stronger impact. Such partners include groups such as CEO Water Mandate, World Business Council for Sustainable Development, The Forum, SIWI, World Water Council, Global Green Growth Forum (3GF) and many others.

Our messages can be amplified providing excellent opportunities for outreach and dissemination of our work at different scales and to different target audiences. The combined reach of this network needs to be reviewed to see how we can reach all relevant target groups most effectively and efficiently. Our paper on strategically working with partners will directly feed into our strategy on outreach and advocacy.

When partners can share their views and issues more prominently and visibly, we can help emphasize the narrative around the ‘why’ we engage, in addition to the ‘how’ we work and in ‘what’ way. This provides a common platform to raise awareness about the challenges that the countries face, and the importance of MSP collaboration, and the necessity of private sector water stewardship, which will ultimately benefit our joint efforts.

Beyond the powerful communications products that can be generated jointly, the videos and thought-pieces that showcase our work have the additional benefit of promoting ownership amongst our partners, helping themselves also reflect on their engagement with 2030 WRG.

Results indicators

To measure the impact of our (social) engagement efforts we will continue to:

- Use web analytics to measure the use of online (social) media tools and web pages (number of clicks, retweets, likes, forwards, downloads, etc.)
- Measure newsletter metrics (clicks, opens, most read articles, etc.)
- Measure number of enquiries from external audiences through our various engagement platforms (2030 WRG social media channels, website form, general secretariat email, etc.)
- Stakeholder surveys in countries regarding level of awareness of water challenges

For an improved awareness and the need for immediate and coordinated action to close the water gap we will continue to:

- Count the number of 2030 WRG reports published (translated, adapted) and disseminated to the public
- Measure the number of media appearances (op-ed publications, mentions in articles, stories, etc.)
- Identify the number of workshops, training events, seminars, conferences, etc. (where a broader stakeholder consultation was held).
- Stakeholder surveys in countries regarding; Awareness of water challenges, involvement and level of influence in Water Resource management etc. as a result of our work

8. KNOWLEDGE MANAGEMENT

Knowledge Management has been an integral component of 2030 WRG program. The new 2030 WRG Strategy will consist of an even more proactive knowledge management plan where 2030 WRG will leverage its network of multi-stakeholders to develop knowledge products showcasing international and local best practices in the area of water resources management. While 2030 WRG has led the development and dissemination of global knowledge products such as Catalogue of Best Practices in areas of water resource management, regional teams have also published around 40 studies/cases on water issues relevant for their respective countries. Such studies help water sector professionals and government officials harness solutions, expertise and investment. There is a plan to set up a more formal Global Knowledge Partners Group who can advise on specific knowledge opportunities resulting from 2030 WRG global or country engagements. Finally, we will ensure that knowledge management and communications and outreach teams work closely together which will create more opportunities to showcase, disseminate/publicize and exchange the knowledge products generated from global and country engagements.

Knowledge management plays a critical role in 2030 WRG's global- and country-level engagements, aimed at catalyzing:

- **Innovation:** Incubating new methodologies and approaches for demand-side management solutions, focused on nexus approaches, underpinned by hydro-economic analysis and critical linkages with topics/ areas influencing water security solutions, such as:
 - Climate change adaptation;
 - Public-Private Partnerships (PPPs), including business case approaches, service delivery models, and performance-based contracts;
 - Blended finance; and
 - Circular economy and systems approaches in irrigation and urban-industrial water management.
- **Aggregation:** Fostering partnerships across public sector, private sector, and civil society premised on scientifically robust solutions, local contextual information, data analytics, and best practice case studies. Such partnerships allow for:
 - Holistic solutions, bringing together decision makers across water, finance, public policy, economic planning, industries, urban, agriculture and other sectors;
 - Sustainable mechanisms, anchored across different stakeholder groups, thereby offering continuity in design and implementation; and
 - Inclusive approaches, taking into consideration externalities and trade-offs across actors.
- **Acceleration:** Using data, information, and knowledge as decision support tools to speed up the implementation of needed solutions for closing the water-demand supply gap.

This is based on:

- Creating a common language across stakeholder groups;
- Integrating an economic- and finance-based lens into decision-making, to ensure solutions are cost-effective and sustainable; and
- Results-oriented and quantifiable solutions

2030 WRG Global and Regional Knowledge Products

Through collaboration at global or country level, 2030 WRG has been able to provide different knowledge partners with cases where innovative solutions to existing water challenges will further researched and tested on the ground via concrete programs. 2030 WRG has successfully completed the Catalogue of Best Practices in areas of water resource management where we have compiled several cases from 2030 WRG’s partners as well as other relevant external entities. In the next phase, WRG plans to continue this possibly around specific topics of global importance and also identify certain thematic priority areas of our work, both for different sectors (agriculture, urban, industrial etc.) and also broader themes such as innovative financing, economic incentives, prioritization of investments etc. Through collaboration with other partners, WRG will also provide different knowledge partners with interesting cases where their “solutions” to existing water challenges can be further researched and tested on the ground via concrete programs. Although water scarcity is a major risk to global economic stability, the water sector is severely underfunded, particularly in developing countries. Hence 2030 WRG is committed to take the lead to specifically initiate a global study on innovative blended financing instruments that can augment funding into the water sector. We will also be consolidating cases that will contribute to climate change adaptation in the water sector.

Along with global products, 2030 WRG also plans to develop tailored knowledge products such as a deep dive study assessing relevant technologies as well as PPP/ financing models that use public private partnerships to implement waste-water reuse projects.

2030 WRG Knowledge Exchange

One of the most effective ways for practitioners to gain insights into water management solutions and public-private-civil society experience is through mechanisms for cross country knowledge exchange. 2030 WRG will continue to formalize working groups focusing on similar issues so that participants can learn from each other.

2030 WRG will facilitate cross-country knowledge exchanges by theme, in order to:

- a. Offer easy replicability of successful 2030 WRG programs across countries;
- b. Foster ideation and brainstorming on new implementation models;
- c. Develop a larger global partner base to support demand-side management solutions, over more expensive supply side solutions; and
- d. Mainstream multi-stakeholder approaches across partner organizations.

This knowledge exchange will be supported in two ways:

- a. Focused exchanges between countries: Concentrated on a particular topic of relevance across 2 or more countries, 2030 WRG will facilitate thematic exchanges, including a combination of:
 - Site visits;
 - Presentations with country-level decision-makers and thought leaders; and
 - Interactive sessions to facilitate new program development.

Identified topics for such knowledge exchanges include:

- Mining and water, with particular relevance to Peru and Mongolia;
- Technology finance in irrigated agriculture, primary focus of 2030 WRG's engagements in South Asia and increasingly in Africa;
- Water governance, a key pillar in Mongolia, Mexico, Peru and Bangladesh; and
- River basin/ area-based approaches, such as being developed in Tanzania and Uttar Pradesh.

- b. Country-level Working Groups: 2030 WRG will establish working groups across countries on some of the topics highlighted above, with the aim of:
 - Facilitating operational support among partner organizations on the development of concepts, proposals, guidelines, and evaluation systems for large-scale programs; and
 - Leveraging existing analyses and assessments from one partner country to another.

Such working groups are proposed to be:

- Need-based, depending on the topics relevant to each country; and
- Time-bound, aimed at achieving goals set by the members of the working group within a stipulated length of time.

9. HUMAN RESOURCES/STAFFING

For 2030 WRG to engage and make a transformational impact in its existing countries as well as new countries in the next phase, it has to have an appropriate quantity and quality of staff to manage its operations globally as well as in the countries. The earlier Dalberg evaluation in 2014 mentioned this as a potential risk if WRG does not have sufficient staff to support its global and country operations. More recent program reviews within IFC has also highlighted risks related to staffing in several regions and a very strong dependence on “Short term Consultants” (STCs) for the operations in countries. The Flexibility in administrative rules regarding staffing in the host organization is necessary for 2030 WRG to hire the staff it needs, at the secretariat and in countries.

Currently, WRG has a small team at the global Secretariat and country representatives to oversee its field operations. In addition to core Secretariat, 2030 WRG has had secondments from other institutions (SDC, Sida and WEF) which have brought relevant varied expertise to its operations. These secondments have however expired. It is expected that we will have a secondment from the Government of the Netherlands in the near future. 2030 WRG has also been able to leverage IFC staff internally to share their time to support the WRG operations in countries as well as at the global level. 2030 WRG will explore different options to mitigate risks related to staffing.

For country management and local staff, the hiring needs are dependent on the local context. However, it is important to have a mix of international and local staff to support country operations.

Based on the last 5 years of experience, we recognize that it is important to have a balance of necessary skills required to support country work where 2030 WRG engages with different stakeholders including private sector, government and civil society. A mix of internal (within WB group) and external hires along with secondments from other institutions are planned. Overall, the skills/background that are needed in the WRG context are a) Multi-Stakeholder/Partnership process experience, b) Coordination/Program Management, c) Water specialist, d) Experience from working in or with Private sector, e) Experience from working in or with Public sector, in particular on water governance, e) Civil society expertise (background), f) Experience in developing countries, g) Financial specialist in particular with experience from various forms of blended finance and PPPs, h) Languages, i) Gender balance.

In addition to the above criteria, and in particular for our Regional Heads and Country Representatives it is important to have persons with an entrepreneurial mindset who are good at networking. Gender parity should also be considered a priority for next recruitments given recent changes to staff. The existing model of secondments and part time involvement of IFC or in the future also WB) can be effective in expanding the breadth of skills within the team and will be continued.

For WRG to engage in 17 countries at the end of the next 3-year phase there is a critical need for hiring more staff to support its operations. 3 to 4 countries can be managed by a senior person/regional head assisted by a team of international and local staff; the team composition has to be further defined depending on local context and degree of 2030 WRG intervention.

The 2030 WRG Secretariat will develop a Staffing and Resource Plan to present to the Steering Board for approval. The plan will address the key findings on staffing from the earlier Dalberg evaluation as well as more recent internal reviews, including but not limited to number of staff, gender balance, and the balance of professional background and representation of different organizations (i.e. private sector, civil society, development, water specialists, multi-stakeholder process experts), and further refine its organizational structure with defined roles and responsibilities. The Staffing and Resource Plan will also address how 2030 WRG will achieve the flexibility to hire recruits from outside the World Bank Group to ensure the diversity and balance of professional backgrounds and representation of different organizations.

10. FINANCING ²⁰OF THE 2030 WRG PROGRAM

Proposal

The program proposed above would cost less than 8 MUSD per year in 2018 and about 13 MUSD per year in 2023. Budget for the individual coming years will be developed later, once we have agreed on an ambition for the program for the future.

The funding received from the various donors (private as well as bilateral/public) will be held in a new Multi-Donor Trust Fund within the World Bank, with the Governance system as presented in Chapter 6.a in this Strategic Plan.

We propose to maintain the current funding structure, but add two new levels of funding:

- 1 MUSD/year for bilateral donors (existing)
- 0.5 MUSD/year for private sector (existing)
- 3 MUSD/year for new bilateral donors or private sector (tbd)
- 0.2 MUSD/year for anyone interested, no seats in GC/SB (but in a new Strategic Support Committee) (new)
- Not mandatory for regional MDBs to contribute 0.5 MUSD/year, but “expected” (change)

Furthermore, we will also act on the following additional funding sources:

- We increase our efforts to attract funding from existing Trust Funds within the WB-group
- Secondments from bilateral donors, companies and other financial institutions are welcome, both as a way of supporting our work but also to deepen collaboration with such partners
- We increase efforts to attract parallel funding for work in countries/regions in various ways:
 - For specific support to the work in a country/region, by providing financial contributions to our own Trust Funds (such as SAB Miller in several countries)
 - For specific support to the work in a country without going to our own Trust Funds, but instead as parallel support to an organization in that specific country (such as in South Africa at present)

²⁰ Financing in the context of this Chapter is only referring to the financing of the work of the 2030 WRG secretariat, its global work and its work in countries, not the implementation of various programs in countries which is entirely financed by other sources outside of the budget of 2030 WRG.

- By various entities that are interested in supporting the facilitation of the implementation of different programs/projects etc. such as PPPIAF (WB-group entity) support to PPPs in South Africa
- Bilateral donors could also be interested in specific support to the activities above, rather than contributing to the global program

Rationale

Bilateral donors:

We propose to maintain the current level of support from other bilateral donors at 1 MUSD/year. They are of course welcome to provide funding at a higher level than this (as presented above), but we believe that this is a reasonable minimum level for most bilateral donors. Funding at this level also maintains a balance between contributions from bilateral donors and private sector partners.

The budgets for development cooperation in several European countries is decreasing, but on the other hand the interest for collaboration with the private sector, and also contributing to SDG 17 (partnerships) could create new momentum for support from other bilateral donors in other regions.

Private sector partners:

- Recent development with regards to the addition of new private sector partners show that there are opportunities to attract more companies to support at the current level of 0,5 MUSD/year. With more concrete results to show and a proven track-record of success we believe that this might be even easier in the future. We will expand our efforts to target also private sector foundations in the coming phase.

- There are other companies with smaller annual turn-over or where the opportunities for financing this kind of work are limited due to other economic constraints. We therefore propose a new level of support of 0.2 MUSD/year, without the benefit of being represented in the formal governance of our program. Instead they would get an invitation to participate in a Strategic Support Committee that meets quarterly, chaired by the 2030 WRG SB Chair. They would also get exposure with their logos etc. in various ways in our print and digital outreach. This level of support should also be open to others, but primarily targeting private sector actors. This group would be an important contribution to our Global Knowledge Partners Group, for example when companies from a specific sector comes together to discuss challenges and solutions within their sector, or similar for a specific geographic region.

- We have also considered opening up another lower level of support, by allowing other companies to become “members” of 2030 WRG. This could be for example on 20 000

USD/year, and could possibly attract 50 companies globally, so the total contribution could be 1 MUSD/year. However, at this point we do not propose to explore this option. The reasons are primarily that we fear the administrative work required to establish this, both with regards to the financial transactions but also with regards to how we should manage their expectations for involvement, participation etc. The other reason is that we do not want to create the impression that 2030 WRG is a membership-based organization, where only those that can pay are allowed to participate in our work, in particular in MSPs in countries.

A new level of funding for both private sector companies and foundations, and bilateral donors:

We believe this would be the right time to add a new, higher, level of funding of the program, possibly 3 MUSD/year. The reasons are primarily three:

- With the ending of the current funding phase, we will have a relatively substantial program in operation, with about 13 countries/states, and having in total about 20 programs being under implementation. This sends a strong signal that the approach we have is working and that the setup is both effective and sustainable.
- Water is increasingly interesting for both donors and multinational companies, and they might therefore be interested in supporting this kind of initiative. Linked to this is also the aspect that our approach is a good example of that the partnership approach works in practice, which all have committed to through SDG 17 and the Paris agreement on climate change.
- 1 MUSD/year is a relatively small amount for some bilateral donors compared to their funding of other programs in intergovernmental organizations (for example UN or WB). Their staff has in many cases been reduced recently, and therefore they seek to have bigger contracts with implementing entities in order to keep the internal administrative burden at a reasonable level.

Some bigger multinational companies are also looking for more substantial programmatic support to various organizations in order to both create impact and visibility for their engagement.

Multilateral Development Banks:

The required level of funding from an MDB in order to have a seat in the Governing Council is 0.5 MUSD/year. Our Charter allows this funding to be made available by making contributions to the implementation of the 2030 WRG program in a country rather than to the 2030 WRG multi-donor trust-fund. In practice, however we have not followed this criterion strictly, and allowed for example regional MDBs to have seats in Governing Council without reaching that level of support.

We therefore propose that the required level of support from any MDB to our work should be made non-binding, but that we express that the expected contribution remains on the level of 0.5 MUSD/year.

Support from existing Trust Funds within the WBG.

The WB-group typically has a number of Trust Funds that have been set up by one or more donors for certain programs, without specifying in detail what projects should be financed by this funding. Decisions on allocation are normally delegated to WB staff.

2030 WRG has this year for the first time applied for support from existing Trust Funds and have been successful with contributions from existing trust Funds originally set up by Hungary and Denmark. We will continue to explore these opportunities in the future

Parallel funding for work in countries/regions

Parallel funding in countries

There are several ways in which we can attract additional funding for work in a specific country or region.

- In South Africa, 8 companies together with GIZ (and hopefully soon also the Government of South Africa) are pooling funding together for the work of the SWPN, hosted by the NEPAD Business Foundation. This model could be replicated in certain other countries that are more resourceful (Peru, Mongolia, Mexico etc.).
- In Peru and Mongolia GGGI have supported our work by taking on the costs for consultants that work for our MSPs. IDB has done the same for Peru.
- SAB Miller has supported our work in South Africa (same financing model as described above) but also in Tanzania and Maharashtra by providing funding to Trust Funds that have been set up for the respective regions. Others might be interested in similar opportunities. There are ongoing discussions with several companies regarding this kind of support. Bilateral donors could also be interested in supporting our work in this way.
- A development bank or a bilateral donor who might be interested in supporting the development of concrete projects/programs in a country might be interested in providing support (via us or directly to an entity in the country) for that work. PPIAF (an entity set up by bilateral donors within the WB-group to support the development of PPPs) has promised support to PPPs on non-revenue water in South Africa. Others might be interested in similar opportunities, in particular for blended financing.

11. BUDGET²¹

As indicated in Chapter 5.a the ambition within this Strategic Plan is to continue a moderate expansion of the program, at approximately the same level of growth as we have had for the last five years, this would result in a total portfolio of about 25 countries by the year 2023. However, there might be different models for financing of the work between those countries and some of them might be entirely financed by others. Some might also be implemented with a “light touch” requiring less funding than a regular country.

We have estimated the total Cost for the operation of the full program by 2023 to be approximately 12,6 MUSD with the assumption that we at that time will have 20 regular countries, 2 externally funded, and 3 countries where a “light touch” is applied.

Establishing work in a country is more costly than continuing to run the operations in that country. This is primarily due to the relatively expensive initial hydro-economic analysis that we normally do in the first phase of engagement. The cost for the initial hydro-economic analysis performed in countries has varied from 150 – 450 000 USD. In order to estimate the total costs for the program we have assumed a total average cost for running a program in a country with normal engagement to be 400 000 USD per year. A country with a “lighter touch” (either because of the lighter engagement, or because other national actors have engaged in supporting the program) has been estimated to be 200 000 USD per year.

We estimate that we will have 14 countries, one of which is a “light touch” in FY 2018, 15 countries (one of which is a light touch country) in FY 2019 and 17 countries (one of which is a light touch) in FY 2020. At this stage, we do not make any estimates of number of countries or budgets for individual years after that. The table below presents the annual budget, including for the various budget items, for the coming three years.

Costs for Knowledge management, Communication and for the Global Secretariat have been estimated to increase slowly, given the overall expansion of the program as such.

Since we will start a new process for future country selection, as described in Chapter 5.b we cannot at this stage allocate the budget to different regions, and therefore **propose that the 2030 WRG Steering Board is given the authority to approve a more detailed budget**, including allocation of funding to the different regional programs, when the first country selection process has been finalized.

²¹ The 2030 WRG Governing Council, in its meeting on June 12 2017, agreed to delegate the development of a more detailed budget to the 2030 WRG Steering Board, based on the actual and projected funding for the next funding phase (FY 18 – 20), and report back to the next meeting of the Governing Council, in Davos January 2019.

	Cost FY 2018, 14 countries	Cost FY 2019, 15 countries	Cost FY 2020, 17 countries
Country programs	5400	5800	6600
Knowledge Management and Communication	1000	1100	1200
Global Secretariat	1500	1700	1900
Total	7900	8600	9700

At present, we have three bilateral donors and IFC providing funding of 1 MUSD per year each, and five private sector companies providing funding of 0,5 MUSD per year each, thus in total 6,5 MUSD/year. In addition, we have also received funding from existing Trust Funds of the World Bank Group. To cover the costs of the program for the years to come, we would need one additional bilateral donor or two [private sector companies to be added during FY 2018, and similar level of increase of funding for the next two years thereafter. We believe that this level of ambition is realistic.

12. RESULTS METRICS

For the new strategic planning period, 2030 WRG will follow the Logic Model/Results Framework approved by the Steering Board on December 15, 2017, for the purpose of results measurement, monitoring and evaluation. Key benefits of the logic model include:

- Enables tracking of incremental results: the logic model tracks evolution of initiatives and incremental results from concept to execution (inputs, outputs, outcomes, impacts).
- Different result areas: the model accounts for different types of results generated across physical impacts, financial impacts, governance impacts, and awareness and knowledge impacts.
- Alignment with A-C-T: the model follows the core 2030 WRG Analyze-Convene-Transform approach.

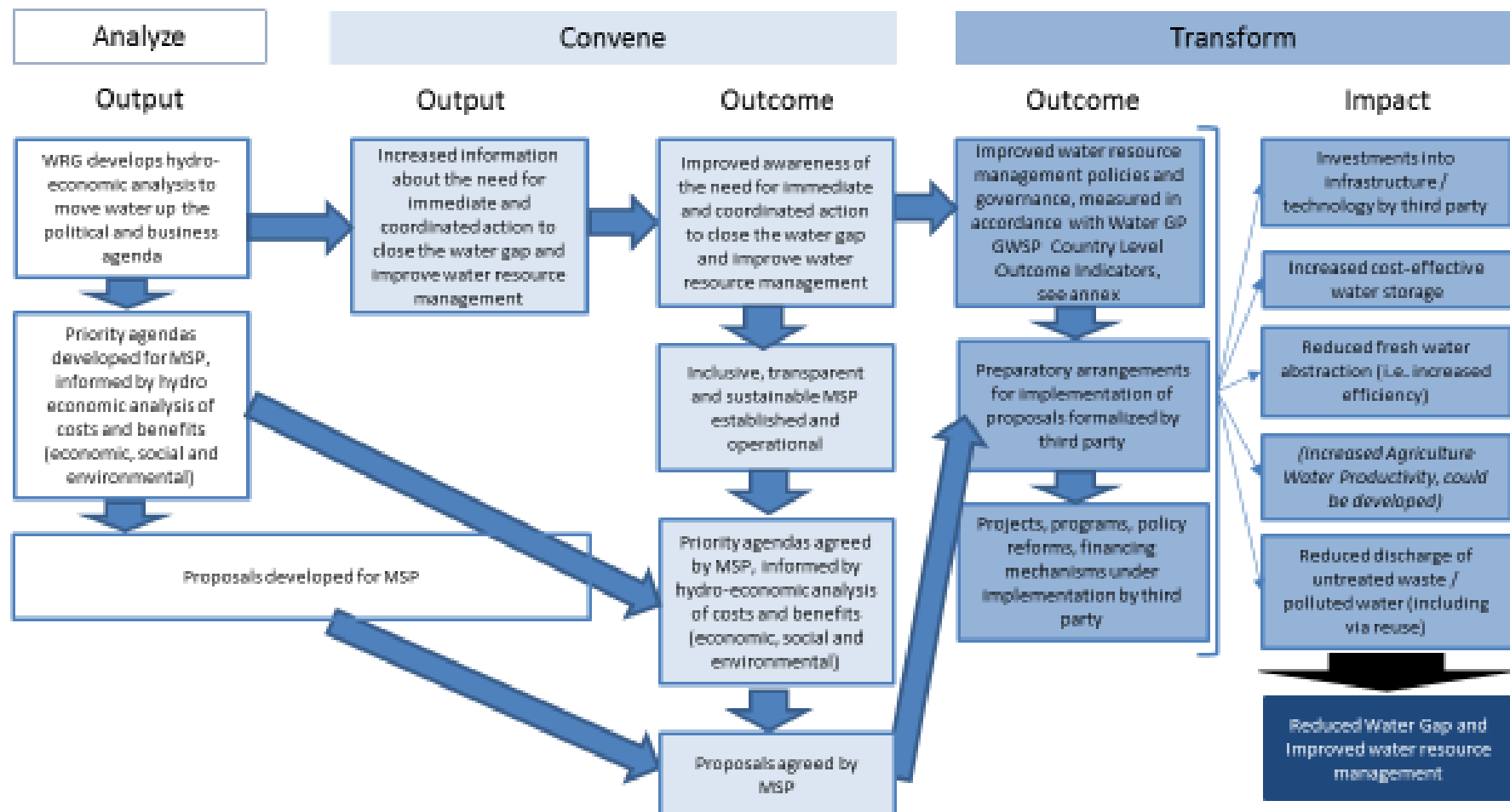
The logic model continues to be a living framework and further recent refinements to capture data will be mainstreamed into M&E reporting during the next strategic planning period. They include:

- Qualitative assessment of the outcomes of 2030 WRG country engagements in relation to (i) stakeholder awareness of water resources issues, (ii) improved multi-stakeholder collaboration and (iii) effectiveness of results and impacts iv) improved water resource management policies and governance.
- Gender dimensions. This will include the tracking of MSP gender inclusivity and the inclusivity of financing outcomes (in particular with respect to agriculture). Additional gender dimensions, including the integration of gender analysis into upfront hydro-economic analysis, (this is described in more detail in the gender chapter).

The logic model is already operational and is being used to track and report on progress to the Governing Board and Steering Board on a semi-annual basis. The indicator for Improved Water Resource management policies and governance will be measured by using the existing “Block C Country-Level Outcome Indicators” that has been developed for the WB Water GP GWSP program, thereby ensuring alignment and synergies between that program and 2030 WRG.

The logic model is described on the page below, followed by explanatory notes for some of the key outcome and impact indicators.

2030 WRG Logic Model for country engagements



Guidance Notes:

Preparatory arrangements for implementation of proposals formalized by third party (implementing entity). Trigger for results reporting will be:

- For reforms (policy, laws, regulatory, procedural), adoption / enactment should have been concluded;
- For projects / programs/financing mechanism, implementation agreements should have been signed

Projects, programs, reforms, financing mechanisms under implementation by third party (implementing entity). Trigger for results reporting will be:

- For reforms (policy, laws, regulatory and procedural changes), measures for effective enforcement of reform being implemented
- For financing mechanism, disbursement of financing / loans initiated
- For projects/programs involving technology /infrastructure, financing for investment into technology and infrastructure committed.

Improved water resource management policies and governance. This indicator will be measured in accordance with “Block C Country-Level Outcome Indicators” for the WB Water GP GWSP program. See GWSP Results Framework document from March 2017.

Fresh water abstraction expected to be avoided (cubic meters per year). The fresh water abstraction expected to be avoided for any intervention is assessed compared to the water that would have been abstracted under a “business as usual” scenario.

Reduced discharge of untreated waste / polluted water (cubic meters per year). The discharge of untreated waste / polluted water expected to be avoided for any intervention is assessed compared to the water that would have been discharged under a “business as usual” scenario. Wastewater includes domestic effluent; water from commercial establishments and institutions, including hospitals; industrial effluent; storm water and other urban run-off; agricultural, horticultural and aquaculture effluent, either dissolved or as suspended matter.

Additional cost-effective water storage (m3) expected to be achieved. Additional water storage expected to be achieved for any intervention.

Increased agricultural water productivity. Δ agricultural value add / Δ m3 fresh water used

Inclusive investment into infrastructure / technology. Financing for investment into water-related infrastructure and technology committed by investors / financiers, including investments made under proposals developed by MSP as well as investments made possible by reforms and financing mechanisms originating from MSP. For agriculture interventions (and others where feasible), to include tracking of value of financing accessed by women.

Annex 1

Tapping of different sources of funding depends on priorities of the contributing organizations and institutions, and repayment ability in the case of debt, as outlined in the table below.

Source of Funding	Possible Thematic Areas that can be Funded	Funding Type/ Average Funding Amount	Success Factors to Unlock Funding
Multi-laterals and Development Finance Institutions (e.g. World Bank, GCF, ADB, IDB, AfDB, EBRD, IFC, DEG etc.)	<p><u>Infrastructure Investments</u></p> <ul style="list-style-type: none"> • Irrigation modernization • Non-revenue water reduction • River basin wastewater treatment • Integrated (urban) water resources management <p><u>Enabling Environment/ PPPs</u></p> <ul style="list-style-type: none"> • Upstream enabling environment/ policy reform • Technical assistance for catalyzing PPPs <p><u>Private Sector Financing</u></p> <ul style="list-style-type: none"> • Investments in water supply/ wastewater PPP concessionaires and technology companies • Investments in manufacturing and agribusiness companies • Lines of credit to financial institutions 	<p><u>Loan to government</u> (\$100 m - \$1 billion; loans in Asia in range of \$400 m - \$ 1 bn; loans in LAC and Africa in range of \$100 m - \$300m)</p> <p><u>Grant/ Trust Funds</u> (\$100K - \$500 m) E.g. Green Climate Fund, World Bank Public-Private Infrastructure Advisory Facility (PPIAF)</p> <p><u>Debt, equity & loan guarantees</u> (\$5 m - \$500 m)</p>	<ul style="list-style-type: none"> • Design of strategic large-scale initiatives • Demonstrated willingness to generate private investment • Identification of a pipeline of initiatives • Revolving funds • High integrity of investee companies • Strong development impact • Business models for engagement
Commercial Financial Institutions	<p><u>Technology Investments</u></p> <ul style="list-style-type: none"> • Loans to farmers and retail consumers for technology investments (e.g. agri-technologies; wastewater) <p><u>Crop loans to farmers</u></p>	<p><u>Debt</u> (\$500 - \$500K/ individual or \$500K - \$ 5 m for farmer producer companies)</p> <p><u>Loan guarantees</u></p>	<ul style="list-style-type: none"> • Credit worthiness of borrower • Public guarantee/ collateral from beneficiary to repay loan

Government	<ul style="list-style-type: none"> • Infrastructure investments (e.g. urban, agri infrastructure) • Incentives for technology adoption • Extension support for behavior change through public sector entities 	<p><u>Public investments</u> (size varies depending on intervention)</p>	<ul style="list-style-type: none"> • Public good component • Demonstration of need for viability gap funding in absence of established business models
Private Sector/ PPPs	<ul style="list-style-type: none"> • Water supply • Wastewater treatment and reuse • Within-the-fence industrial water efficiency • Value chain sustainability 	<p><u>Partial financing</u> by private sector for PPPs (10-50% of PPP project size)</p> <p><u>Core business budgets</u> for industrial water (\$ 1 – 10 million)</p> <p><u>CSR interventions</u> for sustainability (\$ 500K - \$ 5 million)</p> <p><u>Guarantees</u></p>	<ul style="list-style-type: none"> • Business opportunity with robust revenue streams/ demonstration projects • Risk mitigation for private sector operations in water scarce regions • Social license to operate
Bilateral Donors	<ul style="list-style-type: none"> • Capacity building • Community strengthening 	<p><u>Grants</u> (\$200K – \$2 million)</p>	<ul style="list-style-type: none"> • Development angle