

CitiesWithWater Webinar 4: *Too Valuable — Partnerships for Financing Urban Water Resilience*

Summary Report

Presented by the World Water Council (WWC) and ICLEI — Local Governments for Sustainability

21 January 2026

1. Context

Over the course of three webinars, the CitiesWithWater series has highlighted the innovative actions that cities are taking in response to the interrelated challenges of water that is either too little, too much, or too dirty. Each webinar drew on case studies and learnings from political leadership and technical expertise in cities worldwide to stimulate dialogue and catalyze new thinking around the transition to more integrated and resilient urban water systems. However, as is becoming increasingly clear, cities cannot tackle these challenges alone. The three archetypal challenges of Too Little, Too Much, and Too Dirty are united by the need for strong partnerships to support cities in accessing the necessary finance to develop new infrastructure, conserve water catchments, pilot and scale innovative ideas, and provide truly sustainable water and sanitation services. Facilitated by Ms. Karishma Asoodani (Financial Journalist and Youth Advocate, WWC), Webinar 4 shone a spotlight on this vital theme of partnerships and mechanisms for sustainable municipal access to finance through an interactive roundtable discussion with inputs from speakers representing urban political leadership as well as development finance institutions.

2. Key takeaways

- **Partnerships are the key driver of urban water resilience:** Water management (watersheds, services, reuse) must be based on multi-level alliances between cities, regional/national governments, financial institutions, and private actors.
- **Water must be viewed as both a public good and an economic asset:** This entails moving away from a “pipes-and-pumps” approach to promote integrated urban systems, including circular processes (particularly reuse) with revenue-generating potential.
- **Public funding alone is insufficient:** Cities must mobilize blended finance arrangements, including banks, lenders, and the private sector, with public–private partnerships (PPPs) playing a key role in sharing risks while maintaining public ownership of vital water infrastructure.
- **Bankability is built from the project design stage:** It is vital for cities to align the scope of projects with the priorities and capacities of financiers at a very early stage, strengthen project preparation, and rely on partnerships (either with other cities or with national government) when local capacities are limited.

3. Key speaker points

Dr. Bapon Fakhruddin
Water Sector Lead, Green Climate Fund

Dr. Fakhruddin set the scene with the need for locally led water resilience initiatives. Watersheds are often highly localized or straddle different regional scales, thus requiring active involvement from local authorities in water stewardship as part of a multi-level governance approach. However, while local governments may frequently access support from multi-lateral development organizations, they seldom receive direct access to funding itself. To address this institutional barrier, Dr. Fakhruddin presented key initiatives of the Green Climate Fund (GCF), sitting at the locus of vertical and horizontal integration, to help local governments prepare projects that are fit for market, scale up tested interventions, and access finance directly. A key approach is that of blended finance, bringing together not only donors, but also banks and the private sector. Thus far, water has not been viewed as a potentially revenue-generating asset, as energy has been in recent years, presenting many opportunities for financially sustainable partnerships, particularly around water reuse initiatives.

Responding to a question regarding the biggest policy gaps preventing local authorities from securing climate finance, Dr. Fakhruddin identified several intersecting factors: (1) a lack of climate model data and evidence at the scale of local watersheds, (2) a resulting gap between local and national adaptation plans, (3) the need to adapt standardized funding instruments and processes to local circumstances, (4) regulatory restrictions preventing innovation within academia from reaching public policy, and (5) the underexplored nature of circular water systems. Systematically addressing these factors thus forms the starting point for both identifying and funding resilient, adaptive water pathways with local communities. When asked how youth-led organizations and initiatives can engage with the GCF, he highlighted that small NGOs and SMMEs can secure funding through several mechanisms, such as utilizing the GCF Readiness Fund or, in more conventional projects, working with GCF partners (i.e., accredited entities).

Mr. Fredrick Tumusiime
Principal Sanitation Specialist, African Development Bank Group

Outlining the operations of the African Development Bank (AfDB), Mr. Tumusiime emphasized its unique status as the host of the African Water Facility — the only project preparation facility on the continent prioritizing water and sanitation. As a demand-driven institution, the AfDB assesses proposals and approves funding in the range of USD 1 billion annually. Over time, the AfDB has adapted its approach to “not look at water in terms of pipes and pumps, but rather urban systems. This is where terms like watershed management come into play. It interacts with all other urban infrastructure.” However, public resources alone are not enough to close the remaining funding gap for Africa’s water infrastructure. Echoing Dr. Fakhruddin’s point, Mr. Tumusiime further emphasized that water is not just a public good, but an economic good, necessitating involvement from additional financiers.

Addressing how the relationships between cities and major financial institutions can be strengthened to enable more direct access to funding, Mr. Tumusiime noted the highly centralized governance structures of many African countries. While some countries permit cities to approach funders directly without national buy-in, this remains subject to the implementation capacity and internal resources of local governments, which remain limiting factors in much of Africa. To navigate these institutional barriers and capacity constraints, the AfDB typically encourages cities to either (1) partner with a cluster of neighboring local governments or (2) partner with national governments and align with national priorities in a programmatic approach.

Ms. Sophie Taintor
Senior Manager, Swedfund Project Accelerator

Ms Taintor introduced the Swedfund Project Accelerator, which receives funding on an annual basis to assist public institutions with project preparation, such as feasibility studies and environmental and social impact assessments. The institution receives proposals from cities and other public authorities and selects projects on a rolling basis, with a goal of outlining a clear financing route once a project has been brought to a bankable state. Because the organization prioritizes project preparation, Ms. Taintor emphasized a point common to the preceding speakers: Collaboration with other partners in the water funding landscape is vital to realizing the impacts of promising initiatives at the local level.

Speaking more directly to what can frequently prevent city-led projects from becoming bankable, Ms. Taintor highlighted certain technical issues as well as the misalignment between project scope and funder priorities. The varying technical experience and foci of different funders mean that some are better suited to financing smaller projects, whereas others specifically look to support larger projects. The requirements of different funders therefore need to be considered from the outset of project preparation. Finally, when funding is not available from multi-lateral entities, export credit financing was highlighted as a potential alternative mechanism.

Mayor Alfredo Coro II
Municipality of Del Carmen, Philippines and Regional Executive Committee
Member, ICLEI

Mayor Coro re-centered the conversation upon a fundamental question: If water is such a vital aspect of human life, why is it seemingly so challenging to secure funding to safeguard this basic right? In the Philippines, increasing urbanization, growing tourism, rising water demand and abstraction, wastewater management challenges, and associated saltwater intrusion greatly threaten the quality and sustainability of its vital aquifers. This has led to the increasingly customary practice of residents purchasing water privately, with the Mayor lamenting, “Soon, the right of basic access to water could become a privilege for only a few.” Addressing this existential challenge, Mayor Coro reasserted his city’s commitment to partnerships.

As an island nation, the Philippines needs to ensure the resilience of its water systems in the face of growing pressures, and has experience collaborating with partners to achieve that goal. In particular, the national Department of Finance presides over a dedicated center that provides training to local governments on different models to finance public services through PPPs. The Municipality of Del Carmen itself has entered a joint venture agreement with the private sector, among other PPP modalities, allowing the city to leverage its capacity and provide water services to users in other local governments. Mayor Coro concluded by stressing that basic access to potable water does not always require large projects, but can be achieved through a range of different initiatives targeting either bulk supply, household systems, or offsite water infrastructure. This requires creativity in working with various funding models and shifting public perception to restore trust in water as a public good.

Dr. Zahid Badroodien
Mayoral Committee Member for Water & Sanitation, City of Cape Town, South Africa

Dr. Badroodien contextualized Cape Town's water systems within the nation's high rates of inequality and the city's cross-subsidization scheme to ensure free water access to indigent households. Coming out of an unprecedented water crisis in 2018, the city committed to an ambitious water strategy. This comprises (1) the protection of existing water resources by increasing investment in infrastructure maintenance, reducing non-revenue losses, and removing water-consuming alien vegetation from upper catchments as well as (2) the establishment of new water resources through a combination of sustainable groundwater abstraction, wastewater reuse, and desalination.

Answering a question of how the city decides when to utilize public and private funding to finance its water strategy, Dr. Badroodien pointed to national and international grants and internal water revenue as its primary sources of public funding. However, despite the recent institution of a fixed (rather than volume-based) water charge to improve internal revenue, persistent inequality and a minimal tax base render public funding of the city's infrastructure investments ultimately unfeasible and unjust. To protect residents from unfairly bearing the financial burden of water resilience, Cape Town has turned to PPPs as a major component of the city's water strategy. Key benefits cited include persistent public ownership of water assets, municipally set standards, diversified risk through shared investments, and private–public skills transfer, building municipal capacity. Reflecting the frequently articulated need for robust project preparation, the city has also looked towards partnerships with actors to bring new water infrastructure projects to a bankable state.

4. Conclusion

Ms. Asoodani closed the session by reaffirming both the presence of ambitious urban water projects driven by local governments as well as the availability of funding to realize those ambitions. As the speakers highlighted, the fundamental challenge is setting up the mechanisms and overcoming the institutional barriers to ensure that funding finds its way to the right project at the right moment. Looking forward, participants were reminded of the upcoming World Water Forum, taking place in Riyadh in March 2027, where finance will form a central theme.