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## **UN 2023 Water Conference Side Event**

### ***Localising the Blue Economy: A City-Basin Approach***

24 March, 08:00-09:15 EDT, Conference Room 8

**Organized by:** OECD, Brazil (State Government of Rio de Janeiro, Undersecretary of Water Security and Sustainability); France (Ministry of Europe and Foreign Affairs and Ministry for the Ecological Transition and Territorial Cohesion); Portugal (Ministry of Environment and Climate Action); South Africa (Water Research Commission, Department of Water and Sanitation); Spain (Ministry of Ecological Transition and Demographic Challenge); Delft University of Technology (TU Delft), Netherlands; Deltares; ICLEI – Local Governments for Sustainable Development; International Association of Cities and Ports (AIVP); International Network of Basin Organisations (INBO); Latin American Development Bank (CAF); Resilient Cities Network (RCN); Stockholm International Water Institute (SIWI); UN-Habitat; United Cities and Local Governments (UCLG) Africa; United Nations Development Program (UNDP) and World Bank.

#### **Background on the event (one paragraph)**

This side event gathered high-level representatives of national, regional and local governments as well as international organisations to take stock of initiatives, accelerators and concrete actions and commitments to foster resilient, inclusive, sustainable and circular blue economies while enhancing water security in cities and basins. It presented 30 [city, region and basin profiles](#) drawing from the first round of the [OECD Global Survey on Localising the Blue Economy](#) and concluded with the launch of the [New York City Multi-Stakeholder Pledge on Localising the Blue Economy](#) by the OECD and project partners (International Association of Cities and Ports (AIVP), Atlantic Cities, ICLEI – Local Governments for Sustainability, International Network of Basin Organisations (INBO), Ocean & Climate Platform, Resilient Cities Network and United Cities and Local Governments (UCLG) Africa).

#### **Water Action Agenda (one paragraph, if possible, please include the link to your commitment in the [Water Action Agenda database](#))**

N/A

#### **Key Issues discussed (5- 8 bullet points)**

- As advocated by the [OECD Cities and Regions for a Blue Economy project](#), the blue economy can be a significant driver of economic and territorial development. In South Africa, the blue economy accounts for 4% of GDP, and this share could grow to 5% with additional policies. In the State of Rio de Janeiro, Brazil, the marine-based economy represents 44% of GDP, with direct economic benefits to 10 million people.
- The risks of “too much”, “too little” and “too polluted” water threaten the freshwater and marine ecosystems the blue economy depends on [OECD]. Water access, quality and management are key factors to consider: for example, changes in water access upstream imply changes in water

access downstream, which can affect the health of estuaries and related ecosystems (wetlands, marshes, etc.) [UNDP].

- These water risks culminate in cities [OECD], which can both put pressure on source-to-sea systems (i.e. connected land, freshwater, coastal and marine ecosystems) *and* experience negative impacts from their degradation [SIWI, INBO]. Port cities are on the forefront of climate change, as they tend to have vulnerable ecologic systems while hosting environmentally impactful blue economic activities [TU Delft].
- As the places where blue economy activities take place, create value and provide jobs, local governments play a fundamental role in the blue economy [OECD]. Their policy competences (e.g. waste management) and investment responsibilities (e.g. infrastructure, NbS) make them a strategic level for policy implementation and action [UCLG-Africa].
- As with many societal challenges, the sustainable blue economy is a governance rather than a technical challenge [OECD, RCN]. Governance frameworks for water and blue economy are fragmented across institutions, sectors and places [OECD, SIWI, World Bank]. If we continue to work in silos and ignore upstream-downstream links, economic development in one part of the source-to-sea system may occur at the detriment of elsewhere.
- Both traditional sectors (e.g. fisheries) and emerging sectors (e.g. water-based renewable energy and blue bioeconomy) hold great potential for environmentally sustainable economic development, provided the right policies are in place [South Africa, Portugal].

#### **Key recommendations for action (5 - 6 bullet points)**

- **Coordinate blue economy and water policies across levels of government**, as most SDGs, including 6 on water, 11 on cities and 14 on oceans, will not be achieved without local action [OECD]. National blue economy policies should be “localised” [South Africa], recognising the unique economic, social, environmental and governance characteristics of different places for effective implementation [TU Delft]. Local governments should be in the “driving seat” for policy implementation, and the subsidiarity principle applied wherever relevant [UCLG-Africa].
- **Strengthen city-basin connections within source-to-sea approaches to better manage water and unlock the potential of sustainable blue economies**. In Chile, cities are working with new river basin councils set up across the country’s 16 regions to improve water efficiency and conservation. Decision-makers and practitioners can obtain guidance from platforms and tools such as the SIWI Action Platform for Source-to-Sea Management and the IWA-INBO Handbook on Basin-Connected Cities.
- **Connect sectoral policies (e.g. water, climate, biodiversity, waste, urban planning) towards water security and sustainable blue economy in cities**. Portugal connects freshwater and ocean policies with sanitation, from a 28% connection rate 30 years ago to 85% today, with positive impacts on beach water quality signalled by the Blue Flag Programme. In Chile, the water scarcity crisis is seen as an opportunity to tackle the triple challenge of water, biodiversity and climate. Because cities are the engines of economic growth but are increasingly vulnerable to water-related risks, CAF has redesigned its internal organisation to jointly tackle water security and urban challenges.
- **Review regulatory frameworks and economic incentives for circular economy and nature-based solutions**.
  - **Circular economy** approaches to wastewater and plastics are crucial to avoid water pollution. For instance, the city of Paris is investing EUR 1.4 billion in wastewater treatment to make the Seine swimmable; South Africa’s Plastic Bag Levy has

minimised single-use plastics; and France is hosting negotiations on the elimination of plastic pollution in May 2023, as well as implementing domestic regulatory measures to curb single-use plastics. In partnership with Ocean Conservancy and The Circulate Initiative, RCN has set up Urban Ocean as a capacity building and accelerator platform for cities to reduce plastic leakage and boost the circular economy towards enhanced urban resilience.

- **Nature-based solutions** and payments for ecosystem services can help build urban resilience to water risks. To protect rivers from silting, flooding and landslides, the state of Rio de Janeiro aims to recover 441 000 hectares of Atlantic Forest by 2050 through public-private partnerships. The city of Paris is helping to fund the ecological transition of farms upstream of the city to avoid water pollution downstream in the city and towards the sea.
  - **Catalyse investments in innovation and capacity** for sustainable, inclusive, resilient and circular blue economies. For instance, RCN’s Resilient Community Impact Funds (RCIFunds) gather public and private partners to support projects and catalyse innovation, scaling and project preparation for larger financing. CAF has pledged up to USD 4 billion in new approvals for water security projects; USD 1.25 billion to invest in sustainable city-basin projects; and a new project facility for oceans of up to USD 1 million annually.
  - **Engage with stakeholders across the board.** As highlighted by UNDP, “people don’t have an ocean problem - the ocean has a people problem!”. For instance, as part of Finland’s International Water Strategy, the government supports companies that take “water stewardship” action. Rio de Janeiro sees dialogue as one of the key elements needed for a resilient and sustainable blue economy.
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