INTERACTIVE DIALOGUE
INVESTMENTS IN WATER

Financing, technology and innovation, and capacity-building

An extract of the Global Online Stakeholder Consultation: Inputs to Interactive Dialogues Concept Papers

About this Paper

This paper is an extract from the report of the Second Global Online Stakeholder Consultation: Inputs to Interactive Dialogues Concept Papers, which summarizes inputs received from stakeholders to a global online stakeholder consultation organized by UN DESA in connection with the 2026 United Nations Water Conference, which will be held from 2 December to 4 December 2026, in the United Arab Emirates.

The main Report can be found **here**, including links to all responses and all inputs to the six Interactive Dialogues, as well as detailed background information and a summary.

This paper presents summaries of key messages for Interactive Dialogue: Investments in Water, financing, technology and innovation, and capacity-building.

United Nations | Department of Economic and Social Affairs

United Nations Water Conference
United Arab Emirates, 2026

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161 responses were received for the Interactive Dialogue theme pertaining to Investments for Water.

Challenges

Any progress towards ensuring the human right to water and sanitation requires capital investment. Nonetheless, most stakeholders reported struggling with **chronic underfinancing and investment gaps**. It has been calculated that funding needs to triple or quadruple to meet the SDG 6 targets, underscoring the scale of the challenge. Respondents expressed that the perceived lack of viable returns and absence of de-risking mechanisms deter large-scale investment resulting in low private sector participation.

"The primary challenge is that traditional financing models are too rigid, large-scale, and risk-averse to fund the small-scale, innovative, and context-specific water projects led by youth and local communities. A significant "missing middle" in financing persists." University of the Sunshine Coast, Japan

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The consequences of these shortfalls are felt most strongly in the rural, humanitarian, sanitation, and hygiene sectors where service provision is already strained. Stakeholders emphasized that these funding gaps reduce the ability of local actors to scale proven approaches and **undermine efforts to strengthen community resilience**.

"Fragmented mechanisms and short-term priorities prevent innovation from reaching the communities most in need of equitable water solutions." Objectif Sciences International, Switzerland

Without adequate funding, innovative technologies are unaffordable. This widens the digital divide and leads to weak technology transfer and low R&D support. Financial investments are also necessary for capacity-building and human resource development. Respondents expressed concern that **training and knowledge deficits**, institutional fragility, and low local absorptive capacity are also a significant challenge.

"There is no quick return on investment in water. Also, adoption of hard technology without supporting capacity development that encourages behavioral change, (like stewardship), will not make solutions viable over long term." Alliance for Water Stewardship (AWS), Pakistan

Solutions

Mobilizing **blended and innovative financing** was the primary solution posed by consultation participants. They noted that combining public, private, and philanthropic capital can **de-risk investment in water and sanitation**, making it more attractive to larger banking institutions.

"We should use blended finance to support community-led water technology innovations and capacity building which should be driven by Urban Development Strategies. This integrates SDG 6 with education & local economies, using participatory monitoring to track progress and scale pragmatic solutions." University for Development Studies, Ghana

Stakeholders suggested also that this may be accomplished by implementing **outcome-based funding, revolving funds, and first-loss guarantees**. Significant interest was expressed in reducing transaction costs by aggregating small projects into bankable, investment portfolios.

Moreover, providing **direct access to finance for small- and medium-sized enterprises (SMEs), local governments, Indigenous groups, local agrifood workers, and women** was mentioned repeatedly by stakeholders as a way to mobilize resources for those who stand to benefit the most.

"Prioritize funding for projects led by women, particularly in schools and vulnerable communities," and "strengthen women's skills in fundraising, monitoring and evaluation, and digital communication." AFPEEC (Association des Femmes Professionnelles de l'Eau et de l'Environnement du Cameroun), Cameroon

Investing in **technical, managerial, and institutional capacity-building** at both national and local levels was a consistent theme in participants' responses. Ideas on how to achieve this included establishing regional training hubs and supporting vocational mentoring for youth. These initiatives could also serve to close the digital divide by providing training and education on digital monitoring, AI, blockchain, and open-source data, thereby providing the data needed to secure greater investments.

PARTNERSHIP SPOTLIGHT

In their responses, stakeholders shared examples of partnerships that have proven helpful in promoting Investments for Water. A few of these are highlighted below.[1]

Aqua for All helps local water and sanitation businesses to attract private investment and scale their market-based solutions. Using strategic grants and partnerships, Aqua for All blends these solutions with public and private financing to accelerate the implementation of climate-resilient water and sanitation services. Operating in 65 countries primarily in the Africa and Asia region, Aqua for All has ensured that over 11 million people have access to clean water and sanitation, more than 1,100 organizations have been supported, and over €27 million funds have been managed. In bridging capacity and funding gaps, this organization has effectively supported initiatives that prioritize a circular economy approach, sustainable water resource management, and household water treatment and safe storage.

Highlighted by: Aqua for All, Netherlands

Highlighted by: Dhaka School of Economics, Bangladesh

The Resilient Water Accelerator (RWA) is a global initiative that develops investment models to mobilize private and commercial finance for water security and climate resilience. It convenes decision makers, technical experts, and investors to build finance-ready project pipelines that address water risks and demonstrate the business case for scaling investment. Working with local partners in defined markets, RWA aligns public, private, and corporate interests while delivering resilience benefits for vulnerable communities. Its portfolio includes apparel-sector water solutions in Bangladesh, private participation in water services in Lagos, and new financial products in South Africa, with expansion planned in 2025 across South Asia, Latin America, and Sub-Saharan Africa.

[1] These examples reflect inputs shared by stakeholders and are presented for illustrative purposes only; they do not imply endorsement by the United Nations.

TRANSFORMATIVE ACTIONS

As part of the consultative process, stakeholders were asked to identify one transformative action needed to accelerate progress towards the Investments for Water objectives. A few examples can be found below.

"Water ministries need to build their capacities to deal with strategic water finance issues and prioritize the development of national water finance strategies." Union for the Mediterranean, Senegal

"The delivery of funds through credit shall take account the nature of cash flows, the compulsory repayment period versus savings, and the use of social collateral for group lending or joint liability of members for loans borrowed by other group members." Centre International pour la Recherche Multidisciplinaire Appliquée (CIRMA), Democratic Republic of the Congo

"Governments, financial institutions, and the private sector must co-invest in innovative water technologies, scale capacity-building programs, and deploy digital solutions to transform water management and achieve sustainable financing for SDG 6." The Volunteer Team Foundation for Humanitarian Action, Egypt

"Governments and donors must establish national green-finance facilities enabling NGOs and SMEs to scale water-efficient technologies." Aid Gate Organization for economic development (AGO), Iraq

Figure 12: Visual representation of keywords stakeholders used to describe their perspectives on the theme: Investments for Water.