

## UN 2023 Water Conference Youth Rapporteurs

Rapporteur: Maria Angel

Date: 23-03-2023

Event Title: *The Economics of Water (Informal Special Event)*

During Special Event - The Economics of Water: transforming governance to secure a sustainable, just and prosperous future, The Global Commission on the Economics of Water (GCEW) presented their report titled "Turning the Tides" inviting stakeholders to share feedback and inputs on the report in order to find answers to the global water crisis collectively.

Water is an essential resource for human life and the environment. However, water scarcity is a growing concern that calls for a systemic transformation of water governance and economics. The "Turning the Tides" report provides a roadmap for transforming water governance and economics to secure a sustainable, just, and prosperous future.

Stakeholders emphasized the need for joint partnerships, co-creation, and mission-driven approaches to water management. The public sector's role in water management was also highlighted as critical, particularly by local and regional governments. It is essential to create multilateral governance of water that includes a broad set of stakeholders to ensure inclusive development.

Participants emphasized that failure to address the water crisis will impede sustainable development goals and response to climate change. Human activities have pushed the water cycle out of balance, leading to a 40% decrease in the supply of freshwater by 2030. A global collective action and commitment to transformative policies, new governance strategies, and expanded investment in water infrastructure are necessary to address this interconnected issue.

The report's seven-point call to action focuses on managing the water cycle as a global common good, adopting a mission-driven outcomes-focused approach, stopping the undervaluation and under-pricing of water, promoting efficient water use, providing equitable access to water, redirecting and repurposing water and agriculture subsidies, and fair legal rules of trade.

Valuing water and pricing water adequately are not trade-offs to equity or access to water. This new economics of water must recognize both efficiency and equity, ensuring access for indigenous peoples and other concerned communities. Economic instruments must be put in place to guarantee access to water for all. Water subsidies in the agricultural sector lead to overconsumption of water and redirecting these subsidies towards proper infrastructure and access to water by those without access is paramount. Legal rules of trade must ensure that food and goods can be produced and traded between water-rich and water-scarce regions.

The mismanagement of water resources in one part of the world can affect everyone globally. Therefore, the involvement of a broader set of stakeholders is crucial in developing water governance and economics. The report was presented to stakeholders to receive input, feedback and to create a collective understanding.

Revaluing water economics and water finance needs to be resolved by working together in a collaborative approach. It is a transcending element of the sustainable development agenda. Governments, businesses, and civil society organizations must work together to develop systemic solutions to the water crisis.

One key criticism that emerge during the event was the focus on to evaluating investments in water involves a cost-benefit analysis because this approach fails to capture the full value of water, including non-market values. Indigenous leaders have emphasized the cultural significance of water, which is just as important as its economic value. To effectively allocate water resources, it is crucial to consider and prioritize these non-market values. Another critical issue is the lack of justice in water networks. Engaging with marginalized communities

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and amplifying their voices is essential to addressing the water crisis. Ignoring these voices has contributed to the current state of affairs, so meaningful engagement is vital to delivering water value to everyone.

In conclusion, the economics of water demand transformative change that puts water at its center. The report highlights the need for a mission-driven approach to water management and governance, equitable access to water for all, and fair legal rules of trade. The special event emphasized the need for collective action and stakeholder involvement in implementing these recommendations. Revaluing water economics and water finance is critical for securing a sustainable, just, and prosperous future.