

Steering Board Retreat Summary

Date: 15-16 January 2019

Place: Hotel Bad Muntelier am See, 3286 Muntelier

Steering Board participants: Olga Darazs, Johan Gély, Derko Kopitopoulos, Johannes Heeb, Nidal Salim, Edi Medilanski, Andreas Zysset, Christian Zurbrügg, Darcy Molnar (15th only), Thomas Zeller (16th only)

Excused: Rose Alabaster, Eric Plan

Secretariat: Agnes Montangero, Soraya Kohler, Julie Smolnitchi

Summary

The main objectives of the retreat were to: **1) Prioritise activities that best contribute to the SWP's long-term objectives, 2) Update on the SWP Financing Facility Pilot Project in Ethiopia, and 3) Prepare the frame for the Flagship initiatives.** The retreat was opened by the SWP co-chair Olga Darazs who presented the agenda and the objectives. She informed that SDC recently accepted the credit proposal to further support the SWP for the next phase.

A) Prioritization of SWP Activities for Phase 3

A list with planned activities for the new phase including a first assessment of the value for members and the financial potential of each activity was shared beforehand with the participants. Additional inputs were shared (PPT attached) recalling the type of activities conducted by the SWP (1. Dynamic learning 2. Strong Swiss Voice/Water Dialogue 3. Platform Development) and the related expenditures. The activity group 2 and 3 are the most resources intensive with the presence at big conferences and more generally the coordination and strategic development of the SWP.

The prioritization of activities was presented and further discussed with the participants (see picture below). Four category groups were presented based on two prioritization criteria:

- the financial potential, meaning the potential to get additional income apart from the SDC contribution and members contributions
- the added value for the members

The 4 category groups are:

- **BLUE cards:** High financial potential and high value for members = higher priority (e.g. Study tours, , youth activities - SJWP)
- **GREEN cards:** High financial potential or high value for members = (e.g. joint events with other platforms)
- **WHITE cards:** Limited financial potential and high value for members (high potential for visibility and networking)
- **ORANGE cards:** No financial potential but high value for members (how to finance?)
- **YELLOW cards:** Low financial potential and low value for members = most likely to be dropped

The most important discussion points and conclusion are highlighted below while the details at activity level will be shared in a later stage with the participants in a consolidated table (Action Plan 2019/2020).

Discussion topics

General comments related to the prioritization:

- Activities conducted so far have medium/high value for members;
- The high number of activities and a certain degree of fragmentation is perceived as rather positive, allowing for flexibility. Coherence should be ensured during the consolidation process;
- The added value of activities should include both the benefits for the members and the platform;
- Some activities were rated with low financial potential (such as development of partnerships) but do not require a lot of additional resources as they are linked with some other activities (development of partnerships mainly done during conferences) and still represent strategic component for the SWP;
- Activities with low financial potential and low value for members should be in principle abandoned or done only on demand
- The core activities, essential for the operation of the platform such as the General Assembly (see red color dots on the cards) are key and have to be kept.
- Activities marked with a green dot are essential to achieve the SWP's strategic objectives (e.g. World Water Week, policy dialogue, youth-related events).

Specific comments related to certain activities:

- The participation of the SWP to other water events should be considered (WW in Africa, Bled in Balkans, first Baikal Lake Forum)
- The learning events should be more focus on trends (link with Trend Observatory) to increase the value for members

Specific comments related to mobilizing financing resources:

- Past experiences show that activities related to youths are conducive to raise funding. This should be taken into account while looking at activities with low financial potential;
- The activities with high financial potential should be better advertised among the networks (e.g through embassies for the study tours);

Next steps

- The above-mentioned comments on the prioritization of activities will feed into the Action Plan 2019/2020 and the budget 2019 (focus on essential and strategic activities), which will be presented at the next SB meeting in March for approval;
- The Action Plan and Budget will be submitted to the members for approval at the GA in June

[illegible]

B) Update on the SWP Financing Facility (P. Spicher)

Mr. Spicher presented the **progress of the Ethiopia pilot project** (PPT attached). The main aim of the financing facility is to increase private finance flows to water related projects, by using a combination of innovative finance (blended) and innovative revenue generation mechanisms.

Background: A pilot is currently being developed to test the concept of the Financing Facility. In order to attract investors, the 'lower part' of the Financing Facility concept (potential to generate revenues through indirect beneficiaries) should be demonstrated on the ground. The integrated plan for the Landscape Management and Protection of Upper Sululata Watershed in Ethiopia supported by Nestlé is proposed as framework for the FF pilot project. The Sululata landscape/watershed approach provides the opportunity to have a mix of projects, among which some are generating revenue. The potential for 'cross-subsidies' among different projects and for bundling a series of small projects enhance the attractiveness for investors.

The plan identified 9 strategic issues to be addressed by 7 areas of interventions (70 mio \$). The next steps would be to get funding for the plan implementation, moving from a funding concept to an investment concept addressing donors and private investors. Interventions should thus be structured to be suitable for investments with activities to be implemented through market-based solutions. Mr. Spicher presented two possible approaches to be implemented:

1. Select 1-2 interventions which a priori benefit Nestlé (easier and quicker to implement)
2. Structure the plan around the innovative revenue generation and blended finance approaches (more beneficiaries, size enough to attract private finance)

The presentation was followed by group work (Excel sheet attached) and plenary discussion, which aimed at looking at the innovative revenue generation mechanisms to be tested in the piloting phase. Participants were divided into 3 groups, each focusing on a different topic and had to identify types of beneficiaries and possible revenue generation mechanisms for a set of projects to be implemented in the basin.

Discussion topics

Participants provided **comments and recommendations** to the project:

- Clarify the scope and objectives of the pilot project and how it addresses key questions related to the FF concept. The potential roles and added value for SWP members should be clearly communicated;
- The proposed project should focus on schemes that are scalable in order to have a sustainable impact on the investment (e.g. target large-scale investors to scale up).
- The issue of scaling up, e.g. how large private investments can be mobilized, should be explicitly addressed in the pilot project. This could be done in cooperation with the Center for Sustainable Finance and Private Wealth, Department of Banking and Finance (University of Zurich)
- A clear description of the Sululata Watershed context and the integrated plan incl. key figures and potential multiple benefits would help further exchanges on the pilot project;
- Lessons learned from the Financing Facility in Kenya would be valuable (even though it focuses on local investors only and is thus not comparable with the SWP financing facility concept).

Next steps

The following next steps were identified:

- Before further developing the pilot project and finding investors, the project (scope and objectives) should be more clearly defined and presented during the next SB meeting in order to gain ownership of the SWP board members

C) Flagship Projects: Defining the Frame

The thematic expertise among the SWP members cover the all range of the SDGs topics. So far, the SWP has focused on the UN water topics as a mean to position itself and to create opportunities for all members (depending on the topic, some members would take the lead in the developed product). This process has

showed positive results (develop more strongly key topics based on SWP expertise, events at Stockholm, good visibility, etc). However, it stays short term (1-year process) and is rather superficial.

The flagship projects initiative (FI) aims at better positioning the thematic expertise of the SWP in the longer run and in a more comprehensive manner. The idea would be to have 1-2 flagship initiatives (SWP products) related to the SDGs objectives.

The secretariat presented preliminary **selection criteria** to select a flagship initiative. Flagship initiatives should focus on gaps and challenges related to the implementation of the SDGs where the SWP can best contribute.

Discussion points

The idea of the FI was very much welcome by the steering board. The proposed **selection criteria** were accepted:

- Contribute to water related SDG;
- Are in line with the human right;
- Enhance visibility of the Swiss water sector;
- Create the value for the members.

The following **additional criteria** were added by the SB participants:

- Sustainable vision (not 1 shot), FI need to feed partnership activities and correspond to LT objectives;
- FI should not fund members;
- Early knowledge/competence skills (based on pre-existing skills), not rely on external consultants;
- Innovative aspect (not business as usual), open new ground;
- Min of 2 or more constituencies to ensure the ownership;

Operationalization aspects were further developed.

- Launch a call for FI for SWP members and discuss proposals at the next GA (June 2019)
- FI ideas have to be approved by the SB
- Implemented by a member or group of members with support of secretariat if means are available
- Proposal needs to include financial costs and a funding strategy (contributing to being aware of the associated burden)
- Duration should be clear (with a clear beginning and end) and be identified case by case
- Human rights and equity are key element for all FI

While a call for FI ideas should be sent to GA, preliminary **topics for interesting FI** were already mentioned by the SB participants.

1. **Strengthening young professionals in the global south** through rotational internship: it would aim at professionalizing in an innovative way the water sector in the South with having young professionals doing an internship in different SWP constituencies with the goal to understand how the CH water sector works and to establish good relations. The focus should be more on Swiss governance aspects such as models, concepts and values and less on technologies to avoid creating frustration. It would also benefit the SWP members hosting the interns with having an increased visibility
2. **Climate Change (mitigation)**: More and more funds usually dedicated to the water sector are going to Climate Change. There is a potential risk that water projects are not a priority anymore. Support the SWP members to develop a pitch on how water and wastewater can contribute to mitigate Climate Change. It would benefit the members in getting more funding beyond the water funding mechanism. Look what the French Water Partnership did/connect with SUSANA (like to sanitation, health and nutrition)
3. **Concept of resilient cities**, green/smart cities, city context and water (monitoring energy system, rainwater harvesting, water recycling);

4. **Circular economy:** link with water sector and resource reuse, link to 11-12 SDGs, pilot with zero waste (circular eco villages close loops (town, watershed), workshops;
 - Promoting **decentralized cooperation** – water cent in CH (in collaboration with Solidarit’eau);
 - Promoting **transparency, accountability** (reducing unnecessary cost, lost investments, missed management).

Next steps

- Update concept paper on FI based on the discussion points held during the retreat;
- Approve the new FI framework by the SB in March and present the doc at the GA for approval of the SWP members.
- Launch call for FI ideas among the SWP members (April/Mai) and present /discuss the preselection during the next GA;

Points to approve at the SB Meeting (26. Mars 2019)

Based on the conclusions of the retreat, the steering board members that were present have formulated the following decisions, which need to be discussed, validated or rejected during the next steering board meeting in March:

1. Clarify the scope and objectives of the Financing Facility pilot project, linking the relevance of this initiative in relation with the mandate of the SWP. Take decisions on the next steps
2. Validate the new framework for the flagship initiative (including selection criteria that will then be approved by the GA); (and indicate the difference between a FI and WG; share the list on current WG)
3. Present and validate the action plan 2019/2020 and budget 2019 on the basis of the prioritisation of activities, and the financial and operational report,
4. Present and validate the draft programme of the GA
5. Discuss the SWP (re-) elections (Co-chairs, renewal of SB members term)

Additional information

- The next Steering Board will take place on the 26th March 2019 at CSD Fribourg in the afternoon, the agenda will follow.
- The SWP General Assembly will take place on 12th June 2019 at the Wasserversorgung in ZH, Hardhof 5 ZH.