



Accessing climate finance for sustainable water, sanitation and hygiene services in Timor-Leste

J. DaSilva, S. Lyons, T. Guterres and M. Pereira

WaterAid

Timor-Leste



Overview

- 1 • Why climate finance?
- 2 • Findings of WaterAid's Climate Finance Initiative
 - **Enablers** and **barriers** in Timor-Leste
 - **Priorities** and **options** for government and partners
- 3 • Progress made and next steps

Why climate finance for WASH?

1

WASH is not only fundamental to human rights and sustainable development...

2

It is also critical to building communities' resilience to climate change (CC)

3

We cannot achieve the SDGs without accounting for climate risk in WASH



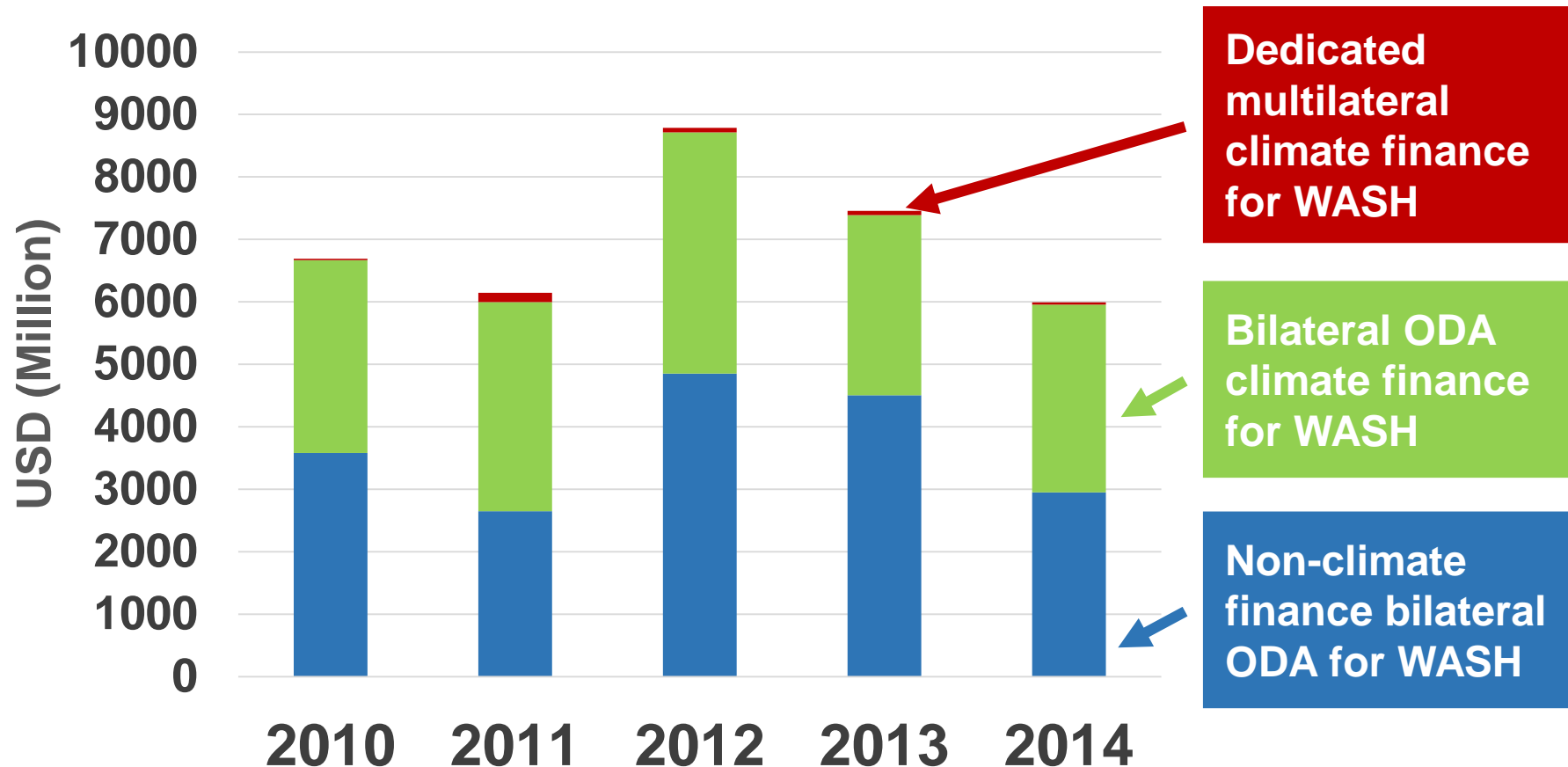
Vulnerability of Timor-Leste



Photo credit: WaterAid/Tim Davis

- Highly climate vulnerable, low adaptive capacity
- 55% of all *sucos* considered at risk from climate change
- Water sector at high risk – but large potential role in adaptation
- Increasing capacity to access climate finance

Landscape: Climate finance & WASH



•Source: Authors' compilation based on OECD CRS and Climate Funds Update.

•WaterAid and the Overseas Development Institute (2017). Forthcoming research.

Opportunities ahead

- **Potential** to invest climate finance in sustainable WASH
 - Global US\$100 billion/year commitment
- Concerns about **country readiness**
 - Need to strengthen systems and capacity

In Timor-Leste:

- First accessed climate finance in 2008
- To date, **no dedicated multilateral investment** for WASH-specific projects
- Receiving readiness support from the Green Climate Fund

National policy context

Strengths

- Progress on national CC policy framework (NAPA, Initial NC → now NAP and second NC)
- Climate change is mainstreamed in national economic strategy and water is a priority

Challenges

- Emerging WASH policies do not incorporate CC
- No coherent adaptation agenda for WASH
- Pro-poor focus in policies on WASH and CC could be stronger and more consistent

Institutions

Strengths

- Some “champions” driving collaboration between institutions
- Recent government re-activation of cross-sectoral platforms
- Forthcoming Readiness Support from GCF

Challenges

- WASH sector yet to proactively engage to develop a coherent approach to CC adaptation
- Low visibility and fragmentation of WASH within two ministries
- Capacity and resource constraints

Public finance management

Strengths

- System is improving and climate spending is happening in different ministries
- Important discussions due to GCF process
- Timor-Leste has existing experience in combining climate finance with other funds

Challenges

- Limits to national ownership of climate spending due to off-budget flows
- Climate finance tags not yet used for WASH activities, unclear disbursement methods
- Lack of standardised spending procedures

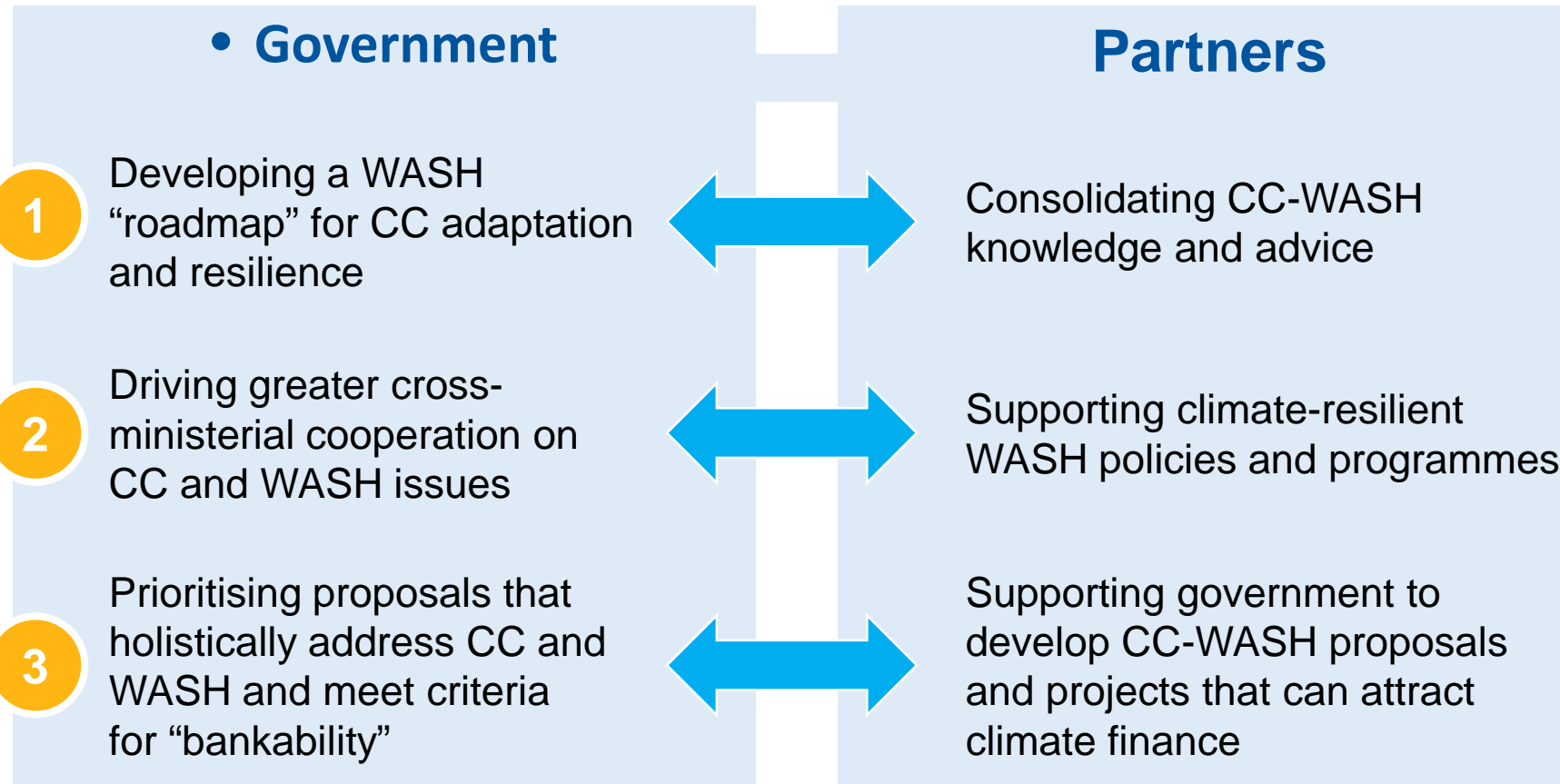
Priorities and next steps

- Overall, Timor-Leste is quite **well-placed** to access increasing volumes of **climate finance in the short- to medium-term**

However, we need:

- ... to **work together** in a major effort to ensure that climate finance supports **sustainable WASH** and prioritises the most **vulnerable** groups
- ... a **common understanding** of the main risks to WASH from climate change and how to address them

Summary of recommendations



Progress

- Government WASH stakeholders engaged more, due to awareness of significant funds available from international Climate Change multilateral funds
- Readiness support from Green Climate Fund assisting government to work towards accreditation to receive funding themselves.
- Discussion paper produced for Climate Change Working Group to clearly articulate what climate-resilient WASH approaches look like in Timor-Leste.
- National Adaptation Plan about to be developed, WASH now positioned to be raised as a greater priority.

Obrigadu

Justino da Silva
Country Director
WaterAid Timor-Leste

Justino.dasilva@wateraid.org.au

www.wateraid.org/au



Collaboration for Universal WASH

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