



RETHINKING COLLECTIVE ACTION FUNDING AND FINANCING FOR WATER

Why today's funding and financing models
struggle to scale collective action, and how to fix it



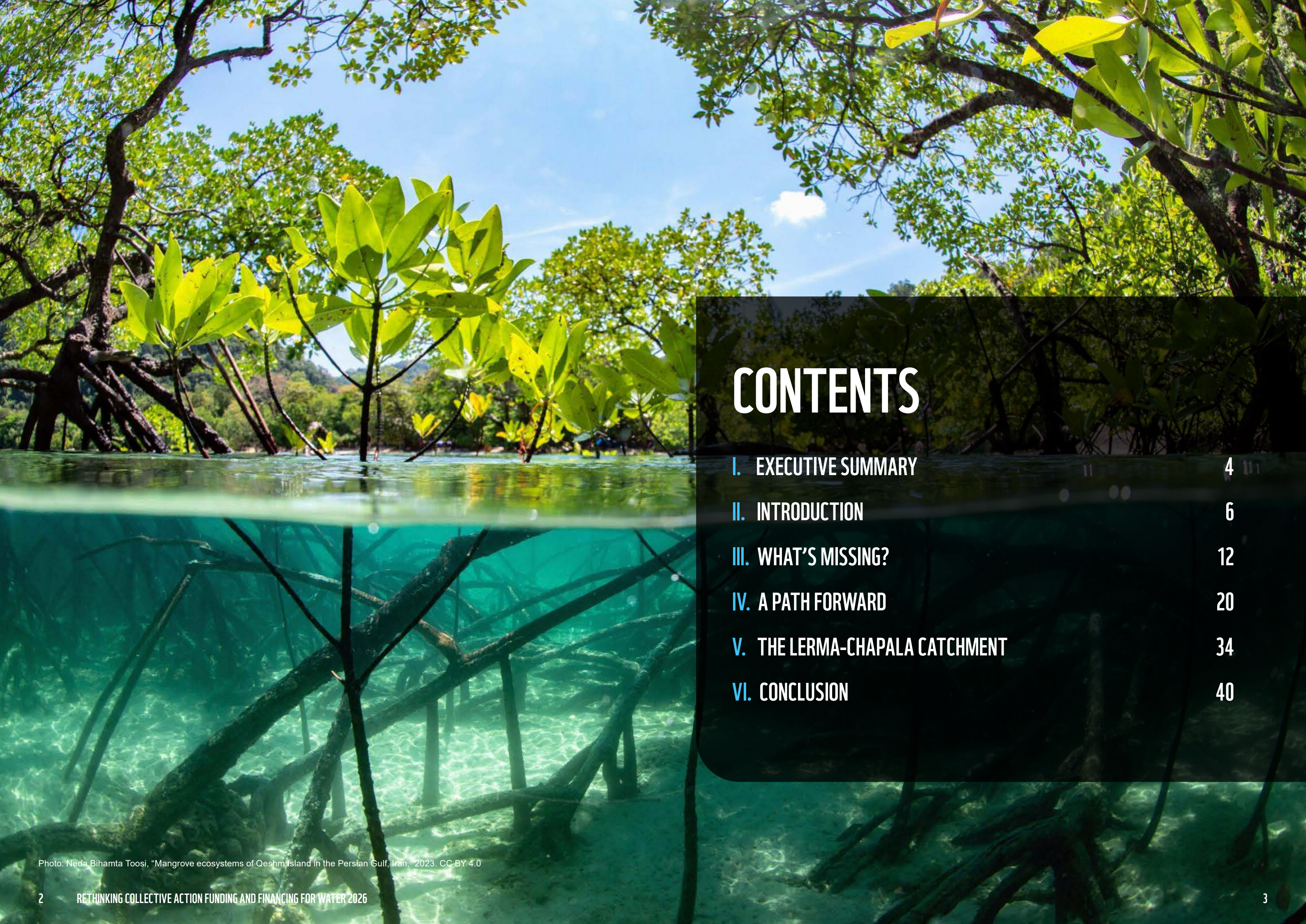
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I. EXECUTIVE SUMMARY

We live in an era where water is increasingly recognized for its critical importance to society, business, and ecosystems, yet remains highly undervalued. As a result, water infrastructure and the protection of ecosystems lack adequate funding and financing. Similarly, while collective action at the catchment level is increasingly seen as critical to mitigating shared water-related risks, funding and financing remains focused on small, bilateral projects.

This paper asks the question: can we better enable meaningful collective action through a more novel approach to collaborative funding and financial models, and if so, what is the pathway to moving us there?

In response to this question, the paper proposes a different architecture, moving the unit of action from the individual project to a locally governed catchment platform. It offers a transition pathway from individual projects to catchment platforms to a global network, while identifying options for revenue and capital stacks, along with financing structures. Central to the logic of a sustainable catchment platform is a means of funding the platform's governance, separately from funding and financing its project portfolio.



Photo: Richard Allaway, "Agriculture in Extreme Environments – Irrigation channel for wheat fields and date palms," [CC BY 2.0](#), via Wikimedia Commons.

The proposed model explores the idea of an evolving set of funding and financing sources, from time-bound grants at formation to multi-year participant contributions and transaction fees as activity grows. Lastly, the paper outlines the organizational and structural incentives needed to move away from the status quo and towards a collaborative structure.

The model is brought to life through a hypothetical application to Mexico's Lerma-Chapala catchment. In this illustration, the recommended components of the model include water outcome purchase agreements (WOPAs) that convert corporate commitments into aggregated contractual revenue and a layered capital stack anchored by first-loss capital, ideally supported by a catchment resilience bond underwritten by that revenue. Central functions such as governance, monitoring, reporting and verification, and many of the critical-but-tough-to-finance stakeholder aspects (trust and relationships) are covered via management fees and grants, with various incentives provided for those who join in an initial phase or tranche.

This sort of model will not apply everywhere, and it is not the only viable approach to collective action. Rather, the paper seeks to push the conversation past the familiar shorthand of "more blended finance" or "collective action projects" toward a more disciplined view of how we can transform collective action from isolated projects into cohesive platforms that can sustainably solve water challenges at speed and scale.



II. INTRODUCTION

In a world where water has enormous, yet underaccounted [economic value](#), and where capital for sustainability investment is increasingly abundant, we face a persistent paradox:

we have not yet figured out how to fund and finance (see Box A) solutions to shared catchment¹ challenges at scale and speed.

Freshwater systems are deteriorating [faster than any other ecosystem](#), posing risks to food production, business resiliency, economic development, and societal wellbeing. At the same time, global calls to action have multiplied. [International frameworks](#) emphasize the importance of protecting ecosystems and securing capital for water, and corporate water stewardship initiatives have expanded significantly.

Corporations are an important stakeholder group in addressing the deterioration of catchment health. Corporate water stewardship strategies are typically built around

“replenish,” “water positive,” or “positive water impact,” and involve the direct funding of technologies, nature-based solutions, and or water, sanitation, and hygiene (WASH) initiatives. These funding commitments are often made in collaboration with non-governmental organizations (NGOs) or, increasingly, directly with technology companies, social enterprises, and government agencies.

Collective action is an approach that focuses on inclusive, cross-sectoral action at scale to target shared catchment challenges and has been embraced in corporate water stewardship strategies for the past several decades, albeit with varying success. Despite its implementation challenges, [GlobeScan and WWF’s recent survey](#) confirms the global water community’s ongoing support of collective action, with **over 70%** of those experts surveyed saying their water issues cannot be solved without collective action.

BOX A: CLARIFYING THE TERMS

Funding

Funding refers to the actual money provided for a specific purpose (typically with a non-monetary return), often by organizations or governments.

Financing

Financing refers to the provision of capital for monetary returns (i.e., financial impact/return on investment) that are typically debt or equity based.

Project-based

Funding and financing is for individual restoration, conservation, or water tech projects within an ecosystem typically supported through grants, bilateral corporate partnerships, or development funding. Produces localized water benefits but rarely changes catchment- or ecosystem-scale outcomes.

Platform-based

Funds and finances the coordination and governance that aligns multiple projects across a catchment. Enables prioritization, shared metrics, and aggregation of capital. Creates the conditions for systemic change.

Source: WWF, CEO Water Mandate, Global Water Challenge & WaterAid (2026) [Defining a Collective Action Spectrum](#)

¹ Catchment refers to a geographic area where water collects and drains to a common point, and is treated as synonymous with “watershed” for the sake of simplicity. It typically refers to a sub-section of a “basin,” which is spatially broader than a catchment.

II. INTRODUCTION

The WWF-GlobeScan survey results offered several insights into the challenges facing freshwater collective action:

Experts indicated that the top motivation for engagement in collective action was a desire to see **scaled projects that mobilize investment**, along with co-benefits, alignment with public sector priorities, and ensuring long term viability.

51% of experts indicated that collective action was the most beneficial action for effective water stewardship.

Experts from all sectors felt that far more engagement was happening at the **project level than the platform level**.

Experts believe that the most important criteria for credible collective action was **measurable catchment scale impact**, followed by clear governance and robust monitoring and learning.

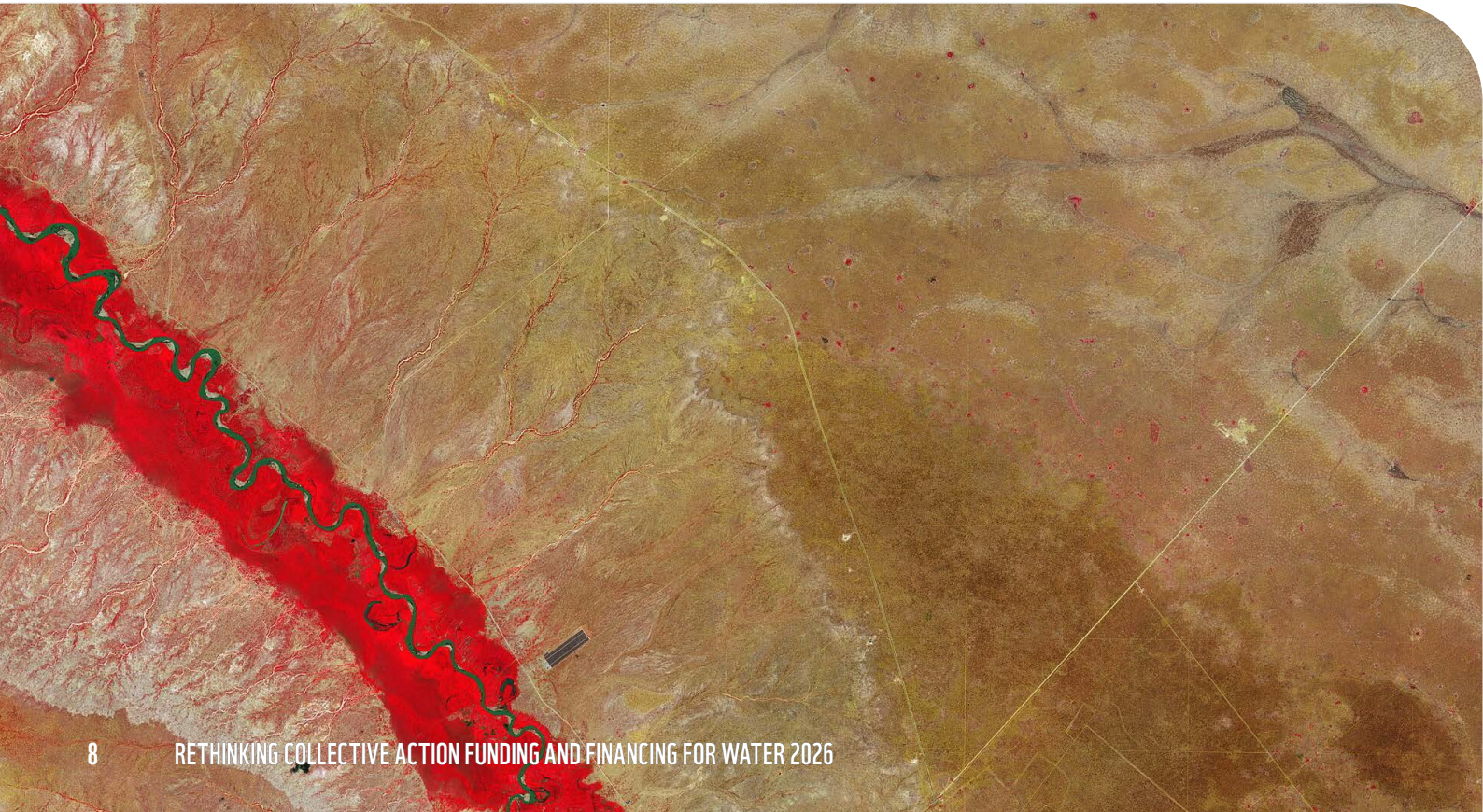
Lastly, experts identified the **lack of funding and financing models**, poor funding of governance, weak stakeholder engagement, and poor public-private collaboration as the key barriers facing collective action.

These data illustrate that we find ourselves at a crossroads. While there is widespread support for collective action, most implementation of catchment-oriented efforts under “water positive” programs remains focused at the project level. The existing arrangements, especially between NGOs and corporations, create incentives to maintain the status quo – a form of collective action game theory. Similarly, while all stakeholders benefit from coordinated catchment efforts, each actor is incentivized to work bilaterally on discrete projects rather than contribute to shared catchment structures.

The result is a fragmented funding and financing landscape in which many stakeholders are working toward similar goals but lack the mechanisms to align funding and

financing at the scale required to restore and sustain healthy ecosystems. We continue to see capital flowing into isolated, bilateral projects rather than the coordinated shared platforms that could scale up outcomes across an entire catchment.

The reason for this is both structural and behavioral. Structurally, water creates broad value across productivity, food security, health, and climate resilience that is rarely converted into revenue. Without revenue generation, capital deployment is mostly confined to a project funding model. The constraint is not willingness to participate but the absence of a model for coordinating a capital allocation platform on a sustained basis. Research from the same Globescan survey reinforces this challenge –



LACK OF FUNDING AND FINANCING MODELS WAS CITED AS THE TOP BARRIER TO COLLECTIVE ACTION BY A WIDE MARGIN.

This paper builds on these findings, asking how we can enable meaningful collective action through a more novel approach to collaborative financial models, and what pathways will incentivize us to move there.

CAPITAL IS ABUNDANT, BUT THE ARCHITECTURE TO DEPLOY IT IS MISSING

Image: European Space Agency (ESA), "Tana River, Kenya" contains modified Copernicus Sentinel data 2020, [CC BY-SA 3.0 IGO](#), via Wikimedia Commons. Image cropped from original.

Freshwater systems [generate value](#) across economic sectors. However, in both the public and private sectors, water is more difficult to fund and finance because the value of water either lacks market signal, is poorly understood, or is diffuse and rarely converted into revenue. Capturing that value through revenue is difficult because tariffs are typically low, politically charged, and fragmented across utilities, irrigators, industry, and government, ecosystem services rarely have a buyer, and risk reduction goes unpriced. Because the underlying systems are deeply local, financial instruments (funding, financing, bonds, etc.) are also harder to standardize.

**FRESHWATER ECOSYSTEMS
CREATE BROAD VALUE THAT IS
RARELY CAPTURED AS REVENUE,
AND WITHOUT REVENUE, CAPITAL
CANNOT FLOW AT SPEED AND SCALE.**

The capital that does flow is heavily skewed. Global water investments in grey infrastructure were roughly [\\$255 billion in 2024](#), with a **mere 2%** of spend coming from the private sector. Similarly, for green infrastructure, [roughly \\$50 billion](#) was invested globally in nature-based solutions for water in 2023, with the public sector again accounting for **97%** of funding. These figures come against the [\\$1.8 trillion](#) invested in the clean energy transition in 2024.

In the private sector, water has too often been treated solely as an operational issue, and more recently a supply chain risk, [rather than a strategic asset](#). Corporate spending and venture capital has increased in recent years, but it remains

comparatively small and is often focused on regulatory compliance, operational efficiency improvements, or replenishment projects.

45x

Global investment in clean energy versus nature-based solutions for water

97+%

Funds for grey and green infrastructure coming from the public sector

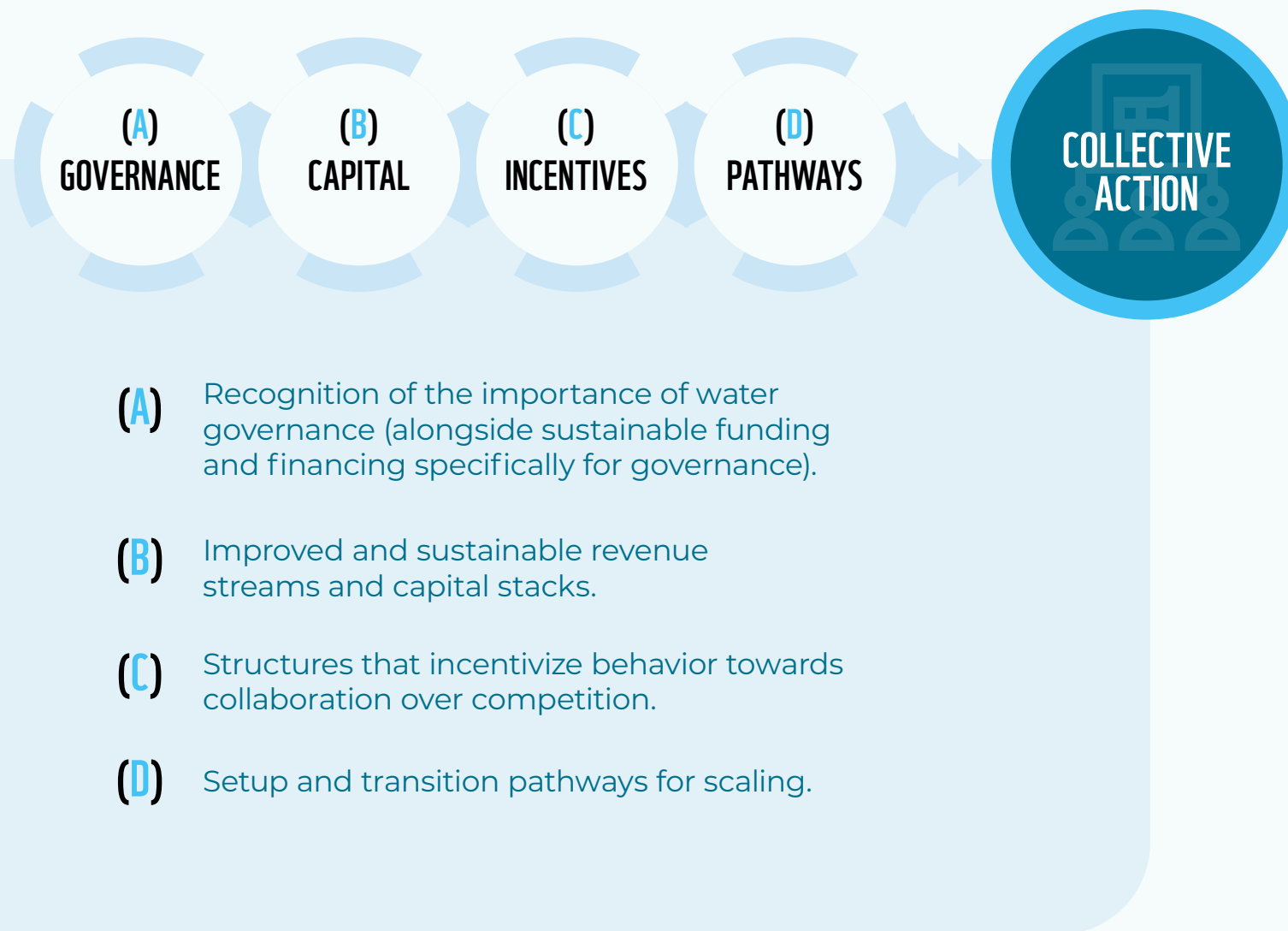
In summary, water-related value creation is diffuse (ranging from land owners to governments, businesses, and nature itself, often represented through NGOs) and uncoordinated. Different audiences receive value from clean, abundant water, but value capture is weak or often non-existent. Where value is perceived, willingness to pay is variable and often disconnected temporally between activities that create value and short term costs. Water investments are often too small to attract capital, resulting in an aggregation challenge.

Together, these trends reflect a deeper structural issue. Water challenges are shared across stakeholders within a catchment, yet most funding and financing mechanisms are designed for individual projects rather than collective systems.

**WE HAVE DEVELOPED WAYS TO FUND
AND FINANCE INDIVIDUAL PROJECTS,
BUT NOT THE COLLABORATIVE
PLATFORMS REQUIRED TO VALUE,
BUILD, AND SUSTAINABLY MANAGE
CATCHMENT SYSTEMS.**

III. WHAT'S MISSING?

Scaling and unlocking collective action first requires us to identify **the missing elements**:



(A) WHEN “OUTCOMES” ARE PRIORITIZED, WHO PAYS FOR COORDINATION?

As previously noted, most collective action is still funded and financed at the project level. Local restoration or conservation projects are typically funded through grants (bilateral corporate partnerships or development funding) seeking “measurable outcomes,” but these outcomes are uncoordinated and rarely improve catchment-scale status. Smaller grey infrastructure investments such as efficiency or pollution reduction technologies are typically financed via small loans, also seeking isolated measurable outcomes.



This structure exposes one of the most persistent question in a model of project-based collective action: when everyone is funding and financing project outcomes, who pays for the governance and coordination needed for catchment-scale impact?



Achieving scale requires coordination – convening stakeholders, setting shared priorities, linking projects, aligning monitoring systems, and engaging policymakers. This connective infrastructure is what turns individual projects into a coherent catchment strategy, and it is rarely funded directly. The [WWF and GlobeScan survey](#) adds color to this problem, finding that inadequate or underfunded governance was the next most-cited barrier to cross-sector collective action.

Most initiatives rely on temporary grants, philanthropy, or sponsorship to sustain the coordinating role, and the platform becomes financially fragile when those sources expire. Governance outcomes are not perceived by most funders to be legitimate “outcomes” unto

themselves, with those pursuing “water positive” outcomes consistently maintaining an ongoing bias for volumetric outcomes.

The same pattern is visible across the most advanced collective finance models in operation. [The Upper Tana-Nairobi Water Fund](#), launched in 2015, aggregates corporate, utility, and philanthropic contributions to finance upstream restoration that protects Nairobi’s drinking water supply and hydropower infrastructure. Even at its level of success, it continues to rely on blended contributions to sustain basin coordination. Likewise, the [Water Resources Group](#) works as a neutral convening platform, as it has in Bangladesh’s textile sector, but it depends on donor funding and institutional sponsorship to keep coordination going.

**THE MOST CRITICAL COMPONENT OF COLLECTIVE ACTION
- THE PLATFORM THAT ALIGNS STAKEHOLDERS, PROJECTS
AND INVESTMENTS AS A COHERENT PORTFOLIO - IS
UNDERPINNED BY GOVERNANCE. YET GOVERNANCE IS
THE LEAST WELL FUNDED (IF AT ALL), AND WITHOUT
GOVERNANCE, PROGRESS IS STYMIED.**

(B) IMPROVING THE BUILDING BLOCKS OF SUSTAINABLE COLLECTIVE ACTION FUNDING AND FINANCING

Understanding what a longer-lasting model requires means applying three mechanisms that financial sector practitioners use to design any investment vehicle but rarely bring to addressing water challenges with discipline:

01 FINANCING STRUCTURE

The upfront capital assembled before revenue exists, through debt, equity, grants, concessional and hybrid instruments.

02 CAPITAL STACK

How that capital is how that capital is layered by risk and return, with senior debt paid first, mezzanine and subordinated debt in the middle, equity taking the highest risk, and first-loss capital from philanthropy or the public sector absorbing initial losses to make the rest viable for institutional investors.

03 REVENUE STREAMS

The set of capital are the set of capital inflows that support a project or platform over time, drawn from user payments, government payments, third-party payers, cross-subsidies, and monetized externalities.



A durable model integrates all three, deciding what is sold, how the upfront money is assembled, and who bears the risk. Most collective action conversations remain, at best, at the level of revenue, and within that, restricted to grants and asking for more corporate dollars without designing and supporting a financing structure or the capital stack.

To enable a shift from funding to financing of collective action platforms, we need to first consider how to diversify and sequence revenue streams (Figure 1), which then can set the stage for a stronger capital stack and financing structure. Accordingly, we have focused below on revenue streams first and foremost.

A SUCCESSFUL COLLABORATIVE FINANCING STRUCTURE MUST CONSIDER WHO PAYS, WHO FUNDS UPFRONT, WHO BEARS RISK, WHO IS INCENTIVIZED TO PARTICIPATE (AND HOW), AND OVER WHAT TIMELINE.

III. WHAT'S MISSING?

Figure 1: Revenue streams for catchment platforms

Revenue streams only. The funding and financing structures for sources of revenue (bonds, blended finance, impact bonds) that mobilize capital against these streams are excluded.

 ECOSYSTEM SERVICE MARKETS & CREDITS		Quantified units of water quality, biodiversity, flood risk or carbon sold to buyers with an obligation to pay
Water quality credits Nutrient / sediment trading	Blue / wetland carbon credits Coastal & freshwater sequestration	
Freshwater biodiversity credits Riverine / wetland habitat units	Flow / water volume trading Entitlement purchase or lease	
 USER-PAYS & DEDICATED LEVIES		Charges hypothecated from resource users or beneficiaries directly to freshwater restoration.
Water tariff surcharge Utility NbS levy on consumer bills	Stormwater management levy Municipal green infrastructure charge	
Internal corporate pricing mechanism Shadow or actual water price driving NbS investment	Payment for ecosystem services Direct payment from a beneficiary to a steward for a verified service	
Product excise tax (dedicated) Agricultural inputs / pesticide levy hypothecated to catchment	Ecotourism & river access fees Visitor permits, guided access, rafting licences	
Energy production & irrigation levy	% of abstraction revenue directed to watershed fund	

 CIVIC, MEMBERSHIP & GIVING MODELS		Community and identity-based revenue; adapted from arts, heritage, and social welfare funding models
Friends of the River / watershed membership Annual subscriber model — identity and belonging drive retention	Corporate naming & sponsorship rights Branding value of association with a restored catchment in the operating basin	
Property value capture Levy on riverside / downstream property uplift from restoration	Crowdfunding & civic campaigns Place-based fundraising for specific restoration milestones	
 GRANTS, PUBLIC PAYMENTS & DIRECT REVENUES		Public income streams and revenues generated directly from the restored resource
Agri-environment scheme payments Recurring public revenue for riparian buffers, wetland creation, reduced-input farming	Bioprospecting / genetic resource access fees ABS licences under Nagoya Protocol; access to freshwater genetic resources	
Results-based grants ODA / multilateral grants tied to verified outcomes	MRV / monitoring data services Paid hydrological & ecological monitoring for corporate disclosure	
Philanthropic / foundation grants	Non-repayable income from environmental foundations	
 MARKET-BASED FINANCING		Traditional revenue payback mechanisms, just built on water-related projects
Efficiency cost savings Energy, water, input savings created out of efficiency gains	Productivity increase Ability to generate more output, leading to an increase in sales	
Sustainability premium	Increase sales price of product or service due to sustainability premium (contract or otherwise)	

As platforms grow in maturity, their ability to diversify and secure stable revenue streams, strengthen their capital stack, and embrace a financial structure that enables scaling (e.g., a catchment bond), can grow. Current approaches are too often failing on all of these fronts.

III. WHAT'S MISSING?

(C) MISALIGNED PROJECT AND CATCHMENT PLATFORM INCENTIVE STRUCTURES

The barriers are not only financial. Corporations prefer to fund projects directly tied to their own commitments (replenishment projects that deliver on water positive commitments), NGOs depend on project-specific grants (sometimes tied to replenishment projects), and public agencies work within budget constraints and political cycles (combining programmatic funds, grants, subsidies and in certain cases, user tariffs). Each stakeholder rationally directs the limited, readily-available money toward bilateral projects and jointly desired outcomes

rather than the shared catchment needs and governance from which all benefit.

As a result, actors maintain a cycle of dependency on project grants, even in the face of catchment decline and rising catchment water risk, because incentive structures for solution-providing NGOs and businesses encourage hoarding behaviour of the limited project revenues available. In the status quo, there is simply not a persuasive enough reason for stakeholders to “share the wealth.”

(D) GUIDANCE ON SETUP AND TRANSITION PATHWAYS FOR CATCHMENT PLATFORMS

Throughout 2026, WWF has undertaken efforts to identify global catchment platforms. This research indicates that while there are numerous catchment platforms, they tend to face the challenges noted in this paper. Documentation and guidance on the process of how to transition bilateral projects into multilateral catchment platforms with project portfolios is sparse. There is a strong need to explore the evidence

on how to establish catchment platforms, how to fund and in turn finance catchment platforms, and how to transition towards scaled project portfolios built within business ecosystems.

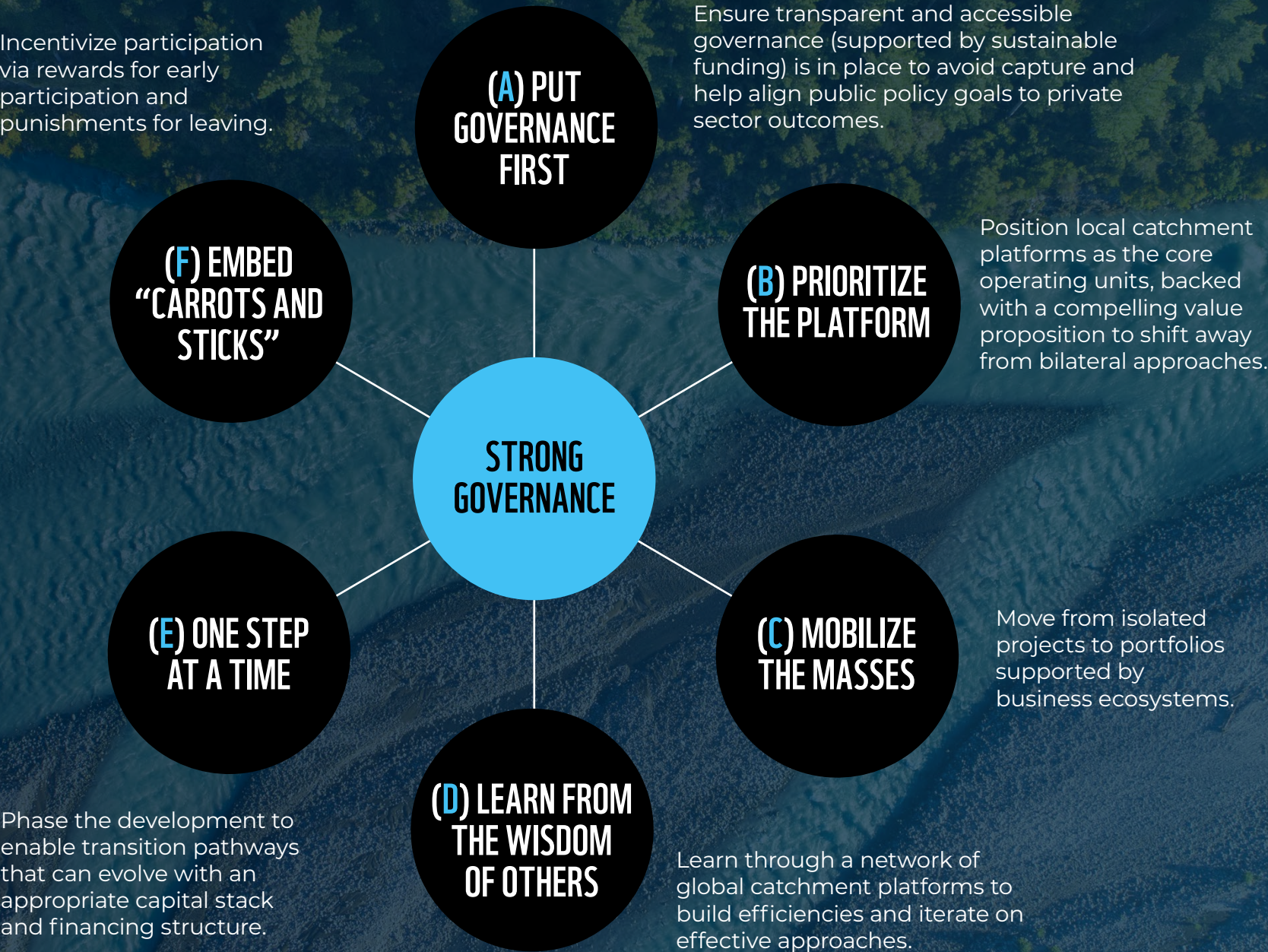
This paper now turns to an initial exploration of some of these questions and offers a pathway forward for consideration.

IV. A PATH FORWARD

A new structure for funding and financing collective action is needed to accelerate and scale solutions to water challenges. This will require new operating models that can overcome some of the key challenges and unlock new pathways to scale up and allocate capital fairly.

Below, we have outlined six foundational elements, building on the missing elements:

Incentivize participation via rewards for early participation and punishments for leaving.



(A) PUT GOVERNANCE FIRST: ENSURE TRANSPARENT AND ACCESSIBLE PLATFORM GOVERNANCE

As the [WWF-GlobeScan data](#) indicate, governance is central to viable collective action and key to securing scaled funding and financing.

However, many efforts focused on collective action result in organizations capturing “collective action” and its revenues, often through the notion of “joining our platform.” Through proprietary branding, revenue capture, and restricted governance, this acts as a disincentive to stakeholders wanting to support this type of platform. Furthermore, a convener that controls both the platform’s activities and its income both presents a governance challenge, given disproportionate influence over priorities, and can act as a disincentive for other stakeholders wanting to join despite their significant interests.

This highlights the importance of credible, accessible, and transparent governance being at the core of collective action and catchment platforms. Platforms must be shared, and must have adequate funding. An operating budget, which we recommend comes in the form of a portfolio management fee along with supplemental grants, and the process of selecting the project portfolio, should be governed through clear and visible rules. This ensures that participants understand how contributions are calculated, how funds are allocated, and which functions they support. Transparency builds relationships, trust and nurtures collective action.

Governance spending should be clear, and decision-making should extend beyond the largest contributors. The assessment of outcomes should retain sufficient independence from the entity (or entities) responsible for convening the platform. While governance may grow more sophisticated through time, it is the core of any successful collective action and is key to long-term financial stability.

With strong governance, the catchment platform enjoys stronger coordination, stable funding and financing, and maximizes the likelihood of a shared, credible project portfolio pipeline, while reducing the risks of capture and misperceptions.

(B) PRIORITIZE THE PLATFORM: MAKING LOCAL CATCHMENT PLATFORMS THE CORE OPERATING UNITS

This approach inverts how most large-scale catchment funding and finance is currently deployed. Top-down global funds tend to lose touch with local catchment realities and recreate the coordination overhead they were meant to solve, while purely local strategies cannot diversify risk, reach the scale that debt investors recognize, or share learning efficiently across geographies (a “playbook”).

In the proposed model, the local **catchment platform** is the core “operating unit,” a governed entity that performs five functions:



SECURING AND AGGREGATING CAPITAL

across diverse funder types into a single vehicle rather than bilateral deals using policy-aligned water outcome purchase agreements (WOPA). A WOPA is a multi-year contract under which buyers pay the platform for verified water and ecosystem outcomes that count against their commitments. This converts bilateral granting into a contractual platform revenue stream backed by audited or validated delivery. In other words, the WOPA shifts the focus from bilaterally funding replenishment projects to an aggregated demand outcome-based platform strategy, aligned to policy aims, with the platform acting as the central pool of capital.



STRUCTURING AND BLENDING CAPITAL

so that different risk-return profiles can participate in the same pool. The platform can structure capital to meet various needs and cover costs that are difficult for market capital to address.



STANDARDIZING THE INSTRUMENTS,

soliciting a larger portfolio of projects, and issuing standardized contracts, including WOPAs, that allow funders, and in time financiers, to engage.



MANAGING THE PROJECT PORTFOLIO,

measuring and producing the verified or audited impact data that bonds, agreements, public sector agencies and corporates depend upon.



HOSTING AND FUNDING THE LOCAL GOVERNANCE BODY

involving public authorities, municipalities, basin councils, universities, NGOs and community organizations that sets priorities. A platform management fee becomes the core means of funding governance. that sets priorities.

With the catchment platform acting as the central hub, it enables scaling towards project portfolios supported by a financial structure serviced by diverse revenue streams. By offering a one-stop-shop that can scale, address concerns, and deliver on corporate and public needs, the platform can offer a convincing value proposition to funders and financiers.



**COORDINATION
CANNOT KEEP BEING
TREATED AS AN
INCIDENTAL COST
AT THE EDGE OF
PROJECT DELIVERY.
IT NEEDS A VISIBLE,
DELIBERATELY
DESIGNED SOURCE
OF CAPITAL.**

(C) MOBILIZE THE MASSES: SHIFT FROM ISOLATED PROJECTS TO PROJECT PORTFOLIOS SERVICED BY BUSINESS ECOSYSTEMS

Research on [business ecosystems](#), first articulated by James Moore in the 1990s, offers a structure and one of the elements in a pathway forward. Complex problems are increasingly addressed by co-evolving communities of companies, NGOs, public institutions, investors, and communities that create and capture value together, united by shared infrastructure such as data, standards, and platforms rather than by goodwill or mission alignment alone.

Applied to water, this recasts the platform as the shared infrastructure

of a catchment business ecosystem in which each participant has a concrete reason to contribute over time. The framework that follows uses that logic to distribute roles and incentives across participants. Critically, embracing a business ecosystem also helps to address capacity constraints and the status quo of NGOs trying to solve all of a catchment’s challenges. Embracing the diversity of solution providers can help to unlock speed, scale, and an ability to solve shared challenges by sharing knowledge.

(D) LEARNING THROUGH A CATCHMENT PLATFORM NETWORK

Building catchment platforms will be messy and an iterative process. To ensure learnings are optimized, a **global catchment network** would offer platforms many benefits that a single catchment platform cannot easily build alone:

- 

Shared learning so each platform is not relearning the same lessons.
- 

A recognizable channel for institutional investors who cannot economically underwrite individual vehicles.
- 

Shared methodologies for outcome measurement and reporting.
- 

Brand recognition and methodological rigor that corporate and institutional participants need to justify their involvement.
- 

Risk pooling across catchments that creates the basis for bond-scale debt issuance backed by portfolios rather than single basins.

(E) PHASING THE DEVELOPMENT TO ENABLE TRANSITIONS AND DRIVE SCALING

Any pathway forward needs to be pragmatic and unblock what is limiting funding and financing to address collective water challenges. The table below (Figure 2) offers a view of how projects, catchment platforms, and a global catchment network may look under different phases. Experience suggests this evolution is likely to follow a “Z”

pattern from 1 to 9, starting with projects that evolve into shared projects that then lead to catchment platforms, with a global network eventually emerging. As it stands, the water community is mostly stuck at phases 3 and 4, with some exploration of phases 5 and 7. Little progress has been made on phases 6, 8, and 9.

Figure 2: Phases of project-to-platform maturity

SCOPE/PHASE	SETUP PHASE	FORMALIZATION PHASE	SCALING PHASE
PROJECT	1 Matching corporate goals to implementation capacity & geography, partnership setup and agreements.	2 Formal bilateral project that contributes to corporate & catchment goals.	3 Project expansion drawing on multiple funders that contributes to policy/catchment goals and meets corporate needs.
	4 Meetings, data sharing, mapping existing projects, exploration of funds & governance.	5 Formalized governance, common metrics/aligned monitoring, shared funding agreements and/or grant proposals.	6 Financial structure (e.g., debt/catchment bond), with clear capital & revenue stacks.
	7 Informal knowledge sharing network on catchment setups (governance, monitoring/ data, funding, stakeholders, etc.).	8 Formal knowledge sharing, establishing a global entity to coordinate across catchments, global governance structure, etc.	9 Global financing mechanism that enables risk diversification across catchment bonds.
CATCHMENT PLATFORM			
GLOBAL PLATFORM			

IV. A PATH FORWARD

This paper proposes a shared funding and financing architecture built on locally governed catchment platforms (6, but evolving from 4), each a financially self-sustaining vehicle that aggregates capital, coordinates projects supported by a business ecosystem, and delivers quantifiable and coordinated outcomes across an entire catchment. These catchment platforms are in turn connected through a global network (7) that provides shared learning and

standards, with the potential in time for risk pooling, and capital aggregation across catchments (9).

The development of a sophisticated catchment platform involving a capital stack (6) is not something that can happen all at once. It is therefore critical to support the evolution of projects (3) or initial platforms (4). Accordingly, stakeholders should identify and build on the following:

- Expansion of an existing many (funders or financiers)-to-one project that is acting like a platform.
- Collaboration between two or more projects into a new joint platform.
- Greenfield development of a platform out of a large grant proposal involving multiple partners from the inception.
- Identification and linking to existing catchment platforms
- Working with water and ag tech venture funds and private equity funds in catchments to finance a portfolio.
- Water tech innovation hubs and accelerators that can enable a business ecosystem to support catchment platforms.
- Organizing and standardizing outcomes into WOPAs. These outcome-based agreements (structured into consistent contracts) are useful to aggregate funders and attract financiers. Aligned to public sector goals, they offer a useful means of alignment and scaling.

In addition to the structure of the platform, the funding and financing model itself will also need to evolve through time. No single funding and financing source works across every platform or every stage of a platform’s life (from Formation to Scaling to Mature). A credible model therefore aggregates and combines several sources within a dedicated platform operating budget, held separately from project portfolio capital, and shifts the mix as the platform matures.

SOURCE	PREDICTABILITY AND DURATION	BEST SUITED TO FUND	CONDITIONS REQUIRED	PRINCIPAL LIMITATION	APPLICABLE STAGES
FORMATION GRANTS	Low; 1-3 years	Governance design, convening, evidence and pipeline preparation	Credible convener and defined end point	Follows funder cycles and can prolong dependency	Formation
COMMITTED MULTI-YEAR CONTRIBUTIONS	High once secured; 3-5 years	Recurring core functions, including governance, MRV and coordination	Anchor participants with material catchment exposure and an agreed allocation method	Renewal and contributor-concentration risk	Formation to Scaling
MANAGEMENT OR TRANSACTION FEES	Grows with activity; self-renewing	Structuring, administration and portfolio management	Sufficient transaction flow originated or administered by the platform	Not available to convening-only platforms and may bias project selection	Scaling to Mature
TARIFF OR USER-FEE COMPONENT	High; long-term where established	Shared data, monitoring, community engagement and other public-benefit functions	Existing tariff, regulatory authority and political consent	Long lead time and exposure to political cycles	Scaling to Mature, context dependent
PAID MEMBERSHIP	Moderate; renewable	Limited use where participants are similar in size and benefit	Broadly comparable participant scale and expected benefit	Can be regressive and position the platform as a club	Not recommended as a primary source
ENDOWMENT	Very high; permanent	Irreducible core and long-term governance continuity	Scale, delivery record, independent entity and capitalising donor	Expensive and slow to establish	Mature

Figures are drawn from the [2026 GlobeScan and WWF survey](#) of 291 water experts across 75 countries and territories. The survey tested grants, tariff-based user fees, project management fees and paid membership. Multi-year participant contributions and endowments were not among the options tested, so the table draws on practice as well as survey evidence. It addresses funding for the operating core only; bonds and other project-finance instruments are treated separately, as they finance the project portfolio rather than the platform’s operating functions.

IV. A PATH FORWARD

In practice, the two ends of this progression are already visible. [Charco Bendito](#) illustrates the Formation stage, having built local traction via grants while its governance structure and longer-term funding model remain under development. [FONAG](#), the Quito water fund created in 2000 and described by TNC as [a collective action platform](#), illustrates the Mature stage, having operated for more than two decades on an endowment of over \$10 million that supports an annual operating budget of more than \$1.5 million. The wider family of [conservation trust funds](#) applies the same principle, and the Upper Tana-Nairobi Water Fund is itself constituted as a trust, indicating that the institutional form is well established where circumstances justify it.



Funding the formation stage:
A closer look

The most recent [WWF and GlobeScan survey](#) did highlight one consideration regarding sources in the Formation stage: respondents most often favoured ongoing grants to cover platform costs (particularly well suited to early stage needs), followed by (likely at a later stage) a user fee incorporated into catchment water tariffs, and management fees contributed by projects within the platform. Paid membership (also often used to fund early stage platform development) drew the least support across the board and accordingly, this paper recommends against adopting that approach.



The suitability of each source also depends on local institutions. For example, a tariff mechanism may offer durable funding where a functioning tariff and supportive regulatory framework already exist, [such as in Peru](#) while remaining difficult to introduce solely to sustain a new platform.

Regardless of the revenue source, the aim is to reduce dependence on any single provider of capital (funding and financing) rather than to remove grants altogether. Grant funding can continue to support activities whose benefits extend beyond the platform’s direct participants, including shared data, community engagement, and capacity building. However, participant contributions and earned income provide a more durable base for the functions from which members receive a clearer and more direct benefit.

Bonds are often imagined as the natural culmination of this progression – the instrument that

finally puts platform funding and financing on a durable footing to finance a diverse project portfolio. However, the design features often associated with a bond matter more to the operating model than the instrument itself. Committed capital, agreed allocation rules, multi-year accountability and transparent reporting can all strengthen the platform from an early stage, and a platform can adopt each of them without ever issuing a bond.

An actual bond or comparable instrument may become relevant where the platform has developed a sufficiently large and financeable project portfolio. In that context, bonds have a key role in scaling durable project financing, but they do not by themselves resolve the recurring cost of coordination and governance. Those costs require an operating model that is viable before a bond can be issued and continues whether or not an issuance takes place.

IV. A PATH FORWARD

(E) EMBED CARROTS AND STICKS: INCENTIVIZE PARTICIPATION

With the organizing structures considered, we must also address behavioral barriers. The status quo does not incentivize stakeholders to aggregate capital. Currently, actors are rewarded for individually securing funds in bilateral project structures and deploying them via replenish or positive water impact strategies. The question therefore becomes, why would any given solution provider pool project revenue? There are several logical answers as noted below:



Pooling capital enables actors to attract more capital. Many funders (notably large granting agencies, such as foundations and funds like Global Environment Facility or Global Carbon Fund) seek out “matching funding” or “leveraged funding.” A pooled block of capital makes this process simpler and easier. These payers also prefer single counterparties with verified track records – the platform creates value for the payer side that doesn’t exist without aggregation.



Pooling projects diversifies and reduces risk of short term projects. Revenue-sharing reduces individual income risk even before it adds scale premiums. Many projects have limited funding and limited time spans. By linking into a larger platform, actors have a larger potential pool of projects, which helps to ensure sustainable project and revenue flow.



Pooling projects enables economies of scale. Collaborating with multiple actors enables the sharing of costs and efficiencies. For example, monitoring systems are expensive to establish, but once in place can serve multiple needs across projects for minimal additional costs, thereby reducing collective costs.



Pooling capital enables the ability to pay for governance and other difficult-to-fund costs. Costs for governance functions are typically very difficult to recover. By aggregating funds, a small percentage can be used for governance functions.

Despite the existence of these logical benefits, actors are still rationally defecting from shared approaches because the platform’s benefits are uncertain and the costs of joining can be high. To overcome this reality and ensure that catchment platforms are more valuable to join than to operate bilaterally, participation should also be incentivized through structural mechanisms:

01

A “warehouse” to hold WOPA-linked revenue, distribute capital, and act in a neutral capacity at the center.

The housing of the catchment platform could be done through multiple pathways (such as a fund, [special-purpose vehicle](#) partnership, third-party, or hybrid anchored in a defined catchment), but a distinct legal, non-profit entity is likely the best option. This neutral “warehouse platform” type of structure has been used by groups tackling similar challenges, such as Blue Forest Conservation’s [Forest Resilience Bonds](#) (FRB) and their [Catalyst Facility](#).

02

A set of incentives in joining the platform, disincentives for leaving, along with a value distribution formula to ensure a sense of fairness and reward shared outcomes.

The value distribution formula is a critical design element. Inspired by the [Shapley value](#) from cooperative game theory, which distributes aggregate payoffs according to each participant’s contribution to the outcome, it aims to fairly and sufficiently incentivize all members. While the specific contribution areas are flexible and could be decided in a local context, the following four elements should be integrated:

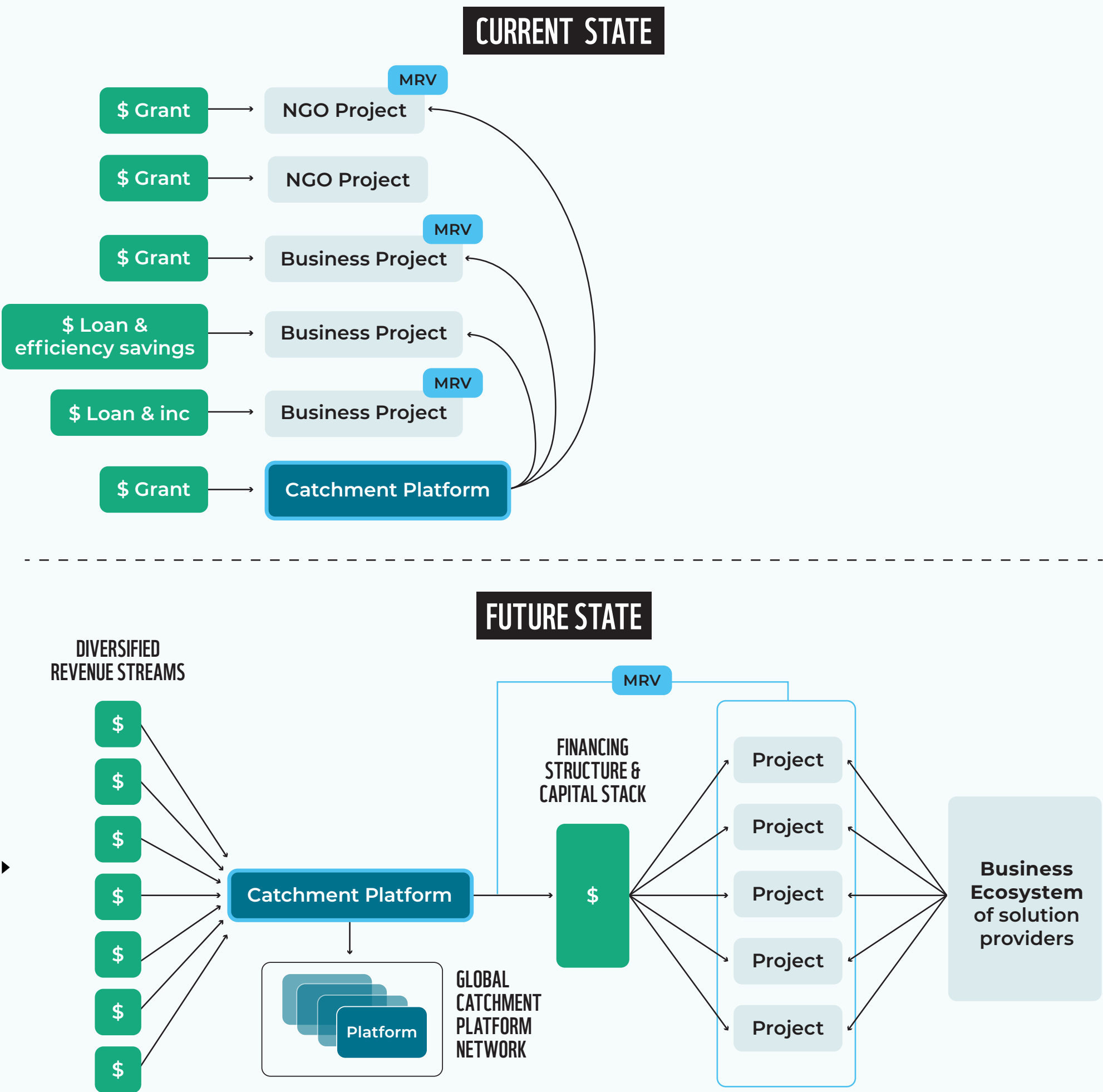
- Payer relationships brought in.
- Specialist capacity provided to the platform.
- Measurement, reporting, and verification (MRV) data contributed.
- Outcome performance.

This works by aggregating revenue, removing central costs (20%) for shared functions such as governance, measurement, reporting, and verification (MRV), contracting, and creating a benefit sharing pool that helps to make the platform financially sustainable and beneficial for those who are enabling it. This benefit pool, restricted to a group of participants in a given phase, could employ mechanisms to reward those who join early (seniority multiplier) or contribute disproportionately to shared outcomes.

Mechanisms could also be added to discourage defection from the platform. It is likely that in the initial phases, setup grants may be required to cover central costs, thereby enabling a greater portion of project funds to be retained by funders. However, this could be worked out on a case-by-case basis. While this paper will not unpack the details of such a mechanism in-depth, the core aim is to build funding and financing incentives for collaboration, resource sharing, and achieving shared outcomes.

Figure 3 illustrates the proposed paradigm shift: from isolated projects serving individual needs that are often disconnected from catchment platforms and have variable MRV, to a catchment-platform-centric model. Unlike isolated projects, the platform-centric model embraces diverse revenue streams that stabilize over time and funnel into the catchment platform, which can then enable a capital stack and financing structure. From there, the platform can secure operating costs (including a shared MRV) through management fees and support a coherent project portfolio serviced by a business ecosystem, all the while sharing learnings with a broader network of other catchment platforms. Underpinned by verified water outcomes (WOPAs) and strong governance, it allows projects to serve both corporate needs, and also meet catchment and policy needs. This reframes projects (puzzle pieces) by placing them into a portfolio of projects linked to policy and broader needs (the whole puzzle).

Figure 3: Shifting the project-to-platform paradigm



V. APPLICATION OF THE PROPOSED CATCHMENT FRAMEWORK

Taking the concepts from this paper, we next turn to their application in a specific context: the Lerma-Chapala catchment in Mexico. Our aim in doing so is to bring the concepts to life and illustrate a practical pathway for how we can begin to shift how we operate catchment platforms.

THE LERMA-CHAPALA CATCHMENT

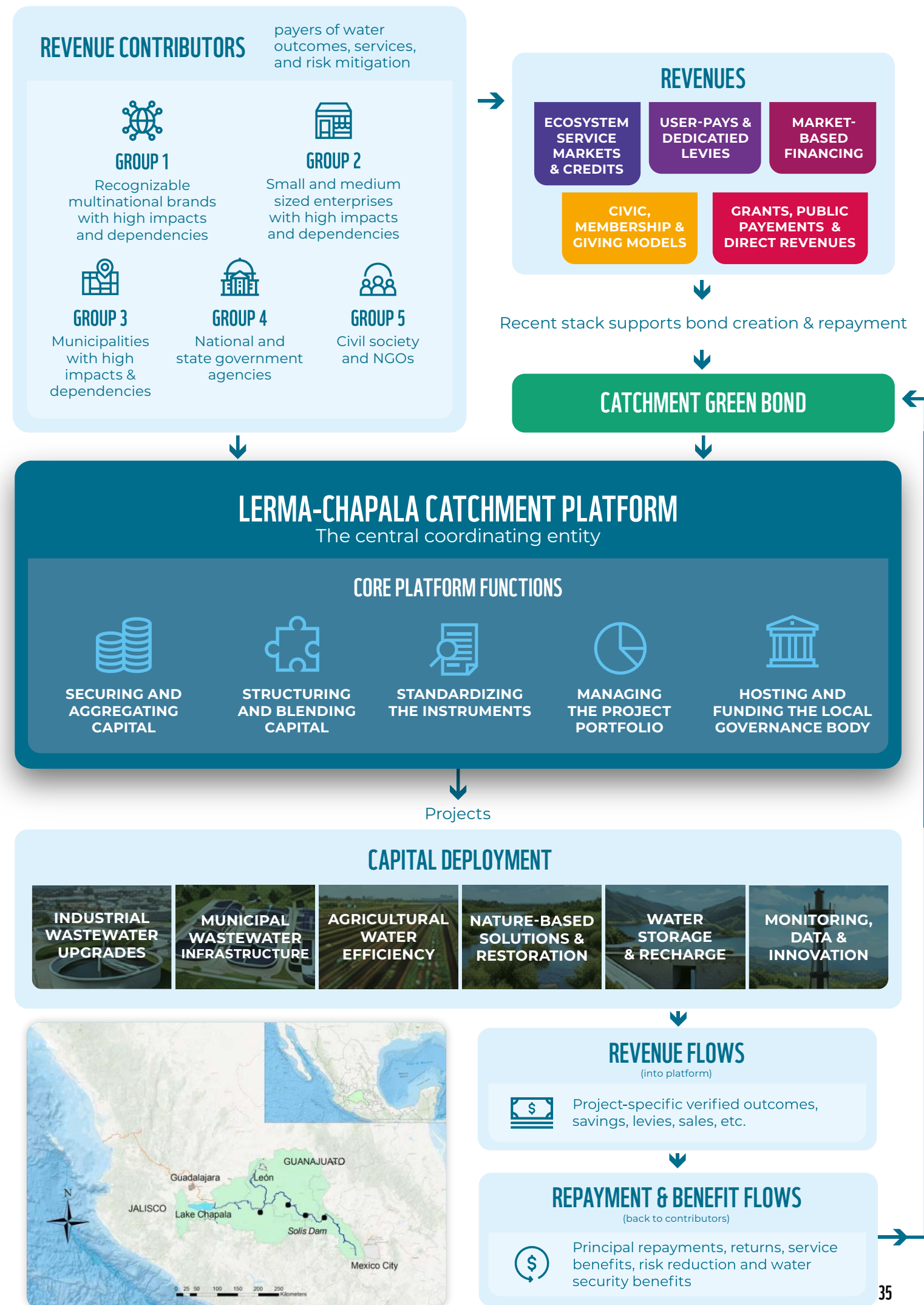
Consider the [Lerma-Chapala](#) catchment is one of Mexico's most economically important, and most water-stressed, catchments. Sitting between Mexico City and Guadalajara, the catchment supports significant economic activity (agriculture and industry), and is a key municipal water source catchment for two of Mexico's largest cities. The catchment also feeds Lake Chapala, the country's largest freshwater lake with several threatened endemic freshwater species. Importantly, the catchment is also primed for a collective action. Stakeholders have repeatedly expressed interest in working together, the government has identified the catchment as a national priority, and an array of bilateral and

multilateral small-scale initiatives such as [Charco Bendito](#) offer the basis for a project portfolio.

Despite these conditions, no one is currently coordinating across the existing projects or designing a governance or financial architecture that could bind projects together. In effect, stakeholders are waiting for someone else to act.

To advance the state of play, we would encourage local stakeholders to consider the hypothetical model to the right (Figure 4).

Figure 4: The catchment framework applied to the Lerma-Chapala catchment



STAGE 1: FORMATION

With many conversations and projects underway, the first task is to bring together the actors and begin to introduce the notion of a shared catchment platform. A covered meeting can assist with many of the early stage needs:



Catalog the diffuse array of projects.



Understand demand for various outcomes and policy alignment.



Map stakeholders.



Initiate some aspects of governance, supported by ongoing meetings.



Catalyze joint grants to provide early stage capital.

While the initial meetings would likely reach larger industrial operators (e.g., food and beverage, automotive, and pharmaceutical companies). The meeting should explore the possibility of public granting from federal programs such as CONAGUA and state resilience funding. **Grant-based capital** can support the startup phase work on the central platform and governance could be secured through multilateral aid or foundation grants, emphasizing that these are to be phased out as project portfolio management fees are secured.

The meeting could also begin to introduce the concept of (in the future) harnessing municipal tariffs that can be channeled into the platform rather than captured by individual projects. Beyond that, the Foundation stage remains mostly business as usual.



A DURABLE REVENUE STACK
COMBINES PREDICTABLE
CONTRACTUAL REVENUE WITH
RISKIER MARKET-DRIVEN REVENUE,
WHERE THE CONTRACTUAL
BASE MAKES THE PLATFORM
INVESTABLE AND THE MARKET-
DRIVEN LAYER LETS IT GROW WITH
THE CATCHMENT'S VALUE.

STAGE 2: SCALING

With a core set of stakeholders engaged, the next stage is to introduce the notion of the WOPA and determine if a suitable actor (possibly an entity like Charco Bendito, or possibly a new entity) can be found to act as a neutral convening entity and house the initial aggregation of revenue.

During this stage, formalized governance should be set in place with terms of reference.

An expanded set of stakeholders should be engaged and there is a gradual normalization and branding of the catchment platform.

Early Phase 2 may still largely rely upon grants, but at this point multilateral and [regional development banks](#) should be approached to explore the addition of **mezzanine capital**, including subordinated debt and results-based finance.

STAGE 3: MATURITY

In time, the platform grows increasingly independent and large. Participant numbers increase and central funding for governance stabilizes on the back of revenue. It is at this point that **senior capital**, including green bonds, sustainability-linked loans, and senior project finance held by pension funds, insurers, and asset managers, can be brought in. This

layer in the capital stack sits at the top and is the layer that has not yet flowed to water at scale. Enabled through longer term evidence of revenue flows, standardized contracts, and a scaled up investment portfolio and supported by the potential of blended finance (via mezzanine capital), the Maturity stage would likely also operate in rounds, aligned with bond issuances.



FIRST-LOSS AND CONCESSIONAL CAPITAL from corporate-affiliated and development foundations absorbs initial losses to de-risk the rest of the stack. This grant-based capital can support the startup phase work on the central platform and governance could be secured through multilateral aid or foundation grants, emphasizing that these are to be phased out as project portfolio management fees are secured.

MEZZANINE CAPITAL including subordinated debt and results-based finance, sits in the middle, anchored by multilateral and [regional development banks](#).

SENIOR CAPITAL, including green bonds, sustainability-linked loans, and senior project finance held by pension funds, insurers, and asset managers, sits at the top and is the layer that has not yet flowed to water at scale, but would be phased in once the project portfolio and platform are more sophisticated.

VI. CONCLUSION

A NEW DESIGN AND A PATH FORWARD

The proposed model aims to address the gaps outlined by the WWF-GlobeScan research. A platform-oriented model that harnesses revenue through contracted shared outcomes, funds governance, and through time can diversify revenue sets the stage for a stronger, more durable financial structure.

By harnessing grants and concessional finance in the earlier stages, it lays a foundation for retail and community investors to provide both more capital and stable capital, since investors with a financial stake become the platform’s most durable

The model remains durable through time because each participant (via a business ecosystem) has a material reason to remain engaged offering a stronger motivation than mission alignment alone:

- ✓

Corporations receive access to a larger pool of verified, validated outcomes against stewardship commitments through contractual WOPAs rather than year-to-year bilateral replenishment. This removes friction and reduces risk (financial and reputational).
- ✓

NGOs receive sustained, multi-year funding for governance and portfolio work instead of competing for replenishment grants in the same catchment. In addition, monitoring costs are lowered, and catchment outcomes and catchment impacts are aligned to project outcomes helping to meet core organizational missions.
- ✓

Public agencies leverage their funds into a much larger pool and gain measurable progress aligned to policy goals they could not afford alone. They too gain a mechanism to financially support water governance.
- ✓

Financial actors hold investable assets backed by the contractual revenue base and gain access to a new set of investments that likely have appeal to environmental, social and governance (ESG)-inclined investors, including many pension funds and institutional investors.
- ✓

Basin communities and local stakeholders have a voice in project prioritization through the governance body and are ultimately the beneficiaries of a healthier catchment.

constituency. The WOPAs and longer-term service contracts provide the predictable cash flows that allow the platform or a partner issuer to issue debt. They also form the basis to bring in the broader business ecosystem of solution providers. In time this would logically lead to the potential issuance of a catchment “resilience bond” that could be underwritten by that contractual revenue, with proceeds financing the project pipeline.

THE WOPA ALIGNS THE REVENUE STREAMS AND THE BOND BECOMES THE FINANCING INSTRUMENT.

These shifts describe a different way of doing the work, in which the catchment platform functions as the connective infrastructure of a business ecosystem where corporates, NGOs, public agencies, utilities, communities, and financial institutions each find a role that creates real financial value for them.

ISSUE	BUSINESS AS USUAL	PLATFORM MODEL	RATIONALE
UNIT OF ACTION	Individual projects	Portfolio managed by a platform	Enables diversification, scale, continuous deployment
PAYER MODEL	Single dominant payer	Multi-payer revenue stack	Unlocks more total capital by aggregating partial willingness to pay
CORPORATE ROLE	Voluntary participation	Contractual outcome buyer (WOPAs)	Converts soft commitments into bankable revenue
NGO ROLE	Project developers and implementers	Ecosystem partners and outcome verifiers	Sustains NGO capacity beyond grant cycles
REVENUE TYPE	Grants, tariffs, subsidies	Blended contracted cash flows tied to outcomes	Improves predictability, supports investment-grade financing
CAPITAL STRUCTURE	Grants and concessional loans dominate	Layered capital stack (first-loss, mezzanine, senior)	Crowds in institutional capital by engineering risk
RISK HANDLING	Project-level risk borne individually	Risk pooled across portfolio and capital stack	Lowers cost of capital, enables harder projects

VI. CONCLUSION

Set against the problems established earlier, the model addresses several at once.

It closes the governance funding gap, because coordination is funded through a dedicated operating budget while also making funding more durable.

It addresses the scale problem, because pooling capital across funder and project types creates the scale needed to attract institutional capital.

It addresses the risk problem, because a portfolio diversifies the hydrological, political, and execution risk that cannot be absorbed by a single project.

It moves corporate investment beyond volumetric replenishment toward the full scope of catchment water issues, including SDG 6, because revenue is tied to verified outcomes across project types.

It supports a coherent catchment-scale strategy, shifting the unit of action from the individual project to the platform, and thus helping to align private targets with public policy goals.

The model is not a universal solution. It will not apply everywhere, since some catchments lack the stakeholder density, regulatory environment, or political conditions to support a platform of this kind. It requires specialized financial capacity to design WOPAs, structure a capital stack, and issue a catchment resilience bond, and few institutions can currently do that work. It is not an immediate solution, since standing up a catchment platform is multi-year work built for durability rather than emergency response. And it does not resolve the underlying politics of water, which remains severely underpriced.

However, where the conditions are right it offers a path forward, and where they are not the discipline it imposes on the conversation is still useful.

The water funding and financing challenge is not a problem of capital scarcity. What has been missing is the architecture to deploy capital at the scale and speed that freshwater systems now require. The dominant model is project by project, grant dependent, and uncoordinated across catchments, and while individual projects have real value, they are insufficient to the systemic nature of the problem.

The model proposed here responds to that structural failure by

MOVING THE UNIT OF ACTION FROM THE INDIVIDUAL PROJECT TO A CATCHMENT PLATFORM THAT AGGREGATES CAPITAL, COORDINATES STAKEHOLDERS, MOBILIZES A BUSINESS ECOSYSTEM, SUSTAINS ITS OWN GOVERNANCE, AND CONNECTS TO A GLOBAL PLATFORM NETWORK.

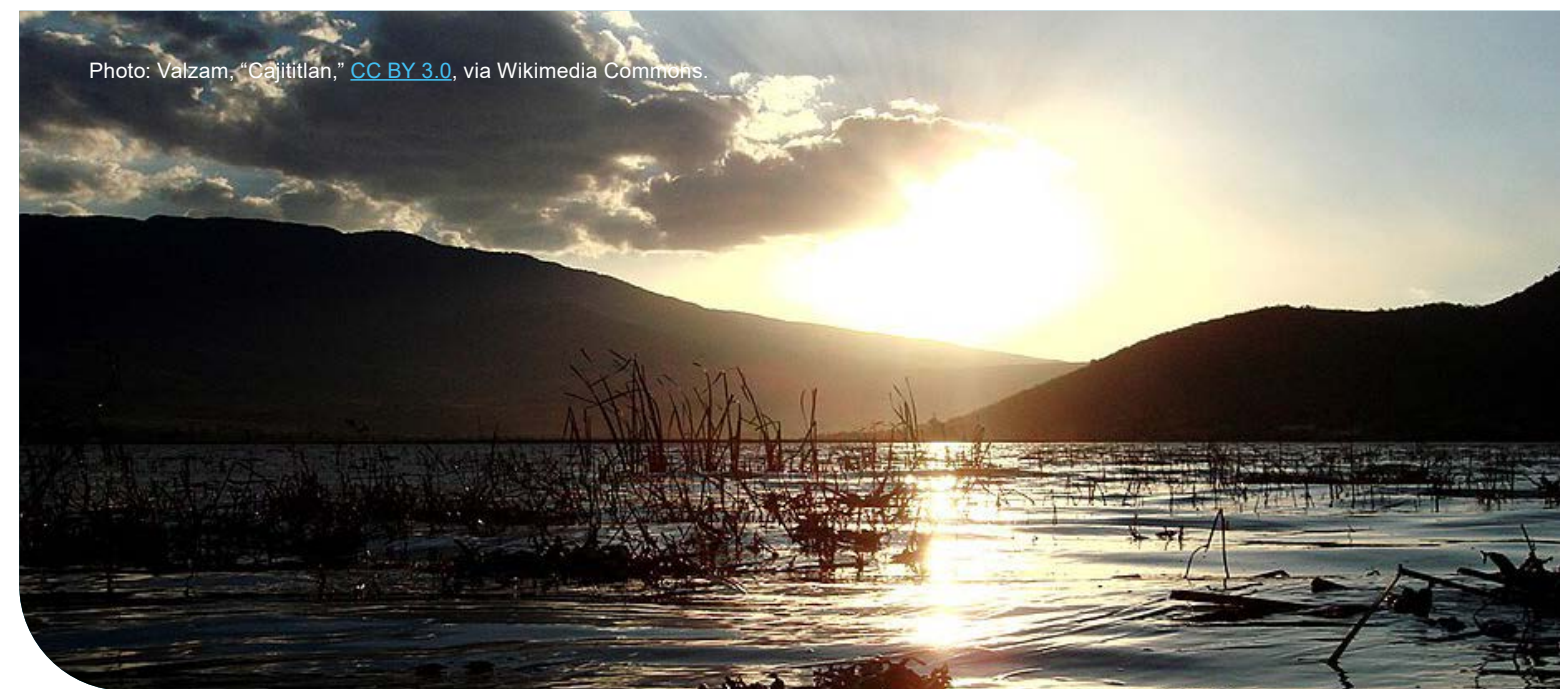
The building blocks already exist. Water funds in Latin America, multi-stakeholder platforms in South Asia, and emerging initiatives in the Colorado River Basin have each shown that diverse actors can align around shared water challenges when the incentives are structured correctly. What remains is to refine

incentive systems, better structure project portfolios, and bring together learning with the financial structures that other infrastructure investment categories have long received.

Durable collective action is held together by mutual value creation and by structures in which every participant has a material reason to remain engaged, not by mission alignment alone. A well-designed catchment platform creates that condition, converting commitments into bankable revenue and fragmented goodwill into coordinated investment.

The question is no longer whether we can afford to finance water at scale, but whether we will build the platforms that allow us to do so, and the case for starting now is clear.

Photo: Valzam, "Cajitlán," [CC BY 3.0](#), via Wikimedia Commons.



This paper is a starting point rather than a finished blueprint, and it is offered in that spirit. We welcome feedback, challenges, and constructive comments from across the water and finance communities, and we expect the framework to sharpen through that engagement. As a next step, we will move beyond the hypothetical Lerma-Chapala case and apply the framework to a broader database of existing collective action platforms, examining what it would change for each and where it could strengthen the way they are funded and financed. We look forward to sharing that work.



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