

Roundtable on Financing Water

OECD-WWC-Netherlands Roundtable on Financing Water

Inaugural meeting 12-13 April, 2017

OECD Headquarters, Paris
Conference Centre Room CC6

Agenda

Day 1, Wednesday April 12th

8h30-9h25	Registration
9h30 – 9h45	Opening remarks: rationale and aims of the Roundtable <ul style="list-style-type: none">• Mr. Rintaro Tamaki, Deputy Secretary General, OECD• Mr. Tom Soo, Executive Director, World Water Council• Dr. N.J. Vlaanderen, Coordinator International Water Affairs, Ministry of Infrastructure and Environment, the Netherlands
9h45-10h30	Session 1. The gap between the economic case for investment in water security and the financial case <p>Investment in water security contributes to sustainable growth and lack of investment exposes a country to a variety of risks and costs, impacting on economic growth. Despite the strong economic case for investment in water security, financing persistently falls far short of global needs. Two keynote addresses will highlight the gap between the economic case for investment and the financial case.</p> <p>Chair: Mr. Rintaro Tamaki, Deputy Secretary General, OECD</p> <ul style="list-style-type: none">• Keynote address: The economic case for investment in water security and sustainable growth Dr. Xavier Leflaive, Team Leader Water, Environment Directorate, OECD• Keynote address: Why investment in water security falls short of global needs Mr. Sony Kapoor, Managing Director, Re-Define• Discussion
10h30-10h50	Coffee break

10h50-13h00

Session 2. Financiers' expectations and the water security investment environment

Investment managers seek to deploy capital that supports value creation and fulfil their fiduciary duty to their clients to maximise risk-adjusted returns. In addition to private investment, public investment will continue to play a major role in financing water investments, especially in light of the large externalities associated with poverty alleviation and the environment, as well as the ambition to meet the Sustainable Developments Goals in 2030.

At the same time, countries have very different starting points for water investment due to differences in important economic, climatic and institutional factors. Public policies shape both the demand for investment in water security and the investment environment. This in turn influences the risk-return ratio of investments in water security and attractiveness of such investments to various types of financiers.

A tour de table will focus on public and private financiers' expectations related to investment in water security. Lessons from OECD work on low carbon, climate resilient investment will shed light on which characteristics of the investment environment can encourage or hinder investment.

Chair: Dr. Ger Bergkamp, Executive Director, International Water Association

- Lead discussants:
 - Mr. Philippe Rohner, Senior Investment Manager, Pictet AM
 - Ms. Ambika Jindal, Vice President, Sustainable Finance, ING Wholesale Banking
 - Mr. Christopher Kaminker, Senior Advisor, Head of Climate & Sustainable Financial Research, Skandinaviska Enskilda Banken
 - Ms. Isabella Pagotto, Global Programme Water, Swiss Agency for Development and Cooperation
 - Ms. Gaëtane Suzenet, Venture Advisor, Aster Capital
- Further interventions from Roundtable participants
- Designing “investment grade” policies: lessons from experience with low carbon, climate resilient investment
Mr. Rob Youngman, Team Leader Green Investment and Finance, Environment Directorate, OECD
- Moderated discussion. Questions for discussion:
 - Based on your experience, which contextual factors (economic, climatic, or institutional) and policies (for water, investment, urban development, agriculture, or else) can encourage investment in water security and which ones create barriers to investment?
 - Which lessons from experience with low carbon, climate resilient investment can be applied to the water security investment context?
 - How can the Roundtable contribute to a better understanding of these contextual factors and policies and their influence on water security investment?
- Session wrap-up to identify 2-3 key areas to inform the subsequent work of the Roundtable.

13h00-14h45	Buffet lunch reception OECD Château, room George Marshall
14h45-16h00	<p>Session 3. Converting economic benefits of water security investments into financial returns</p> <p>Investments in water security generate a range of public and private benefits by reducing water-related risks for communities, businesses and the environment. Improving the financial case for investment requires converting the benefits from investments in water security into revenue streams. Further, maximising the net benefits to society depends on a well-designed programme of investments in infrastructure, institutions and information that also ensures stable returns to investors.</p> <p>This session will highlight cases of innovative policies and business models that convert benefits from investments in water security into revenue streams that support financial returns to investors.</p> <p>Chair: Dr. N.J. Vlaanderen, Coordinator International Water Affairs, Ministry of Infrastructure and Environment, the Netherlands</p> <ul style="list-style-type: none"> • Lead discussants: <ul style="list-style-type: none"> ○ Mr. Benjamin Gestin, General Manager, Eaux de Paris ○ Mr. James Ranavoson, Managerial Advisor, Structured Finance for Climate Action and Environment, European Investment Bank ○ Ms. Monica A. Altamirano, PhD, Specialist in Public-Private Partnerships, Water Resources and Delta Management, Deltares ○ Dr. Marc Smith, Manager for Organisation Change, Director General's Office, IUCN
16h00-16h20	Coffee break
16h20-17h30	<p>Session 3. Continued</p> <ul style="list-style-type: none"> • Moderated discussion. Questions for discussion: <ul style="list-style-type: none"> ○ Which examples of policies and business models have the most potential for broader application? ○ What are the main gaps in our understanding of how to value benefits from water security investments and use these benefits to deliver returns on investment? How can the future work of Roundtable contribute to filling these gaps? ○ How can estimates of willingness to pay be improved to inform the design of policy instruments that will be socially and politically acceptable? • Session wrap-up to identify 2-3 key areas to inform the subsequent work of the Roundtable.

17h30-17h45	<p>Wrap from Day 1</p> <p>Re-cap of key points from the discussion and how the key issues identified can inform the future work of the Roundtable Dr. Simon Buckle, Head of the Climate, Water and Biodiversity Division, Environment Directorate, OECD</p>
18h00-19h30	<p>Networking cocktail</p> <p>Conference Centre Atrium</p>

Day 2, Thursday April 13th

9h30 – 11h00	<p>Session 4. Scaling-up financing through an attractive risk-return profile</p> <p>Investments in water security compete with other sectors for financiers’ attention, driven primarily by the attractiveness of the risk-return profile. This depends on two factors: a stable revenue stream and how the range of risks related to water security investments are shared between public and private actors. This session will examine effective approaches to allocating risks and blending various sources of finance, which are critical for scaling up financing flows.</p> <p>Chair: Mr. Martin S. Baker, Of Counsel, Dentons</p> <ul style="list-style-type: none"> • Lead discussants: <ul style="list-style-type: none"> ○ Mr. Raffael Stein, Director of Water Infrastructure Division, Environmental Protection Agency, United States ○ Ms. Sophie Trémolet, Senior Economist, The World Bank ○ Ms. Raya Adani, Water and Sewage Budget Manager, Ministry of Finance, Israel ○ Mr. Aaron Vermeulen, Senior Advisor Finance and Freshwater, WWF International
11h00-11h20	Coffee break
11h20-12h00	<p>Session 4. Continued</p> <ul style="list-style-type: none"> • Moderated discussion. Questions for discussion: <ul style="list-style-type: none"> ○ Which innovative approaches to blending various sources of public and private finance have the most potential for scaling up financial flows to investment in water security? ○ Which specific actions can governments take to encourage the development of a pipeline of projects that attract investors and contribute to water security? • Session wrap-up to identify 2-3 key areas to inform the subsequent work of the Roundtable.

12h00-12h30	<p>Closing remarks</p> <ul style="list-style-type: none">• Main conclusions from the discussions and how the key issues identified can inform the future work of the Roundtable Mr. Anthony Cox, Deputy Director, Environment Directorate, OECD• The road to the 8th World Water Forum in Brasilia Mr. Tom Soo, Executive Director, World Water Council
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