Roundtable on Financing Water

Regional meeting: The Americas

26-27 June 2019
Inter-American Development Bank Headquarters, Washington, D.C.

Background and rationale

The Roundtable on Financing Water is a joint initiative of the OECD, the World Water Council, the Netherlands and the World Bank. The Roundtable provides a global public-private platform to promote action to scale up financing that contributes to water security, enhanced resilience, and sustainable growth among governments, financial institutions, international organisations, philanthropies, academia and civil society organisations.

A regional meeting focused on the Americas will be organised in partnership with the OECD, the Inter-American Development Bank (IDB) and the U.S. Government including the U.S. Department of State, the U.S. Environmental Protection Agency (EPA), the U.S. Army Corps of Engineers (USACE) and the National Oceanic and Atmospheric Administration (NOAA).

The regional meeting of the Roundtable will support OECD’s broader work on financing water, IDB’s commitment to comprehensive water infrastructure solutions and the strategic priorities of the US Global Water Strategy.

Specific objectives include:

- Summarise developments in the emerging field of water infrastructure resilience and discuss the related value chain and business case for considering resilience in financing water infrastructure.
- Identify and disseminate lessons learned and good practices to scale up financing for water, in particular highlighting the experience from the region.
- Raise the visibility of water financing issues in the region and promote engagement across public and private actors, in particular the finance community.
- Highlight innovative approaches and make the business case to invest in resilient water infrastructure to ensure that investments deliver benefits over the long-term at the least cost for the community.
- Launch a research agenda to strengthen the evidence base on investment needs and financing capacities for countries in Latin America.
- Catalyse greater co-ordination among finance providers and key decision makers, including government ministries, development finance institutions, investors and civil society organizations.

Thematic focus and participants

The agenda aligns with the broader ambition of the Roundtable initiative and OECD’s programme of work on financing water. The regional meeting will focus on the following themes:

- Resilience: Rationale and aims of water-related investment and the importance of integrating resilience into infrastructure investment decisions.
- Blended finance: Using development finance to leverage other sources of finance, in particular domestic commercial sources.
- Strategic investment pathways: Designing investments to ensure the highest benefit in terms of water security, enhanced resilience and sustainable growth now and in the future.
- Innovation and technology: Seizing opportunities to improve the cost-effectiveness of investments and financial returns for investors.
• Improving the environmental performance of development finance: Strengthening co-operation among finance providers and key decision makers to deliver on the environmental performance of investments.

Participants will include government agencies, representatives of public and private financial institutions (such as national or regional development banks, commercial banks, institutional investors, asset managers, impact investors, philanthropies and foundations) and civil society organisations and research-based institutions.

Outcomes

• Greater awareness about the economic case for investments in resilient water infrastructure and the urgent need to scale up financing
• Exchange of experience and knowledge to promote more effective and efficient use of financial resources for water-related investment
• Strengthened communication and coordination among the range of government, financial and civil society actors engaged in water investment decisions
• Identification and dissemination of good practice and successful investment models and financing approaches

For further information on the Roundtable, please our website or Contact: Kathleen Dominique
Agenda

Wednesday, June 26th

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<td>9h30 – 9h50</td>
<td>Opening remarks</td>
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Investment in water security contributes to sustainable growth. A lack or infrastructure (or unstable infrastructure) can result in cascading risks and costs, impacting on economic growth. Despite a strong economic case for investment in water security, funding falls far short of needs.

Incorporating resilience into water-related investments is needed to ensure that system-wide enhancements are made to help absorb and rebound from residual risks (for which further risk reduction is prohibitively expensive) as well as events that may be difficult to predict. These may include: social change, political disruption, landslides, cyber-attacks, climate and weather-related challenges such as drought, storms, floods, etc. Combined with optimal investment in risk reduction measures, resilience can minimise the costs of recovery in the event that threats materialise. This requires an investment approach that can effectively prioritise resilience measures in the context of cost constraints.

Resilience is an integral part of well-designed strategic investment pathways. Resilience investments may also benefit from adaptation strategies that are responsive to the climate forecast. Uncertainties about water-related risks, now and in the future, and how these can affect expected investment returns must be considered. Resilience can also improve environmental performance of investments to support the achievement of water-related goals, including maintaining healthy ecosystem services and protecting and improving aquatic habitat.

This session will set the scene for the following sessions by introducing key concepts and providing an overview of the key issues.

Chair: Mr Sergio Campos, Head of Water and Sanitation, Inter-American Development Bank
Keynote address (15’): *Making the business case for investments that enhance water infrastructure resilience and deliver benefits in terms of economic, environmental, social and financial returns.*  
**Dr Igor Linkov**, Research Physical Scientist, Risk and Decision Science Team, U.S. Army Corps of Engineers (USACE)  
**Dr Roger Pulwarty**, Senior Science Advisor for Climate and Director of the National Integrated Drought Information System, National Oceanic and Atmospheric Administration (NOAA), USA

Keynote address (10’): *Characterising the opportunities and challenges for finance and investment for water security and sustainable growth in Latin America*  
**Dr Rui de Britto Álvares Affonso**, Chief Financial Officer and Investor Relations Officer, SABESP, Brazil

Viewpoints from the finance and investment perspective: (8’ each):  
**Mr John Wasielewski**, Senior Advisor, Aligned Climate Capital  
*Investment opportunities that promote water security and sustainable growth*  
**Ms Teresa Vernaglia**, CEO, BRK Ambiental, Brazil  
*Integrating resilience into investments in water and sanitation investments to deliver social, environmental and economic benefits over the long-term*  
**Mr Adam Davis**, Managing Partner, Ecosystem Investment Partners  
*Investing in resilience with private capital through large-scale ecological restoration and conservation*

Questions and open discussion

Key take aways from the discussion and concluding remarks (7’)

**Professor Jesse Keenan**, Graduate School of Design, Harvard

11h20-11h45 Coffee break

11h45-13h15 Session 2. Blended finance for water-related investments

In light of the constraints on public finance and substantial investment needs, blended finance (defined as the strategic use of development finance for the mobilisation of additional finance towards sustainable development in developing countries) offers a promising approach to harnessing additional resources for water. A recent OECD survey indicates that while blending finance is gaining traction in many sectors, developments remain modest when it comes to water-related investment.

This session will share key messages from recent OECD work on blended finance models for water and sanitation utilities, off-grid sanitation and multi-purpose infrastructure, including landscape based approaches. Examples from the region will explore the potential for scaling up blended finance and related challenges. The session will explore how public and development finance can be used to crowd in private capital for investments in advanced and emerging economies.
Chair: Ms Kathleen Dominique, Coordinator, Roundtable on Financing Water, OECD

● Kick-off presentation (8’): Insights from OECD analysis on blended finance for water and sanitation investments
  Ms Wiebke Bartz-Zuccala, Policy Analyst, Development Cooperation Directorate, OECD

● Case study discussions (12’ each):
  Azure financing model: Providing water and sanitation for under-served households in El Salvador
    Mr Ian Moise, Senior Technical Advisor, Catholic Relief Services
    Mr James Polan, Vice President, Small and Medium Enterprise Finance, Overseas Investment Corp (OPIC)
    Ambassador (ret.) John Simon, Managing partner, Azure Source Capital

Jamaica Credit Enhancement Facility: Providing credit enhancement support for local commercial financing of wastewater projects
  Mr Mark Barnett, President, National Water Commission, Jamaica
  Mr Brad Johnson, President, Resource Mobilization Advisors

Water Infrastructure Finance and Innovation Act (WIFIA) programme: Accelerating investment in water infrastructure in the U.S.
  Ms Jorianne Jornberg, Director, WIFIA, U.S. EPA
  Mr Troy Brogden, Chief Fiscal Officer, Department of Public Works, City of Baltimore

● Cross-cutting insights on blended finance for SDG 6 (7’)
  Mr Joel Kolker, Global Water Security & Sanitation Partnership Program Manager, The World Bank

● Moderated discussion with all participants

13h15-14h45 Lunch

14h45-17h00 Session 3. Strategic investment pathways

(coffee break included)

Innovative policies, business models and investment planning can be better leveraged to reflect the value of water-related investments in order to deliver benefits for society and the environment as well as financial returns for investors. While financiers typically focus on the availability of a pipeline of bankable projects, government authorities and project developers should situate these pipelines within broader strategic investment pathways to ensure they are resilient and contribute to water security and sustainable growth at the least cost over the long-term.

A long-term strategic approach at a basin-wide scale can ensure that all available assets (natural and man-made) deliver anticipated benefits over their operational life-time and avoid premature obsolescence or costly retro-fitting in the future. Such an approach would induce regulators, project beneficiaries, and project sponsors to support nature-based solutions (where appropriate) alongside traditional grey
infrastructure that can secure a stable flow of returns for investors and benefits for society over the asset lifetime.

This session will share experience with long-term investment planning, including challenges and opportunities related to political economy aspects of decision-making. It will also explore the benefits of combining nature-based solutions and grey infrastructure, including options for combining projects at basin scale.

Chair: **Mr Martin Baker**, Of Counsel, Dentons [confirmed]

- Lead discussants:
  - Mr Ronaldo Bruna, Superintendent, Sanitary Services Regulator, Chile [confirmed]
  - Mr Franz Rojas, Water Agenda Co-ordinator, Development Bank of Latin America (CAF) [confirmed]
  - Dr Bert de Bievre, Technical Secretary, FONAG (Fund for Water Protection), Ecuador [confirmed]
  - Mr David Moreno, Responsible for Watershed Conservation, FEMSA Foundation [confirmed]

- Moderated discussion with all participants

| 17h00-19h00 | Networking cocktail |
### Thursday, June 27th

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<th>Time</th>
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<td>9h00 - 9h15</td>
<td><strong>Keynote address</strong>&lt;br&gt;<strong>Mr Andrew Sawyers</strong>, Director, Office of Wastewater Management, U.S. Environmental Protection Agency</td>
<td><strong>Mr Rick Ziegler</strong>, Office of International and Tribal Affairs, U.S. Environmental Protection Agency</td>
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<td>9h15 – 10h30</td>
<td><strong>Session 4. Seizing opportunities generated by innovation and technology</strong></td>
<td><strong>Mr Pablo Bereciartua</strong>, Secretary of State for Infrastructure and Water, Argentina</td>
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<td><strong>Keynote</strong>&lt;br&gt;<strong>Mr Pablo Bereciartua</strong>, Secretary of State for Infrastructure and Water, Argentina</td>
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<td><strong>Lead discussants:</strong>&lt;br&gt;<strong>Mr Jorge Fernández Ripoll</strong>, Director of Administration, Finance and Purchasing, Water and Sanitation of Argentina (AySA)&lt;br&gt;<strong>Ms Cristina Ahmadpour</strong>, President of North America, Isle Utilities&lt;br&gt;<strong>Ms Katherine Tan</strong>, Program Officer, Bill and Melinda Gates Foundation&lt;br&gt;<strong>Mr Richard Seamans</strong>, Founder and Chief Investment Officer, Seamans Capital Management</td>
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<td>10h30-11h00</td>
<td><strong>Coffee break</strong></td>
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<td>11h00-12h45</td>
<td><strong>Session 5. Improving environmental performance of development finance</strong></td>
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<td><strong>The 2030 Agenda is a universal, collective responsibility that covers all levels – global, national and territorial – and a multitude of actors. Yet, it ascribes the distinct responsibility of facilitating whole-of-government and whole-of-society approaches for sustainable infrastructure investment to national governments. Enhancing co-ordination and alignment across government, financial and civil society actors can improve the effectiveness and efficiency of water-related investment decisions and ensure the delivery of desired outcomes.</strong></td>
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Donor governments, as shareholders of multilateral and bilateral development banks and development finance institutions (DFIs), hold a specific role in improving environmental performance of development finance for water-related investments as they need to co-ordinate efforts across ministries and institutions to promote the integration of environmental considerations into financing decisions at the project and policy level. Building on the findings of OECD work on the role of donor shareholders in improving environmental performance in development banks and DFIs, this session provides an opportunity for stakeholders to discuss their roles (today and in the future), and how they might work better together.

Chair: Dr Simon Buckle, Head of the Climate, Water and Biodiversity Division, Environment Directorate, OECD

- Lead discussants:
  - Ms Janine Ferretti, Pardee School of Global Studies, Boston University
  - Mr Hugo Contreras, Director of Freshwater Unit, Latin America, The Nature Conservancy
  - Ms Christina Leb, Senior Counsel, The World Bank

- Moderated discussion with all participants

12h45-13h00 Concluding remarks