



Ministerie van Infrastructuur en Milieu



Infrastructure Investment and Water Risks in a Changing Climate

01– 11- 2016

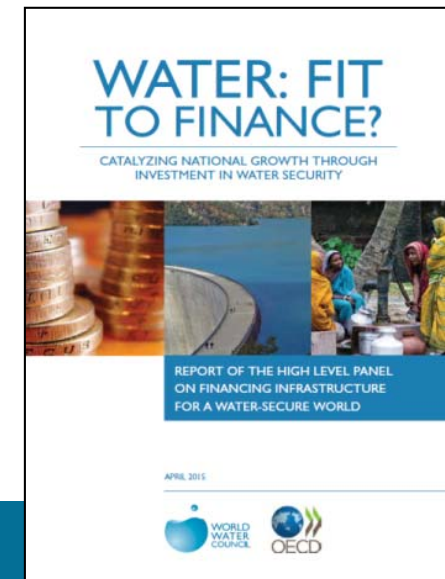
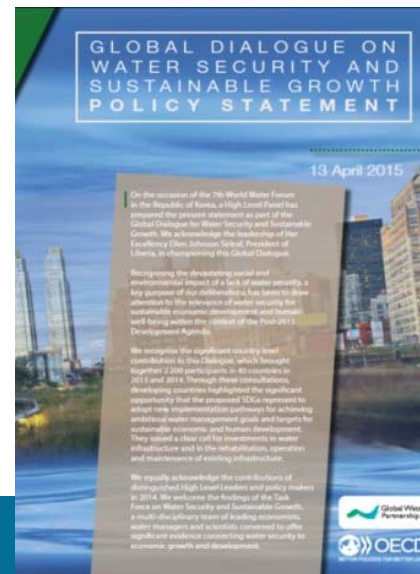
8th HELP meeting
Jakarta Indonesia

Niels Vlaanderen



Infrastructure investment and water risks in a changing climate

- Two recent and related reports on financing and water security and growth.
- OECD/WWC/NL discussing further work on how investment in infrastructure can contribute to protection against water related risks and sustainable growth.





The economic case for water security

Selected figures

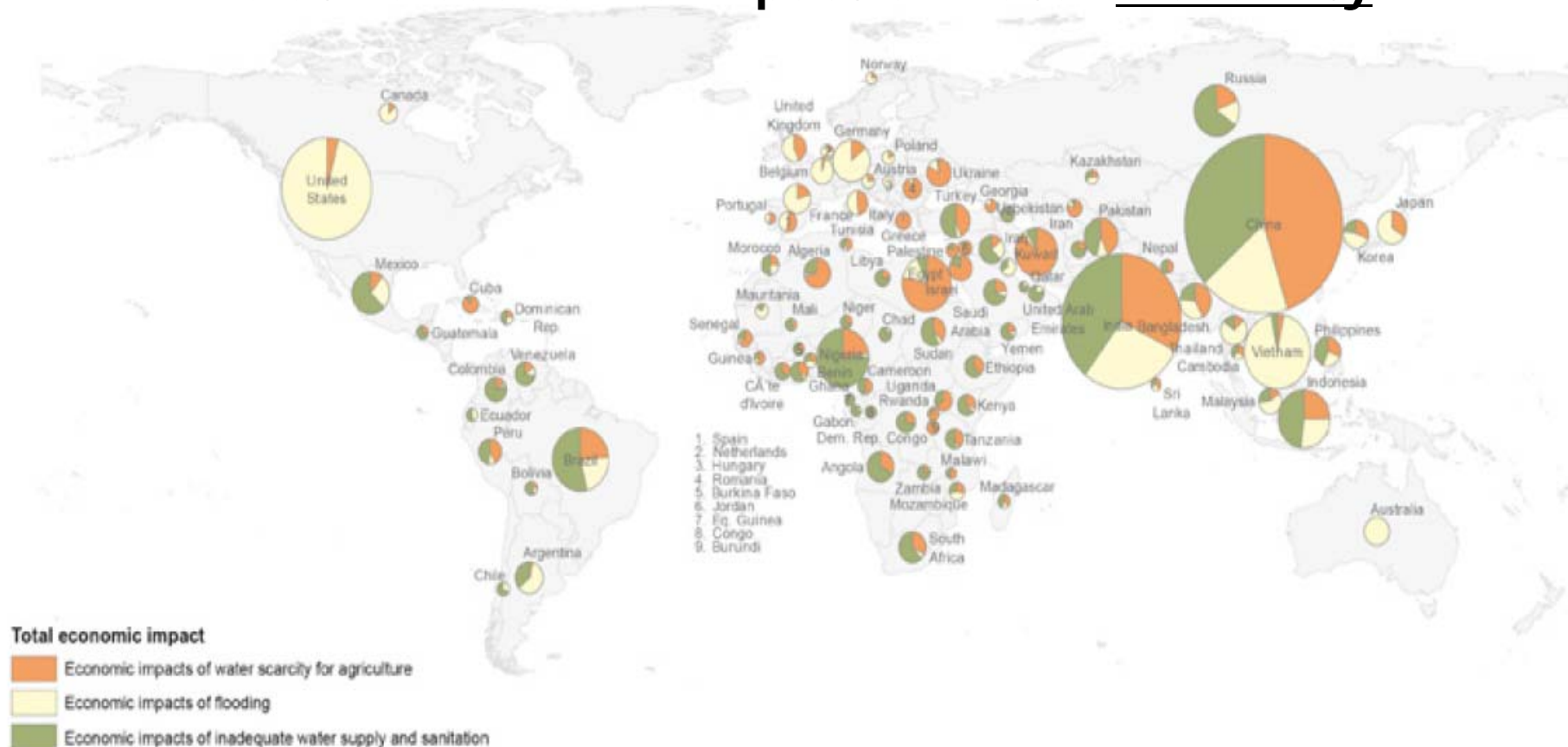
- Expected global flood damages from urban property alone: USD 120 billion/ year
- Water risks cost irrigators USD 94 billion/ year
- Inadequate WSS cost USD 260 billion/ year. 10% of GDP in some African countries. Including poor quality of drinking water



The economic case for water security

How water-related risks affect growth

Relative economic impact of water insecurity

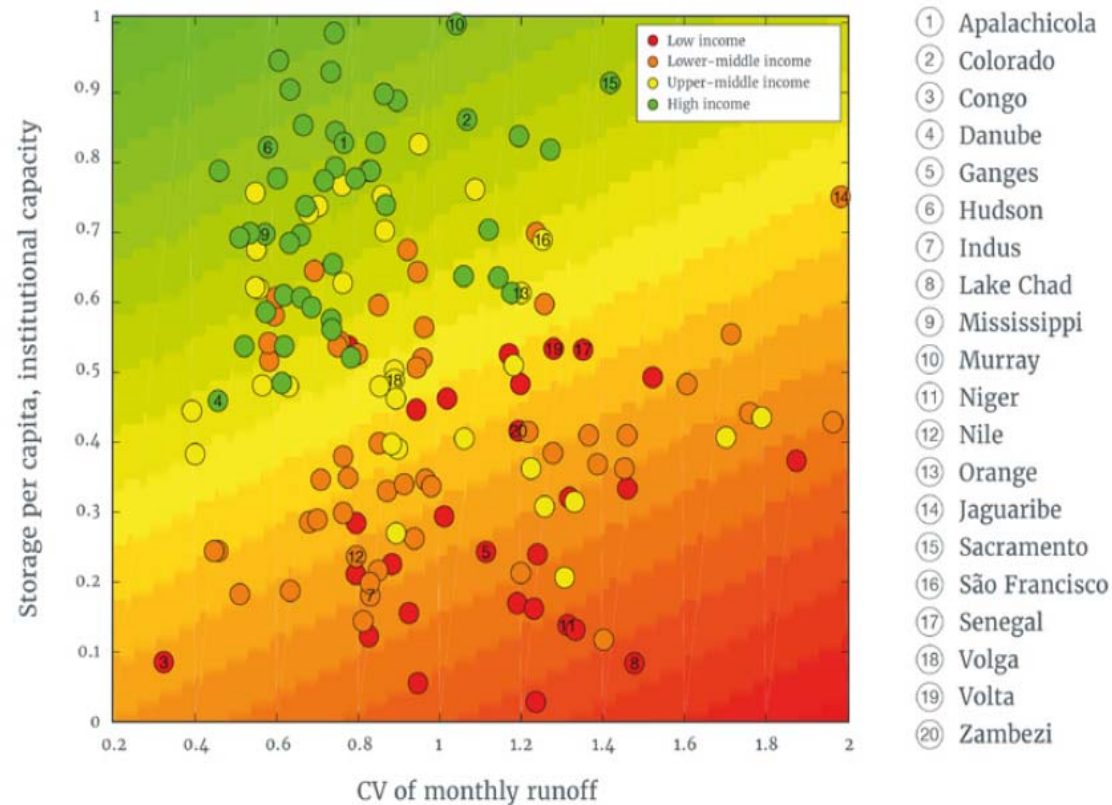


Source: *Securing Water, Sustaining Growth*, report of the OECD/GWP Task Force



Investing in water security is investing in sustainable growth

Economic growth, hydrological variability and investment





Not all water investments are equally beneficial

- Most beneficial investments:
 - Combine investment in infrastructures, institutions and information
 - Are sequenced along strategic and adaptable pathways



Policies to manage water security: Consistent investment pathways

- Consider cost-effective investments as part of a system (at appropriate scale)
- Minimise investment needs
 - Avoid building future liabilities
 - Tap alternative water sources
 - Exploit the potential benefits of green infrastructures



Policies to manage water security: Financing options

- Making best use of available sources of finance
 - Asset management
 - Tariff structures
 - Combination of 3Ts
- Diversify revenue streams
 - Beneficiary Pays Principle
- Overcome barriers to innovative financing
 - Preference for incumbant technologies
 - Political interference



Pending questions

- From investment in water infrastructure to water-wise investments
- How to select projects that contribute most to sustainable growth?
 - How to complement project-level analysis with the valuation of alternative pathways?



Roundtable on Water Finance

- OECD/WWC/NL roundtable on water finance
- Objective: provide a global public – private platform to facilitate increased financing needs of investments in water security and sustainable growth.
- Involvement of: governments, regulatory institutions, public and private financiers, and civil society
- 1st meeting: tentative 12-14 April 2017 in Paris



Thank you!