

Roundtable on Financing Water

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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.

Outputs

- Meeting summary and discussion highlights prepared by the OECD
- Background paper on resilience in the context of water infrastructure and financing.
- Background papers on other key issues (e.g. case studies on financing water in the region, a preliminary scan to support further work on mapping financing flows in Latin America, examples of good practices in financing water)
- A dedicated webpage to disseminate background papers and related documents

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

9h00-9h25	Registration
9h30 – 9h50	Opening remarks Mr Agustín Aguerre , General Manager, Infrastructure and Energy Sector, Inter-American Development Bank Mr Loïc Fauchon , President, World Water Council Dr N.J. Vlaanderen , Coordinator International Water Affairs, Ministry of Infrastructure and Water Management, Government of the Netherlands Ms Kathleen Dominique , Coordinator, Roundtable on Financing Water, OECD
9h50 – 11h20	Session 1. Rationale and aims of water-related investment: The case for resilience Investment in water security contributes to sustainable growth. A lack of 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

9h00 - 9h15	Keynote address Mr Andrew Sawyers , Director, Office of Wastewater Management, U.S. Environmental Protection Agency
9h15 – 10h30	Session 4. Seizing opportunities generated by innovation and technology The deployment of state-of-the-art performance and efficiency-enhancing technologies are likely to become increasingly instrumental in improving the cost-effectiveness and performance of water infrastructure, thus aiding resilient investment choices. Innovative technologies can improve the efficiency of water use and lower the costs of improving water security. For investors, promising innovative water technologies and services can create attractive investment opportunities. This session will examine trends in water-related technological innovation and discuss how investors can seize opportunities in this area. It will also explore the role of governments to facilitate innovation that promotes cost-effective investment and ensures finance flows to where it is most needed from a water security perspective. Examples of good practice to promote water-related innovation from the Americas and globally will be highlighted. Chair: Mr Rick Ziegler , Office of International and Tribal Affairs, U.S. Environmental Protection Agency <ul style="list-style-type: none">● Keynote Mr Pablo Bereciartua, Secretary of State for Infrastructure and Water, Argentina● Lead discussants: Mr Jorge Fernández Ripoll, Director of Administration, Finance and Purchasing, Water and Sanitation of Argentina (AySA) Ms Cristina Ahmadpour, President of North America, Isle Utilities Ms Katherine Tan, Program Officer, Bill and Melinda Gates Foundation Mr Richard Seamans, Founder and Chief Investment Officer, Seamans Capital Management
10h30-11h00	Coffee break
11h00-12h45	Session 5. Improving environmental performance of development finance 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.

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