



## Long Term Investment and Reindustrialisation Intergroup



*Investments in water can secure sustainable growth*  
- Xavier Leflaive, OECD

The European Parliament welcomed representatives working in the domain of water to discuss the importance of ensuring long-term investments in the sector and how they can best be materialised. It was stressed that investing in water is essential for sustainable growth also highlighting the complexity of ensuring the best use of finances particularly underlining the need to allocate risks and rewards in order to attract investors to this highly important sector.

Michel Dantin, MEP and Vice-Chair of the European Parliament Intergroup on “*Climate Change, Biodiversity, and Sustainable Development*” together with **Dominique Riquet, MEP and President** of the “*Long-Term Investment and Reindustrialisation Intergroup*” welcomed policy-makers and stakeholders on the 28<sup>th</sup> of April in the European Parliament, Brussels to the conference “*The Need for Long-Term Investments in the Water Sector*” to discuss the matter alongside the Dutch EU Presidency, the European Commission, the EIB and OECD.

**MEP Dominique Riquet** introduced the conference by highlighting the fact that as the global population is growing, together with individual consumption, **the need for investment in water infrastructures** and innovation becomes vital as we need to improve the efficiency of water usage. “**Investing in the water sector is essential both to meet basic needs and to mitigate health, geopolitical and environmental risks**”, he said.

Jan Busstra on behalf of the Dutch Presidency outlined that investments are needed on the national, EU, and global level. Nationally, involvement of various sectors as well as non-state actors is essential as well as collaborating on this transboundary issue among Member States to ensure proper investments. At a global level the implementation of the SDGs will be crucial with international financial institutions becoming more aware of the need to secure funding for preventive actions.

The challenge of providing long-term lending was underlined by Thomas van Gilst from the European Investment Bank stressing that “if the economic life can be matched with the maturity of the loan, the tariffs will as a result be lower”. It was said that the regulator plays an important role in ensuring that the economic life is as close as possible to the expected physical life of water infrastructure through certain conditions such as good maintenance, strong predictable regulation, and healthy capital markets.

The European Commission highlighted that the issue must be viewed in a holistic framework and focus on investments that secure and support supply while at the same time protect the environment. It was stressed that the EU is well placed to find solutions through innovation and engaging with international partners.

It was further outlined by Xavier Leflaive from the OECD that “*investing in water is a development issue and ensures sustainability and growth*”. It was said that not all investments are equally beneficial but in order to improve this it is important to “*make the*



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*best use of available resource, allocate risks and rewards, and make investments in other sectors water-wise”.*

Pierre Menet, Caisse des Dépôts et Consignations, outlined the need for a “*good framework favourable to long-term investments in order to minimize the risks and adequately account for them to attract investors and financiers*”. He pointed out the importance of additional value in long term investments, such as the doubling of water infrastructures renewal’s rate. He also stressed that only a clear risk allocation between local authorities, industrial sponsors and institutional investors can allow for more efficient investment schemes. To that end, investment platforms to be deployed under the Juncker Plan are particularly appropriate for small and medium sized projects.

The need for long-term investments in the sector was reiterated by all participants also highlighting the significance of this resource both for consumption and production calling for further debate on the matter to ensure that appropriate investments are made.

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For more information contact the Secretariat of the Intergroup, Paolo Mattana, [paolo.mattana@ebcd.org](mailto:paolo.mattana@ebcd.org) , +32 2 230 30 70