



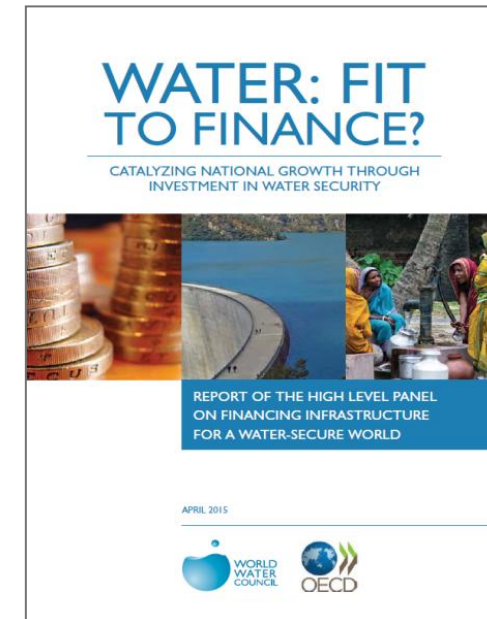
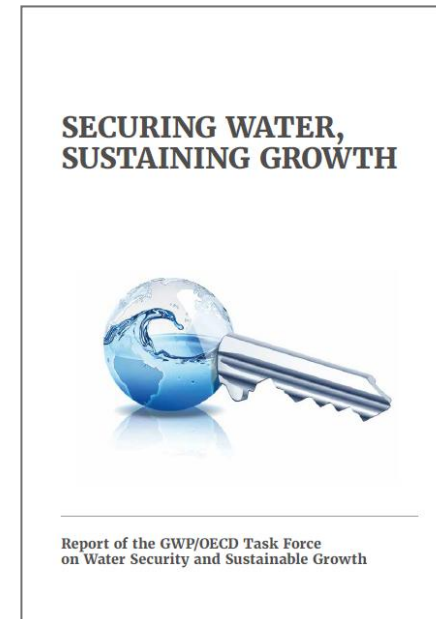
# THE NEED FOR LONG-TERM INVESTMENTS IN THE WATER SECTOR

Xavier Leflaive  
OECD, Environment Directorate  
28 April 2016



## Key messages

- Investment in water is a development issue
- Not all investments are equally beneficial
- How to make the most beneficial investments happen
  - Make the best use of available resources
  - Allocate risks and rewards
  - Make investments in other sectors water-wise





# Investments in water can secure sustainable growth

## The costs of water insecurity

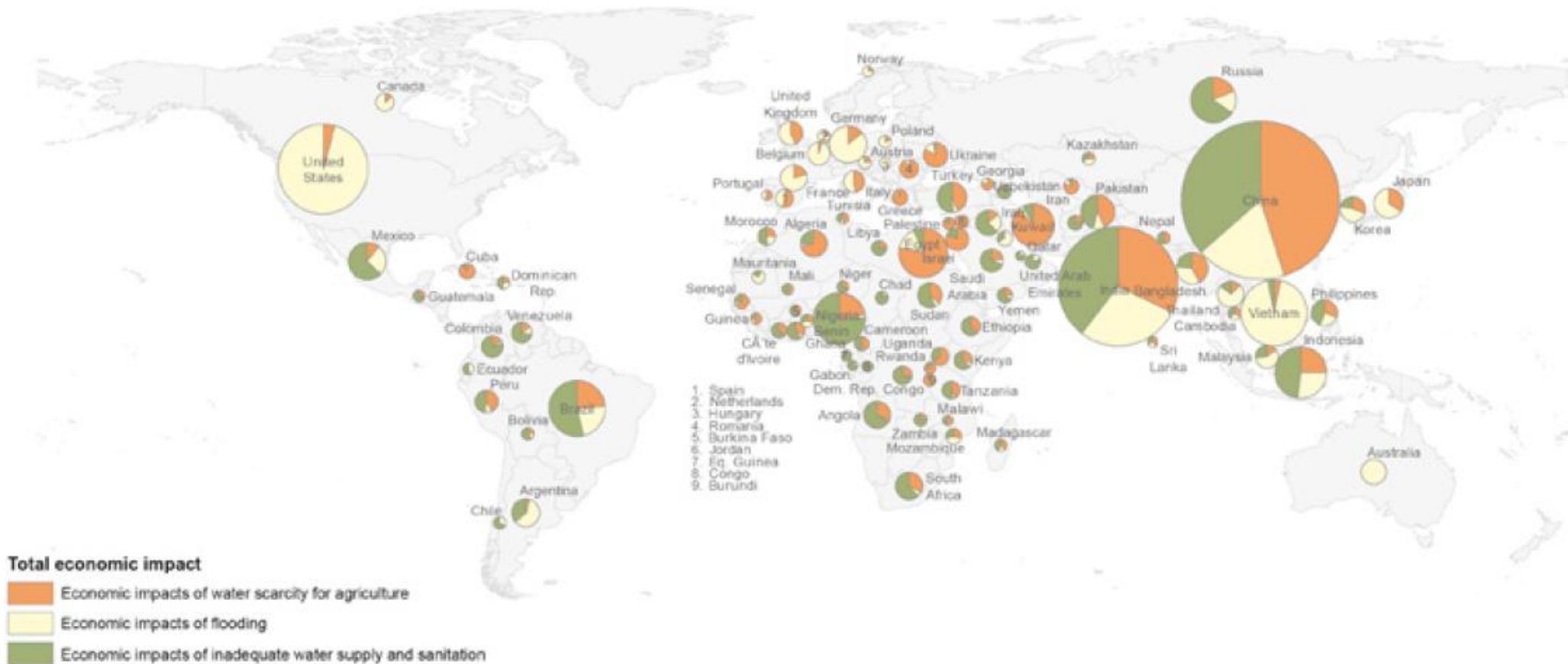
---

- 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



# Investments in water can secure sustainable growth

## A global issue

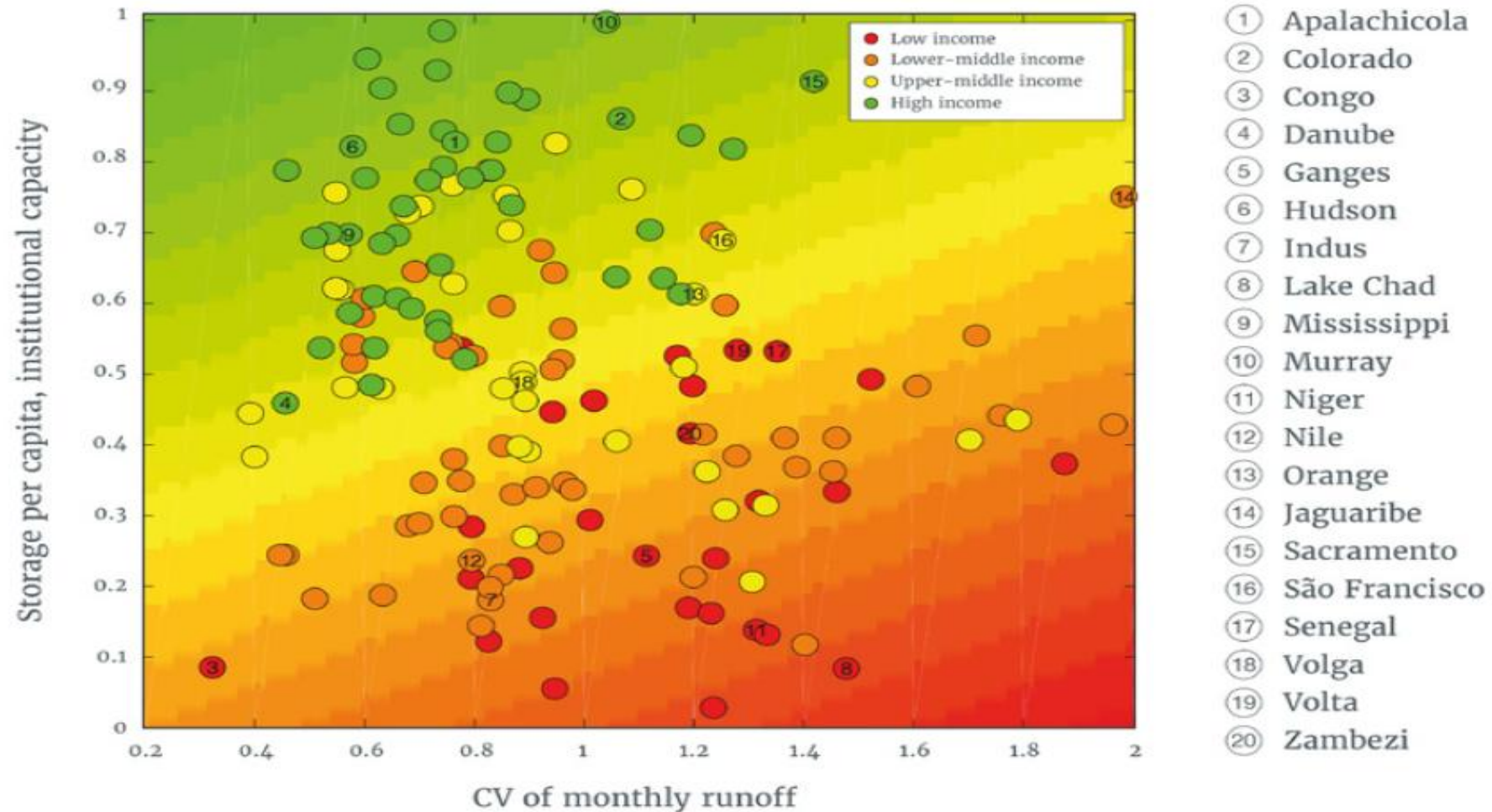


Source: *Securing Water, Sustaining Growth*, report of the OECD/GWP Task Force



# Investments in water can secure sustainable growth

## Economic growth, hydrology and investment



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



# Investments in water can secure sustainable growth

## Not all water investments are equally beneficial

---

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



# Investments in water – How to make them materialise

## Make the best use of available resources

---

- Minimise investment needs
  - Avoid building future liabilities
  - Tap alternative water sources
  - Exploit the potential benefits of green infrastructures
- Make the best use of available sources of finance
  - Asset management
  - Tariff structures
  - Combination of 3Ts



# Investments in water – How to make them materialise

## Make the best use of new opportunities

---

- Allocate risks *and* returns
- Consider portfolios of cost-effective investments
- Overcome barriers to innovative financing
  - Preference for incumbant technologies
  - Political interference





## Pending questions

---

- How to select projects that contribute most to sustainable growth?
- From investment in water infrastructure to water-wise investments



Thank you!



[Xavier.Leflaive@oecd.org](mailto:Xavier.Leflaive@oecd.org)

[www.oecd.org/water](http://www.oecd.org/water)