

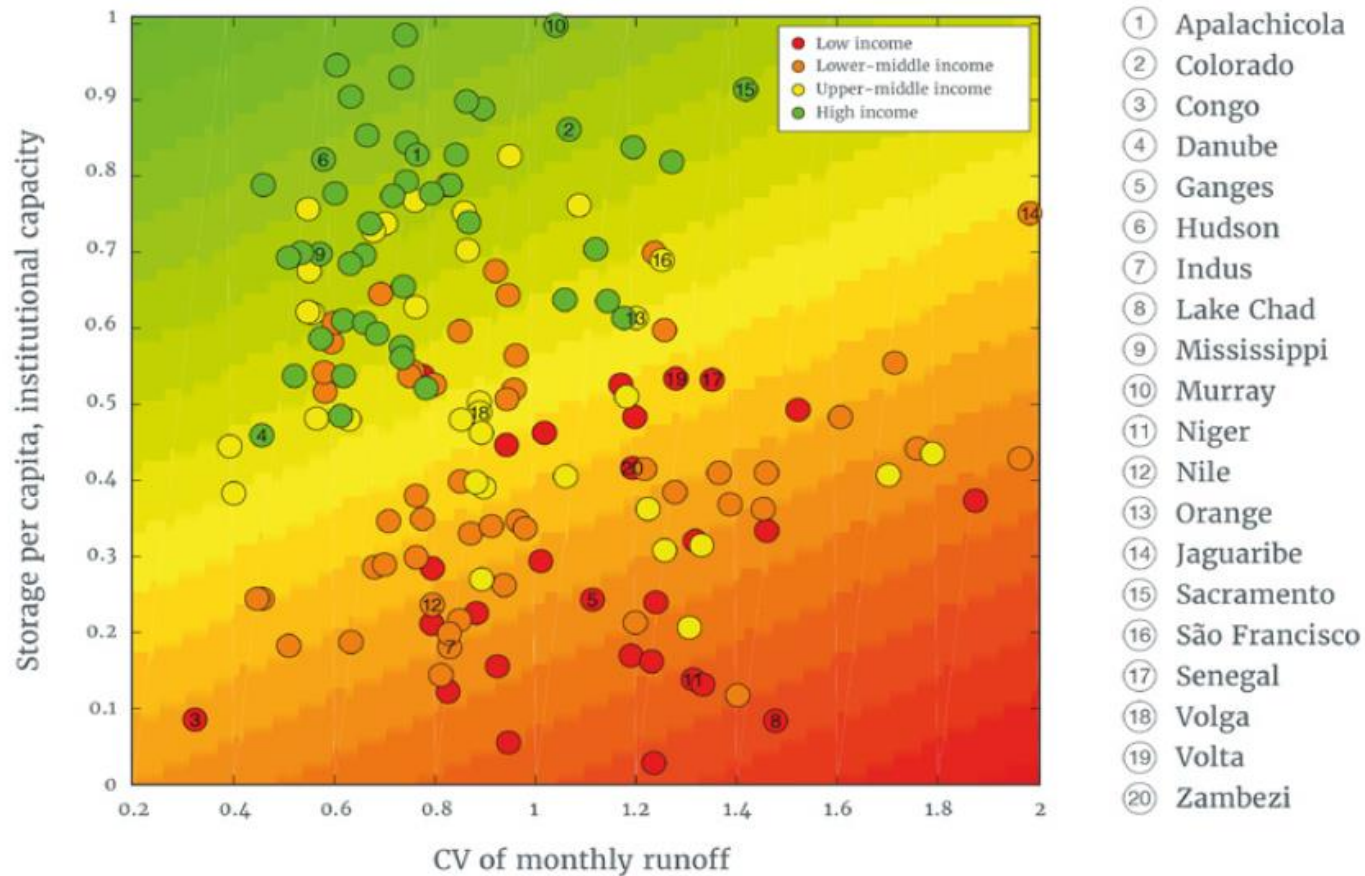
Mastering Disaster in the Anthropocene: Reconciling DRR and Climate Frameworks

Finding common ground in financing fundamentals

Kathleen Dominique

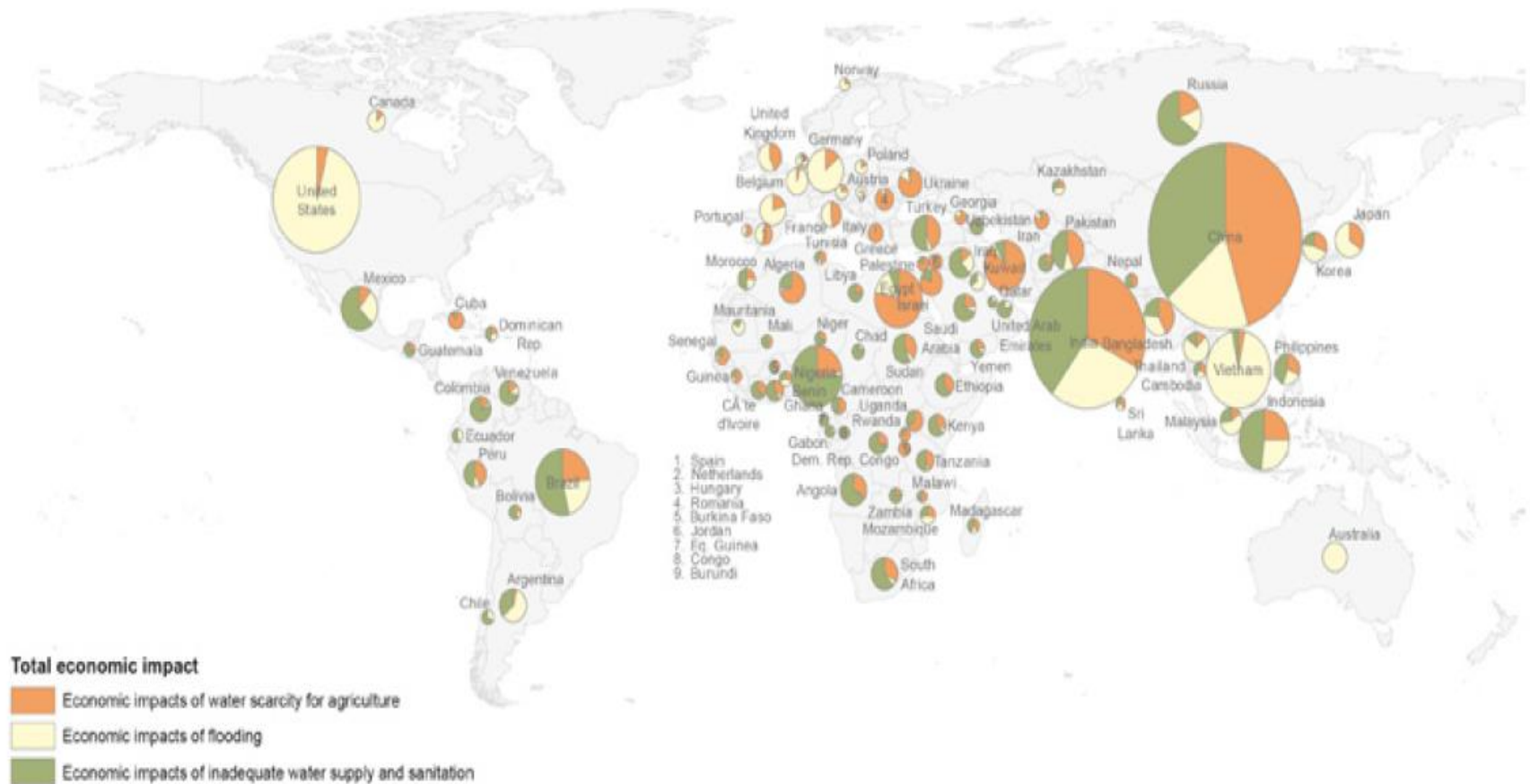
Project manager, OECD

Investing to manage hydrological risks is investing in sustainable growth



Source: Hall et al. (2014) Water Security: Coping with the curse of freshwater variability. *Science*.

Economic case for water security



Strong economic case, but persistent financing gap

Global estimates for water infrastructure financing needs range from **USD 6.7 trillion** by 2030 to **USD 22.6 trillion** by 2050.

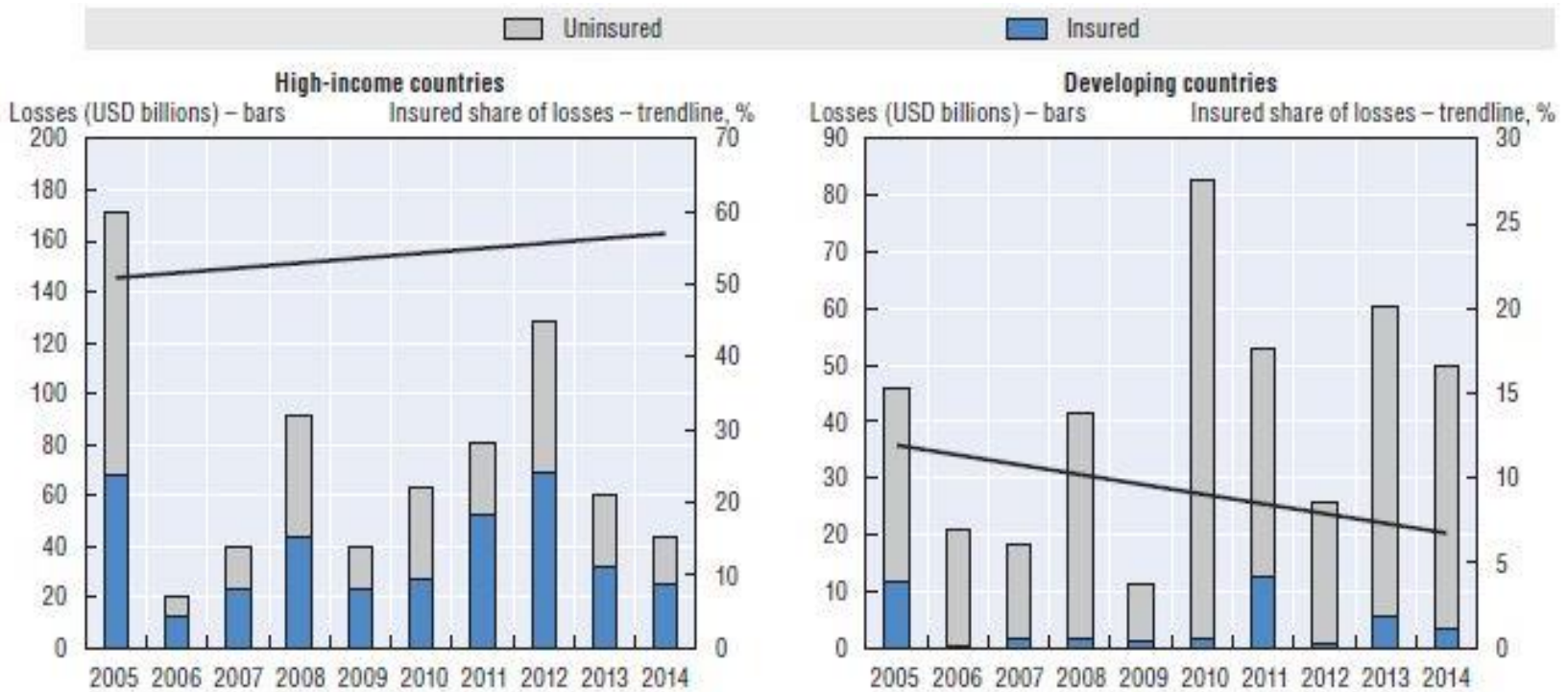


Managing contingent liabilities a challenge

- Compensation payments, loss of tax revenues and repairing damage to public assets
- Limited understanding of distributional impacts
- Uncertainty about ex-post compensation



Large insured and uninsured losses (USD billions)

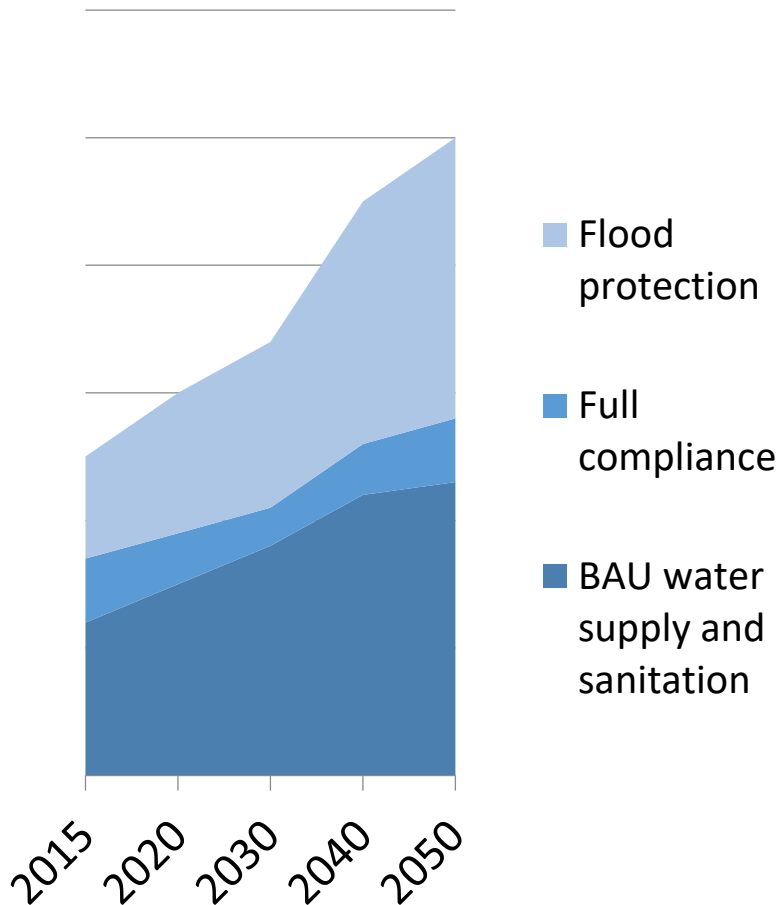


Note: Losses related to disasters that affected both high-income and developing countries were allocated to the income group where most of the losses occurred.

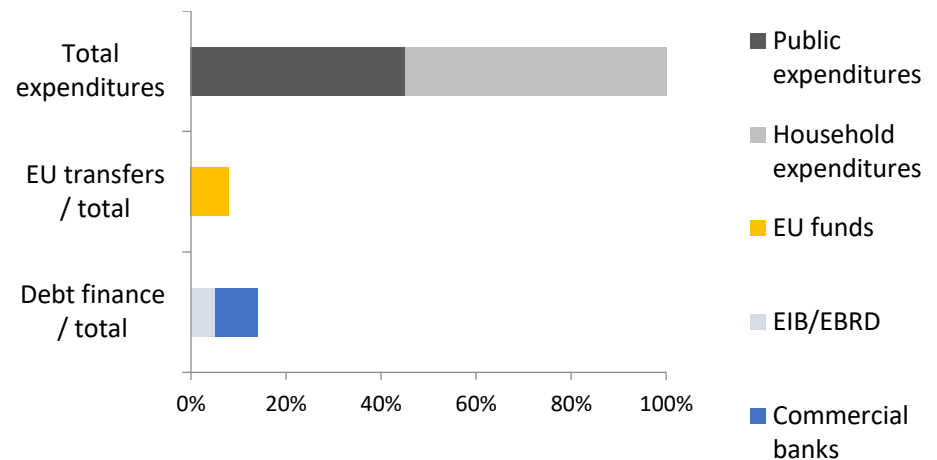
Source: OECD (2016) *Financial instruments for managing disaster risks related to climate change*.

Gap between financing needs and financing capacity

Financing needs to 2050



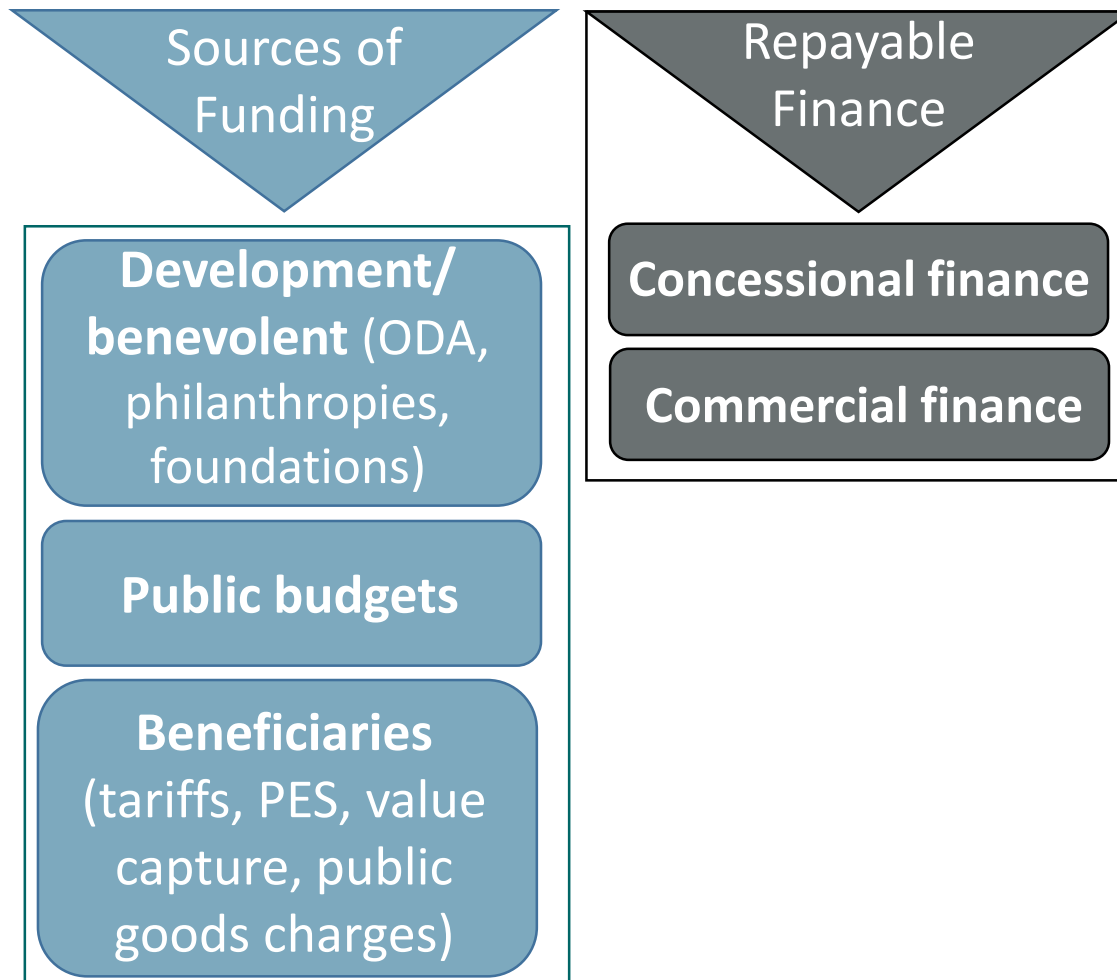
Financing capacity



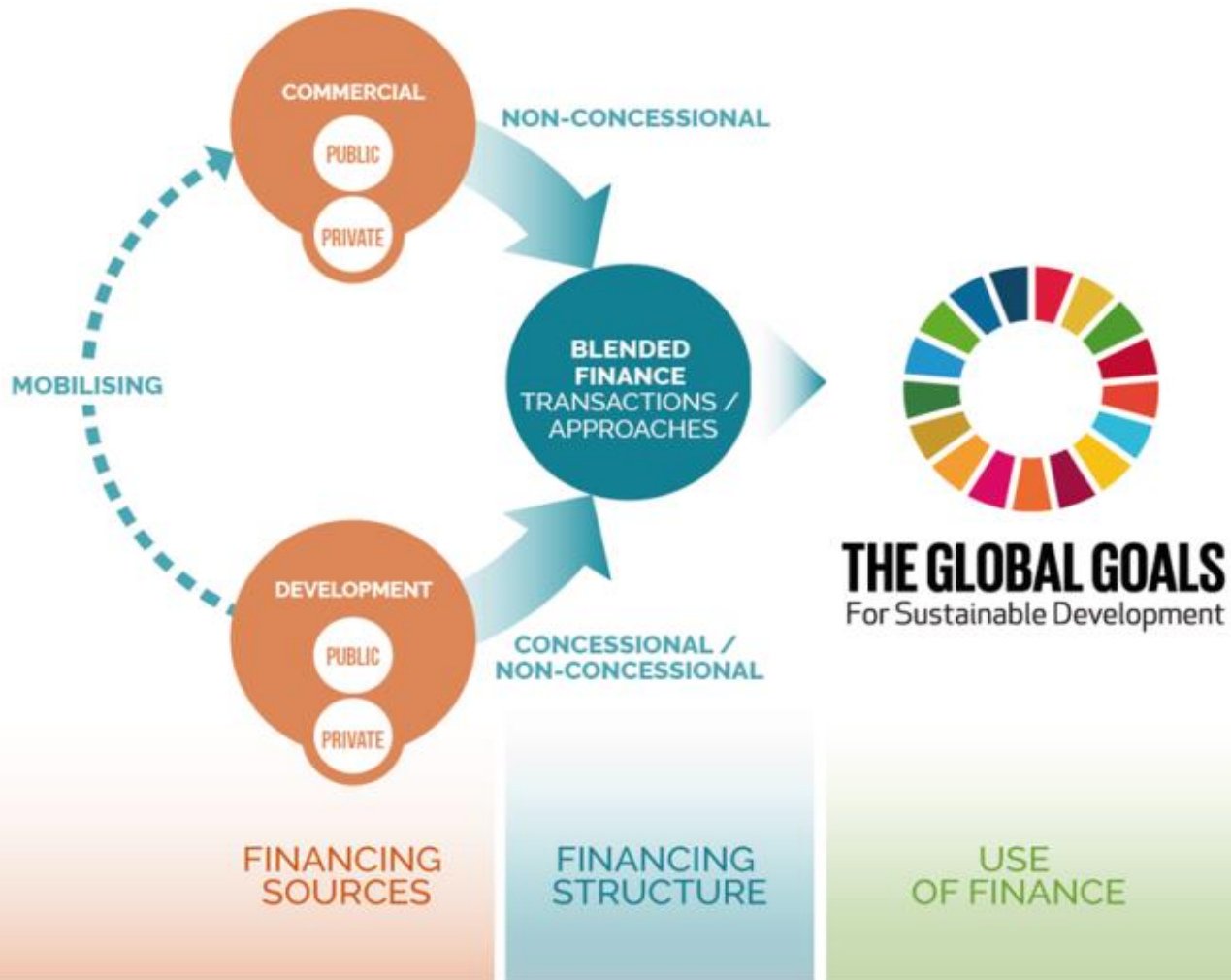
Indicators of future financing capacity

- Ability to price water
- Ability to raise public spending
- Ability to attract private finance

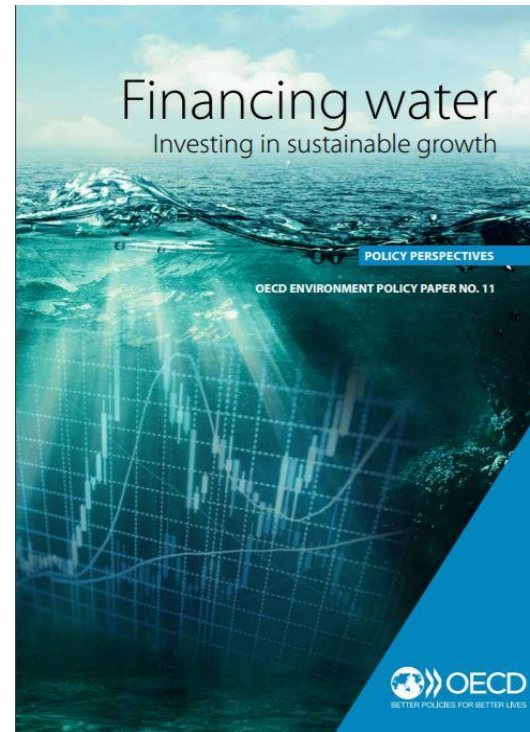
Typically rely on public finance, but range of funding sources possible...



Blended finance to mobilise additional finance



Opportunities for further discussion



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www.oecd.org/water/roundtable-on-financing-water.htm