



NATURAL CAPITAL APPROACH FOR WATER QUALITY MANAGEMENT

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30 August 2018
World Water Week, Stockholm



Point vs Diffuse source pollution

Point source pollution



Diffuse source pollution





Limited success of policies so far

Status quo: voluntary payments and compliance measures.

Barriers to more effective action:

- Difficulties with clearly identifying diffuse source polluters
- Difficulties with determining a pollution “cap” and allocating to land owners
- Lack of quantitative information and understanding
- Increasing budgetary costs
- Political resistance to regulate
- Inefficiency and failure in enforcing regulations
- Lack of policy coherence, perverse incentives
- Insufficient attention to inclusive stakeholder process



Nitrogen allocation - The 'Natural Capital' based approach, Manawatu-Wanganui, NZ

Cumulative nitrogen leaching maximum by Land Use Capability Class, Manawatu-Wanganui Region, New Zealand

Period (from the year that the rule has legal effect)	LUC I	LUC II	LUC III	LUC IV	LUC V	LUC VI	LUC VII	LUC VIII
Year 1	30	27	24	18	16	15	8	2
Year 5	27	25	21	16	13	10	6	2
Year 10	26	22	19	14	13	10	6	2
Year 20	25	21	18	13	12	10	6	2

Source: Horizons Regional Council (2014), One Plan





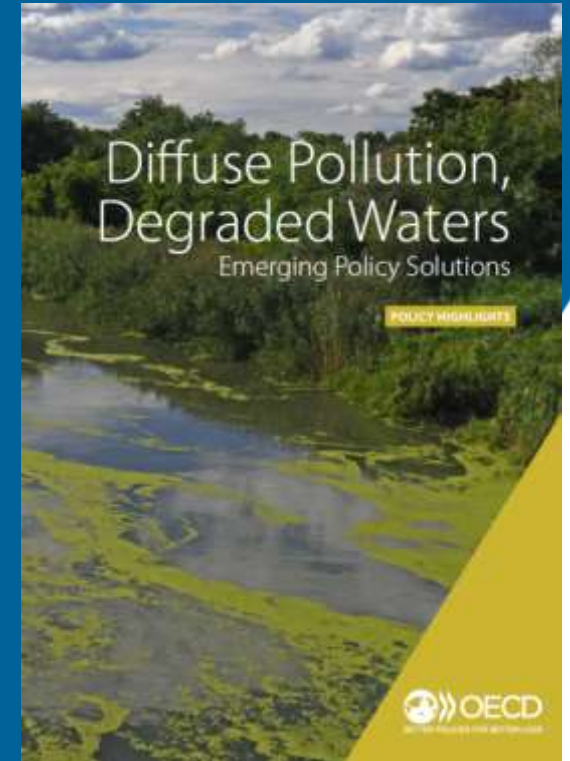
Role for Central Government

- Over-arching national policy guidance
- Enforced minimum water quality standards
- Space for stakeholder and community engagement
- Notice of policy changes and provide a range of implementation options
- Seed funding and space for experimentation





Thank you



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Summary of enabling conditions for NBS

- Long-term perspective
 - Allow time for benefits to emerge
- Favourable cost-benefit assessment
 - Cost avoidance; cost savings compared to grey alternatives
 - Valuing co-benefits: amenity values, biodiversity, recreation
- Dedicated funding instruments
 - Tapping “green” bond markets
 - Earmarked revenues from beneficiaries
 - Transparency in use of proceeds
- Strong regulatory framework and governance structure
- Supportive local partners and stakeholder engagement