

Financing water: Enabling conditions for nature-based solutions

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Stockholm World Water Week 28 August 2018





Expanding the financing options for nature-based solutions

Water supply and sanitation

Sources of Funding

Transfers

Taxes

Tariffs

Water security

Sources of Funding

Development/ benevolent (ODA, philanthropies, foundations)

Public budgets

Beneficiaries
(tariffs, PES, value capture, public goods charges)

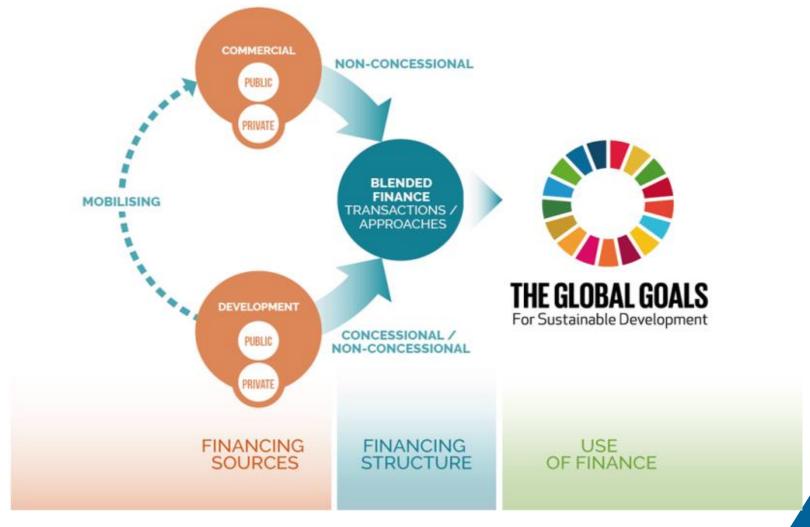
Repayable Finance

Concessional finance

Commercial finance



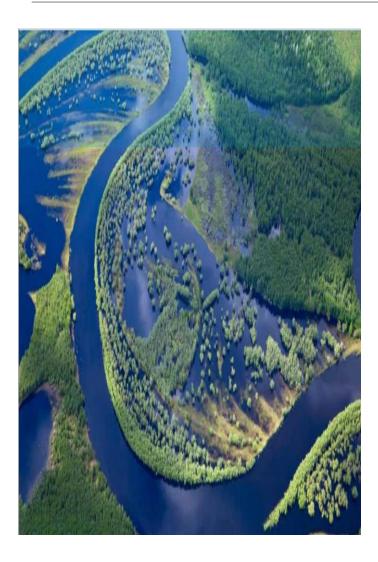
Blended finance: mobilising additional sources of finance



Source: OECD (2018) Making Blended Finance Work for the Sustainable Development Goals.



Eaux de Paris, France



- Economic valuation;
 recognition of co-benefits
- Cost avoidance compared to additional investment in conventional treatment infrastructure
- Long-term perspective; time (patience) for benefits to appear
- Political support
- Collaboration with willing local partners (farmers)



Aguas Andinas, Chile: Green & Social bond

- Creditworthy utility; robust financial underpinning
- Track record of tapping bond market
- Alignment with Principles
 (transparency in use of proceeds)
 allows to expand investor base
- Strong regulatory framework for sector
- Scale



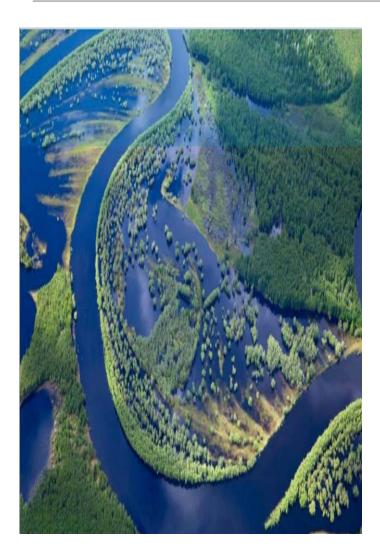


Durham, North Carolina (USA)

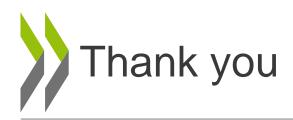


- Dedicated policy instruments
 (fees, environmentally-related
 taxes), financial incentives
- Earmarked revenue streams
- Expanded options for capital investments (that include green infrastructure)
- Crowd sourced donations can be used for specific projects





- Dedicated funding instruments
 - Tapping "green" bond markets
 - Earmarked revenues from beneficiaries
- Favourable cost-benefit assessment
 - Cost avoidance; cost savings compared to grey alternatives
 - Valuing co-benefits: amenity values, biodiversity, recreation
- Creditworthy issuer; credible public agency
 - Transparency in use of proceeds
- Strong regulatory framework
- Long-term perspective
 - Allow time for benefits to emerge
- Supportive local partners



OECD Roundtable on Financing Water

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http://www.oecd.org/water/roundtabl
e-on-financing-water.htm

