MANAGING WATER FOR GREEN GROWTH

Xavier Leflaive, OECD

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Allocating water where it creates most value

Infrastructures that adapt to shifting conditions

Deploying innovation

A robust set of data
Allocate water where it creates most value

**Markets**
- Difficulties in creating water market; transaction costs might be high
- Careful design
- Non-market values

**Pricing**
- Valuation techniques
- Uncertain responses
- Low level of social acceptance

**Administration**
- How to reflect scarcity?
- Transaction costs
Infrastructures...

...that contribute to water security

- Too much, too little water
- Too polluted water; lack of resilience of ecosystems

...that adjust to shifting conditions

- Trends in water demand and water availability
- Shifting policy priorities
- Appropriate design and financing

Potential benefits of green infrastructures

- Avoid path dependency
- Coherence with land use and nature conservation
Deploying innovation

**Which innovation?**
- Technical
- Non technical

**At what scale?**
- Solutions to local problems
- Accessing global markets

**Bottlenecks to the diffusion**
- Institutional barriers
- Misaligned incentives
- A role for new comers
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<th>A driver for green growth</th>
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<td>• Attract private investment</td>
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A robust set of data

- On hydrology
- On distributional issues
Opportunities for further work in EECCA

• Managing water for Green Growth
  – River basin management plans that contribute to growth
  – The reform of water allocation regimes
  – The transboundary dimension
• Policy coherence (the nexus)
  – Improving the use of economic instruments for water management (including reforming harmful subsidies)
• Water infrastructure for growth
  – Climate resilient water infrastructures and services
  – Sustainable business models for WSS
  – Strategic financial planning
  – Affordability and distributional issues
Selected barriers to be overcome

- The reform of water allocation regimes
- Technical path dependency
- Financing instruments
- Institutional barriers
- Imperfect information and data
- Risk sharing arrangements