



Financing Water Resource Management

Xavier Leflaive
OECD Environment Directorate

Tbilissi, 28 June 2011

Outline of the presentation

- **Why is financing WRM an issue?**
- **Current practices in financing WRM**
- **Requisites for a policy-making process**

Why is Financing WRM an issue?

- **Unrecognised benefits**
- **Rising costs**
 - 2 categories of costs
 - Cost drivers
- **Ambitious policy objectives**
- **A new perspective: water and green growth**

- **Persistent underfunding**
- **Prominent role of public funding**
- **Opportunities to reduce costs**
 - Aligning incentives for water efficiency across sectors
 - Reforming water-related subsidies
 - Economic instruments (promote efficiency, low cost options)
- **Opportunities to raise revenues**
 - Rates, billing, collection
 - Issue of earmarking

Requisites for a policy making process

- **Working with partners**

- Outside the water box
- Working with users

- **A 3-step process**

- Inventory and value benefits
- Inventory beneficiaries
- Harness the beneficiaries

- **Planning is a must**

- **Additional data needed**

- **Policy dialogue as a mechanism for water governance?**

Contact

Xavier Leflaive

OECD Environment Directorate

xavier.leflaive@oecd.org

+33 (0) 1 45 24 92 94