

Roundtable on Financing Water

Roundtable on Financing Agricultural Water Thematic meeting – Sustainable use of water for agriculture

Co-convened with the U.N. Food and Agriculture Organization
27-28 January 2021, Virtual meeting

Background and rationale

The thematic meeting focused on financing agricultural water is sponsored by the U.N. Food and Agriculture Organization (FAO) and is co-convened in partnership with the OECD. The thematic meeting of the Roundtable will support OECD's broader work on [financing water](#) as well as [FAO's strategic priorities](#) on promoting investments in agricultural water (and the update on the development of the [new Strategic Framework](#)) that contribute to sustainable water management, food security, and sustainable development more broadly. FAO, as a founding member of UN-Water, is moving forward on the action pillars of the Sustainable Development Goal (SDG) 6 Global Acceleration Framework in catalysing water investments, data and information, capacity development, innovation and governance.

The [Roundtable on Financing Water](#), established in 2017, is a joint initiative of the OECD, the World Water Council, the Netherlands and the World Bank. The Roundtable provides a global public-private platform to promote action to scale up financing that contributes to water security, enhanced resilience, and sustainable growth among governments, financial institutions, international organisations, philanthropies, academia and civil society organisations.

Specific objectives include

- Identify the challenges and opportunities related to financing investments in agricultural water related to food security and the sustainable management of water resources.
- Characterise prevailing mechanisms to finance investments in agricultural water.
- Reflect on the potential impact of the COVID-19 crisis and its economic and social consequences for financing investments in agricultural water for rural development
- Raise the visibility of water financing issues in the broader agenda for agriculture, water scarcity, food security and rural development and promote engagement across public and private actors, in particular the finance community engaged in investments benefitting the rural poor.
- Contribute to advancing a research agenda to strengthen the evidence base on investment needs, financing capacities and financing models for agricultural water globally
- Gauge the potential for and interest in a further dedicated Roundtable meeting and country-specific work

Outputs

- Background papers on key issues to support the sessions' discussions disseminated via a dedicated meeting webpage on both the FAO's and the OECD's websites.
- Meeting summary and discussion highlights prepared by the OECD and FAO.

Outcomes

- Better knowledge of the investment needs and financing mechanisms for agricultural water, food security and rural development and the strengths and limitations of prevailing financing mechanisms.
- Greater awareness about the economic case for investments in agricultural water and the urgent need to scale up financing and enhance resilience to accommodate the needs of rural smallholder farmers.
- Exchange of experience and knowledge to promote more effective, efficient, and equitable use of financial resources for investment in sustainable agricultural water and development.

For further information, please visit OECD's [website](#) and FAO's [website](#) or contact: [Kathleen Dominique](#) (OECD) and [Sasha Koo-Oshima](#) (FAO)



Ministry of Infrastructure
and Water Management



Agenda

Wednesday, January 27th

13:00 – 13:10
(CET) **Opening Remarks: Rationale and aims**

Sasha Koo-Oshima, Deputy Director, Water & Land Division, FAO
Anthony Cox, Deputy Director, Environment Directorate

13:10-13:45 **Session 1. Setting the scene: The case for action on financing agricultural water**

Session to introduce the rationale for action in scaling up financing for investments for sustainable water use in agriculture and begin to characterize the linkages to key policy objectives (food and water security, rural development and livelihoods), as well as the major challenges and opportunities. The session will provide a basis for understanding the key risks facing agriculture as well as those to which agriculture contributes.

Chair: Sasha Koo-Oshima, Deputy Director, Water & Land Division, FAO

- Keynote presentation to set the scene by characterizing the interface between key policy objectives (food and water security, rural development and livelihoods, and climate action) (10')
 - Dr Mark Smith, Director General, IWMI
- Keynote presentation to set the scene by highlighting preliminary minimum estimates of the status of agriculture and water finance drawing on OECD data as well as the modalities to ensure that irrigation investment is leading to sustainable outcomes (10')
 - Dr Guillaume Gruère, Senior Economist, Trade and Agriculture Directorate, OECD

Moderated Q&A with keynote speakers to clarify and discuss key issues (15')

13:45-14:00 Coffee break

14:00-15:30 **Session 2. Financing agricultural water sustainably: Practical examples and case studies**

This session will introduce various approaches to financing agricultural water, illustrated by selected case studies. The discussion will examine various dimensions that contribute to closing the financing gap and putting financing for agricultural water on a more sustainable footing. This includes policies to strengthen the enabling environment for responsible investment, ensuring the best use is made of existing financing and assets (notably the maintenance of existing systems for agricultural water management), policies and programmes to drive innovation and to optimise future investment needs by planning and setting priorities for investment.

Chair: John Preissing, Deputy Director, U.N. FAO Investment Center

- Keynote presentation on financing for resilience to water scarcity and ensuring food security (15') drawing together a range of initiatives and specific examples (e.g. metrics on water accounting, climate resilience, buffering drought and floods, precision and digital agriculture, SMART irrigation, SMART WASH on financing multiple use systems)
 - Jean Marc Faurès, Regional Programme Leader (Near East), U.N. FAO
- Keynote presentation introducing the financing dimension of the Global Framework on Water Scarcity in Agriculture (WASAG) to set the scene (8'-10')
 - Daniel Zimmer, Director of Sustainable Land Use, Climate-KIC
- Presentation of selected case studies to provide insights from practical experience and lessons learned. Case examples will provide opportunities to draw out cross cutting lessons across the whole project cycle: (i) investment planning and formulation; (ii) implementation; (iii) sustainability of completed projects (O&M) (5' each)
 - Eric Hallstein, Deputy Managing Director, NatureVest, The Nature Conservancy
 - Gena Gammie, Deputy Chief of Party of the Natural Infrastructure for Water Security Peru Project, Forest Trends
 - Walid Saleh, PhD, Chief Technical Advisor and Head of office – Aden, U.N. FAO, Republic of Yemen
 - Felipe Ortega, Head of Division of Division Agribusiness and Rural Development, European Investment Bank

Moderated Q&A (20')

15:25-15:30 **Wrap up of Day 1**

Kathleen Dominique, Co-ordinator, Roundtable on Financing Water, OECD

15:30 **Close of meeting Day 1**

Thursday, January 28th

13:00 – 13:05
(CET) **Welcome**

Welcome and preview of Day 2
Kathleen Dominique, Co-ordinator, Roundtable on Financing Water, OECD

13:05-14:00 **Session 3. Investment needs and opportunities to contribute to a green and resilient recovery**

Session to scope what is known (and not known) about investment needs for agricultural water as well as financing opportunities. The discussion will also reflect on the potential impact of the COVID-19 crisis and its economic and social consequences on challenges and opportunities related to financing investments in agricultural water.

Chair: Henk Ovink, Special Envoy for Water, Government of the Netherlands

- Introductory presentation to share insights on opportunities for investment, including those driven by innovation (5')
 - Ismail Oudra, Senior Irrigation and Infrastructure Engineer, U.N. FAO Investment Centre
- Keynote presentation on opportunities for investments in agricultural water to contribute to a blue and green and resilient recovery and how the recovery can drive transformational change (10')
 - Pieter Waalewijn, Global Lead Water in Agriculture, The World Bank
- Reflections from selected perspectives on their engagement in the agricultural sector and the importance of sustainable water use to financial and broader social returns (5' each)
 - Marion Le Pommellec, Lead Specialist for Agriculture, Natural Resources and Rural Development, Inter-American Development Bank
 - Marwan Ladki, PhD, Principal Irrigation Engineer, Agriculture & Agro-Industry Department, African Development Bank
 - Clément Ouedraogo, Co-ordinator of the Regional Water Control Programme, Permanent Interstate Committee for drought control in the Sahel (CILSS)

Moderated Q&A (20')

14:00-14:15 Coffee break

14:15-15:45 **Session 4. Supporting the mobilisation of commercial finance to scale up investment**

This session will explore the role of private finance as a complement to public finance to scale up investment for sustainable water use in agriculture. Discussion will explore challenges as well as opportunities, building on insights from practical examples. Topics to be explored include:

- The role of the enabling environment (policy framework and institutional arrangements) to encourage investment, including well-designed economic and environmental regulation conducive to public and private investments
- Strategic use of public funds and risk-mitigation instruments (e.g. blended finance mechanisms) to crowd in commercial finance and ensure risk sharing is balanced among commercial and public actors

Chair: Kathleen Dominique, Co-ordinator, Roundtable on Financing Water, OECD Environment Directorate

- Keynote presentation on private financier perspective on investing in sustainable agriculture, including through blended finance (including the AGRI3 fund) (10')
 - Hans Loth, Group Executive VP, Global Head of UN Environment Partnership, Rabobank
- Presentations of case study examples from practical experience with mobilising commercial finance (insights from development banks, commercial financiers and corporates), illustrating examples across a range of topics (5' each), including:
 - Aart Mulder, Fund Manager, Dutch Fund for Climate and Development, FMO
 - Chris Hartley, Senior Environmental Markets Analyst, United States Department of Agriculture
 - Richard Colback, Industry Specialist, Agricultural Water, International Finance Corporation

Moderated Q&A (30')

15:45-16:00

Closing remarks

Xavier Leflaive, Team Lead, Resilience, Adaptation and Water, OECD Environment Directorate
Sasha Koo-Oshima, Deputy Director, Water & Land Division, FAO

16:00

Close of meeting