Session 2.2.3 - Putting the water-energy nexus into practice. Economic and policy incentives
April 14th 11:20-13:20
DEC_312, Roundtable, 100~150pax in Daegu.

Session description
Energy supports water treatment and distribution, while water supports the production of energy such as hydropower and cooling of thermal power plants. Other sectors such as the extractives industry and food production require both energy and water. As populations increase and the climate becomes increasingly unpredictable, the demands on these finite resources threaten to push the limits of what the environment can sustain.

Governments, civil society as well as the private sector recognize that a longer-term view on managing water is needed, which means understanding the strategic and economic value of this limited resource. Good policies and incentives help to move towards more efficient, cost-effective and sustainable provision of water and energy services. The public sector can create an attractive enabling environment which mitigates risk and provides incentives for cross-sectoral collaboration, ensures participation and consideration of different interests, including maintaining a healthy environment; and the private sector needs to bring forward innovative approaches including financing mechanisms such as venture capital funds, eco-compensation and public-private partnerships.

The session will explore what are the drivers for integrated investments that are often risky with complex institutional arrangements. Furthermore, how do we manage the risks to create an attractive environment for investments across the water, energy, food sectors? And how do we deal with distortions in the different sectors through perverse subsidies and the lack of incentives? Experiences and examples of reconciling different water uses from the local to transboundary level will be shared.

<table>
<thead>
<tr>
<th>Estimated lead time (min)</th>
<th>Description of items/presentations</th>
<th>Confirmed speakers</th>
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<tbody>
<tr>
<td>10 mins</td>
<td>Opening remarks – Mark provides an introduction to the topic, and overview of the session</td>
<td>Chair: Mark Smith, IUCN</td>
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<td></td>
<td>Mark introduces each sector representative to give their perspective Sector representatives have 5-7 minutes each and 1 slide focusing on a question provided below. They also need to come up with a question for the panel (please provide ahead of time).</td>
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<td>7 mins</td>
<td>Transboundary representative How can information sharing, dialogue about transboundary impacts and agreeing about developments by institutions for transboundary cooperation support integrated investments? How are the risks managed?</td>
<td>Dr. Dejan Komatina, ISRBC secretariat</td>
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<td>Private sector representative What are the drivers for the private sector to invest in innovative solutions which can have cross-sectoral (water-energy-food) benefits?</td>
<td>Vincent Lee, Arup</td>
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<td>Civil society representative How can civil society drive innovative solutions across the water-energy-food sectors at the local level?</td>
<td>Fanny Souillot, World Youth Parliament for Water</td>
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<td>Research representative How can investment be channelled to research to develop innovative solutions for the water-energy-food nexus?</td>
<td>Liu Heng, China Institute of Water Resources and Hydropower Research</td>
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<td>Roundtable discussions Mark hands over to Katharine to introduce the roundtable discussions  • Each table is led by a representative of the convening organizations  • There are 10 tables so there will be up to 2 tables per topic</td>
<td>Facilitator: Katharine Cross, IWA</td>
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### Session Objectives and Outputs
(please kindly use media-friendly language)

- To showcase mechanisms for collaboration across water, energy (and food) which also demonstrates the idea of convergence and divergence. This means that sectors can come together to solve a problem and then take the lessons to other challenges. **Output:** Set of case studies highlighting solutions for cross-sectoral collaboration
- To understand how to share benefits and planning that takes the other sectors into account can drive cooperation across sectors and scales (transboundary to local)
- To review policy recommendations which aim to move the existing policy concepts at the water-energy (and food) nexus into actionable programmes, investments and commitments. **Output:** Roadmap of transforming dialogue to implemented solutions

### Session Contribution
(How this session can contribute to the implementation roadmap)

The purpose of this session is to explore the mechanisms to bring together the water and energy sectors to consolidate investments, address key challenges, learn lessons on new processes and technologies, and then apply them in future contexts.

### Targeted Audience in your session

- Government/Local government  
- International Organization  
- Public Corporation  
- Academia, Research Institute  
- Industry (Enterprises, etc.)  
- CSO (Civil Society Organizations, NGO)  
- Others

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**7th World Water Forum 2015**  
April 12-17, 2015, Daegu & Gyeongbuk, Rep.of Korea

| 10 mins | James asks a couple of tables to provide highlights of discussion, specifically asking their questions for the panel.  
Brief reports from roundtable discussions | Facilitator: James Dalton, IUCN |
| 30 mins | Mark introduces Lisa as panel chair. Lisa introduces panelists and facilitates them to respond to questions and feedback from the roundtable discussions  
Additional questions if needed:  
- What is the opportunity for joint action and how can this be encouraged?  
- What is the capacity of the regulatory framework to effectively control the different uses of natural resources?  
- Is there any coordination (within the sector – and between sectors) in prioritizing what is required?  
- What is the effectiveness of a multi-sector approach?  
Lisa can also ask for inputs from audience if there is time. Lisa hands over to Nick for wrap up of the session. | Chair: H. E. Ambassador Dr. Lisa Emilia Svensson – Swedish Ambassador for Oceans, Seas, and Fresh Water  
1. Diego Rodriguez, Senior Economist, World Bank  
2. Yasmin Siddiqi, Principal Water Resource Specialist, Asian Development Bank  
3. Dipak Gyawali, Director, Nepal Water Conservation Foundation  
4. Dr. Dejan Komatina, ISRBC Secretariat |
| 10 mins | Session wrap-up (next steps)  
- Identify key messages for implementation roadmap (this can be taken directly from the implementation roadmap) | Nick Bonvoisin, UNECE |
Roundtable discussion guidance

- Each table is led by a representative of the convening organizations
- There are 10 tables so there will be up to 2 tables per topic
- Each table uses the questions below to initiate discussion. The aim is to develop questions for the panel.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Questions</th>
<th>Facilitator</th>
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| 1. Transboundary              | • What financial and non-financial incentives are there for States sharing waters and institutions for transboundary cooperation to collaborate?  
• What steps can help turn identified benefits into concrete (mutually beneficial or at least acceptable) developments? | Nick Bonvoisin, UNECE  
Dr. Dejan Komatina, ISRBC Secretariat                                           |
| 2. Finance                    | • What type of regulation is needed to encourage investment flows for joint water-energy-food nexus projects?  
• What are the incentives for investors to coordinate their investments in multi-sector projects? e.g. Instead of many stand-alone projects, pool funds together in a project which provides multiple benefits. | Diego Rodriguez, World Bank  
Xavier Leflaive, OECD                                                            |
| 3. Corporate Engagement       | • What are the incentives for private sector to work multi-sectorally?  
• How can engaging in inter-sectoral problem-solving help private sector understand and manage risks? | Vincent Lee, ARUP  
Fanny Souillot, World Youth Parliament for Water                                 |
| 4. Policy and power dynamics  | • What are the non-regulatory incentives for institutions to work together on projects which deliver multiple sector benefits?  
• What does effective collaboration between institutions for multi sector benefits look like? | Dipak Gyawali, Nepal Water Conservation Foundation  
Angela Klauschen, GWP                                                           |
| 5. Natural infrastructure     | • How can natural capital/infrastructure be “mainstreamed” into regional and national institutional arrangement and investment planning (e.g. Ministries of Planning and Finance)?  
• In the short-term investing in natural capital/infrastructure may not bring the same economic gains as business as usual (i.e. investing in built infrastructure). Is it possible to overcome short-termism to ensure that more sustainable investments are prioritized?  
• How can commercial opportunities available from investment in natural capital/infrastructure be identified and encouraged in order to achieve both short-term economic gains and long-term sustainable goals? | Chris Dickens, IWMI  
Liu Heng, China Institute of Water Resources and Hydropower Research |