

Water in the green economy in practice: towards Rio+20

Resume for 3 October 2011

The conference takes place at the headquarters of the Ebro River Basin Authority in Zaragoza and has been organised by the UN Office to Support the International Decade for Action 'Water for Life' 2005-2015. The focus of the conference is water and the green economy. The green economy will be one of the two key themes for the United Nations Conference on Sustainable Development 'Rio+20'. A green economy is one that promotes human well-being and social equity, while significantly reducing environmental risk and ecological scarcities. For water, this means managing water in a way that catalyses social and economic development, whilst also safeguarding freshwater ecosystems.

The conference brings together experts, UN professionals, stakeholders and journalists from five continents to discuss and share experiences of best practice in water management, and water and sanitation services provision. The cases demonstrate the types of innovative policies, projects and initiatives that generate the economic, social and environmental benefits that the green economy should deliver. Moving from theory to practice, the conference will illustrate how water can be a building block in the transition to a green economy, and will provide input to the preparations for Rio+20.

The structure of the three day conference is based around 'tools' which can be used to generate change and support the transition to a green economy. Day 1 will focus on economic incentives in water management, reforms for green jobs and sustainable financing.

The conference commences with welcome words from Rafael Romeo García, Chair of Ebro River Basin Authority and host of the event, followed by Rafael Izquierdo Aviñó (the Director of the Water Institute of Aragon) and Jerónimo Blasco Jaúregui (Zaragoza City Council). They highlight innovative water initiatives being adopted in Zaragoza, such as the financing of a water treatment plan and the Urban Water cluster.

Following the welcome word, the opening session will set the context for the conference. Amongst the speakers are Zafar Adeel (Chair of UN-Water) who introduces the objectives, themes and expected outcomes of the conference; and Kenza Robinson from UN-DESA who outlines the Rio+20 preparatory process and reflects on what role water might have in the agenda. Franz Marré (Government of Germany) and Karin Krchnack (World Water Council) speak about two forthcoming water events which will also be important milestones on the roadmap to Rio.

The first plenary session on economic incentives in water management is convened by Gerald Bonniss of OECD. He provides an overview of the types of incentives – such as subsidies, charges and trading – which can be used as tools to facilitate change in the way water is used. The session proceeds with a discussion with four panellists representing cases from Israel, South Africa and Australia:

- Israel provides an example of the successful use of water pricing to manage water demand in a water-scarce country. A 40% increase in water prices in agriculture earlier this year has both reduced water use and encouraged the use of recycled and desalinated water sources for irrigation.
- In the Murray-Darling Basin, Australia, an expanding market for the trading of water use rights has enabled water to be allocated efficiently amongst users under

conditions of water scarcity, securing water for human consumption, irrigated agriculture and the environment.

- In South Africa subsidies for water infrastructures have unlocked water's potential to be a catalyst for economic growth. In a country with limited and highly variable water resources, infrastructure development has allowed for the storing of water during the wet season for use during the dry season, and the transport of water to those areas most in need.

In Session 2 of the conference, Carlos Carrión-Crespo from the International Labour Organization turns to the topic of green jobs. Transitioning to the green economy may affect employment in many ways – both positively and negatively. Reforms and policies are needed to ensure that people have the knowledge and the skills required in the new labour market; and to ensure that social objectives and the needs of the most vulnerable are met. A discussion with representatives from the Philippines and Panama examines the role of stakeholder participation in enhancing labour relations and advancing a sustainable water supply model:

- In the Maynilad water district in the Philippines, the water utility and workers unions engage in dialogue to resolve work-related problems and conflict. The management, unions and workers have successfully worked together to combat the high rates of water loss in the distribution networks, reaping social, economic and environmental benefits.
- The case from Panama demonstrates how indigenous rural communities have been empowered to be partners rather than beneficiaries in the management of water supply. Social dialogue, capacity building to promote entrepreneurship and community participation in design and construction were all critical elements for success.

The third and final session of the day is convened by Maria Angelica Sotomayor of the World Bank. The session addresses the critical issue of water cost recovery and financing. Mobilising the funds to invest in water and sanitation is critical for delivering sustainable development and alleviating poverty. In developing countries there are thousands of opportunities to invest in hydropower plants, irrigation schemes, and water supply systems, but access to finance is often lacking. Insights from the World Bank highlight some innovative cost recovery and financing mechanisms for addressing the challenge, followed by a discussion with representatives from Morocco and India:

- In India, a partnership between an NGO, a private technology provider and communities is delivering low cost drinking water treatment and provision to poor rural households. The community-driven and performance-based approach requires that tariffs paid by users cover the costs of operation and maintenance of a water purification plant. Donor subsidies to help with capital costs are provided when there is proof that water services are being delivered.
- In the poor suburbs of major cities in Morocco, water operators are investing in the much needed expansion of water supply services in these areas. Infrastructure costs are subsidised, not through advanced payments or loans, but on the basis of evidence that users have been connected and are receiving quality services six months later.