

Re-cap from Day 2

Josefina Maestu

UNW-DPAC



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Session 4: Payment for ecosystem services. Approach

- A way of recognising the inter-linkages between: ecosystem degradation – growing resource scarcities – rising costs of replacing lost services.
- PES can support livelihoods of ecosystem service providers, therefore jointly meeting social and environmental goals
- PES requires
 - a baseline scenario and monitoring of economic, social and environmental factors - takes time and money.
 - Institutional support, private public partnership, and a shared vision
 - Identifying ‘beneficiaries’ and ‘suppliers’
 - Ensuring that any financial mechanism proposed is in line with applicable policy and legislation
 - Setting charges that are acceptable and equitable
 - Clear connection between the payment and the service being provided
- Concerns:
 - In practice it is difficult to assign a value to a particular service or area.
 - Free riders



Lessons learnt from PES implementation

- Essential to build trust and a spirit of partnership or mutual 'buy-in' among stakeholders, programme of public awareness
- Buyers need 'progressive' thinking and long-term vision (benefits may be slow to materialise)
- There is merit in a simple approach for ease of communication with stakeholders.
- Institutionalisation of PES as financing mechanism for RBM.
- CSR (image, reputation) can help attract private sectors as buyers



Session 5 Technology - Approach

- The water sector is special regarding technology, publicly regulated and protected, prices are intervened, dominated by public agents, networks are natural monopolies, water tariffs are not real prices, different markets.
- Technical options do exist to cope with many relevant water challenges, but adoption barriers need to be overcome: information, assessment ability, technology choice, skills, etc.
- Compromise between high-tech and low cost = 'lean-tech'?
- Learn from other sectors
- Green business needs business structures (from charity to investment)
- International cooperation and collaboration on research and development



Technology: lessons learnt

- Not always clear what is 'green' technology. Any technical option has an impact, we need to understand these outcomes within the societal objectives in terms of growth, resource conservation and poverty reduction.
- Choosing the appropriate technology for the context is crucial: transferring the technology is one matter, but sustaining it is another (consider capacity for O&M)
- Governments and donor finance to unlock green tech development and transfer
- Technology development to also happen in developing countries
- Subsidies may be required, but:
 - good technology choices minimise the need for subsidies.
 - Subsidies can be an impediment for technology adoption and to maintain innovation.
 - Subsidies are acceptable as a transitional solution provided side counterproductive effects are avoided and sustainability is protected.



Session 6 Regional focus: The context/priorities for GE in the ESCWA region

- The region faces major water challenges that could impede development (water scarcity, food security, institutional capacity, finance, etc.).
- Environmental protection is not yet fully integrated in socio-economic development in the ESCWA region.
- In the region improving access to water and sanitation is a critical driver for a green economy as it cuts across the other MDGs. High variability in access in ESCWA region.
- There is a regional monitoring initiative approved by the Arab Ministerial Water Council. It will build upon the basic MDG indicators to reflect level and quality of services as well as environmental protection (they are currently health-based)



ESCWA: Lessons from implementation of Tools in the regional context

- **FINANCING:** Consumer benefits, effective operation, price increases, sustainable financing are important steps that feed into each other making water and sanitation provision successful (a virtuous circle replacing the previous poor service, low tariffs, lack of resources, etc.)
- **TECHNOLOGY:** Green technology or Green Growth are not fixed concepts. Desalination is not green or brown ON ITS OWN but it can be when integrated into IWRM and into a Green Economy strategy.
- **TRAINING AND CAPACITY BUILDING:** Training and capacity building for utilities' staff to acquire new knowledge, technologies and best practices (e.g. ACWUA). Need to move from brain drain to brain gain.

Key lesson: Need for good governance. This means

- Competent management of a country's resources and affairs in a manner that is open, transparent, accountable, equitable and responsive to people's needs.
- **Within this context capacity building efforts can deliver its benefits for people and for the Green Economy.**
- Green growth is not only about taking the right technical decision but also about the process of decision-making and the process by which decisions are implemented (or not)
- Reduce corruption and increase transparency



Lessons learnt Room 1

- **Capacity building**
 - Focusing on younger professional yields better outcomes, changing mindsets of next generation (**Egypt eLearning**)
- **Technologies/investments**
 - Industrial wastewater reuse can reap economic and environmental benefits by making more water available for development and reducing pressure on the environment (**Namibia wastewater treatment plant**)
 - GIS-based monitoring and control system for water loss reduction – training required to build capacity for O&M of technology (**Burkina Faso**)
 - Consensus on sometimes controversial sustainability challenges (e.g. hydropower) *can* be achieved, with some persistence and a willingness to engage on the part of all (IHA)Hydropower Sustainability Assessment Tool



Lessons Learnt Room 1

Planning:

- Early prevention investment in sustainable river management is better than recovery; public involvement can reduce social conflict and ensure the long-term future of the project; need awareness of the value of water and need to pay for proper management (**Korea** Four Rivers Restoration Project)

Financing

- OBA subsidy to help serving the poor by filling the gap between what is affordable and actual cost of connection (watsan provision to peri-urban poor in **Morocco**)

Biodiversity:

- ‘Rewarding’ upland farmers for providing ecosystem services; conditional land tenure is a pro-poor reward in PES; fairness and efficiency key principles for PES; determine prices through dialogue with community (**Indonesia**)



Lessons Learnt: Room 4

- SUBSIDIES
 - What role for subsidies and how to design them in a more equitable way: cross subsidies between water users or using treasury revenue? (South Africa)
- TRADING
 - The long road to make water markets work better for promoting growth, enhancing water security and to save water for the environment (The Murray-Darling Basin in Australia)
- PRICING
 - Facing the challenge of severe scarcity, unreliable and unevenly distributed water, while serving cities, guaranteeing the survival of agriculture and improving the environment in a centralized water economy (Prices as incentives in Israel).
- FINANCING
 - Social contracts to foster the empowerment of rural communities to preserve their own water resources and promote development opportunities (Naandi Foundation, India)



Lessons Learnt: Room 4

- BIODIVERSITY/ECOSYSTEM SERVICES
 - Water Funds as learning by doing solution to the future management and preservation of critical water providing ecosystems (The Nature Conservancy).
 - Payment for environmental services to provide sustainable investments in natural capital as a means to improve livelihood (Lake Naivasha Basin in Kenya)
- PLANNING
 - Scoping how to build strategy to a smooth transition towards a Green Economy by removing institutional barriers towards saving water, enhancing efficiency and improving water providing ecosystems (Barbados)
- TECHNOLOGY/INVESTMENTS
 - Is there still a place for huge public works and heavy engineered rivers in the Green Economy? Managing water as an engine of growth in the transition towards economic development in China (The Three Gorges Dam in China).
 - Co-management of water and energy to promote innovative technology to boost the rural economy and promote food security and safe drinking water while improving water quality sources (In Gujarat, India)



Lessons Learnt: Room 2

Planning

- Overcoming the barriers and gaining political will to build governance for long term water planning and IWRM (The inter-sectoral water plan in **Guatemala**).

Financing

- Community based initiatives for water management as a response to the absence of government actions but in the presence of higher financial and technical barriers (Water management in Central America).
- Making prices reflect benefits and costs of water for the poor while improving cost recovery and doing the most of demand policies to reduce consumption (in Bogotá and Medellín)



Lessons Learnt Room 2

Technology

- Realizing Green Economy business opportunities for research, development and innovation by supporting clusters and knowledge (**Zaragoza Innova**).
- Cheap and innovative information technologies to monitor and assess water while creating green jobs and increasing social awareness in heavily polluted lakes (in **Mexico**).



Lessons Learnt Room 3

- **Green Jobs**

- Making progress sustainable and reducing dependence from international financial support (**Panama**, labor intensive investment programs)
- Well planned and robust interventions as a precondition for benefit sharing agreements (Philippines).



Lessons Learnt Room 3

Planning

- Using previously built management to cope with the new water challenges (priority to environmental objectives, increasing water demands, reduce pollution, ensure food production, cope with increasing water uncertainty) in the Ebro River Basin.
- Taking the first steps towards IWRM as a mean to foster development and share the benefits of cooperating in the conservation of an international river Basin (Lao PDR).
- Trying hard to cover the distance between good norms and wonderful laws and poor water management reality (Colombia).

PES

- Implementing Payment for Environmental Services as a mean to convert conservation of water sources into a win-win solution for water users (The FONAG as a pioneer and the dream of having a Latin American Water Funds Partnership as a goal)



Messages from/for communication

- Water and sanitation is a human right (GA resolution ...): key message on water for Rio+20
- Water as a cross-cutting issue in terms of MDGs
- Water is a key factor in the green economy (agriculture, industry, cities, watersheds)
- Water as a security issue:
 - need for effective water management
 - need to further remove trade barriers to agriculture
- 2013: International Year of Water Cooperation

