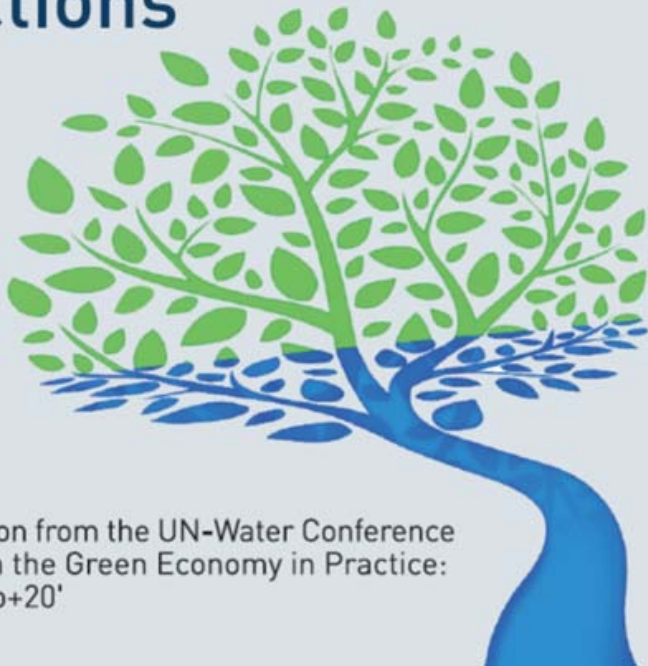


**How are we heading for Rio, the
MDGs and beyond ?**



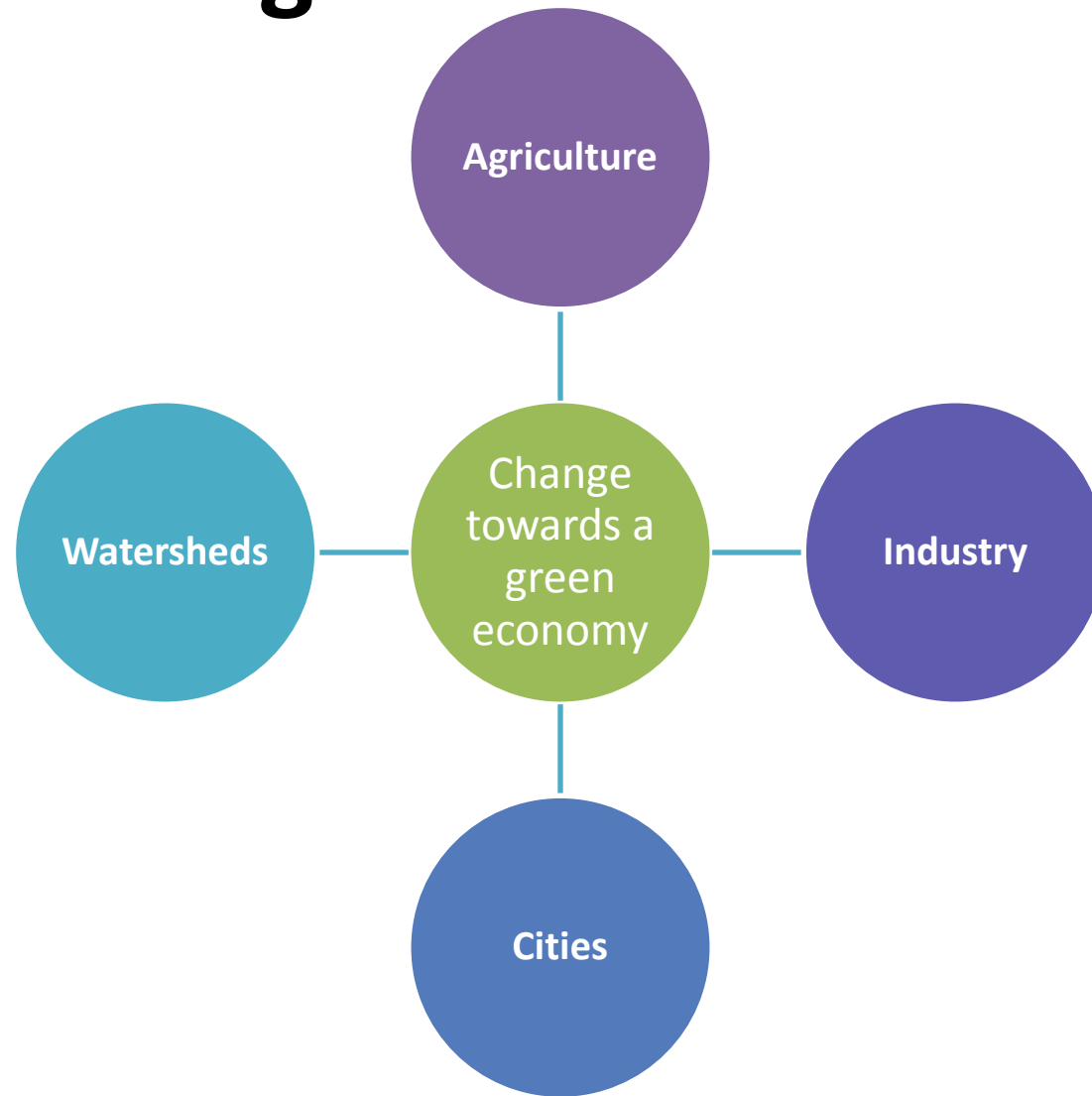
A water toolbox or best practice guide of actions



A contribution from the UN-Water Conference
on 'Water in the Green Economy in Practice:
Towards Rio+20'

- Output of Water in the Green Economy in Practice: Towards Rio+20'
- provides proposals based on the analysis of existing practice
- lessons for scaling up in developing and transition countries
- Do more with less, overcome barriers, harness opportunities & change behaviours

Loci of Change



Water & the Green Economy in Practice:

Tool Areas



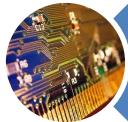
Economic Instruments



Financing Water Development



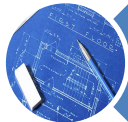
Investments in natural capital



Technology



Green Jobs



Water planning



Economic Instruments

- ✓ Environmental or green taxes
- ✓ Water and sanitation charges
- ✓ Marginal pricing to incorporate water scarcity value
- ✓ Fees
- ✓ Subsidies
- ✓ Markets and trading
- ✓ Payment for ecosystem services
- ✓ Consumer-driven accreditation and certification
- ✓ Scarcity signaling Insurance schemes
- ✓ Buy-back of water use rights for the environment

Example: Subsidies

Subsidies for water infrastructure as an engine of growth in South Africa

Subsidies for key infrastructure have been used as an important tool to realise the potential of water as an engine of growth in South Africa. Infrastructure development has enabled the management of South Africa's water resources, both by storing water during the wet season for use during the dry and by transporting it from further afield.





Financing

- ✓ Improve effectiveness of existing financing
- ✓ Increase efficiency of govt. spending (PERs)
- ✓ Quality & Efficient public water&energy services
- ✓ Improve economic returns of utilities to improve access to funds
- ✓ Tariffs to reflect real financial, resource, environmental costs
- ✓ Innovative funding schemes for results based decentralized initiatives like WOPs
- ✓ Focused financing for poverty reduction and equity
- ✓ Reducing capital needs by prioritizing small scale, labour-intensive options
- ✓ Improving local level access to capital
- ✓ Involve private sector
- ✓ Prioritize government investment in stimulating

Example: Pro-poor tariffs

Pro-poor financing and tariffs in Medellín, Colombia

Empresas Públicas de Medellín, a service provider owned by the Municipality of Medellín have designed a number of programmes aimed to increase water services coverage, improve efficiencies, and target low-income households and peri-urban areas. These include a programme offering long-term credit at low rates to low income populations for construction of water and sanitation networks and connections to public utilities; a programme providing people with low payment capacity and bill debts access to low cost financing; a programme offering credit at competitive rates for home improvements and efficient appliances; contracting small community organisations for work related to water and sanitation services provision; and provision of public water services to peri-urban areas.

At the national level, a subsidies scheme offers low income users subsidies financed by an overquote in the bills of high income users, industrial and commercial users, and with municipality funds. Full cost pricing has ensured the financial sustainability of water utilities, reducing their dependence on budget allocations.





Investments in Natural Capital

- ✓ Investing in biodiversity protection and in the protection of water providing ecosystems
- ✓ Implementing properly designed Payment for Ecosystem Services
- ✓ Implementing strategies to restore degraded river systems, guarantee environmental flows, recover floodplains, etc.

Example: Payment for Ecosystem Services

Payment for Environmental Services pilot project in Lake Naivasha basin, Kenya

In a pilot PES project in Lake Naivasha basin, the local water resources users association, formed mainly of flower and vegetable growers, compensates upstream small-scale landowners for managing their land to provide good quality water to downstream users. Land management changes included the rehabilitation and maintenance of riparian zones, the establishment of grass strips/terraces to reduce runoff and erosion on steep slopes, reduction in use of fertilizers and pesticides, and the planting native trees. The scheme has reduced environmental threats as well as provided income and livelihood improvements for participating communities.





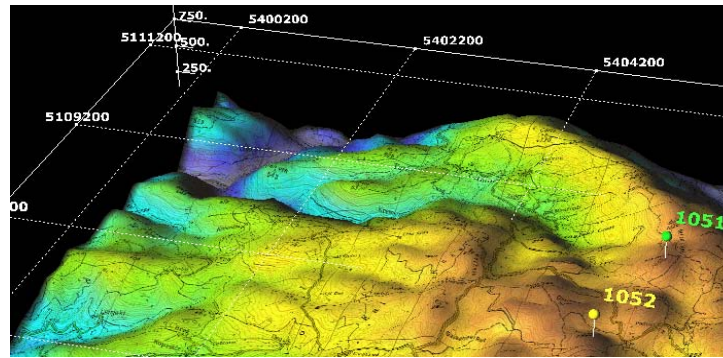
Technology

- ✓ Improving technology choice
- ✓ Technology transfers and knowledge transfer through IT
- ✓ Adoption of existing water efficient technologies;
- ✓ International financing to support adoption;
- ✓ Hail success stories and learn from other sectors;
- ✓ Expand access to technologies;
- ✓ Reform global intellectual property regime;
- ✓ Improvement of skills
- ✓ Green business structures (from charity to investment);
- ✓ Balance high-tech and low cost
- ✓ International cooperation on R&D

Example: GIS

Improvement in water supply through a GIS-based monitoring and control system for water loss reduction

In Ouagadougou, Burkina Faso, a GIS-based monitoring and control system has enabled significant reductions in water losses within the distribution of a municipal utility. The technical components include leak detection devices, pressure and flow control sensors with real-time and online data transmission, automated pressure valves, and an intelligent GIS-based computerised system to steer the whole process. Local jobs were created through the investment in and continuous operations of the water loss reduction programme. The programme also improved water efficiency, water supply and customer awareness of the importance of protecting water resources and caring for public water supply property. Training was essential to build the capacity of local staff to operate and maintain the system.





Green Jobs

- ✓ Design and implement labour policies and actions that stimulate market dynamism and job creation while reducing conflict
- ✓ Apply active education and human capital policies that adapt workforces in the acquisition of 'green skills'
- ✓ During the transition, provide social protection and use education and training policies to help unskilled workers and promote their inclusion in emerging sectors
- ✓ Improve governance/institutional arrangements to enhance dialogue, improve management and promote empowerment

Example

Employment Intensive Investment Programme, Panama

The programme in Panama has empowered indigenous rural communities to take an active role in water and sanitation services provision. The programme harnessed opportunities for water provision to generate labour opportunities and entrepreneurship in the local population. The programme supported the development of expertise, skills, and knowledge – not only for the provision of basic water services, but also for monitoring the ecological status of the water resources and the promotion of good sanitation and hygiene practice. Critical factors underlying the success of water user participation scheme were comprehensive planning and coordination, the involvement of all stakeholders by giving everyone a role, and a strong education component to raise awareness about the importance of water.





Water Planning

- ✓ Agree on the balance b/w water use & conservation
- ✓ Harness opportunities & address environmental and development challenges
- ✓ Building governance and institutional capabilities;
- ✓ Coordinate public policies;
- ✓ Stakeholder engagement and public participation;
- ✓ Align private decisions with collective goals;
- ✓ Establish collective responses to scarcity and risk

Example

Water planning in Lao PDR

River basin planning in Lao PDR has been a key instrument for addressing pressures on water resources. The framework focuses on participatory planning and involves cooperation between neighbouring countries that share the Mekong River Basin. Basin-wide planning has facilitated coordination between sectors, increasing communication and the joint development of projects. The implementation of well devised plans has led to improvements in water quality and the reduction in flood risk.



Key Messages from UN-Water Conference on Green Economy (1)

1. Achieving a green economy is not possible without ensuring **everyone has access** to basic water and sanitation services.
2. Transitioning to a green economy in water requires a **shift from current practice**.
3. Creating incentives for improving efficiency is appropriate where basic water and sanitation services are already being provided.
4. There is an important **role for social dialogue** and for communities in the provision of water services.

Key Messages from UN-Water Conference on Green Economy (2)

5. The transition to a green economy requires **mobilising more funds**, but also requires **increasing efficiencies** to make better use of the limited financial resources available.
6. Investing in the improvement of **biodiversity is critical** for sustaining or restoring the water-related services provided by ecosystems.
7. Governments need to **facilitate innovation and adoption** of greener water provision and water use technologies
8. **Water planning is a powerful social tool** for identifying the best way to use water resources to meet the competing needs of different users