



8th
World Water
Forum

Brasilia-Brazil
2018

THEME GOVERNANCE

Session 1.b.2

Innovative financial mechanisms for adaptation to climate change

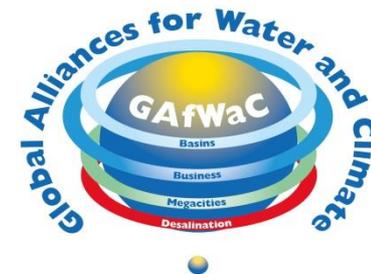
Tuesday 20th March, 16h30-18h00

Moderator

Mr. Jean - François DONZIER

General Secretary

THE GLOBAL ALLIANCES FOR WATER AND CLIMATE



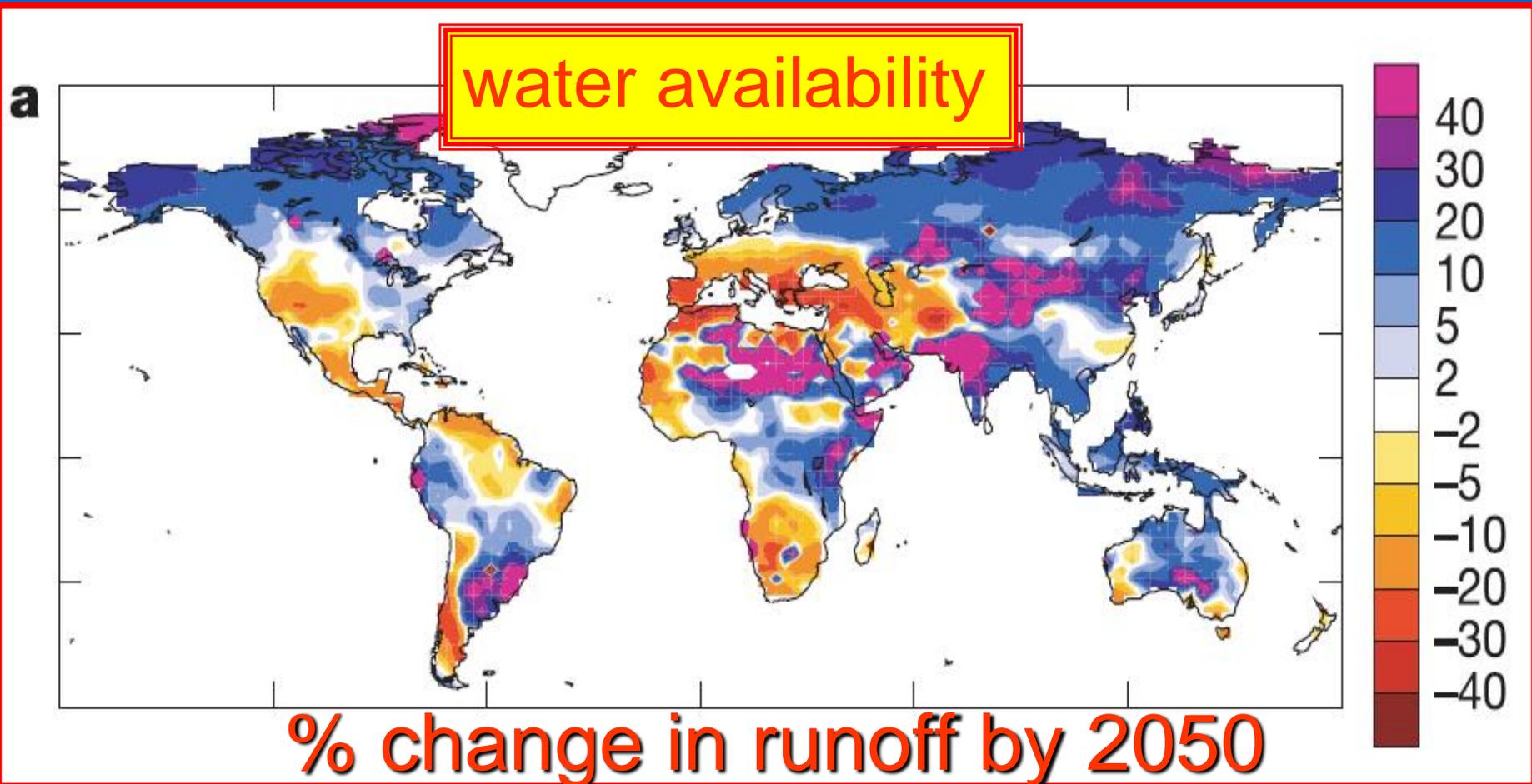
keynote speaker: Ms. Monica Altamirano,
Specialist in Public Private Partnerships, Deltares

Panelists:

- **Mr. Abelardo de la Torre**, Chief Executive Officer, National Water Agency (ANA, Peru)
- **Ms. Sonja Koepfel**, Environmental Officer, UNECE,
- **Mr. Lamine Ndiaye**, Director for environment and sustainable development, Organization for the Development of the Senegal River (OMVS)
- **Mr. Olivier Crespi**, Project Manager Water and Sanitation Division, French Development Agency (AFD),
- **Mr. Khatim Kherraz**, Executive Secretary, Sahara and Sahel Observatory (OSS),
- **Mr. Alastair Morrison**, Senior Water Sector Specialist, Green Climate Fund
- **Ms. Maria Claudia de la Ossa**, Corporacion Cuenca Verde

Global warming cannot now be avoided.

Fresh water resources will be directly affected in the coming years!



- Many of the major “food-bowls” of the world are projected to become significantly drier
- Globally there will be more precipitation
- Higher temperatures will tend to reduce run off
- A few important areas drier (Mediterranean, southern South America, northern Brazil, west and south Africa)



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water resources management should be organized:



International
Network
Of Basin
Organizations

The mobilization of specific financial resources,

«WATER AS RAW MATERIAL» IS FREE

BUT

**MANAGING IT AND THE NATURAL ENVIRONMENTS
AND USING IT IMPLY COSTS**

ADMINISTRATION

STUDIES - MEASUREMENTS - ANALYSES

INVESTMENTS

RENEWAL - HEAVY MAINTENANCE

OPERATION - MAINTENANCE

RELATIONS WITH « CLIENTS »

COMMUNICATION - INFORMATION

EDUCATION

TODAY, « WATER MUST PAY FOR WATER »

FINANCING WATER POLICY:



THE COSTS TO BE FINANCED



Costs	Definition	Example
Direct costs	Financial expenses	<i>Amortization, capital and interests, renewals</i>
	Operating expenses	<i>Wages, electricity, Rents, equipment maintenance, analyses ...</i>
Environmental costs	Costs of damage caused to the environment by a specific activity	<i>Pollution of an aquifer, destruction of wetlands...</i>
« Resource » cost	Value of the alternative disregarded when choosing a particular activity (= opportunity costs)	<i>Cost of the electricity which could have been produced if water had been available and not pumped for irrigation</i>

= total cost -



**IF WE ARE NOT ABLE TO MOBILIZE ENOUGH MONEY,
WE SHALL NOT HAVE THE FRESH WATER WE NEED!**



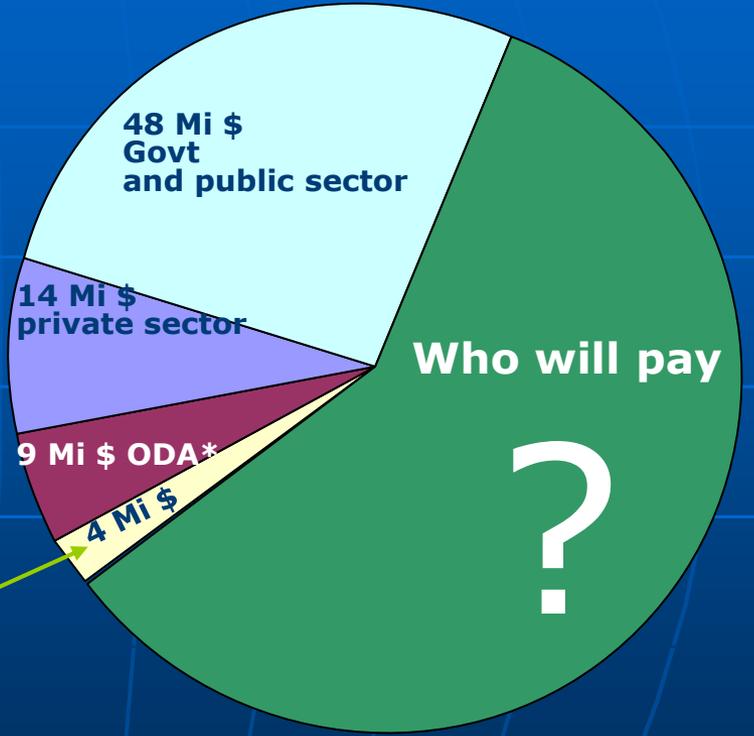
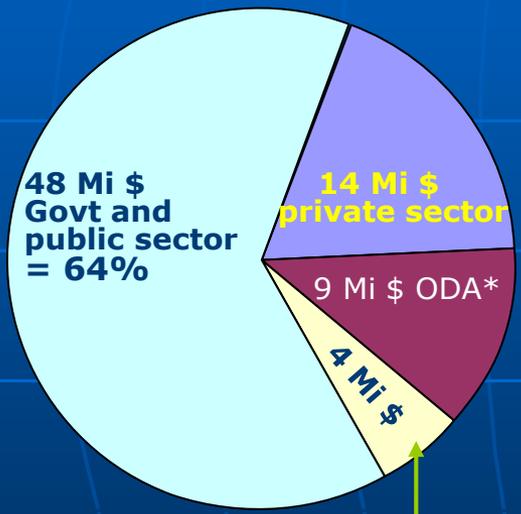
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Who will pay ?

FOR THE NEXT 25 YEARS

NOW



75 milliards \$ / year

180 milliards \$ / year

* Official Development Assistance



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FINANCING WATER POLICY:

- ◆ **The international official aid only represents 10% of the investments made worldwide.**
- ◆ **Public budgets cannot bear alone all the investment and operating costs.**
- ◆ **The users must contribute according to the "polluter-pays" principle and the "users-pay" systems.**

= WATER MUST PAY FOR WATER



INTEGRATED WATER RESOURCE MANAGEMENT :



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DEFINING ROLES AND RESPONSIBILITIES OF EACH:
There is never a sole and unique manager!



basin organizations?



Multilateral organizations

International commissions

Central or federal government

**Local authorities = states (Federation)
= municipalities
= villages**

Large public regional planners

**Water users : = community
= individuals**

**Civil Society : = enterprises
= researchers
= NGOs**



water resources management should be organized:



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The mobilization of specific financial resources,

VARIOUS COMPLEMENTARY SYSTEMS FOR COST RECOVERY : THE 3x”T”

ADMINISTRATIVE TAXES: paid to the general budget.

General taxes or penal fines

New ecological tax.

TAXES: WATER-RELATED CHARGES:

National water charges – transiting through
“Special Accounts of the Treasury”

Basin water charges – levied by the Water Agency

TARIFFS :THE PRICING OF COMMUNITY SERVICES:

Price of raw water – levied by big developers

Price of drinking water – levied by the municipalities
or water suppliers

TRANSFERTS: International aid or from other economical sectors.



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THE « POLLUTER - USER – PAYS » PRINCIPLE

Abstraction
taxes

French WA = 2.300 Bi €/year!

Pollution
taxes

**The Water Agency's Budget
adopted by the Board of Directors
with approval of the Basin Committee**

10 % ↓

Studies & Research

Operation

Measurement networks

90 % ↓

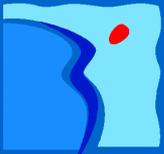
Aid = 6-year Program

Big developers

Local authorities

Farmers

Industrialists



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FINANCING WATER POLICY :



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EQUALIZATION OF FINANCIAL EFFORTS:

- Territorial equalization:
in the same geographic area or basin
- Sectoral equalization:
between public services – drinking water – electricity – sanitation – solid wastes, mines, transport ...
- Equalization between users:
rich, poor, big consumers / polluters,
small consumers / polluters
- Equalization between functions:
between upstream and downstream areas,
between commercial services and administrative functions

Detection/analysis of projects

Incubation of selected projects
Developping links with donors
Interfacing project holders/donors



**COP23
Roundtable
with donors**



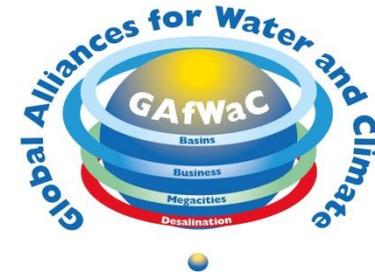
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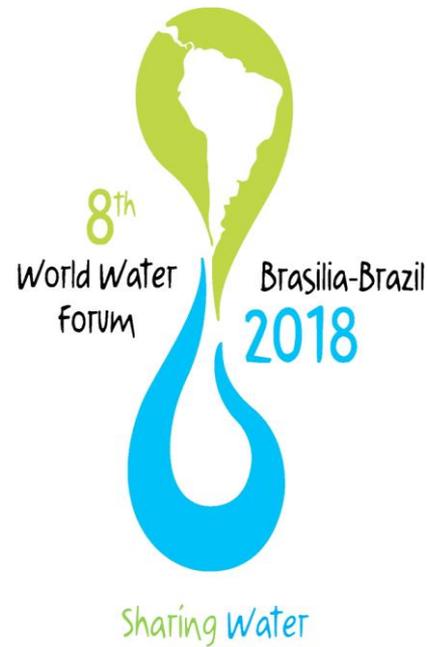
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Innovative financial mechanisms for adaptation to climate change



Questions to the panel:

- 1. Which financial and business model is required for implementation of climate adaptation measures?**
- 2. How can we ensure sustainable funding mechanisms for key climate services for water management (i.e. monitoring networks, etc)?**



Organization



MINISTRY OF THE ENVIRONMENT



Support

