BASINS AND FINANCIAL REDISTRIBUTION IN ACTION

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Ecocuencas Project

Central purpose:

Promote watershed management and in particular financial redistributive instruments as relevant tools for funding adaptation to climate change

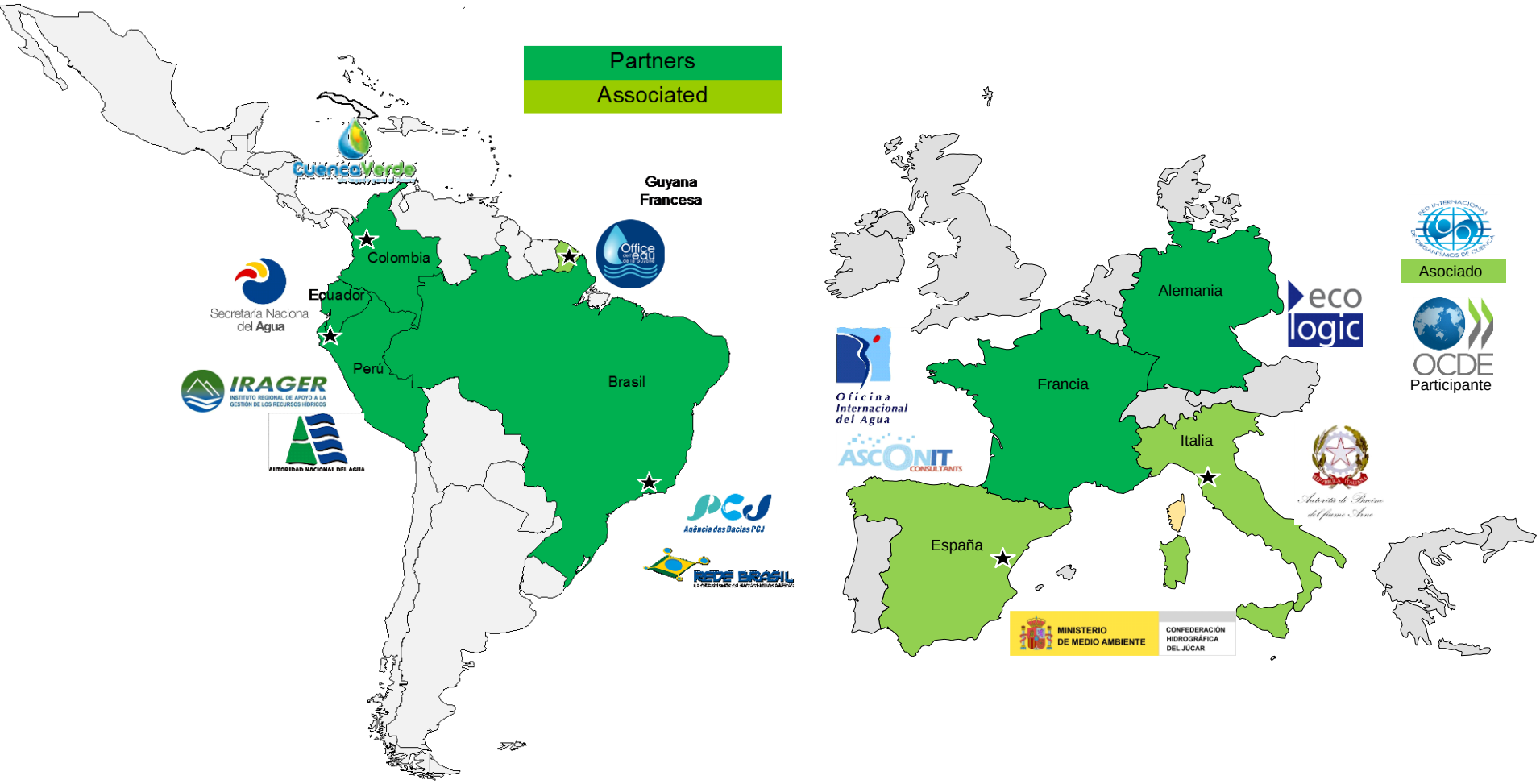
Budget:

Global budget: 2,5 millions €
Financing: - European Union (75%)
- Partners counterparts (25%)

Calendar:

2015-2017
Duration: 36 months

Partners of Eco Cuencas Project



Components

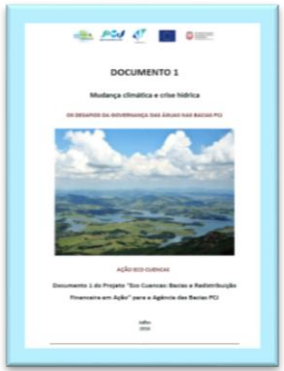
2. Guide for implementation of financial mechanisms

4. Difusion of results and lesson learned, capacitation building.

1. Participative evaluation of the initial situation

3. Pilot projects implementation

- Ecuador / Perú Chira - Catamayo
- Brasil : PCJ
- Colombia: Cuenca del embalse del Rio Grande II



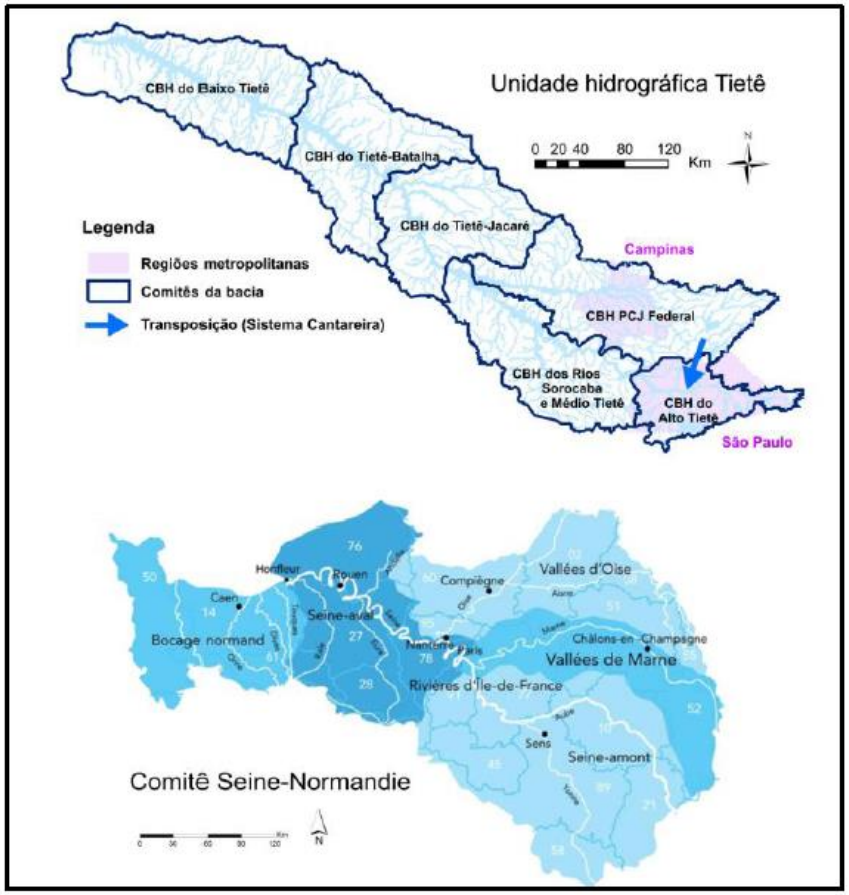
Hydrographical regions and PCJ basins

Fuente: Léo (2014)

Key issues

Governance Issues:
PCJ institutions are managing 3 right-bank tributaries of « Upstream Tiete » -

A way for integrating overall Tieté River Basin, incl. Sao Paulo city ?



Consequences on:

- **Political issues** : how to really integrate Sao Paulo city within the decision making process, and not « only undergo » decisions from outside the basin

- **Planning issues** : lack of coordination between the various sub-basins; lack of consolidation at Tieté level: how to reach a real integrated water resources management at Tieté basin level, including CC issues ?

- **Financial issues**: collected money from « cobrança » is much more limited, as well as the budget for operating a Water Agency in a smooth way.

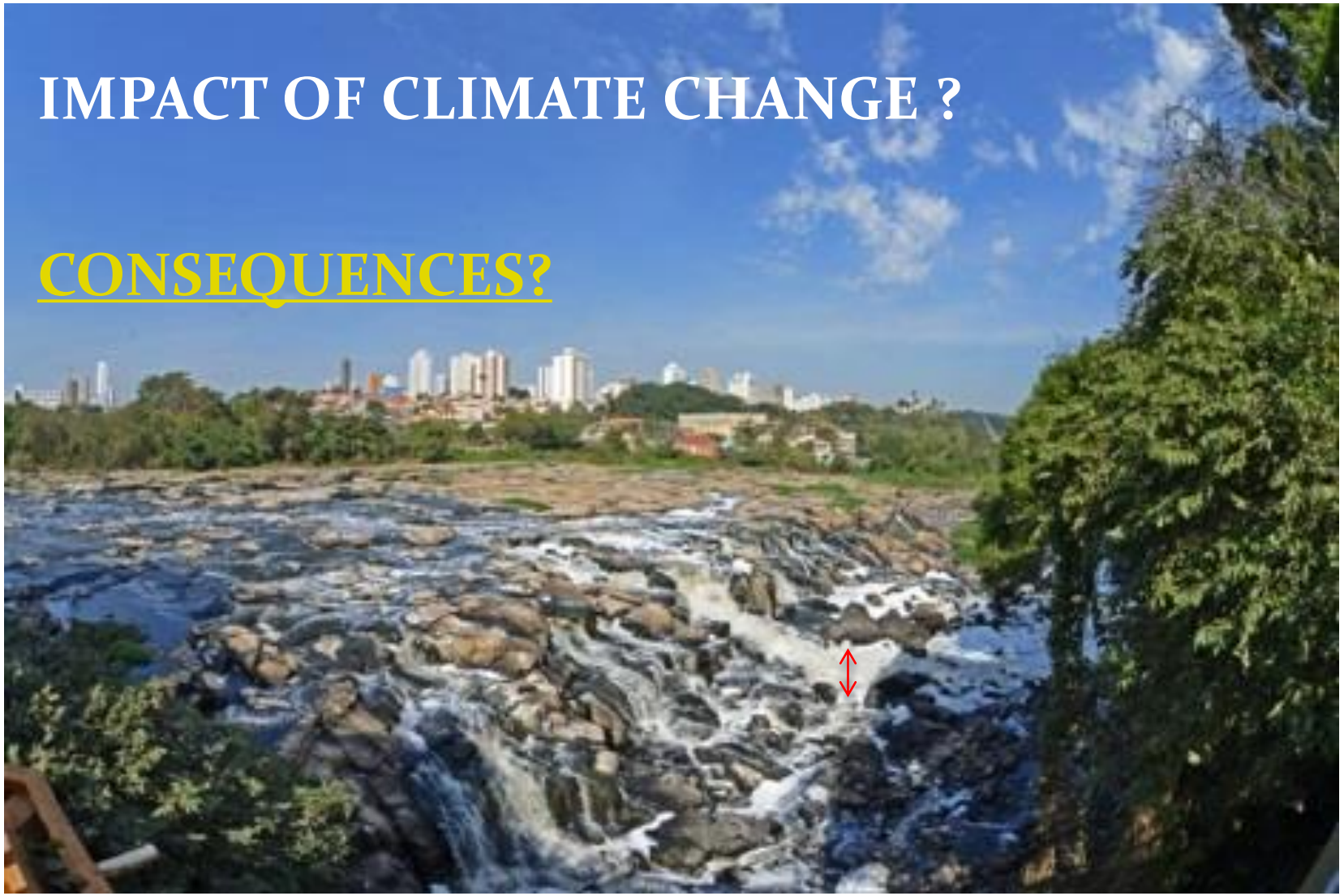
Climate change issues

REGULAR FLOW OF PIRACICABA RIVER ?

Río Piracicaba en la ciudad de Piracicaba. Fuente: AGENCIA PCJ


LE CHANGEMENT ...
C'EST MAINTENANT !!!
CR'R'AA(C

PIRACICABA RIVER IN 2014



Fuente: AGENCIA PCJ

Cost of “no-action”

(even if many efforts were made…)

- In 2014, an important number of municipalities had to take some measures for reducing water consumption.
- In some cities, the situation was really critical (collapse of water system) :
  - Close of some commercial sites;
  - Postpone of some industrial projects
  - Decrease in the quotation of real estates, linked to the fall of investment demand

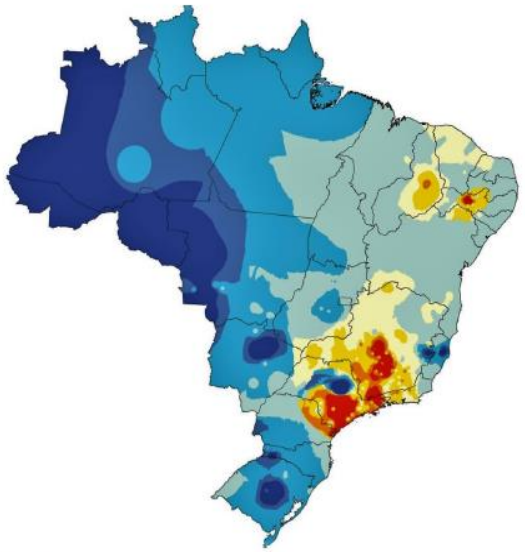


Figura 30 Mapas de quantis e tempos de retorno da precipitação do ano hidrológico de 2014

Fonte: CONJUNTURA DOS RECURSOS HÍDRICOS – INFORME 2015 – ANA.

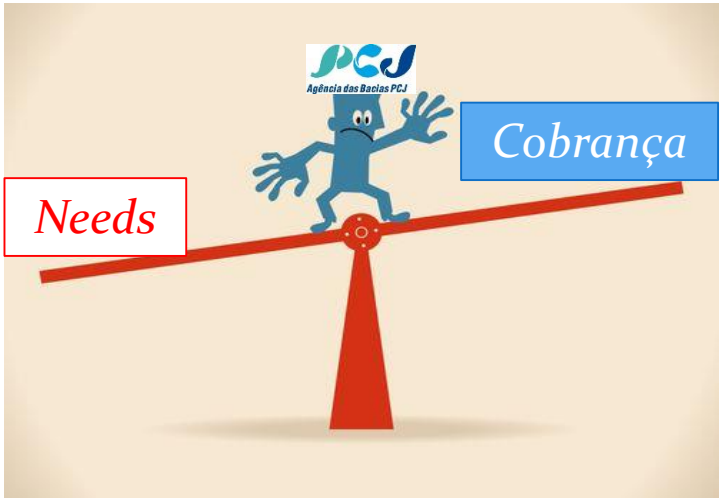
metro

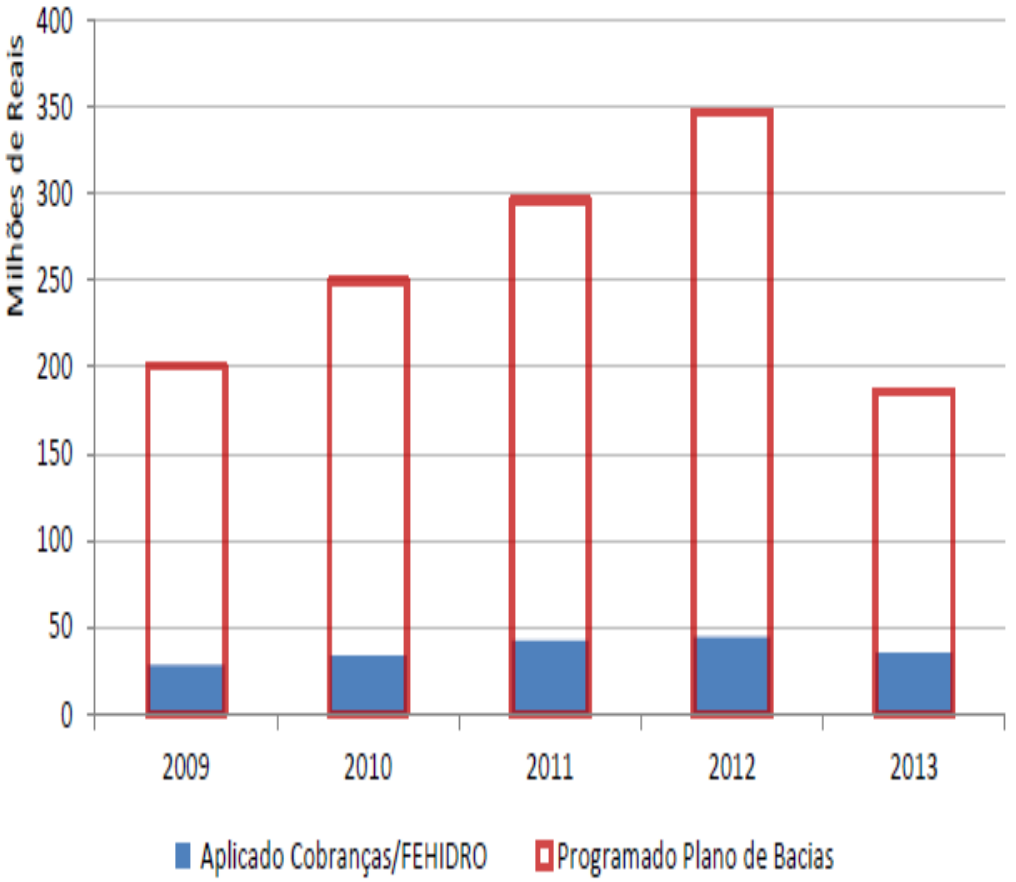
Seca e reformas desafiam urgências em Campinas

Na fila. Superlotação do HC refletiu em outros hospitais da cidade. Três unidades de saúde fechadas tiveram atendimento transferido

1 mil

Ratio between « cobrança » and plan funding needs

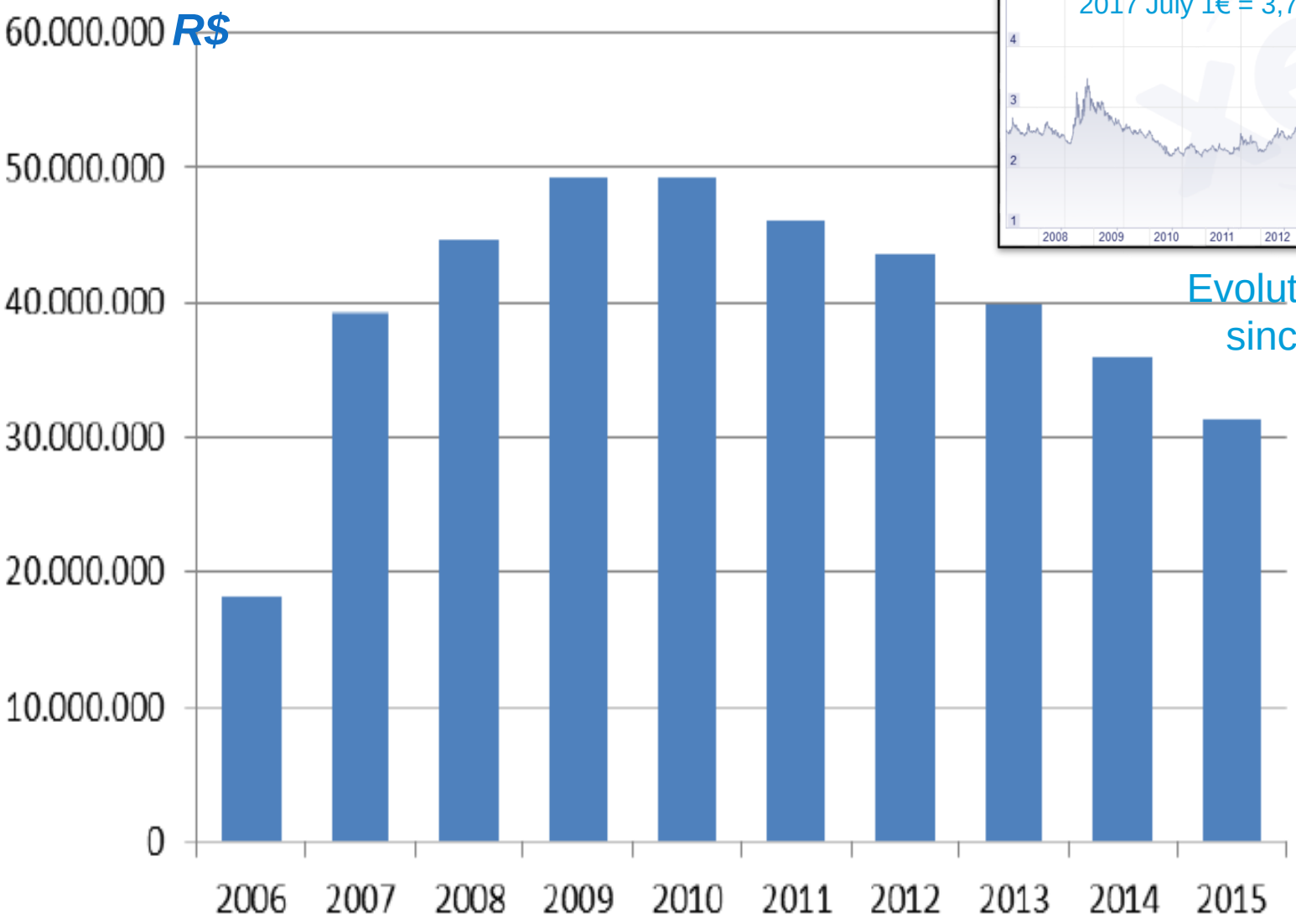




Adaptation to climate change

Financing : charges collection in PCJ

Evolution R$ /€ since 2007



Recommendations

- Cobrança too low to induce changes in behaviors and too provide a significant source of funding; Low ratio between cobrança and management plan funding needs
- Economical and social consequences insufficiently assessed for all categories of water users; Difference to be made between capacity and willing to pay
- Need for indexation on inflation
- Need for improving and speeding the spending mechanisms (status of « public money ») , including for private water users

4. Rio Grande II Basin in Colombia

A PES Scheme implementation

SUB COMP 1. IMPLEMENTATION OF THE SCHEME

-Identification of plots in the areas + Georeferencing.
-Socioeconomic, environmental, legal study of each plot
-Prioritization (25 lots) and definition of a compensation scheme (Model BanCO2): Monthly minimal wage
-All related information in Web application

SUB COMP 2. FINANCIAL MANAGEMENT FOR SUSTAINABILITY

-Structuring and signing the draft conservation agreement for prioritized plots
-Implementation of PSA in the 25 prioritized properties
-Productive technical assistance to the plots for their long-term sustainability: plot planning

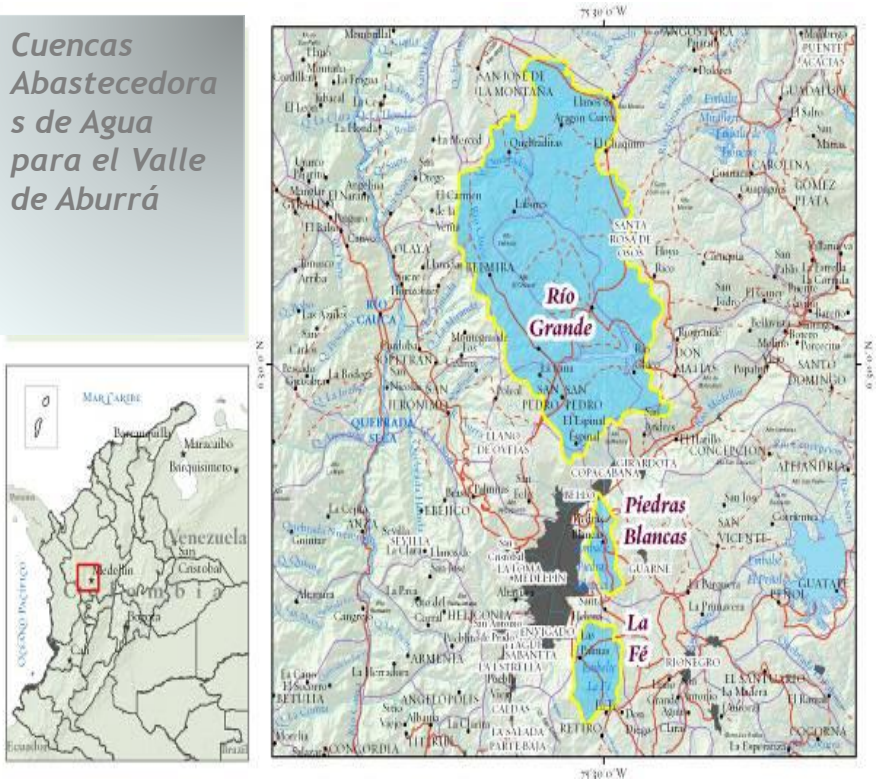
SUB COMP 3. MONITORING

-Conduct field verification visits to comply with conservation commitments
-Socioeconomic monitoring of the improvement of the quality of life of beneficiary families

SUB COMP 4. TRAINING AND COMMUNICATIONS

- Training (2 trainings per property), Communications and Media Plan, Reporting

Cuencas Abastecedoras de Agua para el Valle de Aburrá



LESSONS LEARNED:

Selection of the plot

- 2 **phases** of prioritization (**which micro-basin ; which plots**)
-Need of **Eco-systemic, socioeconomic and legal** knowledge of the plot
-Prioritization : **clear and transparent**

Establishment of the scheme

-Voluntary contributions from Private Companies and Water Supply Company
- Economic incentive + a **technical assistance** to the plot (“plan de finca”) in order to also induce a mutation of the production matrix, generating conviction of the owner

Articulation with IWRM instruments

-Necessity of **good coordination** for water information systems, IWRM planning, participation of users, etc. **PES can be a true opportunity for the pillars of IWRM**.
-Emergency : on-going deforestation !

Sustainability/Monitoring

-At a first look, **monitoring results are good** (environmental, socioeconomic, productive)
-But need of sustainability : **what happens when payment stops ?**: proposition of Cuenca Verde about **solar panels** in order to continue payment after termination of the PES program

Thank you for your attention

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