

Financial tools for watershed conservation: Water Funds

Alejandro Calvache
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Some **numbers** about our natural capital.....

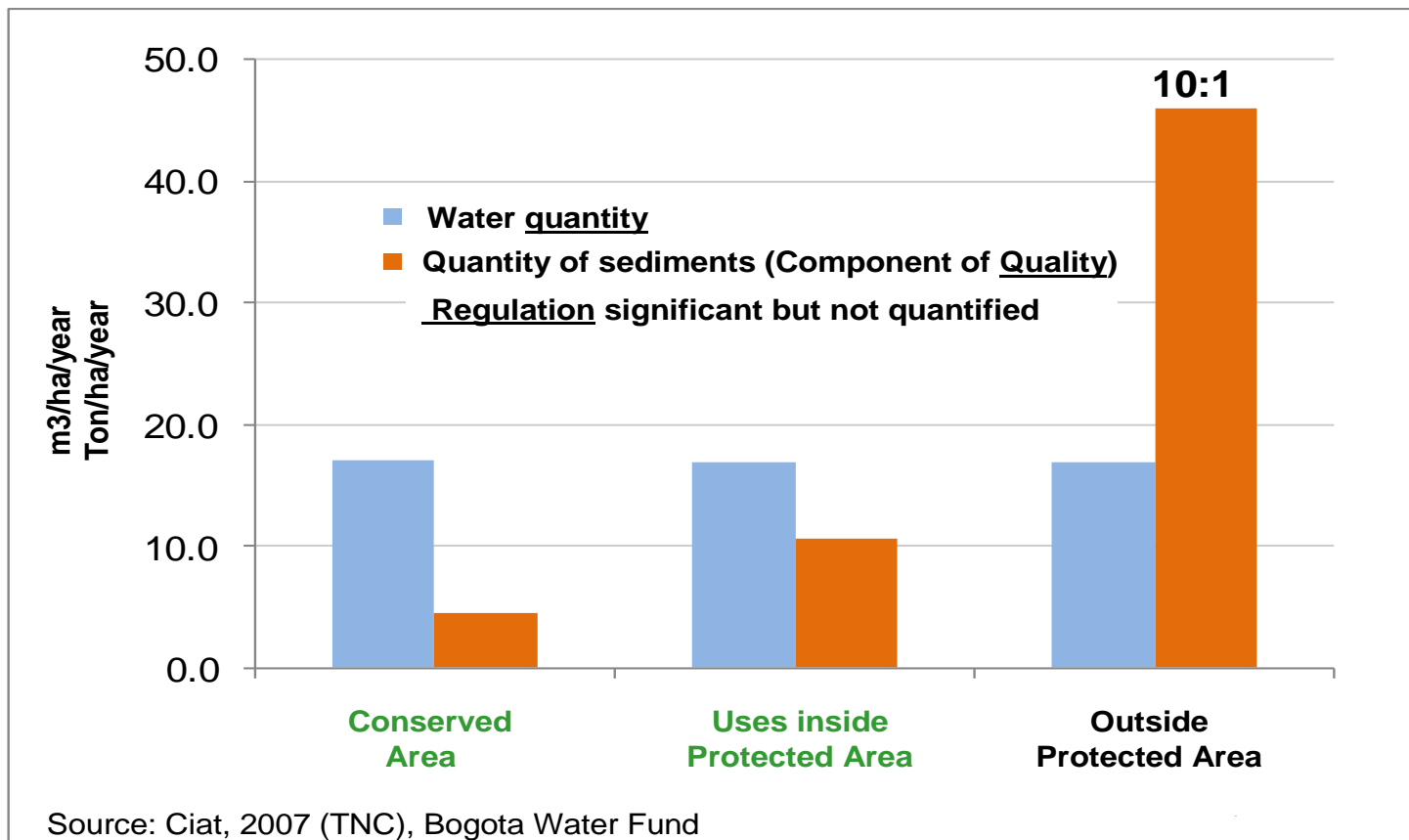
- 60% of the drinking water in Colombia **comes from PA`s**
- 45% of hydropower generation in Ecuador **comes from PA`s**
- 60% hydropower generation in Peru **comes from PA`s**
- 73% of hydropower generation in Venezuela **comes from PA`s**
- 83% urban population in Venezuela **takes water from PA`s**
- 70% of drinking water of Monterrey **comes from PA`s**

An aerial photograph of a flooded forest. The water is a murky brown color, and numerous green trees are scattered throughout the landscape, some standing in small islands of water. In the lower center, there is a small, rectangular wooden platform or dock extending into the water. The overall scene depicts a wetland or a flooded forest environment.

Some **facts** about our natural capital.....

- **Wetlands filter water**
- **Paramos regulate flows**
- **High Andean forests retain soil**
- **Riparian buffers retain N and P**

Healthy ecosystems; better ecosystems services provision



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We depend on water, we face challenges

1. Same water, multiple water users
2. Financial gaps in PA's systems to improve water conservation
3. No consistent public/private partnership

How secure funds for water conservation?

A good partner: a large water user

- Water utilities
- Power generator
- Beverage industry
- Agroindustry
- Multilaterals
- Cooperation



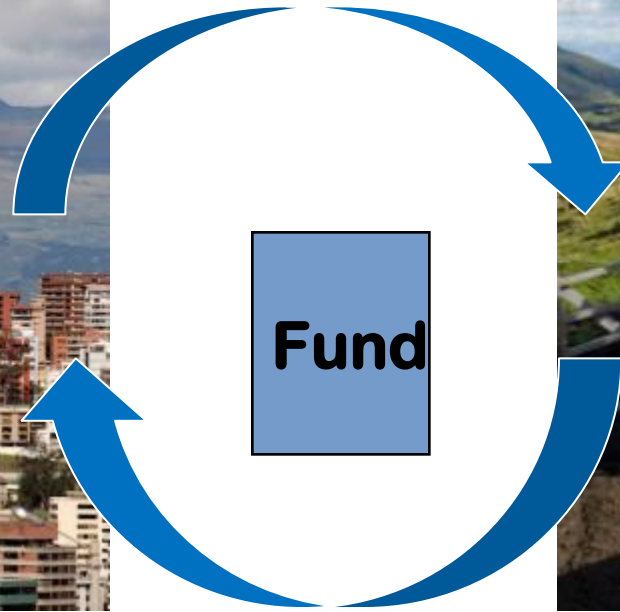
**Water Funds:
Protecting
Watersheds
For People and
Nature**

The water fund concept

Users

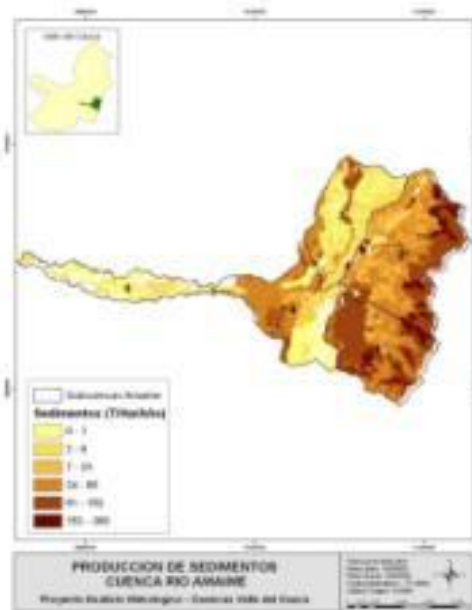
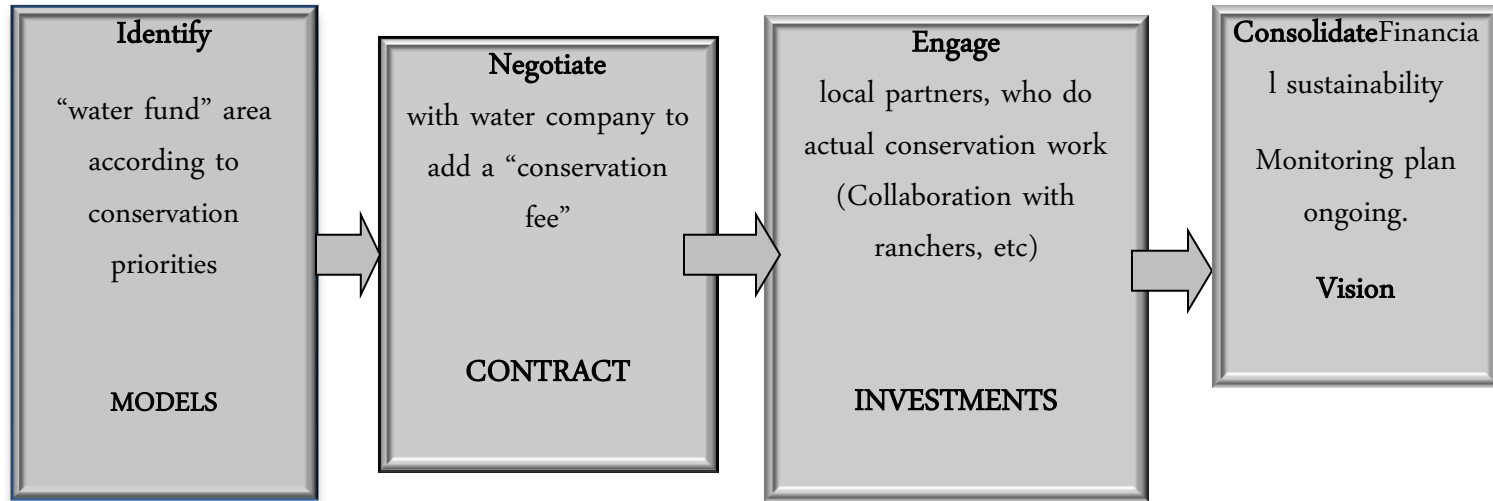


Providers-PA

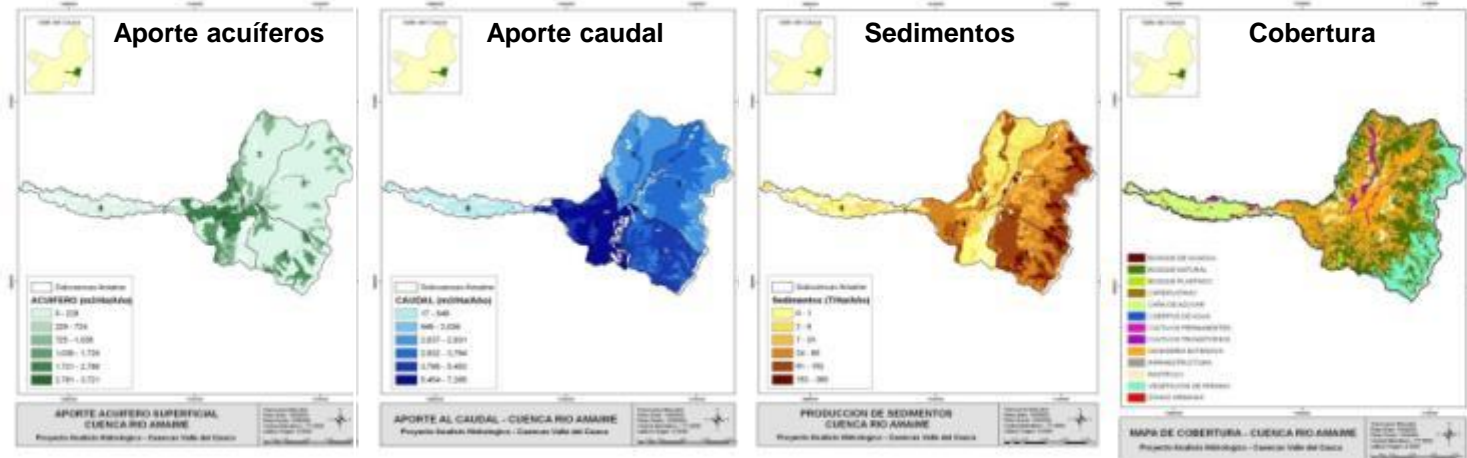


CLEAN WATER

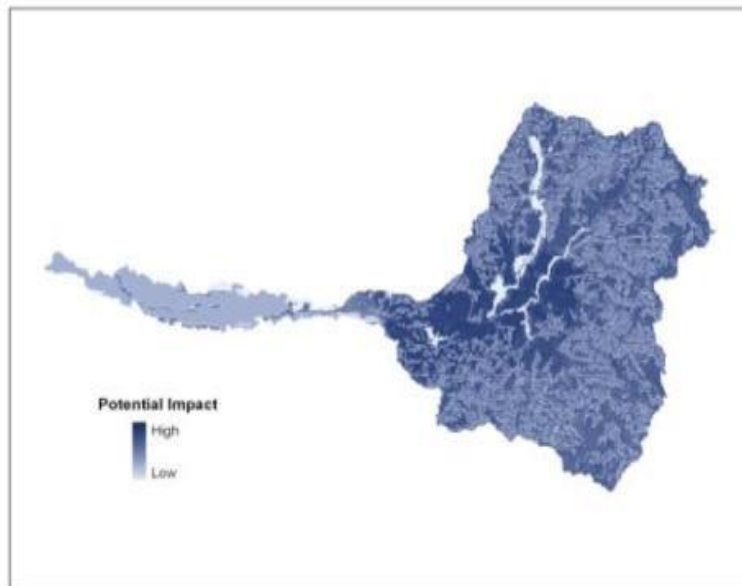
Basic components:



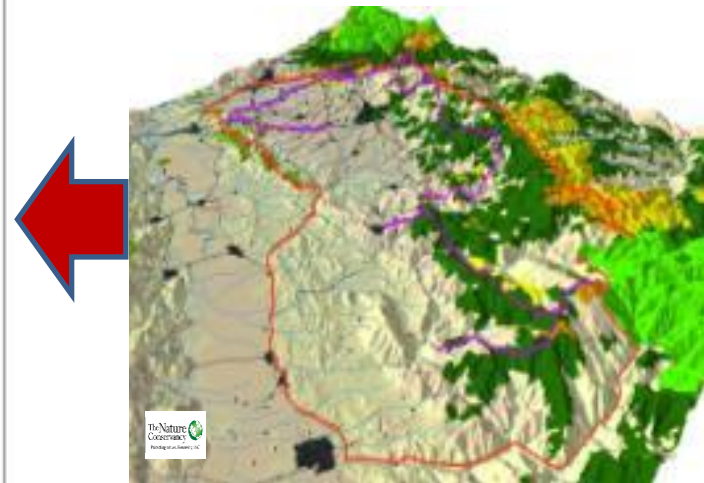
Highest investment return concept



Priority areas for conservation



Connectivity, biodiversity



What does a water fund do?

- Support Protected Areas management plans.
- Reforestation and reforestation activities
- Fencing and water protection
- Education, training and capacity building
- Conservation
- Research



Engage different stakeholders by estimating business cases:

- Reduce treatment costs for water utilities
- Reduce operational costs for hydropower generation
- Avoid increasing costs for water quality deterioration
- Reduce operational risk for large water users (beverage industries)





- **44 Water Funds initiatives in Latinamerica across 14 countries**
- **17 Created and Operating, 17 in Design and 10 under Evaluation by TNC and partners**
- **Potential to benefit 86 million of people**
- **More than 85 million USD raised for green infrastructure initiatives**

Top 25 Cities for Green Infra investment

- 1 Bucaramanga, CO
- 2 Curitiba, BR
- 3 Bogota, CO
- 4 Santos, BR
- 5 Maceió, BR
- 6 Salvador, BR
- 7 Sao Paulo, BR
- 8 Barquisimeto, VZ
- 9 Medellin, CO
- 10 Recife, BR
- 11 Quito, EC
- 12 Guatemala City, GT
- 13 Tijuana, MX
- 14 Joao Pessoa, BR
- 15 Brasilia, BR
- 16 San Jose, CR
- 17 Rio de Janeiro, BR
- 18 Caracas, VZ
- 19 Maracaibo, VZ
- 20 Santiago, CH
- 21 Monterrey, MX
- 22 Vitoria, BR
- 23 Belo Horizonte, BR
- 24 Goiania, BR
- 25 Toluca, MX



The Nature Conservancy

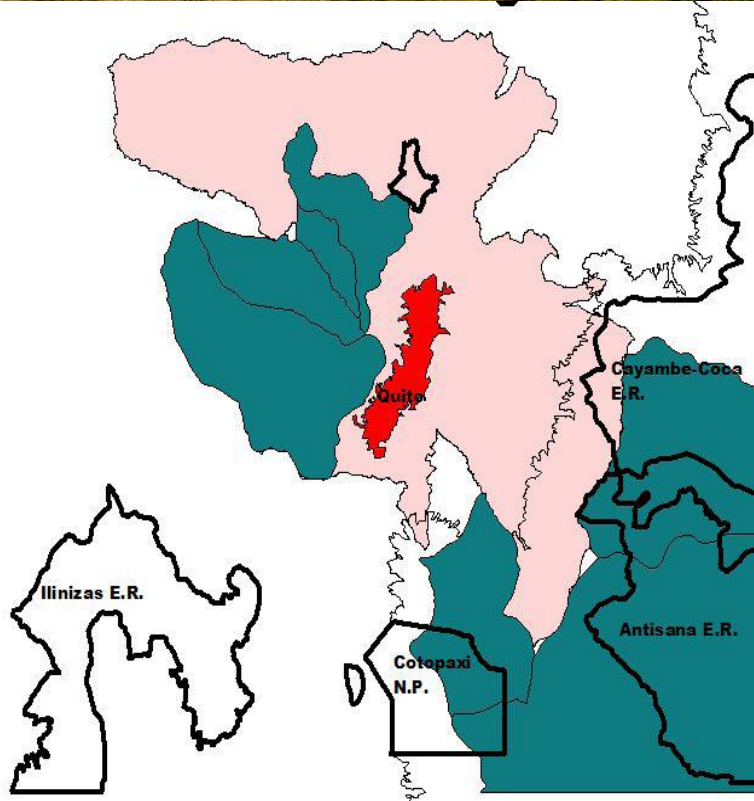


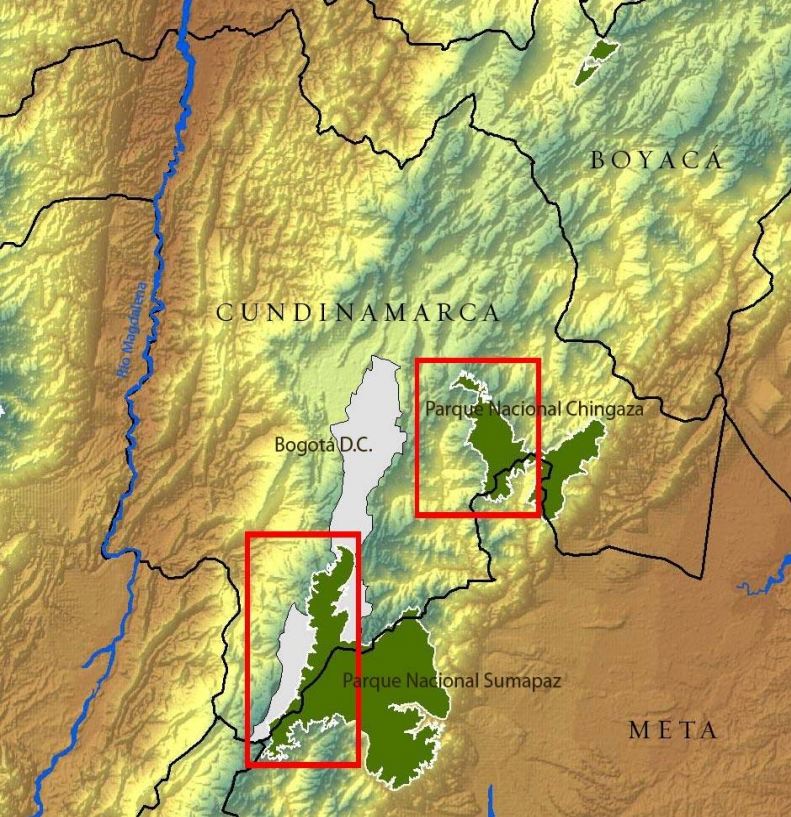
SNaP
Science for Nature and People

natural capital
PROJECT



- Quito: 2,3 Million people
- Illinizas, Cotopaxi, Antisana, Cayambe Coca P.A.
- WF Started in 2000
- Goal: Protect Quito water sources
- Partners: Quito water facility, National brewery, Tesalia springs bottled water; Swiss Cooperation
- Endowment: USD 12 Million
- Projected resources for 2014: US 950,000
- Accomplishments:
 - More than 100,000 Has of priority ecosystems conserved
 - Protected areas strengthened (11 parkguards)
 - Increase food security and income
 - 1,000 families implementing sustainable practices
 - 31,000 children involved in environmental education



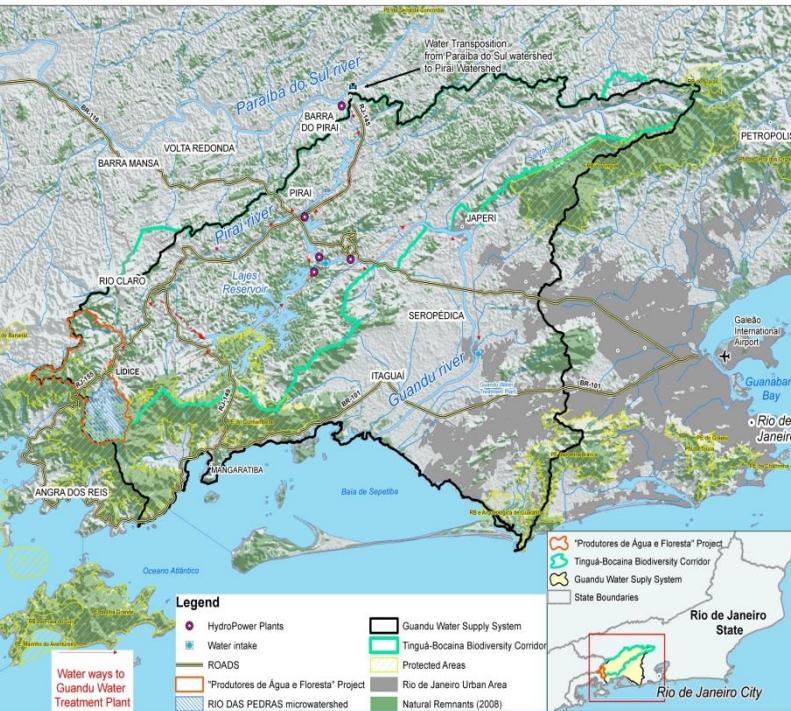


- **Bogota: 7,8 Million people**
- **Chingaza and Sumpaz P.A.**
- **WF Started in 2009**
- **Goal: sediments reduction**
- **Partners: SAB Miller, Parques Nacionales, Patrimonio Natural Foundation. Support Coca Cola system (Colombia)**
- **Endowment: USD 400,000**
- **Projected results 2014: US 350,000**
- **Accomplishments:**
 - **Fencing and protection of more than 25 Km of riparian buffers**
 - **More than 450 has under conservation**
 - **Public/private articulation**





- Rio de Janeiro: 8 Million people
- Cunhanbebe and Bocaina P.A.
- Project launched in 2008
- Goal: set up 14,000 Has under conservation for water protection and sediment retention
- To date:
- 7.649 has protected and more than 533 has reforested
- More than USD 4,5 Million raised for watershed conservation



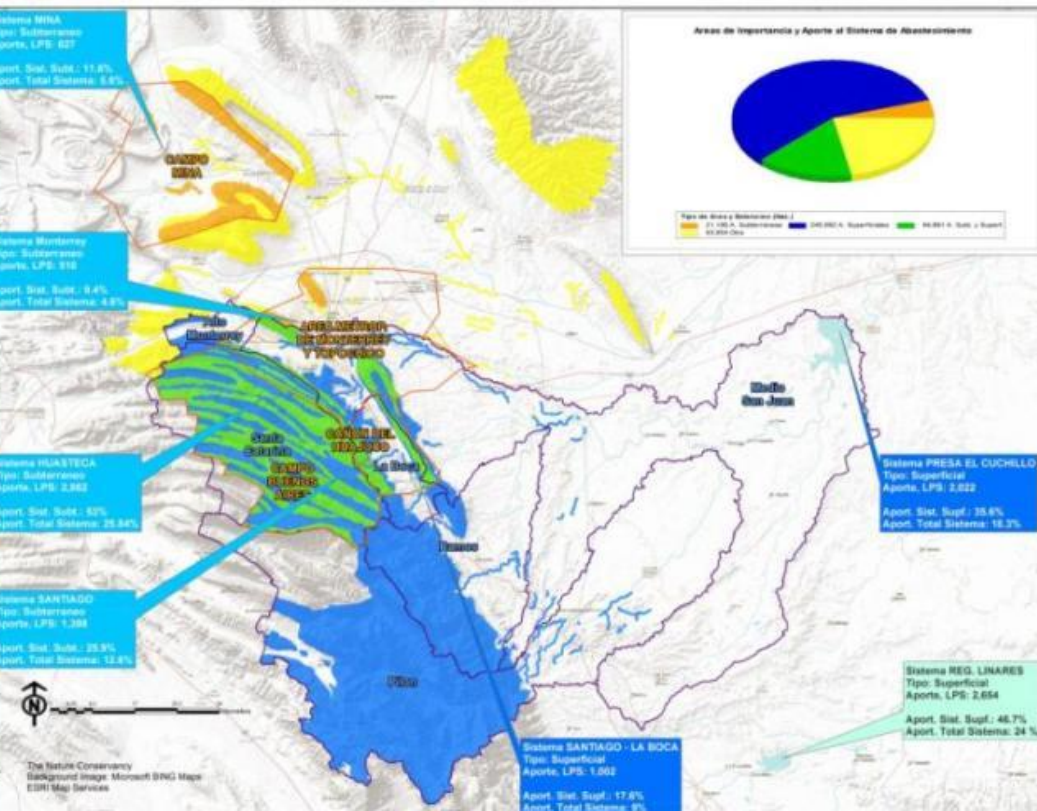
Unidade Gestora do Projeto (UGP):





FONDO DE AGUA
Metropolitano de Monterrey

- Monterrey: 5,2 Million people
- Cumbres P.A.
- Launched in 2013
- Goals: flood control; increase infiltration
- Committed funds: US 12 Million



Some final remarks

- A water fund is a **FLEXIBLE** tool for watershed conservation
- Powerful tool to attract additional funds
- Catalyze of several watershed institutions related
- Engage public and private sector



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Still a long way to go.....

Alejandro Calvache

Water Security Coordinator

The Nature Conservancy. NASCA Conservation Program

acalvache@tnc.org