

Title of case study*	The Latin American Water Funds Partnership
Date of submission*	21/12/2012
Name of organization(s)*	Femsa Foundation
NWP Objective* <i>Select the objective(s) of the NWP that the case study responds to.</i>	<p>The objective of the Nairobi work programme is to assist all Parties, in particular developing countries, including the least developed countries (LDCs) and small island developing States (SIDS), to:</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> improve their understanding and assessment of impacts, vulnerabilities and adaptation to climate change; and <input checked="" type="checkbox"/> make informed decisions on practical adaptation actions and measures to respond to climate change on a sound scientific, technical and socio-economic basis, taking into account current and future climate change and variability.
Objective of case study* <i>Describe the specific objective of case study.</i>	<p>The main objective of the Water Funds is to develop mechanisms for conservation, based on science, aimed to maximize returns on investments made on the basin, and financially sustaining. The mechanism engages the FEMSA Foundation, The Nature Conservancy (TNC), the Inter-American Development Bank (IDB), and the Global Environment Facility (GEF) which has pledged \$27 million dollars to restore 3 million hectares of critical watersheds in Latin America.</p>
Actions* <i>Describe the activities to meet the case study objective, highlighting organizations, communities and/or experts to be engaged.</i>	<p>Floods, droughts, water contamination and other impacts resulting from climate change pose risks to businesses and communities that strongly depend on water resources and on the ecosystems around. A proactive approach towards watershed management can reduce the financial, operational and regulatory risks associated to this dependency, and also foster business opportunities from protecting environmental capital.</p> <p>The local water funds process is started with the stakeholder engagement and establishment of a technical and an engagement team. It is very important to align public and private interventions in the basin. Once the key stakeholders are on board it is established a financial mechanism (usually a trust fund) which interest earnings are invested in the watershed.</p> <p>The following actions are part of the solutions proposed to improve the watershed:</p> <ul style="list-style-type: none"> • Better management practices, such as sustainable production, low impact agriculture, silvopastoral cattle ranching systems and similar. • Hydrological monitoring protocols. • Awareness campaigns. • Educational campaigns. • Data recollection and analysis. • Payments for environmental services (aimed to establish economic incentives to rural farmers to replace unsustainable practices) • Conservation agreements and other conservation practices of natural ecosystems. • Restoration, assisted (reforestation and others) or un-assisted (natural regeneration) of degraded ecosystems. <p>Water Funds attract voluntary contributions from large water users downstream, like water utility companies, hydroelectric companies, and</p>

	<p>beverage companies. Revenue from these Water Funds is then directed to preserve key lands upstream that filter and regulate the water supply. Water Funds also create incentives and help finance sustainable economic development opportunities to benefit local communities.</p>
<p>Expected results* <i>Describe the envisaged outputs/benefits of the case study/</i></p>	<ul style="list-style-type: none"> • Leverage \$27 million dollars for investment in Water Funds in the region. • Create and strengthen at least 32 Water Funds in five years. • Have a positive impact on as many as 3 million hectares of natural ecosystems. • Potentially benefit as many as 50 million people who receive their water supply from the watersheds where the Water Funds operate.
<p>Indicators of achievement* <i>Describe any quantitative and/or qualitative indicator to show that the objective of the case study has been achieved.</i></p>	<p>Every water fund provides specific solutions and line of actions based on the needs and requirements identified during the technical analysis. The indicators of achievement would vary from water fund to water fund. The following represents the key indicators:</p> <ul style="list-style-type: none"> • Total hectares of protected areas systems (public, sub-national) where actions have been taken to strengthen management activities. • Total hectares of private lands under better management practices (where interventions are being put in place, and where interventions are already in place). • Reduction in water treatment, dredging and/or replacement costs (pilot water fund). • Total estimated annual sediment load abatement through interventions (Metric tons) in pilot sites. • Total hectares impacted by the Water Fund. • Total kilometers and percentage of stream network of the watershed directly related to water fund interventions (directly supported by the Platform/leveraged by the platform). • Total hectares of the watersheds impacted by the Water Fund actions. • The area of influence of the Water Funds. • Private and public sector funding to support the development and establishment of Water Funds. • Amount of money spend by each Water Fund to cover field activities. • Number of families receiving direct or indirect payments in the watershed areas. • Number of people (in millions) positively impacted by the Water Funds.
<p>Region(s) relevant to case study*</p>	<ul style="list-style-type: none"> <input type="checkbox"/> All regions <input type="checkbox"/> Africa <input type="checkbox"/> Arab States <input type="checkbox"/> Asia <input type="checkbox"/> Caribbean <input checked="" type="checkbox"/> Central America <input type="checkbox"/> Europe <input type="checkbox"/> Least Developed Countries <input checked="" type="checkbox"/> North America <input type="checkbox"/> Pacific <input type="checkbox"/> Polar regions <input type="checkbox"/> Small Island Developing States <input checked="" type="checkbox"/> South America

* Mandatory fields

¹ More information on the Nairobi work programme work areas is available at: <<http://unfccc.int/nwp>>

Disclaimer: These business cases have been cited to raise awareness about the engagement of the private sector in climate change adaptation. The information in the business cases has been provided either directly by the organization or obtained from a public source. The UNFCCC Secretariat has not verified the information and takes no responsibility for it. Users are therefore advised to verify the information before they take any action relying on the information provided in the business cases.

Country(ies) relevant to case study	Mexico, Brazil, Ecuador, Colombia, Venezuela, Panama, Costa Rica, Dominican Republic, Guatemala, Honduras, Peru, Bolivia and Chile
Business sector of the organization(s)*	<input type="checkbox"/> Intergovernmental organization <input checked="" type="checkbox"/> National/regional programme/initiative <input checked="" type="checkbox"/> Non-governmental organization <input checked="" type="checkbox"/> Private sector entity <input type="checkbox"/> Research institute <input type="checkbox"/> UN organization/agency
Adaptation sector relevant to case study*	<input checked="" type="checkbox"/> Capacity building, education and training <input type="checkbox"/> Energy <input checked="" type="checkbox"/> Finance and insurance <input type="checkbox"/> Food, agriculture, forestry and fisheries <input type="checkbox"/> Human health <input type="checkbox"/> Oceans and coastal areas <input checked="" type="checkbox"/> Science, assessment, monitoring and early warning <input type="checkbox"/> Technology and Information & Communications Technology (ICT) <input checked="" type="checkbox"/> Terrestrial ecosystems <input type="checkbox"/> Tourism <input type="checkbox"/> Transport, infrastructure and human settlements <input checked="" type="checkbox"/> Water resources
Adaptation activity delivered by case study*	<input checked="" type="checkbox"/> Capacity building <input checked="" type="checkbox"/> Climate-resilient development planning <input checked="" type="checkbox"/> Communications and awareness-raising <input checked="" type="checkbox"/> Disaster risk reduction <input type="checkbox"/> Early warning systems <input checked="" type="checkbox"/> Education <input checked="" type="checkbox"/> Financial support <input type="checkbox"/> Humanitarian assistance <input checked="" type="checkbox"/> Knowledge management <input checked="" type="checkbox"/> Monitoring and evaluation <input checked="" type="checkbox"/> Pilot adaptation programmes/projects <input checked="" type="checkbox"/> Risk/vulnerability mapping <input checked="" type="checkbox"/> Training
Work areas of the NWP*¹ <i>Select among the nine work areas of the NWP that apply to the case study.</i>	<input checked="" type="checkbox"/> Adaptation planning and practices <input checked="" type="checkbox"/> Climate modelling, scenarios and downscaling <input checked="" type="checkbox"/> Climate-related risks and extreme events <input checked="" type="checkbox"/> Data and observations <input type="checkbox"/> Economic diversification <input checked="" type="checkbox"/> Methods and tools <input checked="" type="checkbox"/> Research <input checked="" type="checkbox"/> Socio-economic information <input type="checkbox"/> Technologies for adaptation
Target group*	<input checked="" type="checkbox"/> Academics <input checked="" type="checkbox"/> Children <input checked="" type="checkbox"/> Communities <input checked="" type="checkbox"/> Policy makers <input checked="" type="checkbox"/> Practitioners <input checked="" type="checkbox"/> Private sector <input type="checkbox"/> Women

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Link

Further information on relevant websites.

FEMSA Foundation: <http://www.femsafoundation.org/lawfp/>

The Nature Conservancy: <http://www.nature.org/ourinitiatives/regions/latinamerica/latin-american-water-funds-partnership.xml>

Inter-American Development Bank: <http://www.iadb.org/en/news/news-releases/2011-06-09/water-in-latin-america-and-the-caribbean,9402.html>



Reforestation (The Nature Conservancy)



Conservation (The Nature Conservancy)

Picture to illustrate case study

Provide high resolution image (.jpg or *.png)*

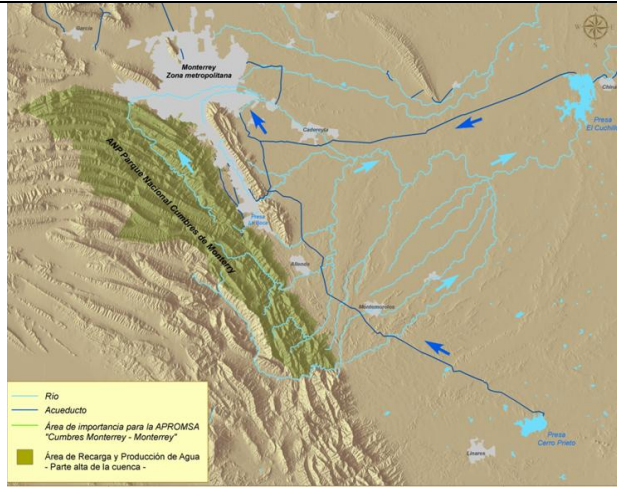


Education and raising awareness (FEMSA Foundation)

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The San Juan Watershed in Monterrey, Mexico
(Pronatura Noreste)

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