

Water Funds

Our approach to protect watersheds

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The problem

Deforestation, agricultural development and urbanization are heavily impacting drinking water sources. The UN Millennium Goals aim to reduce by half the number of people without drinking water and sanitation by 2015. This requires an extraordinary level of investment. For example, 5 billion dollars are needed to meet this target for Ecuador alone.

The solution

We are sure that better functioning ecosystems provide cleaner water and stabilize flow. The Nature Conservancy supported the creation of Quito Water Fund (FONAG) in 2,000. FONAG proved to be a successful tool for conservation, with a capital of 7 million dollars, is investing more than 1 million every year for watershed and biodiversity conservation activities. This model is been replicated across the region; The Conservancy has implemented other water funds that benefit the city of Bogotá in Colombia of Loja and Cuenca in Ecuador helping to protect more than 370.000 hectares of moist tropical forests and paramos (high-altitude grasslands).

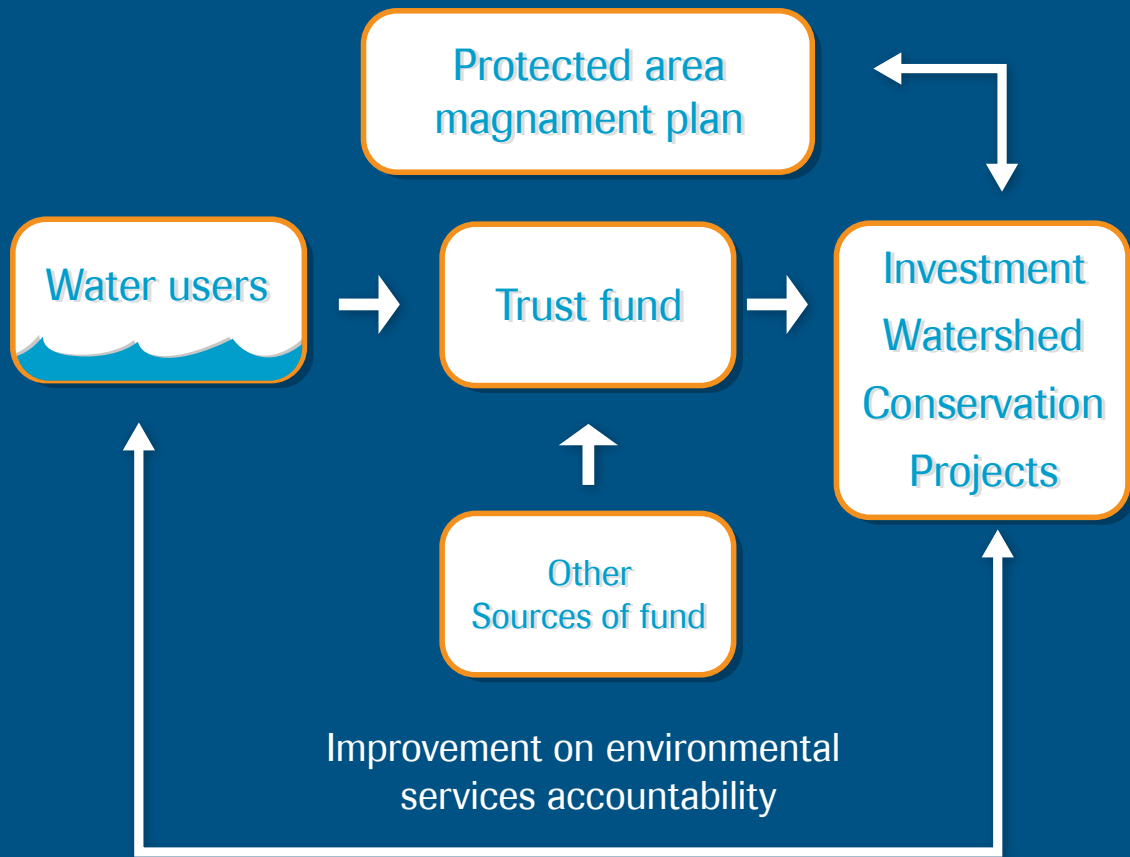
Where

This initiative aims to establish multi-stakeholder institutional mechanisms for sustainable finance of watershed conservation that simultaneously support biodiversity protection and ensure water supply at important cities in Colombia, Ecuador, Peru and Venezuela.

How does the conservancy do it?

Water users including hydroelectric companies, water utility companies, private companies and conservation organizations provide funding and collaborate to develop a common conservation vision for the watershed.

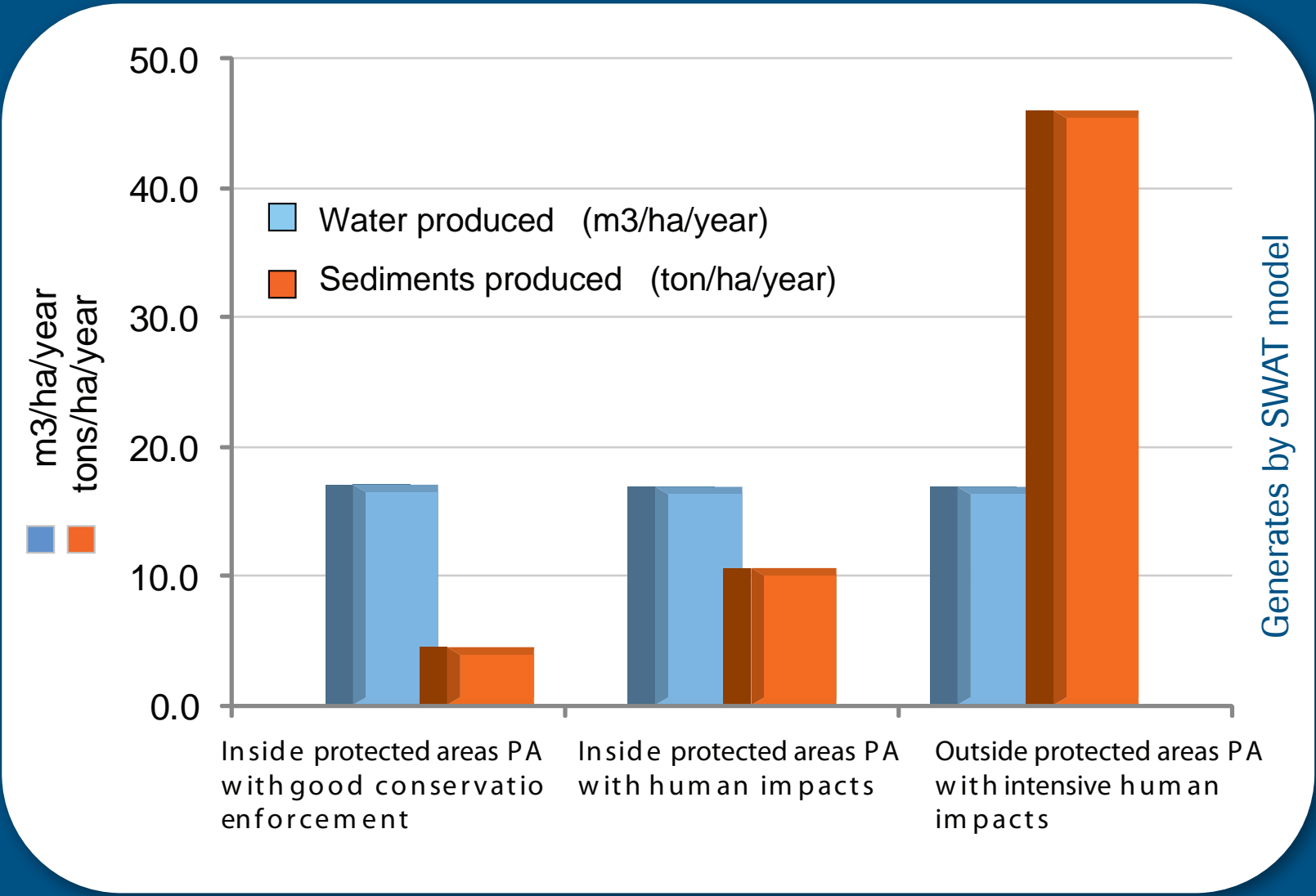
Figure 1: Water funds structure



Water funds are being designed and implemented using the best planning tools and science available.

- Tools to identify priority areas for environmental services: InVEST, SWAT, FIESTA, ECOSAUT.
- Conservation action planning methodology (CAP).
- Freshwater conservation: Including environmental flows approach in water facility companies operations.
- Sharing learned lessons with TNC’s global fresh water team.

Figure 2: Water and sediments produced in Chingaza National Park, Bogota, Colombia



Activities financed by water funds

- Implementing watershed protection measures.
- Control and monitoring of conservation areas.
- Co-finance protected areas management plans.
- Best management practices for cattle ranching/ ecofriendly systems to reduce impact in water and biodiversity.
- Reforestation and restoration activities.
- Ecotourism activities.
- Hydrological and biodiversity monitoring.
- Environmental education.
- Environmental flows modeling.

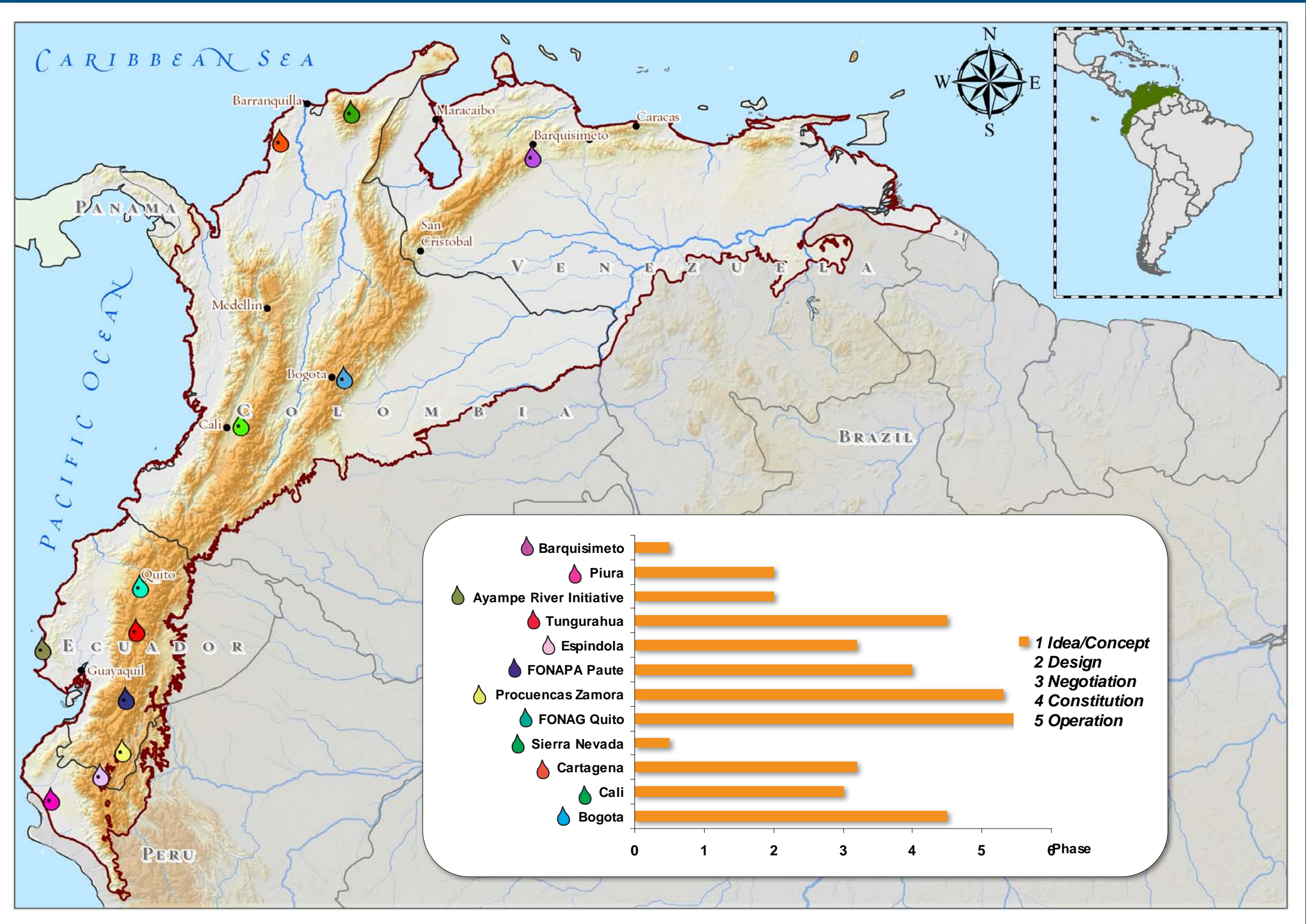


Stephanie Meeks, former CEO of The Nature Conservancy; Karl Lippert, CEO of Bavaria Sab-Miller; Samuel Moreno, Mayor of city of Bogotá; Jorge Pizano CEO of Bogotá Water Facility Company and Roberto Hernandez, member of TNC’s Board of Governors launching Bogotá Water Fund.

Our goal

We are working in the strengthening and creation of at least 9 water funds, contributing with the conservation of key ecosystems that provide clean water for cities and towns across the Andes as well as help regulate flows and sedimentation for other water uses as hydroelectric power companies.

Current water funds in northern tropical andes



SOME WATER FUNDS INDICATORS						
Indicator	Quito	Paute	Zamora	Cali	Bogota	Cartagena
Population	2.093.000	550,000	24.633	2.075.380	6.840.116	892.545
Water cost - (USD/30m3/month)		7,8			19	
Water Fund Partners	Quito Water Facility, Quito Energy Facility, National Brewery Company, Tesalia bottled water company, Swiss Cooperation	Cuenca Water Facility, Azogues Water Facility, Hidropaute hydropower company, ElecAustro hydropower company, University of Cuenca, Cordillera Tropical Foundation	Zamora Municipality and Zamora Water Facility, Ministry of the Environment Conservation International, International Cooperation.	Sugar cane association, local governments association, rivers protection association	Bogota Water Facility, National Environmental Authority, Sab Miller Bavaria Brewery	Cartagena Water Facility, Corporación Andina de Fomento CAF
Protected area related to conservation Water Fund activities	Cayambe Coca Antisana Cotopaxi Ilinizas	Sangay National Park, municipal protected areas	Podocarpus National Park	Nina Park, Las Hermosas	Chingaza Sumapaz	Juan Gomez Dolores wetland system
Ecoregions involved	Northern Andean Paramo, Northwestern Andean Montane Forest, Eastern Cordillera Montane Forest	Northern Andean Paramo, Eastern Cordillera Real Montane Forest, Northwest mountain forests	Cordillera Central Paramo, Eastern Cordillera Real Montane Forest	Northern Andean Paramo,Cauca Valley Montane Forests	Northern Andean Paramo, Eastern Cordillera Real Montane Forest	Xoric-Scrub, Magdalena-Santa Maria Mangroves
Impact in conservation (Has)	250,000	200,000	20.000	45.000	150.000	12.000

The benefits

- Biodiversity conservation.
- Climate change mitigation.
- Savings in treatment costs for water facilities due to avoided sedimentation.
- New environmental services payments creation.
- Additional funds to protected areas financial gap reduction.
- Public private partnership for conservation investments.
- Best water, more water for citizens and local populations.