The IDB and Green Infrastructure in Latin America and the Caribbean

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IDB’s approach:

• Building data and information
• Modeling and decision support tools (i.e. HydroBID+ESVTs)
• Green solutions “engineering” (context)
• Financing and enabling mechanisms and incentives (i.e., Water Funds)
• Piloting projects and sharing experiences
EMAAP-Q Master plan (2011)

Observations:
• The Supply situation is already stressed with supplies in periods lower than the projected demand.
• Groundwater extraction increased in the near future.
• Demand reducing measures suggested.
WS Master Plan Plan Adapted to Climate change
Multipurpose Project - El Alto, Bolivia
Mission: Increase water security in LAC cities through nature-based solutions
WHAT IS OUR VISION FOR 2020?

- Create and strengthen 40 Water Funds to contribute to urban water security in LAC
- Generate positive impact for 4 million hectares of natural ecosystems
- Benefit 80 million people living in the watersheds where these Funds operate
- Institutionalize a green infrastructure agenda (green + grey)
WHAT IS A WATER FUND?

- A financial **mechanism** for watershed conservation
- An **implementation mechanism** for conservation activities/projects
- A **governance mechanism** for watershed planning
HOW DO WATER FUNDS WORK?

Water Users
Taxes, Levies
Bilateral Agencies
Multilateral Agencies
Other Local Entities

Operational Activities
Conservation Activities
Endowment Fund (Trust Fund)
Endowment Returns

Water Fund (WF)
Board of Governors

Technical Secretariat

- Oversight the WF
- Select the Technical Secretariat
- Includes representatives of parties contributing to the WF and other main stakeholders (local governments, communities)

- Operational arm of the WF: Responsible for implementing the decisions of the Board
- Locally-hired Manager for the day-to-day operations of the WF
The Partnership has a governance structure to support and provide different tools and assistance to Water Funds in each phase.
RESULTS AS OF JUNE 2018

- **24** Water Funds created
- **8** In 8 countries of Latin America

- **23,784 families** participating in projects upstream
- **212,737 ha** (natural infrastructure)
- **+350 private and public partners**
- **USD$160,853,294 M** pooled resources

Map showing Water Funds created in 8 countries of Latin America:
- **Guatemala**
- **Costa Rica**
- **Ecuador**
- **Peru**
- **Mexico**
- **Dominican Republic**
- **Colombia**
- **Brazil**

Website: [www.waterfunds.org](http://www.waterfunds.org)
WHAT ARE THE CHALLENGES?

1. Develop financially sustainable water funds
2. Develop funds that can have impacts at scale (start to W&S utility level)
3. Built better business cases (the return investment of the partners)
4. Promote an enabling environment (normative side) for green infrastructure
5. Involve water utilities more actively (public vs private)
6. Generate evidence on the benefits of green infrastructure (ROIs)
7. Develop implementation capacity
HOW DO FACE THESE CHALLENGES?

- Provide on-going technical assistance to (create and) strengthen WFs
- Leverage financial resources
- Build strategic alliances
- Promote innovative scientific tools to strengthen WFs
- Promote sharing of experiences and best practices
- Influence public policies
WHY THE IDB IS IN THIS INITIATIVE?

1. Develop expertise (among IDB staff and clients) on green infrastructure
2. Generate evidence on the cost-effectiveness of green vs. grey infrastructure
3. Mainstream green infrastructure into IDB operations
4. Become a reference on the water fund model and green infrastructure agenda