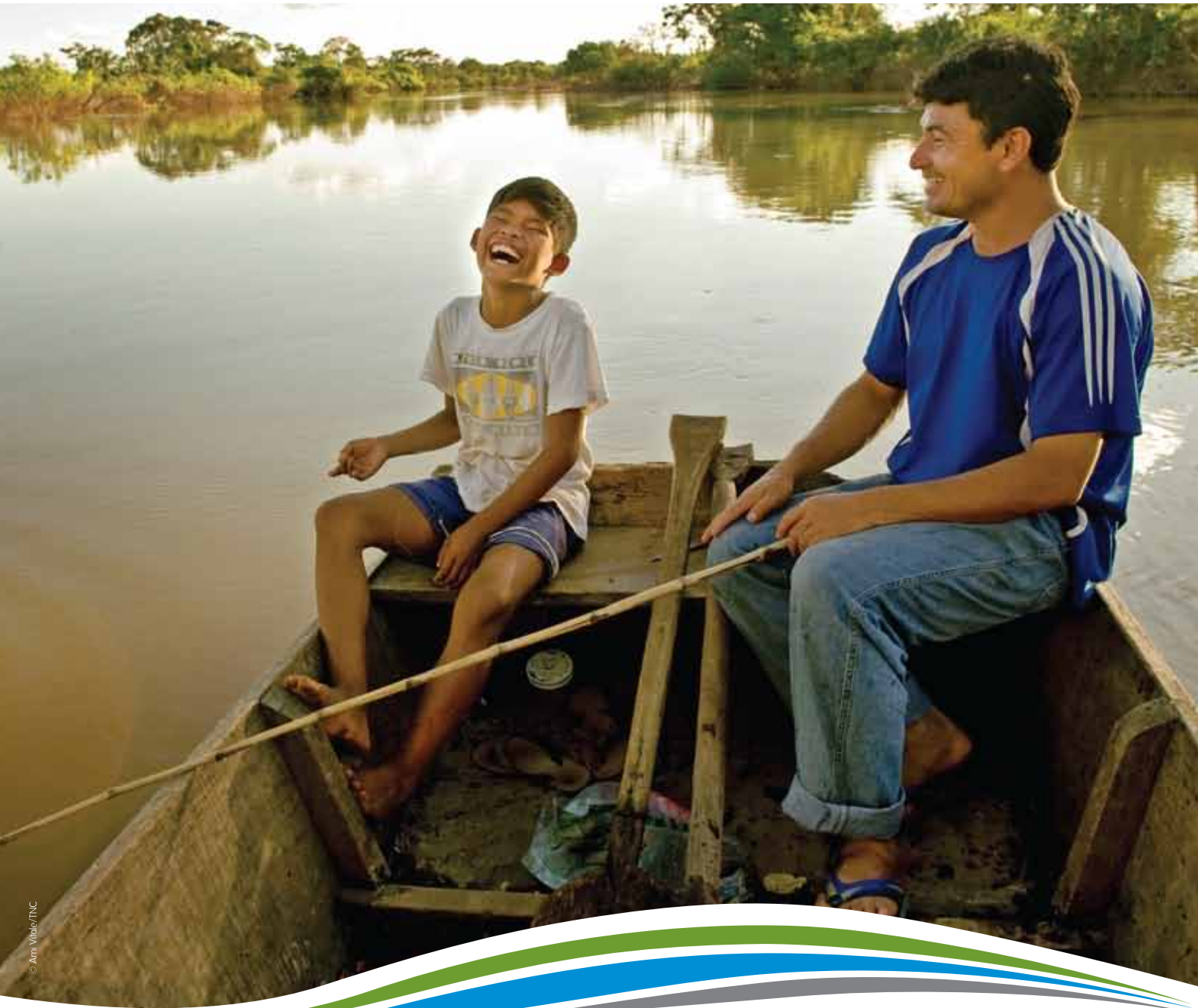




LATIN AMERICAN **WATER FUNDS** PARTNERSHIP



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WATER: A source of life in Latin America

Water is life: for plants, animals, rural and urban communities, industries, farming, our families and future generations. Rivers and lakes are the most important source of water for our everyday life, for our economies and for the wellbeing of all. Yet worldwide nature's ability to provide the clean water that is crucial for our lives and our economic development is diminishing.

Our forests and grasslands filter, clean and keep the water flow levels steady. As they become degraded or destroyed, our water supplies become severely threatened. Lakes and rivers are exposed to sediments and pollution that make millions of people vulnerable. Climate change and other factors only make this a bigger challenge.

According to the United Nations, more than two-thirds of the world's population will face water scarcity by 2025. In Latin America, more than 77 million people lack access to clean water. Development in our countries depends on water and as our supplies become strained or polluted, industries, communities and governments must often pay higher costs for it.

Protecting freshwater sources in Latin America is vital.
To achieve this we must preserve nature, as we expand green development opportunities for millions of people in our cities.

WATER FUNDS: Investing in nature for people

Water Funds are about both people and nature thriving, and about working together to put our communities and our economies on track for a healthier future.

A Water Fund is an innovative way to pay for nature's services and reinvest that money in conservation. Since a healthy watershed minimizes water treatment costs, the funds attract voluntary contributions from large water users downstream, like water utilities, hydroelectric companies, or industries. Revenue from these investments is directed to preserve key lands upstream that filter and regulate the water supply, as well as to create incentives for sustainable economic opportunities that have a positive impact on local communities.

A common vision for Latin America and the future of water

The Nature Conservancy, FEMSA Foundation, Inter-American Development Bank (IDB), and Global Environment Facility (GEF), unite to create the **Latin American Water Funds Partnership**, sharing a common vision for the future: to preserve healthy watersheds and help protect important water supplies in the region.

With environmental conservation and sustainable growth as its core values, the Partnership is a ground-breaking initiative to engage the private and public sectors and civil society on Water Funds.

The **Latin American Water Funds Partnership** comprises investments of **over \$27 million dollars** that will create, implement, and capitalize at least **32 Water Funds** in Ecuador, Colombia, Peru, Brazil, Mexico and other countries in Latin America and the Caribbean. This will support the conservation of more than **7 million acres** of watersheds that, in turn, could benefit approximately **50 million people** in rural and urban areas.



HOW WATER FUNDS WORK

They are based on **science**. Scientific information guides conservation and environmental services restoration goals and identifies areas in the watershed where investments will have the highest return. They use monitoring systems to report progress on the goals to all stakeholders.

They are **inclusive**. As important sectors of society become involved, there is a successful interaction between scientific knowledge, financial expertise and sustainable public policies in the implementation of the funds. This also helps to make each Water Fund **transparent**.

They are **comprehensive**. Joint efforts promote public awareness about the importance of conservation, while encouraging green-economy solutions that benefit all.

They are **self-sustaining**. Each fund creates its own resources through a perpetual trust aimed at critical watersheds conservation.

Above all, they are **effective**. The watersheds are protected, along with habitats for native plants and wildlife. And this translates into a better water supply for everyone and for the future.



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Another primary goal of the Partnership is that more and more actors in the **various sectors recognize the benefits of Water Funds for nature and people**, so that these sectors can also commit to working in favor of water and watersheds in Latin America.

SUCCESS IS ALREADY A REALITY

In 2000, The Nature Conservancy joined with other local partners in the public and private sectors to create the first Water Fund in Quito, Ecuador. The project started with an investment of \$21,000 dollars and grew to \$10 million dollars in just a decade. Interest generated by the fund –around \$900,000 dollars per year– is successfully invested in local conservation actions to protect watersheds and biodiversity. Today, five Water Funds in Ecuador have helped protect more than 1.2 million acres and benefited more than 2 million water users downstream.

In Colombia, two Water Funds, in Bogotá and Valle del Cauca, have been successful in raising environmental awareness and have financed community conservation projects, such as reforestation, ecotourism, and monitoring the quality of water and its flows. Today these projects help to protect almost half a million acres.

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The Nature Conservancy - www.nature.org

FEMSA Foundation - www.femsafoundation.org

Inter-American Development Bank - www.iadb.org

Global Environment Facility - www.thegef.org



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