REPORT-BACK & SUMMARY

Day 1

Topic 3: Economics & Financing
what did we talk about?

**PART A: GENERATING DECISION-SUPPORT INFORMATION**

- #1: identifying economic & financial drivers
- #2: evaluating costs, benefits & trade-offs

**PART B: CREATING ENABLING CONDITIONS**

- #3: setting in place incentives
- #4: securing financing

1. Economic information can be a powerful and convincing way of presenting evidence about the gains from a sustainable development approach in river basins and watersheds.

Loss of watershed and wetland services from “Business as Usual” in Cambodia, Lao PDR, Thailand and Viet Nam.

Costs of policy inaction: US$ 171 billion.
2. it can help to highlight the costs, benefits and trade-offs that usually get left out of conservation and development decisions – and the groups who often lose out the role of ecosystem products and services utilization in the Lao PDR national economy and local livelihoods.

3. data on these broader costs, benefits and values can point to concrete tools for providing economic incentives and finance for river basin and watershed management payments for watershed services in China

new PWS schemes per year 1999-2008

annual transactions 1999-2008 (US$ bill)

4. economics and financing can never be the solution, it has to be combined with other tools and approaches, and set in a meaningful decision-making context.
5. However good the economic information is, it is of little use unless it is communicated properly and targeted so as to be meaningful to the decision-makers we want to influence:

- Every US$1 invested in upper watershed management will generate additional water benefits of US$15 each year.
- The costs avoided far outweigh the amount of the investment.

Convincing Ulaanbaatar Municipality, Ministry of Finance and development donors to include the Tuul watershed in their water sector infrastructure investment programme.

6. the lack of good, accurate and credible data on watershed and river basin values remains a major gap... or does it?
Thank You
and we look forward to seeing you at
today’s Economics & Finance session!