

Building Adaptive Capacity in the Water Sector under a Changing Climate

CIF Knowledge for Resilience Series October 7, 2020



Agenda

٢	9:00 - 9:07	Welcome and introduction
	9:07 - 9:15	Introduction to the study and its motivation
	9:15 - 9:45	Methodology and presentation of study results
@	9:45 - 10:00	Interpretation of results to the Bolivian context
**	10:00 - 10:25	Open discussion
•	10:25 - 10:30	Closing remarks

Climate Investment Funds Knowledge for Resilience Series

- Highlights observations and lessons learnt from countries implementing projects under the PPCR
- Sharing knowledge to advance climate resilience goals and guide decisionmaking among stakeholders
- Series includes knowledge products (i.e. case studies and research briefs) and webinars on topical issues





Evaluation and Learning (E&L) Initiative

EVALUATION AND LEARNING INITIATIVE

The Evaluation and Learning Initiative enables learning that is relevant, timely and used to inform decisions and strategies for CIF and the wider climate finance sector. Over 30 studies and activities covering five priority learning themes have been completed under the Initiative.

TRANSFORMATIONAL CHANGE			DEVELOPMENT IMPACTS OF CLINATE Finance and just transitions			MOBILIZING PRIVATE SECTOR THROUGH Concessional Finance			
Understanding and assessing transformational change in the CIP context.			Understanding socio-economic development contributions and issues related to SIF investments			Investigating models and experiences to mobilize private sector investment in CIF-related sectors, including the role of concessional finance			
LOCAL STAKEHOLDER ENGAGE And Benefit			PROGRAM		PROGRAMMATIC A	ND SEI	CTORAL STUDIES		
Exploring CIF local stateholder engagement strategies, indigenous Beoples, gender, and other top os focused on local actors			d		Assessing various prior ty program on sector-related topics and themas				

KEY FEATURES

- Guided by an independent Advisory Group.
- Focus on applied learning

- Strategic and demand-driven studies
- Participatory, inclusive processes

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Moderator and Closing Speaker

Moderator:

Xianfu Lu Senior Strategy and Outreach Specialist for PPCR Climate Investment Funds (CIF)



Closing Speaker:

Claudio Alatorre

Lead Climate Change Specialist Inter-American Development Bank (IDB)



Speakers

Alfred Grunwaldt

Senior Climate Change Specialist Inter-American Development Bank (IDB)



Dr. Simon Allen Research Associate University of Geneva



Dr. Markus Stoffel Full Professor University of Geneva



Javier Gonzales Iwanciw Senior Research Associate

Institute for Science and Social Research (IICS) at Universidad Nur



Please:

• Mute your audio

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- If you are calling in by phone, you can mute yourself using the "mute" button on your phone or by dialing *6
- Switch off your video
- Use the chat function throughout the panel contributions to share any questions or thoughts
- Note this webinar will be recorded and the recording will be available on the CIF website







"The time is past when humankind thought it could selfishly draw on exhaustible resources. We know now the world is not a commodity."

Francois Hollande on climate change Former President of the French Republic

Building Adaptive Capacity in the Water Sector under a Changing Climate

Alfred H. Grünwaldt, Climate Change Senior Specialist (<u>alfredg@iadb.org</u>) Inter-American Development Bank October 2020



1. Three main messages



We need to see Adaptation as a contributing process to Sustainable Development.



For an Adaptation process to be effective we need to understand how capacity can be created to generate transformation. The Monitoring of progress in Adaptation requires a framework that characterizes it and allows its evaluation



We need to see Adaptation as a contributing process to Sustainable Development

2. Paris Agreement and SDGs as starting points

Article 7

.....enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change, with a view to contributing to sustainable development and ensuring an adequate adaptation response in the context of the temperature goal.



PARIS CLIMATE ACCORD IN NUMBERS



Rich and poor nations resolved in Paris to do their bit to tackle climate change at the end of a 13-day meeting, adopting a 32-page climate accord. Mint explains the new climate agreement in numbers.

- 195 countries adopted the agreement after talks that stretched from 30 November to 12 December.
- Twenty-nine articles deal with specific issues like technology transfer, finance, stocktaking and capacity building.
- Rise in global temperature to be limited to "well below 2 degrees Celsius" over pre-industrial times; and efforts to be made to limit it to 1.5 degrees Celsius above pre-industrial levels by the end of 2100.
- Developed countries to provide finance of \$100 billion every year to developing countries by 2020.
- Goal of raising climate finance from a floor of \$100 billion per year from 2025.
- Global stocktaking every five years.
- Agreement to take effect after ratification by 55 countries accounting for at least 55% of global emissions.
- 188 countries submitted their voluntary climate action plans ahead of the summit.

Nearly 150 heads of states attended the summit opening.

3. Water resources and climate change at a glance

• At the current rate, there will be a 40% gap between global water supply and demand by 2030 (Global Economic Forum)



4. Water resources at the center of sustainable development



5. Why Bolivia?



Source: KNMI climate explorer at https://climexp.knmi.nl.



For an Adaptation process to be effective we need to understand how capacity can be created to generate transformation

6. Defining Adaptive Capacity



7. Operationalizing the concept of adaptive capacity



8. Where to start for building adaptive capacity?





The Monitoring of progress in Adaptation requires a framework that characterizes it and allows its evaluation

9. Correlating indicators of adaptive capacity

Policy-based loans as an example

a) Governance indicators:		PBL policy matrix			
Indicator	Operational criteria				
Ownership	<u>Consistency and certainty</u> Legal certainty about ownership and user rights at multiple governance levels.	N/A	Preparedness	Pre-emptive Planning Emergency provisions and	2.2.7 Guidelines for Water Utilities for the development of contingency plans.
	<u>Coverage</u> Coverage of all water rights and uses	3.2.2 SENASBA Strategic In: Plan (PEI) 2019-2020 includ projections.		preparedness for hydrological extremes. Prioritization	
	<u>Consistency and certainty</u> Clear legal authority and regulations (embedded in law or policy) to enable decision-making to address water-related challenges.	2.2.1 Methodological guide encourage connectivity to s sewerage systems in urban urban areas		prioritization of water rights and uses, and other resources (personal and financial) to deal with hydrological extremes.	N/A
Responsibility and		2.2.3 Technical guidelines for reduction of non-revenue w (NRW) in La Paz-El Alto wate	Effectiveness	Holistic Incentives to use water efficiently and effectively across multiple uses (including conservation).	2.1.1 National Policy for the exercis of the Human Right to Water and Sanitation (DHAS) in Bolivia.
accountability		of the National Strategy to i Water Utilities' managemen			2.1.3 Sectorial Categorization of Potable Water and Sanitation Projects and Scope and content of
		2.1.6 Updated guide for pre Five-Year Development Plar EPSA	•		studies of technical designs for pre- investment of social development projects.
				Capacity Matching resources (financial, human, and technical) at the enforcement level.	2.2.5 Guidelines of the Plurinational program for capacity building and certification of labor competencies ir the water and sanitation sector.

10. Categorizing adaptive capacity: The need of a framework to assess adaptive capacity

Passive Adaptation

 If responses adhered to concepts of steady state resource management, further degradation of SES.

Based on

Degradation of the system to a less favorable state, resulting from either a failure to transform and adapt or maladaptation. (Chapin et al, 2009)

Persistent/incremental Adaptation

If responses exhibited
 Aspects of technical or governance
 innovation to decision making or water
 resources management.

Based on

Persistence of the fundamental properties of the current system through adaptation (Chapin et al, 2009)

Transformative Adaptation

If responses exhibited
 traits of managing for uncertainty
 /integration of
 considerations (SES).
 Based on
 Innovation- transformation of
 Socio-ecological systems into
 trajectories that sustain and enhance

ecosystem services, Social development and well being (Walter et al, 2004)

Levels of Adaptive Capacity

Source: Margot Hill, 2014, Univ. Geneva

THANKS!

Follow us in twitter for updates @Agrunwaldt

@theIDB.



Assessment Framework and Study Results

Markus Stoffel and Simon Allen



Presentation Overview

- 1. Introduction: The road to Bolivia
- 2. Aims and objectives of the study
- 3. Assessment framework
- 4. Methodological steps
- 5. Main results
- 6. Recommendations
- 7. Future perspectives and concluding remarks



1) Introduction: the road to Bolivia

- Based largely on the results of the IPCC's 4th Assessment Report (2007), there
 was increasing recognition of changes in the global water cycle.
- -> notion of wet regions getting wetter, and dry regions getting drier.



Projected changes in precipitation patterns

A global problem affecting both the developed and developing world!









Extreme heat/drought, Europe 2003





- 40,000-70,000 excess deaths in Europe.
- Numerous forest and bush fires.
- Very low water levels in rivers, with additional consequences for:
 - Irrigation
 - Aquifer recharge
 - Energy production and cooling of nuclear power station reactors
 - Aquatic ecosystems
 - Enhanced glacial melt
- Massive losses for European agriculture, estimated at 10 billion Euros.

Extreme heat/drought, Europe 2003



 Particular challenges for water governance emerging in mountain regions, owing to combined effects of precipitation changes, and loss of glaciers
 -> increasing challenges, but also opportunities (e.g. hydropower)

Projected future evolution of Aletsch Glacier, Switzerland

Source: A. Linsbauer (U. Zurich)



- In response to these challenges, the UNIGE-led project ACQWA was initiated (6.5 million Euro – European Research Council):
- "Assessing Climate change impacts on the Quantity and quality of Water"
- ACQWA focussed on 3 mountainous regions, all within zones where rainfall is projected to decrease during the 21st century, but with contrasting governance contexts, and different time-frames to adapt and respond:
 - European Alps (Switzerland
 - Tian Shan (Kyrgyzstan)
 - Andes (Chile)



• One key objective of ACQWA was to develop **adaptation** strategies that would future-proof water management under a changing climate.



But....

What does adaptation look like in the water sector?How can we measure it?How can water governance facilitate the building of adaptive capacity?

- These were core questions addressed by ACQWA, but are also of high importance to IADB, World Bank, and other agencies supporting adaptation projects in the water sector.
- This led to an exciting opportunity to transfer an assessment approach developed within academic research to serve the needs of development banks.





2) Aims and objectives of the study

Assess the potential for building transformative institutional adaptive capacity in the Bolivian water sector.

Research questions:

- How do existing governance processes in Bolivia **facilitate** adaptive capacity in the water sector?
- What are the main **difficulties** to building adaptive capacity across different scales, and how might these be **overcome**?
- What is the **potential** for adaptation programs to influence water governance processes and achieve **transformative** change?

Learning from past experience with droughts & floods to maximize the success of program interventions in the water sector



3) Assessment framework



- <u>Regime:</u> Rules, policy, legal, regulatory and water rights, finances.
- Knowledge: Information and technological inputs into a governance system.
- <u>Networks</u>: The way in which stakeholders interact and cooperate.





(*How* we measure/classify)

How information feeds into the governance system and is made available for decision making.

- Evaluation & Planning
- Transparency
- Perceptions
- Experience and Expertise
- Monitoring & Assessment
- \checkmark <u>Consistency</u> of data and methods
- ✓ <u>Diversity</u> of inputs to decision making
- ✓ <u>Coverage</u> of the monitoring network
- ✓ <u>Awareness</u> of climate impacts
- \checkmark <u>Openness</u> to learning and new ideas



Policies

Indicators used in this study:

CIF Arenas of Intervention:



Source: Transformational Change Learning Partnership (TCLP)



4) Methodologic steps

Application of the assessment framework to extract lessons from the 2016/17 drought, and 2017/18 flooding:

- **Refine** and fine-tune the determinants, indicators and criteria used in the assessment framework.
- Identify key **stakeholders** who will be interviewed (up to 30).
- Conduct interviews using standardized **questionnaire** during field survey.
- Qualitative data **analyses** based on transcribed interviews.
- **Reporting** and recommendations.
- Multiple rounds of **stakeholder exchange** and discussion (La Paz).



Stakeholder mapping





Questionnaire:

- Participants included a range of water governance stakeholders and experts from national regional local scales.
- Included government representatives, NGO's, private actors and water users, and academic experts.
- Semi-structured open-ended interview lasting up to around 45 minutes.
- All responses were **confidential**.



La Paz, extreme drought of 2016/17



Cochabamba, extreme floods and mud flow of 2018



Example questions based on determinants and indicators:

Knowledge

- What kind of technical or scientific information is used to manage water supply in your region?
- **How** do you access this information?
- Can you give examples of how this information was used to manage the extreme situation?
- Was this information **shared** across different groups? How?

Such information collected for all determinants (regime, knowledge, networks), built a picture of how governance is or is not facilitating adaptive capacity in the water sector.



5) Main results



- **Planning horizons** remain relatively short-term -> forward-looking transformative adaptation planning is not yet widely evident.
- There has been significant strengthening of **monitoring networks** (SENHAMI), but gaps exist on the water demand side.





- **Communication** between state and civil society has been seen as a weakness, particularly in the lead up to 2016/2017 drought (rather reactive).
- A positive outcome of the recent crises has been the improved **awareness** across all stakeholders, and an openness for learning and altered behavioural thinking.





- Unsuccessful efforts to update the **water law** remain a challenge for longterm planning, and prioritisation during extreme events.
- The challenge for the governance system is to balance the distribution of water rights for different users on the one hand, but in case of extreme events, remain **flexible** enough to allow for short-term redistribution.





- Response to recent crises is considered to have been more reactive, rather than proactive.
- At micro-basin level, integrated watershed management plans are being implemented, building on high levels of **ownership** and **responsibility** that local communities have demonstrated.





- Some sectors not engaging in **negotiations**. At micro-basin level, differing perspectives between communities living upstream and downstream.
- There has been **learning**, but this has occurred in an adhoc fashion, rather than through any established networks or platforms.



- The evidence is predominantly mixed -> limited evidence for transformative processes.
- Identified weaknesses in the governance system are being addressed through programs such as PPCR. Focus on information systems, monitoring, early warning, and strengthened technical and institutional capacities.



• Core barriers are evident, and adaptation processes are characterized primarily as examples of persistent (**incremental**) change, often in response to recent drought and flood crises.



6) Recommendations

- 17 concrete recommendations have been given, where there are opportunities for programs to be expanded/adjusted, to **enhance transformative change** in the Bolivian water sector.
- Recommendations are all based on underlying **case evidence** (from the interviews), and aligned to the challenges and opportunities identified.
- Within the broader context of the CIF TCLP, recommendations are aligned with the Dimensions for Transformation and Arenas of Intervention.

CIF Arena of	How the PPCR aims to contribute?	What adjustments could strengthen the	Dimensions for	
Intervention		contribution of PPCR in Bolivia?	transformation	
Financing	Resettlement plan for flooded land, including	Ensuring that financial plans are in place to support	Relevance	
	payment and compensation mechanisms.	long-term sustainability of adaptation responses	 Sustainability 	
		established under PPCR; Platforms, projects, risk		
		reductions strategies (flood protection, early		
		warning), and other infrastructure require ongoing		
		maintenance and support programs.		



a) Challenges in long term planning

- Integration of climate scenarios into planning: Training in the use of climate scenarios, with an emphasis on decision-making in the face of often large uncertainties, e.g., irrigations systems, reservoirs, flood defence systems.
- Low-regret adaptation options: The creation of green-spaces in high risk land areas. Current regulatory efforts to maintain river zone security in Tiquipaya goes in the desired direction, and can be upscaled.
- Sustainability of technical resources: Institutionalisation of existing capacity building programmes to ensure longevity.



b) Challenges in governance across sectors

- Establishing intersectoral development objectives: Strategic pilot projects where outcomes are targeted towards overall sustainable development objectives, focusing on improved livelihoods, eco-system productivity, and health. Demonstrating how investments can be framed in the context of sustainable development.
- **Tools for intersectoral planning:** Support the development of tools or platforms that integrate information on socio-economic dimensions, environmental degradation and vulnerability of ecosystems into the planning process. Tailoring of tools to better support cross-sectoral development projects and the objectives.



c) Challenges in hydro-meteorological and climate services

- **Tailoring of data to sectoral needs:** End-users should be heavily consulted in the design of the data and information portals. Less can be more, with stakeholders identifying the need for a clear set of simple indicators that can be used as a basis for issuing flood and drought alerts.
- Establishing a national research agenda: Formalize linkages between the state and local universities, through the establishment of prioritised national research programs. Interventions that strengthen national research capacities can be seen as long-term, transformative investments.
- Integration of traditional knowledge: Strengthening joint-knowledge production, where local communities shift from being benefactors of the proposed interventions, to increasing being seen as active participants in the solution.



d) Challenges in building knowledge and awareness

- Establishing water as a resource: Education and awareness programs to change how society views water, such that water is valued as a resource that is to be protected and cared for, rather than simply as a commodity provided by the state. Generating ownership of the resource!
 - Goal 6 of the United Nation's 2030 Agenda, seeking to *"support and strengthen the participation of local communities in improving water and sanitation management"*





Lake Titicaca



• **Changing risk perceptions:** Resettlement from flooded areas is about more than payment and compensation mechanisms. Needs to be supported with education and awareness around risks, risk maps, event probabilities, and the impact of climate change on these risks.





Proyecto Glaciares, Peru



7) Future perspectives and concluding remarks

- There has been **considerable progress** in Bolivia, with a range of programs that are addressing many of the important challenges and gaps evident in the process of building adaptive capacity across the water sector.
- There remains significant opportunities for programs and interventions to address barriers and build on existing progress in the Bolivian water sector to better facilitate the journey towards transformative change.
- Under CIF, learnings and experiences from this study have the potential to serve as a reference for assessment and the design of adaptation programs across other countries where climate change and water security threaten sustainable development.
- For outscaling and replication, times-scales need to be well planned to allow for the **local tailoring** and close stakeholder interactions required.

Thanks to all involved in the project and we are looking forward to future discussions and opportunities to take this work further!



Implications of the study results for future water resource management policies in Bolivia

Joint CIF-IDB Webinar: Building Adaptive Capacity in the Water Sector under a Changing Climate (7 October 2020)

Javier Gonzales Iwanciw

Outline

Sector and territorial priorities in the water sector

Contribution of the PPCR

Mainstreaming adaptation in the wáter sector

Evaluation of the PPCR

adaptive capacity and transformative governance How this recomendations can be adopted in NDC revision and NAP design

Mainstreaming climate change in the water sector.

2007 – 2012

Building up the water sector policy

- Initial steps

 Conformation of the Multidonor Basquet Fund

2012 – 2015

Enhancing capacities for water governance

- Consolidating good watershed practices with different stakeholders
- Developing the tools for climate proofing water projects
- Scaling up public investments in the water sector

2016 – 2018

Scaling up watershed planning

- 15 Watersheds in the country
- Better integration of climate change adaptation in watershed plans
- Information systems and hydrological modeling,
- Restoration of environmental functions

PPCR

National Watershed Plan

PPCR Contribution



Component 1: National capacities for planning adaptation Component 2: Water provision for the La Paz – El Alto city



Component 3: Integrated Watershed Management in river Grande

Mountain regions in Bolivia becoming dryer





Source> Vicente-Serrano et al. (2014). Spatiotemporal variability of droughts in Bolivia: 1955– 2012

Poverty concentrates in mountain areas



PPCR Contribution







La Paz – El Alto

La tierra de la represa de Hampaturi esta totalmente seca. Foto: La Razón

7/10/2020



7/10/2020

PPCR outputs

PPCR Technical Assistance in the water sector

Integra climate r in wate	ition of esilience er plans	Climate proofing water infrastrucuture	Identification of performance indicators	Informa SN	tion Hub ICA
Watershed plansResilience of water provision services		Law 602 of DRR	Results based management	Hidrological models	Drought forecasting and early warning system
		Climate proofing critical infrastructure			

Towards transformative adaptive capacity in the water sector



- · Improved awareness and priority setting around climate change issues
- · Enhancements in meteorological and climate facilities
- Integration of climate change in planning efforts
- Progress in intersectoral planning
- Improved technical and institutional capacities
- Improved water saving efforts
- Greater participation of civil society



- Constraints for capturing and assimilating lessons
- Technical capacities and staff limitations
- · Weakness in meteorological and climate services
- Difficulties for long-term planning and climate change integration
- Limitations in intersectoral coordination
- · Challenges in preparatory and contingency planning
- · Lack of knowledge and information across broader segments of society
- Weaknesses in irrigation systems
- Difficulties for territorial planning

Towards transformative adaptive capacity in the water sector

Figure 9. The types of adaptation processes currently active in the Bolivian water sectors, based on the classification of case evidence that has been reviewed according to the 13 indicators established under the assessment framework (based on detailed evidence presented in Table 5).





NAP: **Territorial and** integrative approaches (EbA, Smart cities, climate Smart agriculture) Sectors: Water, Agriculture, Human Health

Main recomendations for adaptive capacity in the water sector

,



The Integrated Water management (IWM) concept in practice





Outcomes:

- Ecosystem robustness Resilient livelihoods Empowered communities and institutions
- Water security and better nutrition
- Wellbeing & happiness

Source: Integrated Water Management Project, Swiss Development Cooperation

I will apreciate your comments and questions!!

Javier Gonzales Iwanciw Senior Research Associate – Climate Change Policy Universidad Nur jgonzales@nur.edu

Q&A and Discussion

Please share any questions/thoughts in the chat function





Thank you for taking part in the webinar!

For any questions, please contact Loreta <u>lrufo@worldbank.org</u> or Hanna <u>hschweitzer@worldbank.org</u>



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