

Lima Conference on Latin American Water Challenges Draws from International Solutions

11 October 2016 | LIMA, PERU | Latin America's water utilities, like others around the world, find themselves in an increasingly precarious position as climate change compounds ongoing challenges like water scarcity, deteriorating water quality, and inadequate infrastructure. A growing number of water utility operators, water users, and governments recognize the critical role that ecosystem services like water filtration and regulation play in maintaining watersheds and drinking water systems. However, there have been few opportunities for these groups to work together using their combined knowledge and capabilities.

To address this disconnect, Forest Trends and Peru's national water utility regulator, SUNASS, with the support of the Swiss Agency for Development and Cooperation (SDC), are hosting the <u>Katoomba Marketplace:</u> <u>Latin America</u> conference in Lima from October 11 to 12, 2016. The international meeting brings together a broad cross-section of stakeholders – from policymakers, regulators, water utilities, and high-level investors to experts in disciplines including conservation, finance, sustainable forestry, and engineering. Together, they will seek solutions to the most pressing water challenges facing Latin America and the Caribbean and explore promising new frontiers for financing watershed conservation in the region.

Forward-thinking utilities across Latin America are already taking proactive steps to meet these challenges – in Peru, for example, they've already committed over US\$135 million to climate change adaptation and the protection, restoration, and enhancement of ecosystem services. However, to apply these solutions at a significant scale, finance from public and private sources must become better coordinated and more targeted – ensuring that public funding effectively enables private investment. Investors are taking a keen interest, particularly as "impact investing" gains steam, but to date have been discouraged by the lack of investable watershed conservation projects.

At *Katoomba Marketplace: Latin America*, leading experts will consider opportunities to bridge that gap, utilizing new tools and positive political signals to develop actionable financial investment proposals. Over two days of intensive presentations and discussions, approximately 150 participants will explore innovative models for financing "green infrastructure," forge new relationships between the water sector and finance sector, and reflect on how to bring watershed conservation to much greater scale in the region over the next decade.

The event presents a rare opportunity for Latin American utilities, regulators, project developers, and policymakers to exchange experiences and ideas with their counterparts in the United States. They'll look at a landmark regulation recently adopted in Peru, which opens the door for public finance to reach effective watershed conservation projects on the ground by ensuring that the concept of payments for ecosystem services is explicitly endorsed under national law. Water utilities from Ecuador and Costa Rica will also share lessons from progressive models they've pioneered, using regulation-backed commitments of tariff funds to finance green infrastructure and watershed conservation.

Likewise, Latin American water utilities and regulators will hear perspectives from their peers in the United States, who will present their own promising examples of public-private investment models. California-based firm Blue Forest Conservation will showcase an innovative "Forest Resilience Bond," which, by financing forest restoration projects in the US West, reduces fire and drought risk while creating monetary value for utilities and state governments and agencies. Encourage Capital, a private asset manager focused on conservation investments, will also show how a stormwater credit trading program in Washington, D.C. is promoting investments in green infrastructure to naturally prevent run-off from polluting the nearby Chesapeake Bay.

This week's meeting is the first in a series entitled *Katoomba Marketplace: Opportunities for Investment in Green Infrastructure*. For more information, see the <u>event overview</u> and <u>agenda</u>.

Media Contact: Will Tucker +1 202 446-1996 wtucker@forest-trends.org

Forest Trends is a Washington, D.C.-based non-profit organization whose mission is to conserve forests and other ecosystems through the creation and wide adoption of a broad range of environmental finance, markets and other payment and incentive mechanisms. Learn more at <u>Forest-Trends.org</u> or follow our latest work on <u>Facebook</u> and <u>Twitter</u>.