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China Leads in Investing in Watersheds to Protect Drinking Water

Posted by [Brian Clark Howard](#) of National Geographic on January 18, 2013

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China faces significant water scarcity and security problems, but the country is investing heavily in watershed protection. Andrew Crane, MyShot

China may be struggling with [air quality](#), but the world's most populous nation is getting some things right when it comes to safeguarding drinking water, according to a report released this week by [Forest Trends' Ecosystem Marketplace](#).

That report, *State of Watershed Payments 2012*, is the second installment of a survey of efforts around the world to protect, purify, and store freshwater for drinking by paying individuals and communities to preserve forests, wetlands, and streams. Such eco-friendly water-protecting projects have nearly doubled over the past four years, according to the report.

"Whether you need to save water-starved China from economic ruin or protect drinking water for New York City, investing in natural resources is emerging as the most cost-efficient and effective way to secure clean water and recharge our dangerously depleted streams and aquifers," Michael Jenkins, Forest Trends president and CEO, said in a statement.

Jenkins added that [80 percent of the world](#) is now facing significant threats to water security.

Forest Trends' [Ecosystem Marketplace](#) tracks projects that provide "payments for environmental services," such as when New York City paid upstate landowners to protect an important watershed. Forest Trends says such investments in watershed services can be cost effective while financing conservation at the same time and providing a new revenue source for rural communities.

Billions Invested

The report cited 205 watershed programs—up from 103 in 2008—that in 2011 generated \$8.17 billion in investments, an increase of nearly \$2 billion above 2008.

About 91 percent of all watershed investments made in 2011 happened in China, according to the report. As one example, the Chinese government is incentivizing more than 100,000 people who live upstream of the southern coastal city of Zhuhai by rewarding them with new health insurance benefits if they adopt water-friendly land management practices.

Forest Trends pointed out that China has some work yet to do, because "water scarcity and water pollution already cost China 2.3 percent of its gross domestic product. Water insecurity poses probably the single biggest risk to the country's continued economic growth today, and the government has clearly decided that its ecological investments will pay off."

Forest Trends also argued that New York City was able to provide clean, safe drinking water throughout the Hurricane Sandy disaster because officials had opted to preserve the watershed.

A spokesperson for Forest Trends told us via email, "If the New York City metropolitan area had depended on manmade infrastructure to pump and filter its drinking water—like we do in Washington D.C.—Hurricane Sandy's damage would have been even more staggering. But clean, safe drinking water kept flowing during the storm precisely because the city had chosen to pay millions to farmers and communities in upstate New York to reduce pollution in the lakes and streams that provide the city with its drinking water—instead of investing billions in a water treatment plant that likely would not have worked when the lights went out."

Water Around the World

Elsewhere in North America, Forest Trends found 68 watershed payment programs, with the highest number in Oregon, Washington, and Minnesota.

Globally, the report noted that one third of the World Bank's loans involve water projects, yet most still stress traditional treatment plants instead of "green" projects that protect the sources of water, while providing secondary benefits to the environment and local people.

As another example of what's possible, in Kenya's [Lake Naivasha basin](#), a group of farmers, ranchers, and hotel operators came together to help protect their water supply. They are helping local smallholder farmers buy high-yield crop varieties in exchange for the farmers reducing runoff and taking other conservation measures.

[Learn more about the report.](#)

Brian Clark Howard covers the environment for National Geographic. He previously served as an editor for [TheDailyGreen.com](#) and [E/The Environmental Magazine](#), and has written for [Popular Science](#), [TheAtlantic.com](#), [FastCompany.com](#), [PopularMechanics.com](#), [Yahoo!](#), [MSN](#), and elsewhere. He is the co-author of six books, including [Geothermal HVAC](#), [Green Lighting](#), [Build Your Own Small Wind Power System](#), and [Rock Your Ugly Christmas Sweater](#).