

Canada should price water higher to preserve resource: Report

By Giuseppe Valiante, Canwest News Service June 22, 2010



A national water credit program would work in Canada if the government sets a water quality standard in the form of caps on certain types of pollutants that are released into the country's waterways,

Photograph by: Yusuf Ahmad, Reuters

The government of Canada should consider starting a water credit market and using other methods to price water in order to save Canada's precious liquid resource, says a report from an international environmental think-tank.

From the salmon habitats of the Pacific Coast to the watersheds that feed Prairie farms, Canada should price water so its citizens are more mindful of how they use it and to regulate pollution, says Tracy Stanton, lead author of the report by Ecosystem Marketplace. Stanton's group tries to raise awareness of projects around the world that are using programs to price ecosystems in order to protect them.

In the study, funded primarily by the American and Dutch governments, 288 programs were identified worldwide that participate in so-called payments for watershed services, such as trading credits for water pollution or government programs that offer funds to businesses working toward improving the quality of a particular water source.

The U.S. and China are leading the world in this still relatively nascent industry, which yielded about \$9 billion in 2008. Compared to the world carbon market, which traded close to \$150 billion in 2009, the water credit market is small but has untold potential, says Stanton.

A national water credit program would work in Canada if the government sets a water quality standard in the

form of caps on certain types of pollutants that are released into the country's waterways, Stanton said. Businesses, in order for their emissions to stay within the law, would have to cut back on the amount of pollutants they release or buy credits from firms that produce less than the cap.

"It comes out being quite an economically advantageous way of meeting those pollution targets," said Stanton.

Stanton's team identified only one watershed pricing project in Canada, called the South Nation Total Phosphorus Management Program, which attempts to protect the South Nation River in southern Ontario from being polluted by phosphorus.

The project started in the late 1990s and for the first few years "we were flying by the seats of our pants," said Dennis O'Grady, general manager of the South Nation Conservation Association, the non-profit group that runs the water credit program. "It took a while for people to trust us and what we were doing."

Today, 15 municipal and two industrial dairy waste water treatment plants are buying permits to operate along the South River.

In order to obtain a permit from the provincial government to operate a waste water treatment facility, businesses must get accreditation from the SNCA, proving they paid for the amount of phosphorus they produce. That money goes into a fund managed by O'Grady and the SNCA and gets distributed to farmers along the South Nation River to pay for projects that prevent phosphorus on farms from entering the river.

O'Grady said putting a price on ecosystems is an essential way to protect them.

"If you get something for free, it's never your responsibility," he said. "I'm in favour of having the environment worth something."

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