Theme 2
Setting Priorities and Making Informed Decisions
Module 9
Understanding the Policy Context
Learning objectives

1. Identify and link existing local watershed priorities and tasks to broader regional, national (potentially international) priorities and processes.

2. Prioritize specific policies, markets and other opportunities and strategies in which to connect TAW efforts with these for optimal impact and added value.
Key questions

• What are the international, national and local priorities, policies and markets related to land and water management, climate adaptation and mitigation, and development?

• Based on the previous identification of watershed ecosystem services, which components of the policy and economic context intersect with these ecological goods and services?

• Can we identify ways to take advantage of regional and national processes with adaptive watershed management or, at minimum, not work at odds with those processes?
Public policy and policy toolkit

- Policies are simply broad statements of purpose.
- The intent of a policy is implemented via policy instruments, including:
  - Regulatory instruments
  - Economic instruments
  - Expenditure instruments
  - Institutional instruments
SDGs most relevant for TAW

Targets on integrated water resources management, protection and restoration of water-related ecosystems, international cooperation and capacity-building, participation of local communities.

Targets on effective participation and equal opportunities for leadership at all levels of decision-making; give women equal rights to economic resources, as well as control over property, financial resources, natural resources, etc.

Targets on integrating climate change measures into national policies and planning; improving education, awareness and capacity on climate adaptation; implementing commitments, and promoting mechanisms for raising capacity for effective climate change related planning and management.

Targets include conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services; promoting fair and equitable sharing of benefits from genetic resources; integrating ecosystem values into national and local planning; mobilizing financial resources for ecosystem management; etc.
Many countries have some form of national development plan. National plans often provide long-term national goals and identify the role of different sectors or government departments in achieving those goals.

- E.g. South Africa’s NDP 2030 aims to eliminate poverty and reduce inequality by 2030 through an inclusive economy, building capabilities, enhancing the capacity of the state and promoting leadership and partnerships throughout society.
- Uganda’s current NDP focusses on “Strengthening Uganda’s Competitiveness for Sustainable Wealth Creation, Employment and Inclusive Growth”
Typically, a national budget signals government priorities and strategic spending allocations. For example:

- **Uganda’s** 2017/18 budget emphasizes infrastructure investments as works, transport, energy and mineral development sectors are expected to take 35.1% of the national budget.
- In **Peru**, the president authorized a 3% (USD 1.35 billion) budget allocation increase for recovery efforts amidst heavy rains and flooding.
- **Tanzania’s** 2017 budget focusses on “industrialization for job creation and shared prosperity.” It provided tax cuts for farmers, fishers, the disabled and the tourism industry. Tax increases were aimed at mineral exporters, petroleum, alcohol, tobacco.
- **Canada’s** 2017 budget, titled *Building a Strong Middle Class*, provides investments in skills, capacity building and gender equality; strengthening Canada’s universal health care system; green infrastructure and combating climate change; building a strong economy; and advancing reconciliation with Indigenous communities.
National adaptation planning

- Under the 2010 Cancun Adaptation Framework, the United Nations Framework Convention on Climate Change (UNFCCC) established the national adaptation plan (NAP) process: a commitment to adaptation at the highest political level under which countries have committed to improving their “ability to adapt to the adverse impacts of climate change,” engaging in adaptation planning processes and implementing adaptation actions (United Nations Framework Convention on Climate Change [UNFCCC], 2015).
National Adaptation Plan (NAP) process

• The NAP process aims to facilitate the integration of climate change adaptation into development planning and budgeting processes at the national, sectoral and subnational levels, and thereby systematically reduce the vulnerability of a country to the impacts of climate change in the medium and long terms.

• Specifically:
  • Enhanced action on adaptation should follow a country-driven, gender-sensitive, participatory and fully transparent approach, taking into consideration vulnerable groups, communities and ecosystems.

Source: NAP Technical Guidelines, 2012
Key features of the NAP process

Illustration of the National Adaptation Plan process within a country
Key features of the NAP process

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NAP processes

Through the NAP process, Kenya prioritized adaptation actions that integrate ecosystem services to support adaptation. For example, Kenya aims to:

- Undertake climate vulnerability and risk assessments on ecosystems and provide guidance on relevant adaptation actions
- Integrate ecosystem- and community-based approaches in sector strategies in support of adaptation to reduce natural resource based conflicts.
- Continue the rehabilitation of water catchment areas in order to provide sustainable ecosystem services

Through the NAP process, Brazil aims to increase the climate resilience of 11 sectors, including: Agriculture, Biodiversity and Ecosystems. Brazil’s NAP aims to:

- Promote and integrate a crosscutting Ecosystems-based Adaptation (EbA) methodology for all sectors, for use of ecosystem services as an alternative and/or complementary adaptation strategy

The NAP lays out the following goals for ecosystems:

- Preparation of EbA measures in areas of climate change and at risk of extreme events.
- Modelling the impact of climate change on biodiversity for use in public policies for conservation, recovery and sustainable use of biodiversity.
- Deployment of monitoring in 50 federal Conservation Units, for evaluation of the impacts of climate change on current and future biodiversity.
Integrated water resources management (IWRM)

- IWRM is broadly understood as watershed-based management that encompasses both land and water; involves stakeholders, particularly women and other under-represented sectors; and recognizes that water has economic value.
IWRM examples

- Uganda’s 1999 National Water Policy highlights the need for integrated and sustainable management of water resources for water security, as well as to meet needs of present and future generations.

- Uganda’s current catchment management planning emphasizes localized management including coordinated actions between sectors, technical analyses and inclusion of key stakeholders.
IWRM examples

- **Peru’s** National Water Authority in the Ministry of Agriculture and Irrigation has been working on water governance, to resolve water conflicts and competition. There are recommendations to form basin water resources councils and conduct IWRM planning.

- Integrated management of water resources in 10 watersheds is a World Bank supported project in Peru that aims to improve IWRM in select basins, while coordinating with IWRM at the national level.
Markets

- Ecosystem service markets include traditional markets, including for food and minerals.
- Also include non-traditional and emerging markets for water, forest stewardship, wetlands, etc.
- Based on global consensus on the value of protecting forests in tackling climate change, Reducing Emissions from Deforestation and Degradation (REDD) financial incentives and policies are targeted at developing countries.
- Payments for ecosystem services (PES) exist in different forms but need support from national policies/markets
Incentives

- Other than markets, other financial mechanisms exist for protecting and enhancing ecosystem services.
- In some countries, such as Brazil, regulatory requirements for development include the need to offset developmental impacts on habitat or biodiversity.
Activity: Identify existing priorities (20 min)

- Identify any government plans, programs, funds, etc., that relate to your priority watershed ecosystem goods and services (EGS).
- Add details about goals, resources, targets and stakeholder engagement.
- Categorize these as high, medium and low priority around linkages to your watershed EGS using the provided template.
- Report back in plenary.
## Plenary discussion (20 min)

<table>
<thead>
<tr>
<th></th>
<th>EGS 1</th>
<th>EGS 2</th>
<th>EGS 3</th>
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<tbody>
<tr>
<td>NDP</td>
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<td>NAP</td>
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<td>Budget</td>
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<td>Other…</td>
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### Alignment Levels

- **Strong alignment**: 2
- **Moderate alignment**: 1
- **No alignment**: 0
- **Barrier**: -1
You will recall, policies are implemented via *policy instruments*, including:

- Regulatory instruments: (for e.g. laws and regulations)
- Economic instruments: (for e.g. incentives, taxes and subsidies)
- Expenditure instruments: (for e.g. education)
- Institutional instruments: (for e.g. establishing watershed groups)
Regulatory policies

- Include legal mechanisms
- Most often aim to create a legal mandate for change towards socially (or environmentally) responsible behaviour.
- These can include legislation, liability, enforcement activity, etc.
- Dependent on, and can be ineffective without, necessary enforcement.
Economic policies

- Often refer to a measure that influences a price for a good or a service.
- Economic instruments also include market instruments or financial incentives.
- Include tradable permits, deposit refunds, performance bonds, taxes, license or user fees, subsidies, taxes, etc.
- Increasingly being seen as a means for environmental management.
Expenditure policies

- Include direct government expenditure to directly affect behaviours.
- This includes large government programs, including encouraging technological innovation.
- Specific instruments include a wide range of programming, such as green procurement, research and development, and education.
Institutional policies

- These affect the working of the government itself in an effort to promote change.
- Internal education, committee, research and development, auditing functions, etc. are included in this category.
- Includes development of government departments and policies focussed on specific issues.
Aligning watershed ecosystem services with broader priorities

Why?
- Ensuring government support, protection, funding etc. for watershed priorities
- Ensuring local support for broader objectives
- Minimizing unintended risks
- Coordinating actions on local-to-global goals

How?
- Understanding broader priorities as possible
- Noting resources and institutions associated with these
- Aligning with these institutions, resources and government departments
Activity: Identify and rank policies  (20 min)

• Identify 3–5 key regulatory, economic, expenditure and institutional instruments relevant to your watershed needs.
• These can include water allocation regulations, fees for tourism, taxes on agricultural lands, government programming on mercury from small mining, the setting up of government review committees for women’s sanitation issues, etc.
• Rank your policies based on urgency and importance (see four-quadrant ranking on next slide)
Activity (continued)

<table>
<thead>
<tr>
<th></th>
<th>Urgent</th>
<th>Not urgent</th>
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<tbody>
<tr>
<td>Important</td>
<td>Urgent and important</td>
<td>Important but not urgent</td>
</tr>
<tr>
<td>Not important</td>
<td>Urgent but not important</td>
<td>Not urgent and not important</td>
</tr>
</tbody>
</table>
### Activity (continued)

How to address priority EGS (from earlier activity)

<table>
<thead>
<tr>
<th>Priority linkages (urgent and important)</th>
<th>Policy</th>
<th>Strategy (who, what, how/where to target)</th>
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</thead>
<tbody>
<tr>
<td>EGS 1+EGS 3</td>
<td>NAP</td>
<td></td>
</tr>
<tr>
<td>EGS 1+ EGs 2</td>
<td>IWRM</td>
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