

GLOBAL WATER SUMMIT 2022 Water-Positive Zero Carbon



Dr. Hazim El-Naser
Chairman of the Middle East Water Forum
Former Minister of Water and Irrigation / Jordan
Former Minister of Agriculture / Jordan
Former Member of the Jordanian Parliament

Working Session on Monetising Carbon for SDG6 Finance May 16-18, 2019 Madrid, Spain

Introductory Notes By: Dr. H. El-Naser

How do you think climate finance can have the biggest impact on SDG6?

Chairman of the Middle East Water Forum (MEWF), Former Minister of Water and Irrigation,
Former Minister of Agriculture, Former Member of the Jordan House of Representatives.

Thank you, Mr. Chairman,

Achieve equitable and sustainable access to safe and affordable drinking water and sanitation as mandated by SDG6 requires efficient utilization of resources and additional sustainable infrastructure including upgrading for water and sanitation. Construction of the infrastructure necessary to achieve SDG6 goals needs additional finance which can be partially covered by carbon credits. To utilize the carbon credits financial facility, we need to remove all barriers and obstacles.

I will elaborate on some of these barriers/obstacles which prohibit water utilities to move forward faster with low carbon emissions and carbon credits which can bring significant finance to water utilities in time of scarce resources. I will

address awareness, simplification, standardization, and fragmentation of process.

I will start by saying, I am right if I say not many of the water utilities experts understands fully the carbon credits and low carbon emissions and net zero, etc. So, I think the first step in making it work is to raise awareness, educate utilities, train them, and demonstrate to them the opportunity in pilot projects, documented in a simplified step by step. Kyoto protocol of 1997 is not a Bible, and we need to reevaluate as we move forward.

Why raise awareness, because water utilities of the developing countries have a general inception that developing countries are not the concerned parties to global warming due to their low emissions being well below the global average. In other words, we have to convince these countries that they have all the reasons to be partner into the mitigation process by utilizing the development mechanism (CDM) for the benefits of additional finance.

As you may know, the approach for certification started with the determination of the additionality and then we start working on delineating or set up of baseline. An action cannot be certified as an offset, just because it reduces carbon emissions, but rather due to the motivations imposed by the scheme or project incentives. Therefore, it's important to identify the relation between the incentive and the action taken, to determine the emissions impact without the incentive.

To do the additionality, base line and carbon credit certification, there is a high transaction cost involved plus the complexity of the matter as said earlier. The high cost mainly goes for the different types of testing, environmental integrity and to achieve a more project-customized approach. A possible solution to this issue is to adopt a more standardized approach and moving away from project-by-project determination and request less project-specific information for the approval.

In summary, we need to narrow the scope by simplifying the process, including reevaluating Kyoto protocol, given the state of the carbon market and its fragmentation and the required narrow detailed eligibility to determine additionality. This will also help in not crediting additional projects which might not be needed considering the environmental integrity.

Finally, the interlinkage (nexus) between water, energy, and environmental authorities at the national level needs to be clarified at the highest governmental level, in terms of who is doing what, for the purpose of priority actions as planned nationally for climate change mitigation and adaptation.