

# **OECD Global Forum on Sustainable Development on Financing and pricing water: The roles of government policies, the private sector and civil society**

## **Session 3: Managing water resources: Sustainable management of water resources in agriculture 1-2 December, 2008**



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# Organisation of Session 3: 16.30 - 18.30

- **James Horne:** Opening comments by Chair
- **Kevin Parris:** OECD Secretariat overview
  - **Asit Biswas:** Which developments in the future will *have the most significant impact on the supply and demand for water in agriculture?*
    - ❖ *Open discussion by participants*
  - **Alberto Garrido:** *What are the main constraints and opportunities in recovering the full supply costs of water in agriculture?*
    - ❖ *Open discussion by participants*
  - **Marca Weinberg:** *Which actions could governments take to improve policy coherence that would most cost-effectively achieve policy objectives relating to the economic, environmental and social aspects of agricultural water?*
    - ❖ *Open discussion by participants*
- Open discussion by participants across the three questions
- **James Horne:** Closing comments by Chair

- Agricultural resource water management (ARWM) covers: rainfed to fully irrigated agriculture; management of floods, droughts, drainage; and conservation of aquatic ecosystems
- ARWM operates in a highly diverse set of political, cultural legal and institutional contexts, encompassing four key areas of public policy: agriculture, water, environment and energy.
- Agriculture consumes about 70% of the world's freshwater consumption and over 40% in OECD countries.
- Growth in world population to 9 billion by 2050, will involve a major expansion in demand for food and water.
- ARWM is already and is projected to be greatly influenced by climate change, although with highly variable regional effects.



# Current Issues



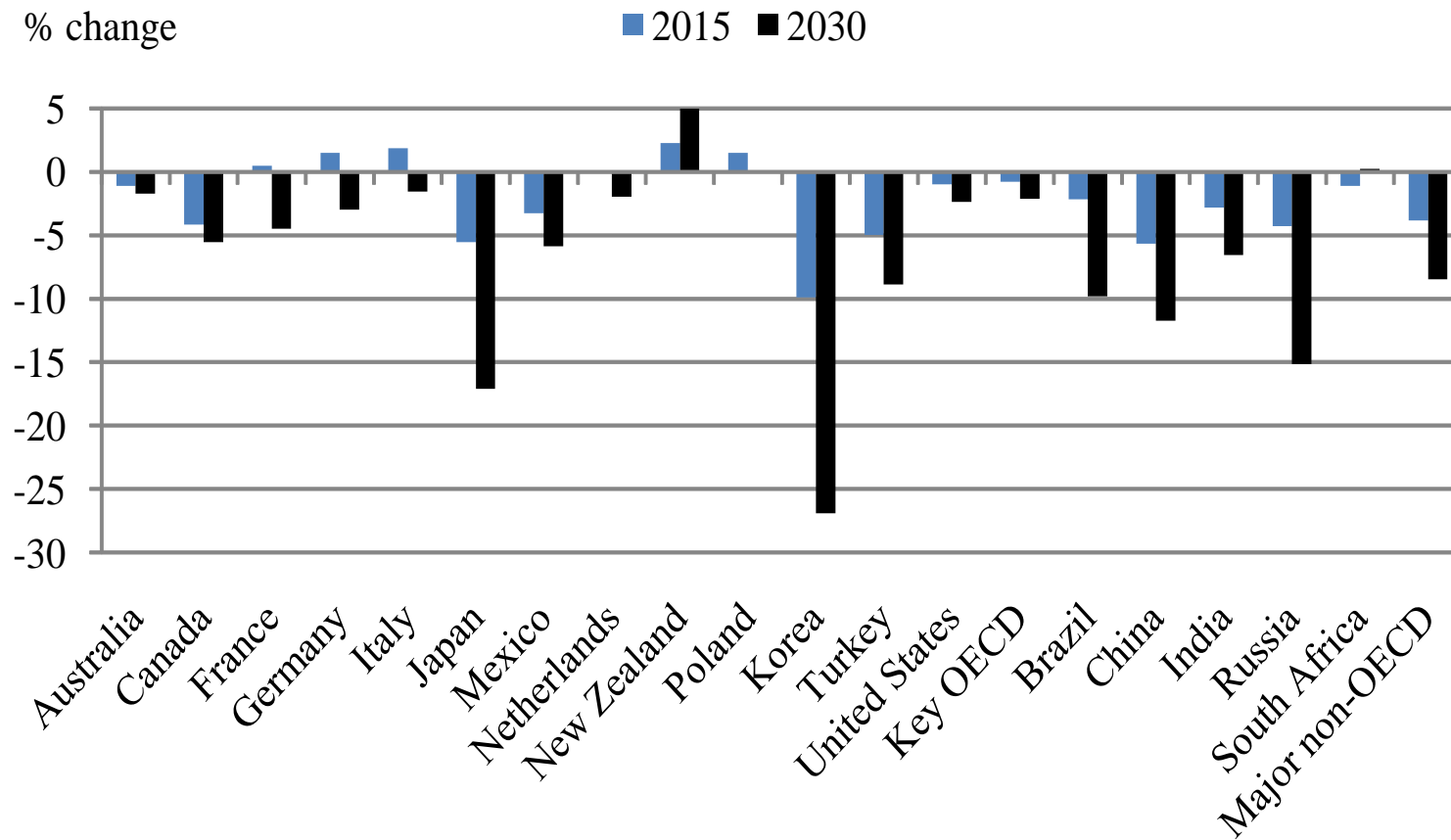
- Increasing competition for water resources between agriculture, other users, and environmental needs
- Groundwater use for irrigation is above recharge rates in some regions, while groundwater pollution is growing
- Over exploitation of surface water resources in some regions, harmful to aquatic ecosystems, recreational uses and fishing
- Improvements in physical efficiency of agricultural water use, but further progress required to help release water
- Growing incidence and severity of floods and droughts in many OECD countries leading to rising costs for agriculture



# Future Prospects



Percentage change in the share of agricultural water consumption in total water consumption 2015 and 2030, from the 2000 baseline, but overall agriculture projected to remain major water user in most cases





# Policy Challenges



- Share of OECD agricultural support linked to production and inputs still remains at 55% in 2005-07
- While most OECD farmers cover operation and maintenance costs for water supplies they rarely cover capital costs
- Policy incoherence: problem of institutional complexity and contradictory policies, e.g. agri-environ. vs energy support
- Policies concerning floods and droughts in agriculture presently focus on disaster relief, not adaptation & mitigation
- Knowledge and monitoring of hydrology, agriculture and environment links, less developed than water policy changes



# Policy options



- Increase progress to decouple agricultural support from production to increase water use efficiency and provide environmental benefits.
- Ensure charges for surface water cover full supply costs and enforce regulatory compliance for groundwater to improve water use efficiency.
- Strengthen coherence between agriculture, water, energy and environment policies.
- Enhance efforts to build water management strategies into agriculture's response to mitigation and adaptation to climate change.
- Improve knowledge and assessment of linkages between agriculture and water resources.