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Statement by FAO on Water and Investment

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The agricultural sector requires water to produce the food needed to feed the world's growing population, while it is also true the sector needs to improve its water use efficiency in order to meet future water demands from agriculture as well as other water using sectors.

FAO has been conducting various activities to improve the water use efficiency in its Member countries through normative work on issues such as crop water productivity, generating "more crop per drop"; small-scale cost-effective rainwater harvesting technology; low-cost irrigation methodology and irrigation modernization, including advises on the policy and institutional arrangements for water resources management in developing countries. Organizing local farming communities is key and at the field programme, for example, FAO has been implementing Farmer Field Schools for farmers and local people to solve their water and soil problems by themselves. This gives the ownership and opportunity to farmers to consider better water management practices and to build their capacity to improve water use efficiency.

The SG's paper provides key elements for the actions to be taken to improve water use efficiency, but generating the necessary investment for those actions remains a challenge. The investment in the agricultural sector has been decreasing in the last decade, both nationally and internationally. With an overall share of 70% of all uses, improving water use efficiency in agriculture holds a large part of the keys to sustainable water resources management, and this requires that we rethink the need for investment in agricultural water use, to target those areas mentioned in the SG's paper.

In addition to the above, farmers' awareness on the scarcity of water is imperative to improve the water use efficiency in the agriculture. Of course this awareness would be created if water use or irrigation practices are better linked to markets. Farmers are sensitive to market demands in using the limited water resources for the crop production - therefore developing agricultural markets and access to markets is crucial also for water management.

However, as the Delegation of Jamaica mentioned in the session yesterday, even raising public awareness needs financial resources for developing countries to take action. The investment in this area might be limited, but a high return on investment would be realized if the farmers and local communities are well informed of water scarcity and the need for efficient water use. Using participatory water valuation approaches would be instrumental to this goal, generating awareness on the economic, social and environmental values of water resources, while at the same time offering a mechanism to facilitate local water management and conflict resolution.

Finally, FAO wants to highlight the important inter-linkages between water for agriculture and ecosystems in rural water management, as were discussed at the FAO/Netherlands Conference on Water for Food and Ecosystems, presented by our Colleagues from the Netherlands on Monday.

In conclusion, FAO continues to mobilize the resources to support the countries to take actions on better water management. At the same time, we think it would be important for the IPM to make a policy recommendation to CSD-13 to ensure that investment issues related to water in the agricultural sector are properly reflected in discussions on water.