

Module 4: Economic and Financial Aspects of IWRM

Aim:

Introduce basic financial and economic principles associated with IWRM so that the participants will be able to understand the implications of economic and financial strategies used in implementing IWRM.

ILOs:

At the end of this module, the participants will be able to

- describe the process of water allocation by taking water as a social and economic good
- identify appropriate economic tools and financial arrangements required for effective implementation of IWRM.

Contents:

Basic Concepts of;

- relevant economic theories,
- economic concept of water scarcity,
- water as economic and social good.

Water markets

- Functioning, strength and weaknesses of water markets,
- Role of economic measures on water conservation and pollution control,
- institutional requirements for water markets

Economic tools in IWRM

- different types of tools
- evaluation of economic tools,
- economic efficiency.

Financial Instruments

- Financial instruments and strategies in IWRM,
- Success and failure stories of economic and financial instruments in IWRM.